November 12, 2026

Company Name	Kudan Inc.	
Representative	CEO	Daiu Ko
	(Securities code: 4425 TSE Growth)	
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Video and Transcript of the Financial Results Presentation Now Available Online (Q2 of the Fiscal Year Ending March 2027)

Kudan Inc. ("Kudan") announces that the video and transcript of Kudan's financial results presentation for the second quarter of the fiscal year ending March 31, 2027 are now available online. The transcript is attached to this release.

【Financial results presentation (Q2 of the fiscal year ending March 2027)】

1. Date: Thursday, November 12, 2026
2. Speaker: Daiu Ko, CEO

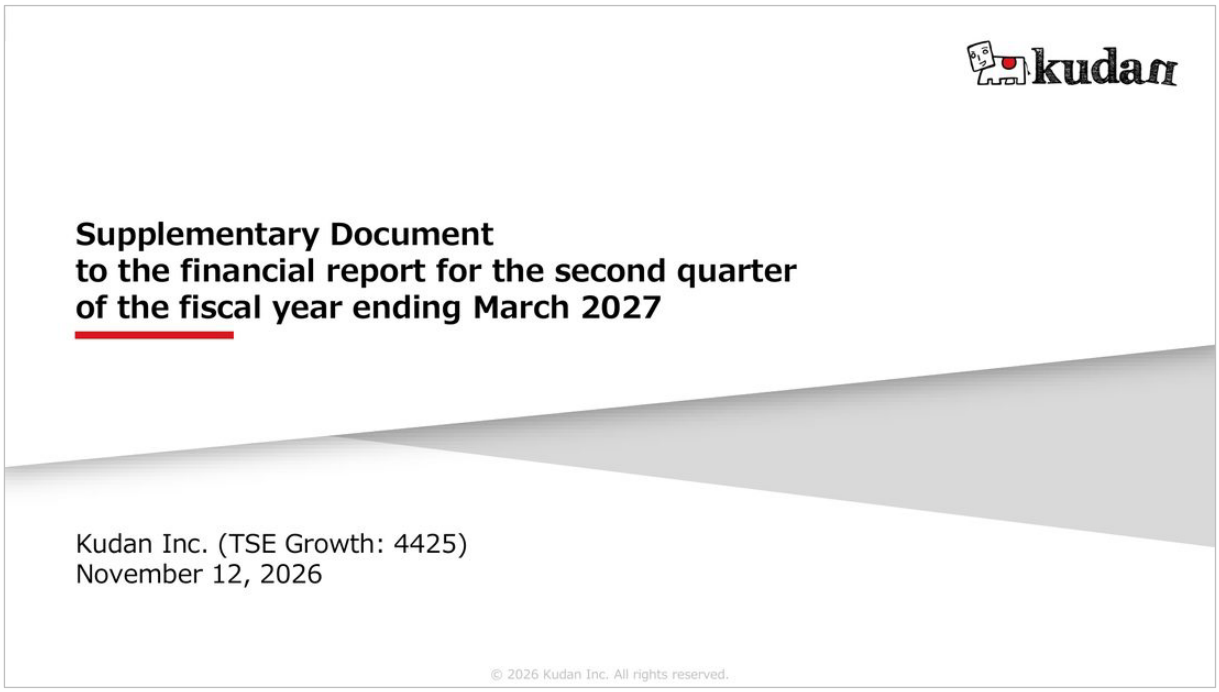
▼▼The financial results presentation video can be viewed from the link below▼▼
https://youtu.be/kljZWijQiwY

■Company Details
Name: Kudan Inc.
Securities Code: 4425 (TSE Growth)
Representative: CEO Daiu Ko

■For more details, please contact us from here

[Transcript] Financial Results Presentation (Q2 of the Fiscal Year Ending March 2027)

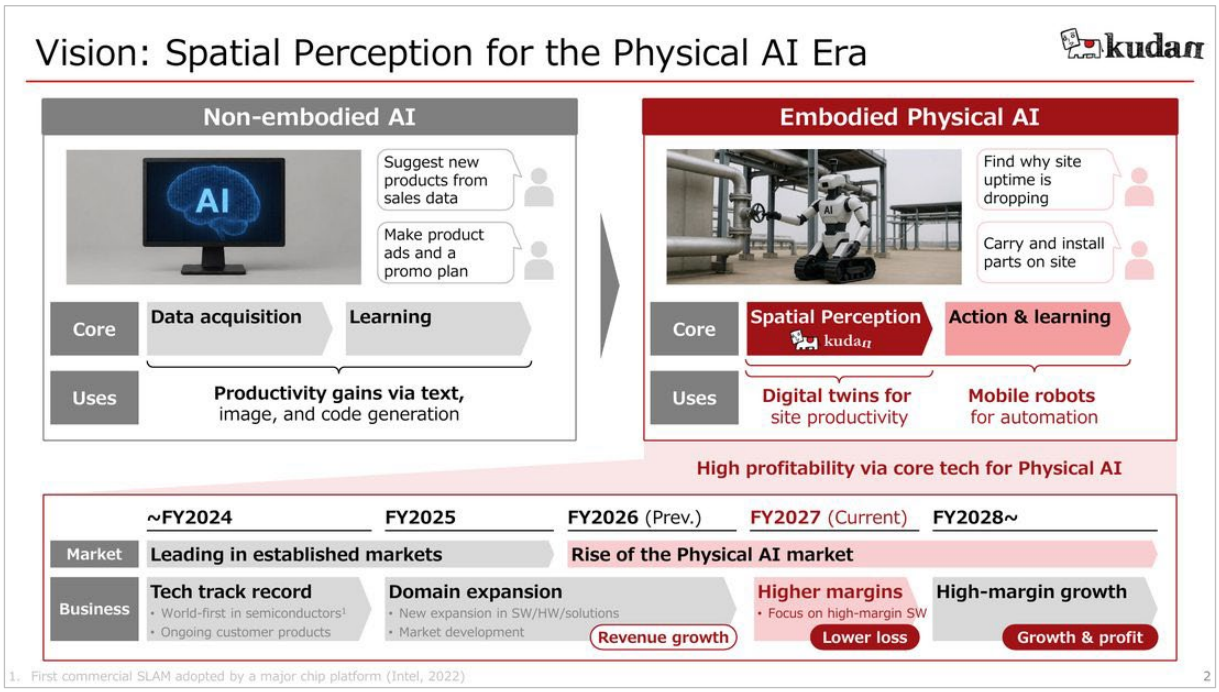
【P1】 Q2 of the FY Ending March 2027



Hello everyone. This is Kudan's financial results presentation for the second quarter of the fiscal year ending March 2027.

The presentation begins with a brief review of our vision, then covers our second-quarter results, followed by business progress in each domain, starting with digital twins and robotics.

【P2】 Vision: Spatial Perception for the Physical AI Era

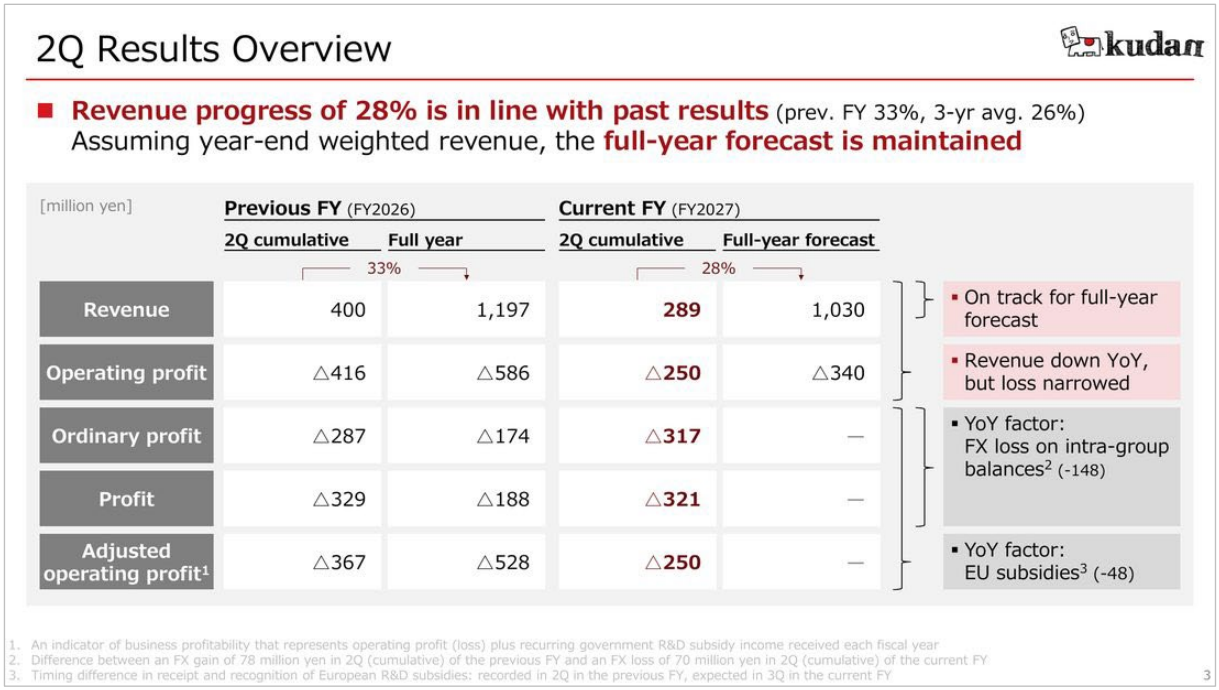


First, a look back at our vision. Kudan aims to be the spatial perception platform for the Physical AI era.

In contrast to AI without a physical body, such as generative AI, Physical AI has a body and works in real-world settings, patrolling sites or carrying parts. For this kind of AI to act and learn, it needs spatial perception, the ability to correctly understand the space around it; in other words, eyes for machines. This is the area where Kudan has refined its technology.

We supply this core spatial perception technology both to digital twins, which raise productivity on site, and to mobile robots, which automate work, with the aim of achieving high profitability.

【P3】 2Q Results Overview



In line with this vision, here is an overview of our second-quarter results. From the left, the table shows the previous fiscal year's 2Q cumulative and full-year results, followed by the current fiscal year's 2Q cumulative results and full-year forecast.

Revenue for 2Q cumulative was 290 million yen, down from 400 million yen in the previous fiscal year. However, progress against the full-year forecast of 1,030 million yen is 28%, in line with 33% in the previous fiscal year and a three-year average of 26%. Our revenue tends to be weighted toward the end of the fiscal year, and we are maintaining our full-year forecast on that basis.

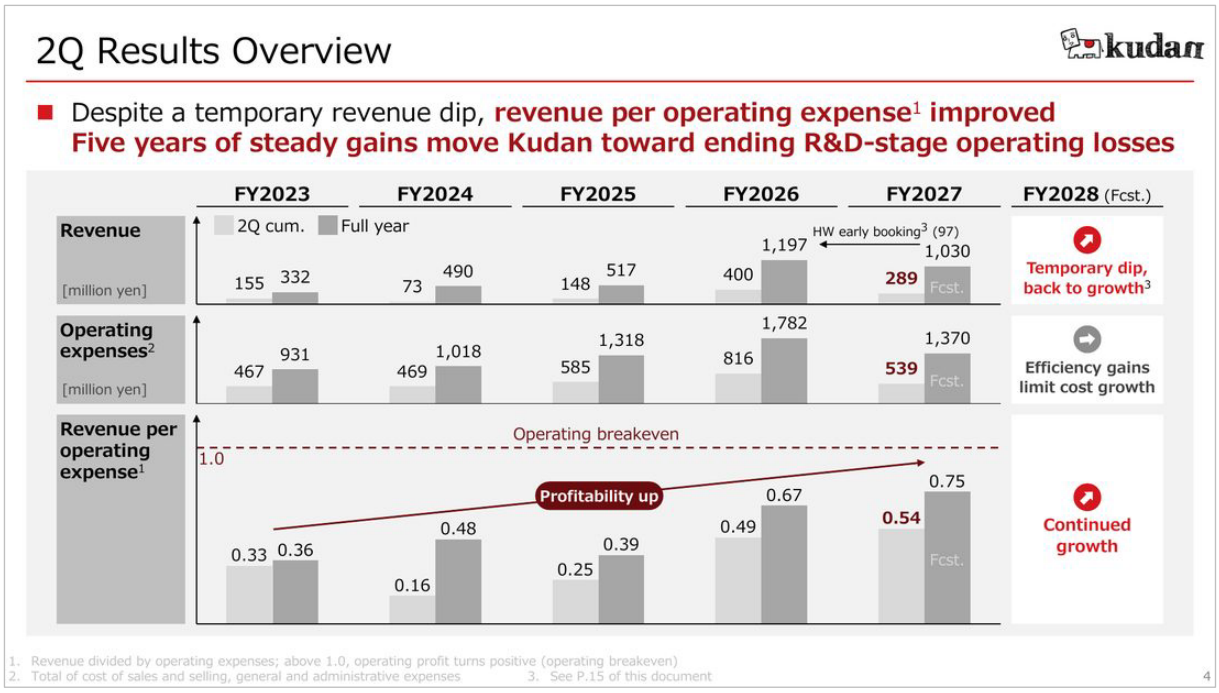
Operating loss was 250 million yen, an improvement of 170 million yen year on year. Although revenue declined, we narrowed the loss substantially, and for the full year we plan to improve from a loss of 590 million yen in the previous fiscal year to a loss of 340 million yen.

Ordinary loss was 320 million yen and net loss was 320 million yen. Foreign exchange effects from the valuation of intra-group receivables and payables reduced these figures by 150 million yen compared with the previous fiscal year, but this is an accounting factor that does not reflect the underlying business.

Adjusted operating profit adds the government R&D subsidy income we receive every year to operating profit, and we disclose it as an indicator of business profitability. For 2Q cumulative it was a loss of 250 million yen, an improvement of 120 million yen year on year. The European

R&D subsidy of 50 million yen is expected to be recorded in the third quarter this fiscal year and is not included in the 2Q cumulative figure, so the underlying improvement is even larger.

【P4】 2Q Results Overview



This improvement in profitability can be seen in the trend over the past five fiscal years. The light gray bars show 2Q cumulative figures and the dark gray bars show full-year figures; the full-year figure for the current fiscal year, FY2027, is a forecast.

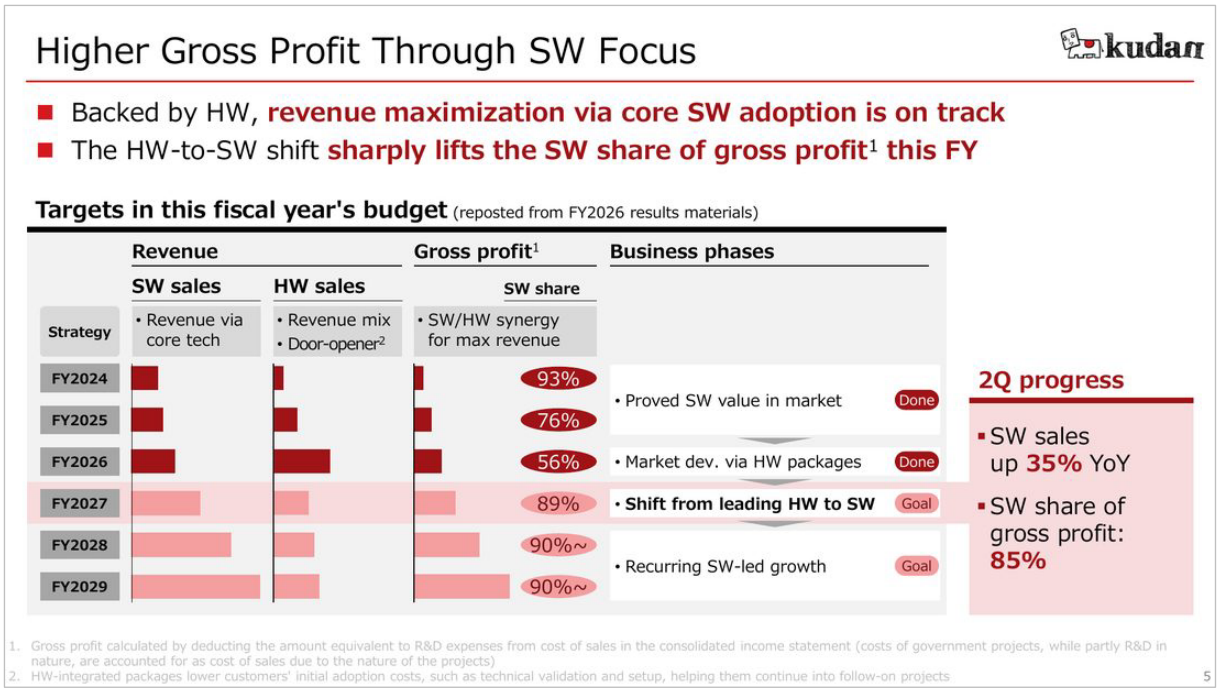
In the top chart, revenue is forecast at 1,030 million yen for the full year. This is a temporary decline from 1,200 million yen in the previous fiscal year, partly because some hardware sales were recorded early, and we plan to return to revenue growth next fiscal year.

In the middle chart, operating expenses are forecast at 1,370 million yen for the full year, held down from about 1,780 million yen in the previous fiscal year. On a 2Q cumulative basis, they were 540 million yen, below about 820 million yen in the previous fiscal year.

The key point of this slide is the bottom chart, revenue per operating expense. This indicator shows how much revenue we generate for each yen of operating expenses; above 1.0, operating profit turns positive. On a full-year basis, it rose from 0.36 in FY2023 to 0.67 in the previous fiscal year, despite a temporary dip in FY2025, and we expect 0.75 this fiscal year. On a 2Q cumulative basis, it also improved from 0.49 to 0.54. The improvement continues even in a year when revenue is declining, showing that our cost efficiency and business profitability are steadily rising.

In FY2028, we expect revenue to return to a growth trajectory while we keep the increase in operating expenses limited, so this indicator should continue to rise. With five years of improving profitability, we are making steady progress toward ending our R&D-stage operating losses.

【P5】 Higher Gross Profit Through SW Focus



Next is our focus on software, which underpins this improvement in profitability. While complementing it effectively with hardware, we aim to maximize revenue over the medium to long term through wider adoption of our core software technology. This fiscal year, we are shifting our focus from low-margin hardware, which led earlier, to high-margin software, and the software share of gross profit has improved substantially.

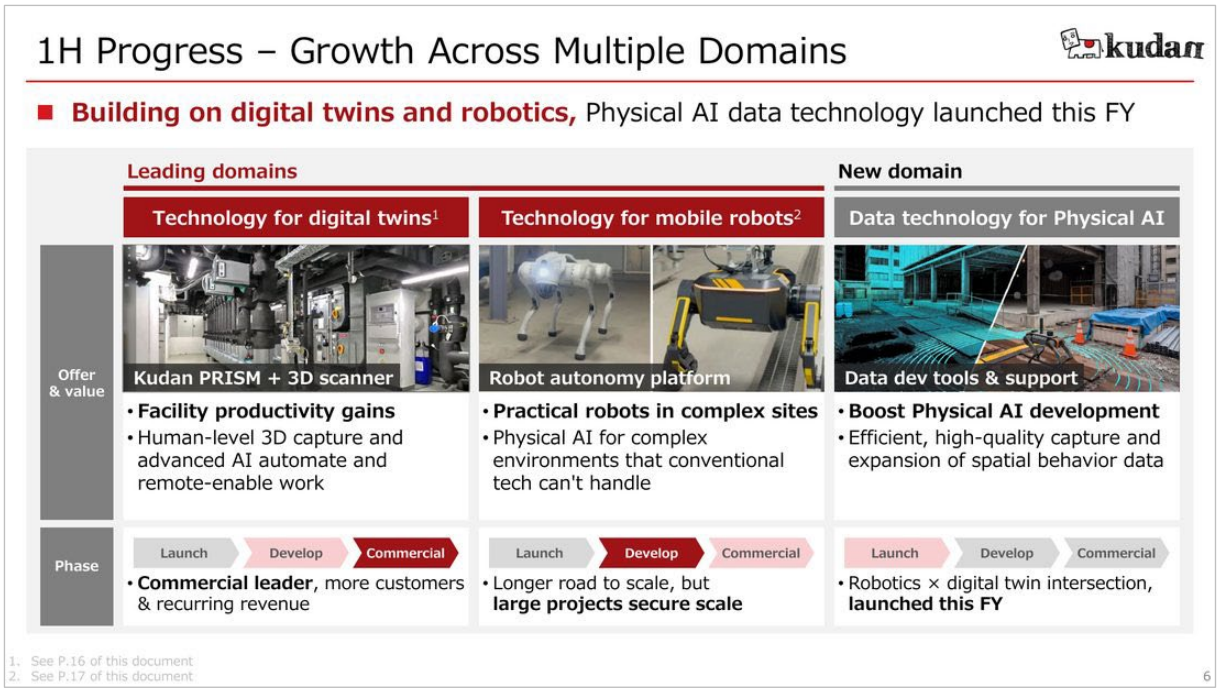
The left side shows the aims of this fiscal year's budget, as presented in our earlier results materials. Software sales grow revenue through adoption of our core technology. Hardware sales add another layer of revenue and, as packages with low initial adoption costs, act as a door-opener to the market that leads to continued projects. By making the two complement each other, we aim to maximize revenue.

The software share of gross profit fell from 93% in FY2024 to 56% in FY2026, when we were developing the market through hardware, but we expect it to reach 89% this fiscal year, and we aim for 90% or more from FY2028 onward. Gross profit here is calculated by deducting the amount equivalent to R&D expenses from cost of sales.

In terms of business phases, we have proved the value of our software and developed the market through hardware packages. This fiscal year we are shifting from hardware to software, and from FY2028 onward we aim to grow through recurring, software-led revenue.

For 2Q cumulative, software sales grew 35% year on year as planned, and the software share of gross profit was 85%, on track toward this fiscal year's target of 89%.

【P6】 1H Progress – Growth Across Multiple Domains



Now to business progress, starting with an overview of our business domains. Our business consists of three domains: digital twins, which lead in commercialization; robotics, where large projects secure business scale; and data technology for Physical AI, which we commercialized this fiscal year.

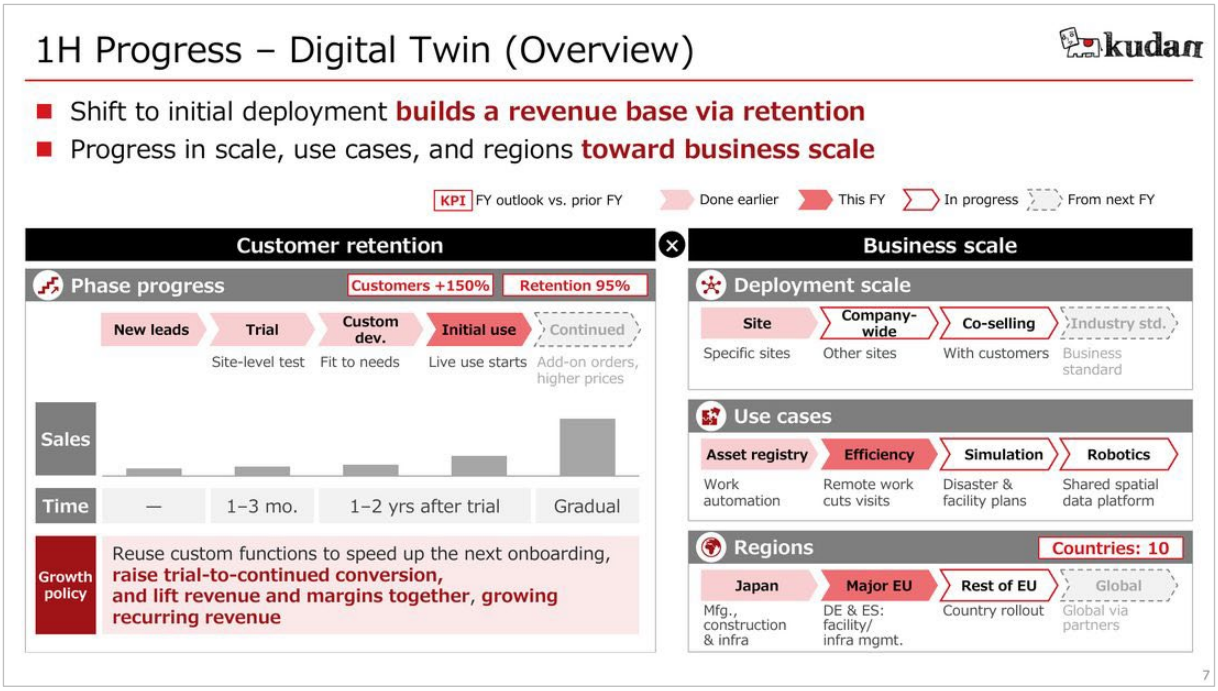
The first, technology for digital twins, includes Kudan PRISM, a solution that automates work such as facility management and enables it to be done remotely, using 3D spatial capture equivalent to human perception and advanced AI. This domain leads in commercialization, and we are expanding our customer base and recurring revenue.

The second, technology for mobile robots, provides Physical AI and an autonomous navigation platform for putting mobile robots into practical use in complex environments. It is currently in the development phase, and full-scale growth will take time, but large projects are securing business scale.

The third, data technology for Physical AI, provides data development tools and implementation support. It enables efficient, high-quality acquisition and augmentation of the spatial and behavioral data needed to develop Physical AI, and we launched it this fiscal year at the intersection of robotics and digital twins.

The status of each follows.

【P7】 1H Progress – Digital Twin (Overview)



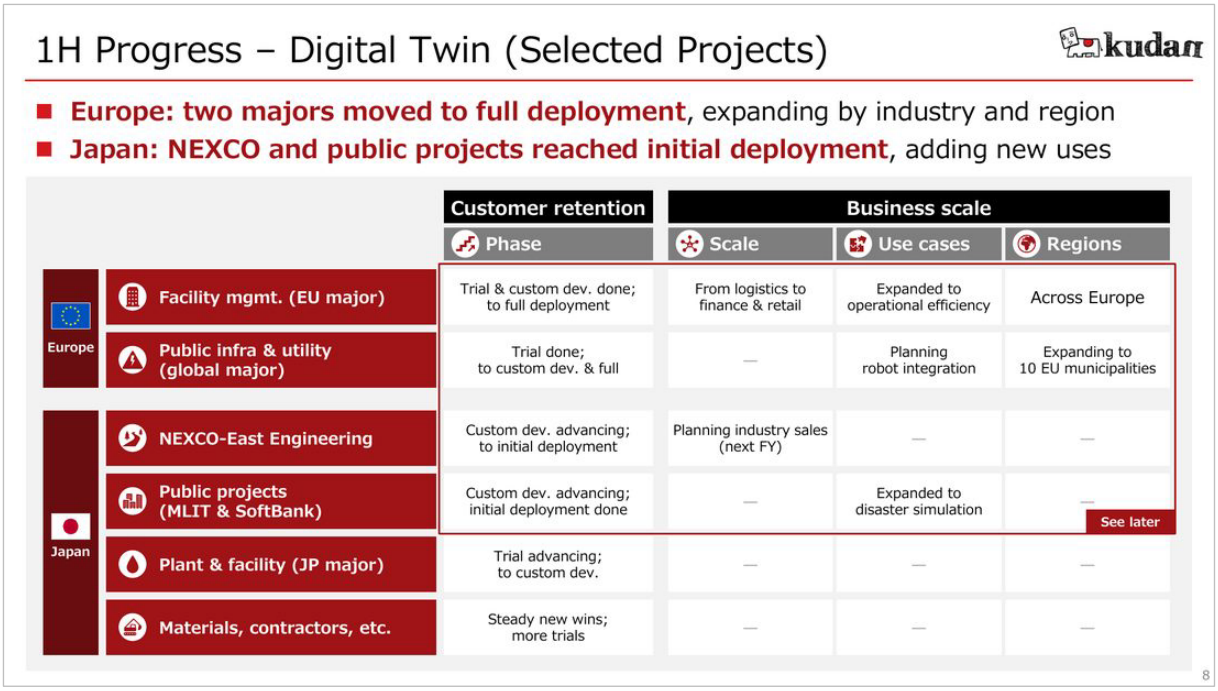
First, an overview of the digital twin business. Customers are moving to initial deployment, and a revenue base built on customer retention is taking shape. At the same time, we are making progress toward business scale along three axes: deployment scale, use cases, and regions. The shading of the arrows on the slide shows step-by-step progress: dark pink marks what we achieved this fiscal year, and red outlines mark what is in progress this fiscal year.

On the left, under customer retention, deals progress from trial to custom development, initial deployment, and continued deployment, and revenue per customer grows with each phase. A trial takes about one to three months, and reaching initial deployment takes about one to two years after that. Kudan PRISM, which we began offering last fiscal year, reached the initial deployment phase this fiscal year, which is a major achievement. By reusing functions built in custom development for the next customers and accelerating the move to continued deployment, we aim to raise revenue and margins at the same time.

On the right, under business scale, we are pursuing company-wide rollout and co-selling in deployment scale, with industry standardization as a future goal. Use cases have expanded from asset registration to operational efficiency, and by region, projects have progressed in major European countries, centered on Germany and Spain, in addition to Japan.

For this fiscal year, we expect a 95% retention rate, a 150% increase in customers year on year, and deployment in 10 countries.

【P8】 1H Progress – Digital Twin (Selected Projects)



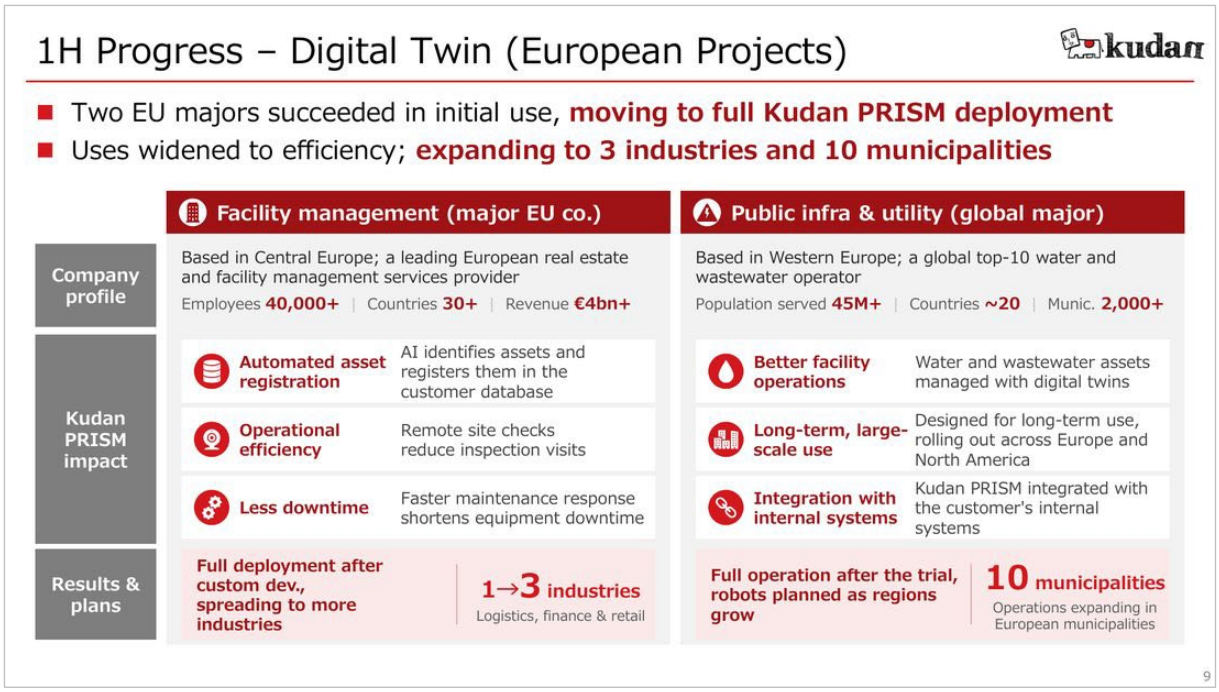
Next, here are specific projects. This slide shows selected major digital twin projects, organized, as on the previous slide, by phase progress and by expansion in deployment scale, use cases, and regions.

First, Europe. A major European facility and asset management company and a global leader in public infrastructure and utility asset management achieved results in trials and moved to full deployment. The industries and use cases served have also expanded, and rollout across European countries is progressing.

In Japan, custom development with NEXCO-East Engineering has reached the stage of moving to initial deployment, and we also plan to sell the solution externally. In the public project with the Ministry of Land, Infrastructure, Transport and Tourism and SoftBank, we extended the use case to disaster simulation and carried out an initial deployment. In addition, a project with a major Japanese plant and facility management company has progressed from trial to custom development, and we continue to win new projects from companies such as a major materials manufacturer and a major general contractor.

The two European companies, NEXCO-East Engineering, and the disaster prevention public project are explained in more detail on the following slides.

【P9】 1H Progress – Digital Twin (European Projects)



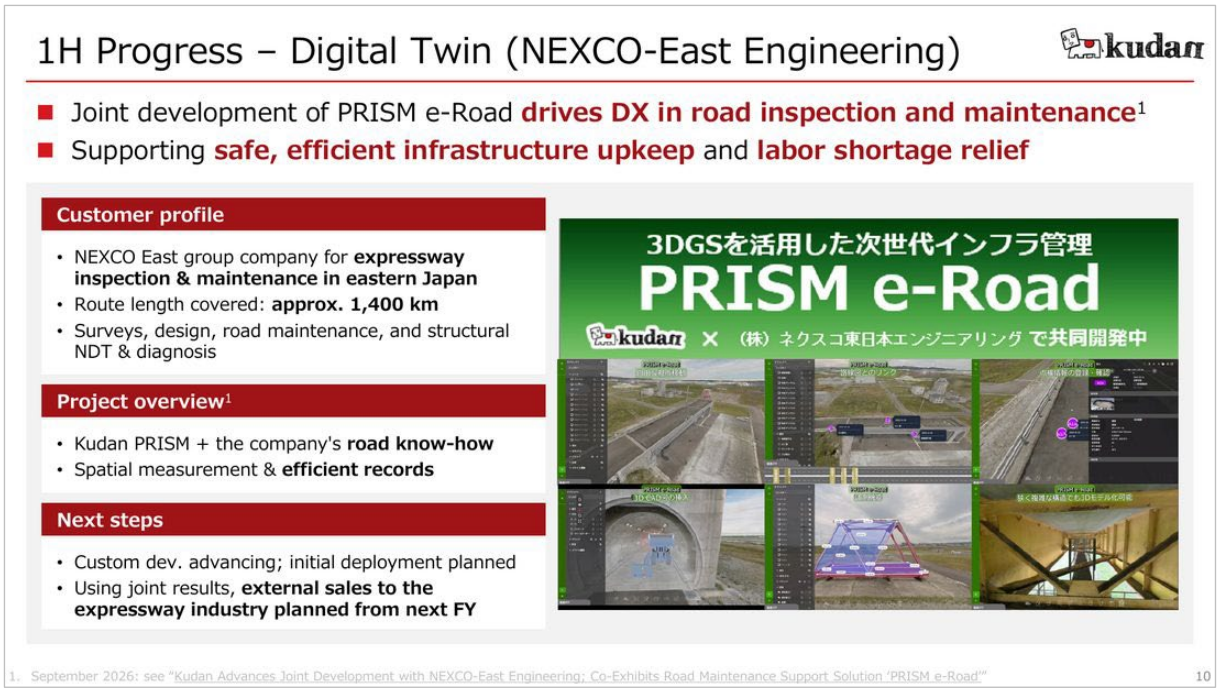
First, a closer look at the two European companies. Both are industry leaders operating large-scale businesses, and with each of them we achieved results in a small initial deployment and moved to full deployment of Kudan PRISM.

The first company, on the left, is based in Central Europe and provides one of Europe's leading real estate and facility management services. With Kudan PRISM, it automates asset registration by identifying equipment with AI and registering it in a database automatically, reduces inspection visits through remote checks, and shortens equipment downtime through faster maintenance response. After a trial, it moved to full deployment, and deployment has expanded to three industries, from logistics to finance and retail.

The second company, on the right, is based in Western Europe and is one of the world's top 10 water and wastewater operators. It manages its water and wastewater facilities with digital twins integrated with its internal systems, and is moving toward long-term operation with a view to rollout across all its regions in Europe and North America. After a trial, it moved to full operation and plans to expand operation to 10 municipalities in Western Europe. Going forward, it also plans to introduce robots alongside regional expansion.

Steady progress from validation to live operation at global major companies like these is a major advance for our digital twin business.

【P10】 1H Progress – Digital Twin (NEXCO-East Engineering)

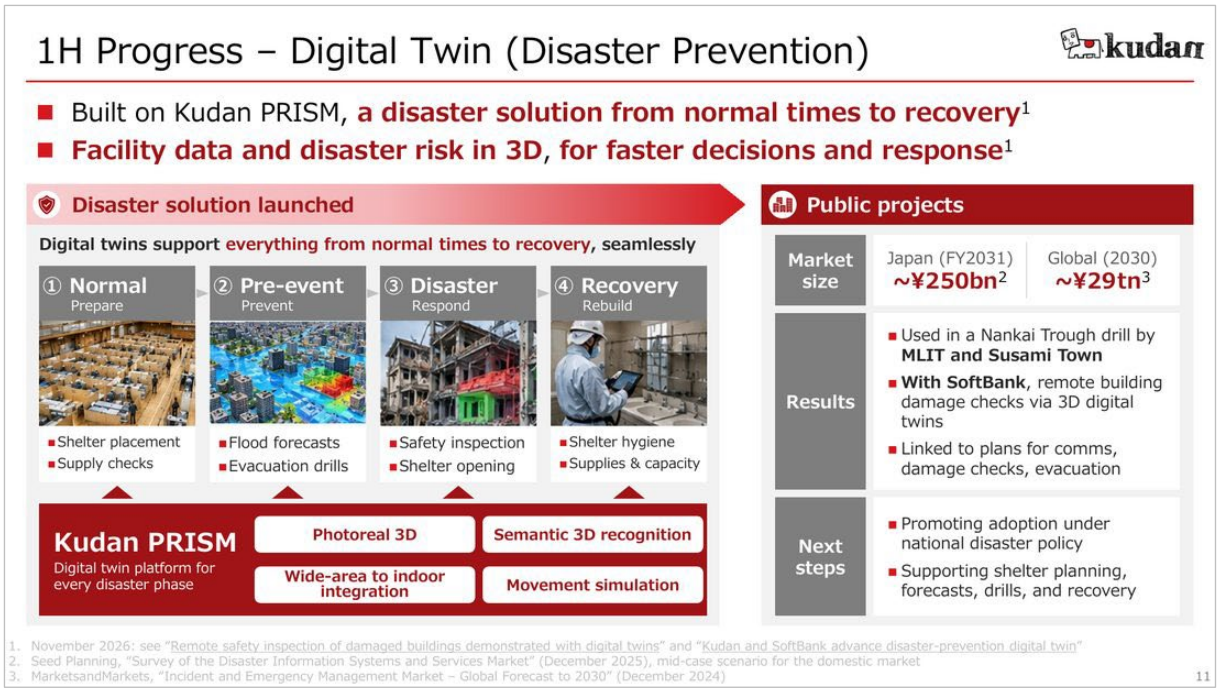


Next, as a domestic project, here is our work with NEXCO-East Engineering. Together with the company, we are developing PRISM e-Road, a solution that supports road maintenance work, and through it we are advancing the digital transformation of road inspection and maintenance. PRISM e-Road aims to maintain social infrastructure safely and efficiently and to help address labor shortages.

As a member of the NEXCO East Group, the company is responsible for the maintenance, inspection, and management of expressways in eastern Japan, covering a total route length of about 1,400 km. Its work ranges from surveys, design, and road maintenance management to non-destructive inspection and diagnosis of structures.

By combining Kudan PRISM, our digital twin platform, with the company's practical expertise in road maintenance, we are developing functions to measure and manage spatial data and to streamline inspection and recording work. Custom development is now progressing, and we plan to move to initial deployment. Building on the results of the joint development, we also plan to sell externally to the expressway industry, targeting next fiscal year. This project is a concrete example of expanding deployment scale by co-selling with a customer.

【P11】 1H Progress – Digital Twin (Disaster Prevention)



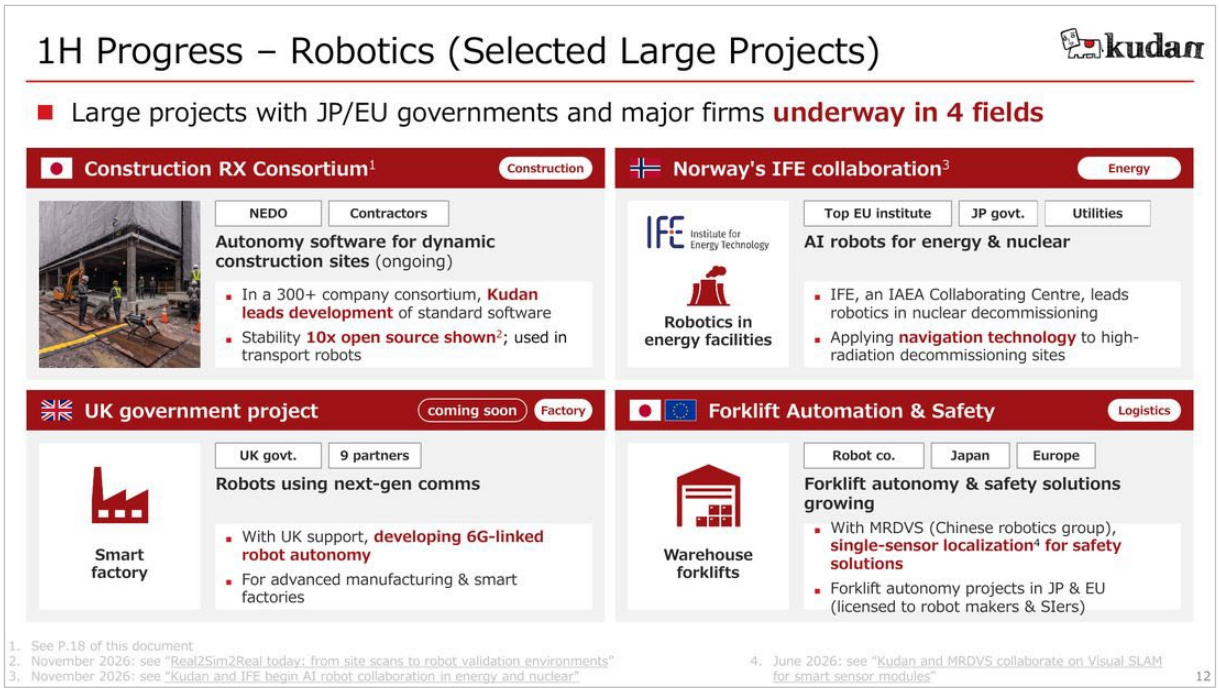
Next is our disaster prevention solution using digital twins. Built on Kudan PRISM, we have started offering a disaster prevention solution that provides support from normal times through disasters to the recovery period. It integrates facility information and disaster risk in 3D space, aiming to speed up decision-making and make disaster response more efficient.

As shown on the left, it provides seamless support: planning shelter locations and checking supplies in normal times, predicting flooding and damage and running evacuation drills before a disaster, rapid safety assessment of buildings and decisions on opening shelters during a disaster, and shelter operations in the recovery period. This is supported by Kudan PRISM functions such as photorealistic 3D reproduction, semantic 3D recognition, spatial integration from wide areas to indoor spaces, and movement simulation.

Based on this solution, we have also begun advancing public projects. The disaster prevention market is expected to reach about 250 billion yen in Japan in FY2031 and about 29 trillion yen globally in 2030. As a recent achievement, the solution was used in a disaster drill held by the Ministry of Land, Infrastructure, Transport and Tourism and the town of Susami in Wakayama Prefecture, based on a Nankai Trough earthquake scenario. In this project, in collaboration with SoftBank, we supported building damage checks and remote assessment using a 3D digital twin, and the solution was operated as part of a disaster prevention plan that connects securing communications, checking damage, and guiding evacuation.

Going forward, in line with the government's policy of strengthening disaster response, we will promote wider adoption of our disaster prevention solution.

【P12】 1H Progress – Robotics (Selected Large Projects)



Next is progress in our robotics business. In robotics, large projects with government agencies and major companies are under way in four sectors: construction, energy, manufacturing, and logistics. Here is each one in turn.

Top left is the construction sector: our work in the Construction RX Consortium. This project was selected under a NEDO public program, and we participate alongside several general contractors. The theme is developing general-purpose software that enables autonomous robot navigation on construction sites, where conditions change significantly. Because construction sites change every day, conventional autonomous navigation technology designed for limited environments struggles to handle them. More than 300 companies participate in the consortium, and within it Kudan leads the development of the standard software. As one example of the results, we have demonstrated 10 times the stability against environmental changes compared with common open-source software, and we are also applying the software to transport robots.

Top right is the energy sector: our collaboration with IFE, a Norwegian government institute. IFE is one of Europe's top energy research institutes and has ties with Japanese government agencies and power companies. With IFE, we are developing applications of AI robots in the energy and nuclear fields. As an IAEA Collaborating Centre, IFE leads the use of robotics in the decommissioning of nuclear facilities. Within this work, Kudan provides robot navigation technology for high-radiation decommissioning sites that are difficult for people to enter.

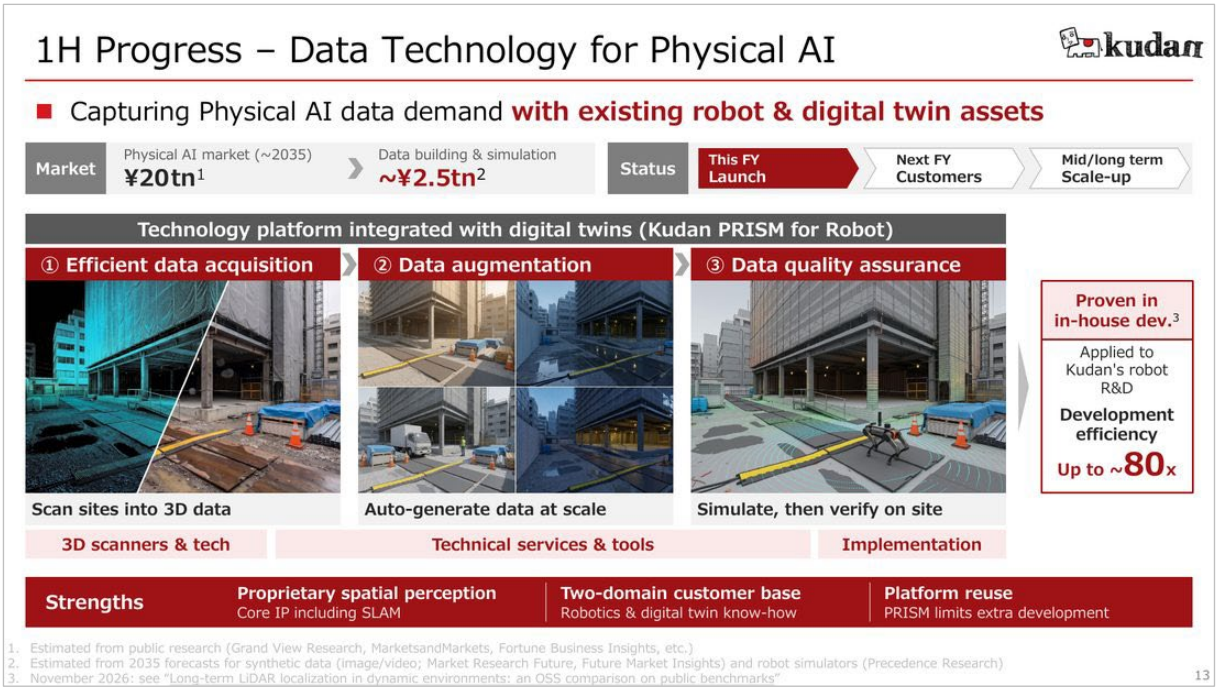
Bottom left is the manufacturing sector: a project supported by the UK government. In this project with nine industry and academic partners, we are developing and demonstrating robot autonomy linked with next-generation 6G communications, aiming to apply AI robots to advanced manufacturing and smart factories. We plan to announce details at a later date.

Bottom right is the logistics sector: forklift automation and safety. Working with MRDVS, a 3D vision technology company under a Chinese robotics company, we embedded our technology into its sensors and achieved localization with the sensor alone. We are also extending this to safety

solutions. Multiple forklift autonomy projects are under way in Japan and Europe, and we sell our technology as licenses to robot manufacturers and system integrators.

In this way, our spatial perception technology is being implemented more widely in robotics through projects with leading government agencies and major companies in each sector.

【P13】 1H Progress – Data Technology for Physical AI



Finally, data technology for Physical AI, which we began offering this fiscal year. For Physical AI to work on site, large amounts of real-world site data are needed to train the AI. We will capture this rapidly growing demand for site data by drawing on the assets we have built in robotics and digital twins.

We estimate the overall Physical AI market at 20 trillion yen by 2035, of which data building and simulation, the area we target, accounts for about 2.5 trillion yen. We launched the offering this fiscal year; next fiscal year we aim to build a customer base, and over the medium to long term we aim to monetize and scale it.

The middle of the slide shows the three steps of data development: data acquisition, which scans sites and turns them into 3D data; data augmentation, which automatically generates environments to scale up real data; and data quality assurance, which validates the data through simulation and confirms it on site. We provide these as 3D scanning equipment and technology, technical services and tools, and implementation support, all delivered as a technology platform integrated with digital twins.

These technologies have also proven effective in our own development. When we applied them to developing our mobile robot technology, development efficiency improved by up to about 80 times. Being able to offer technology whose effect we have confirmed in-house is one of our strengths. In addition, with our own spatial perception technology, customer bases in both robotics and digital twins, and the reuse of the existing Kudan PRISM, we can enter this new area while keeping additional development limited.

That concludes today's presentation.

This fiscal year, we have substantially narrowed our operating loss from the previous fiscal year, and revenue per operating expense continues to improve. On the business side, digital twins are moving to full deployment, and large projects are under way in robotics.

We will continue working to achieve our full-year forecast, end our R&D-stage operating losses, and grow revenue over the medium to long term.

Thank you for your attention.