Translation

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Consolidated Financial Results For the Six Months Ended September 30, 2026 [Japanese GAAP]

November 12, 2026

Company name: Kudan Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 4425
URL: https://www.kudan.io/jp/
Representative: Daiu Ko, Managing Director, Chief Executive Officer
Contact: Yutaka Oshima, Head of Administration
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Scheduled date of filing quarterly securities report: November 12, 2026
Scheduled date of commencing dividend payments: None
Availability of supplementary briefing material on quarterly financial results: Available
Holding of quarterly financial results briefing session: Available

(Amounts of less than one million yen are rounded down.)

1. Financial Results for the Six Months Ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (Cumulative)

(Percentage changes are in comparison with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2026	289	(27.8)	(250)	—	(317)	—	(321)	—
September 30, 2025	400	170.2	(416)	—	(287)	—	(329)	—

(Note) Comprehensive income: Six months ended September 30, 2026 (256 million yen) (—%)
Six months ended September 30, 2025 (419 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2026	(28.44)	—
September 30, 2025	(29.21)	—

(Note) Diluted earnings per share was negative and therefore is not indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	2,650	2,393	90.0
As of March 31, 2026	2,977	2,642	88.2

(Reference) Equity: As of September 30, 2026: ¥2,386 million
As of March 31, 2026: ¥2,625 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2027	—	0.00			
Fiscal year ending March 31, 2027 (Forecast)			—	0.00	0.00

(Note) Changes in dividend forecast subsequent to most recent announcement: None

3. Earnings Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentage changes are in comparison with the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,030	(13.9)	(340)	—	—	—	—	—	—

(Note) Changes in earnings forecast subsequent to most recent announcement: None

Notes:

(1) Important changes in subsidiaries during the quarterly consolidated fiscal period (cumulative): None
(Change in scope of consolidation of specified subsidiaries)
New companies: — (company name)
Excluded companies: — (company name)

(2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
1) Changes in accounting policies due to revisions of accounting standards, etc.: None
2) Changes in accounting policies other than the above: None
3) Changes in accounting estimates: None
4) Retrospective restatements: None

(4) Number of issued shares (common shares)
1) Number of issued shares at the end of the period (including treasury shares):
As of September 30, 2026: 11,329,467 shares
As of March 31, 2026: 11,301,267 shares
2) Number of treasury shares at the end of the period:
As of September 30, 2026: 568 shares
As of March 31, 2026: 568 shares
3) Average number of shares outstanding during the period (cumulative):
As of September 30, 2026: 11,323,548 shares
As of September 30, 2025: 11,284,044 shares

Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	1,986,078	1,876,002
Accounts receivable – trade and contract assets	367,641	137,646
Operational investment securities	2,157	2,157
Inventories	56,552	26,787
Short-term loans receivable	3,668	—
Income taxes receivable	580	—
Other	34,395	94,117
Allowance for doubtful accounts	(3,477)	—
Total current assets	2,447,595	2,136,711
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	0	0
Tools, furniture and fixtures, net	0	0
Vehicles, net	0	0
Total property, plant and equipment	0	0
Investments and other assets		
Investment securities	500,000	500,000
Guarantee deposits	30,380	14,133
Other	7	7
Total investments and other assets	530,387	514,140
Total non-current assets	530,387	514,140
Total assets	2,977,983	2,650,852
Liabilities		
Current liabilities		
Accounts payable–trade	22,302	—
Accounts payable–other	28,243	17,758
Short-term borrowings	200,000	200,000
Income taxes payable	20,946	7,751
Contract liabilities	—	3,922
Deposits received	5,061	5,369
Other	58,979	22,650
Total current liabilities	335,533	257,452
Total liabilities	335,533	257,452
Net assets		
Shareholders' equity		
Share capital	30,088	38,574
Capital surplus	3,135,755	2,576,445
Retained earnings	414,656	660,466
Treasury shares	(1,838)	(1,838)
Total shareholders' equity	3,578,661	3,273,647
Accumulated other comprehensive income		
Foreign currency translation adjustment	(953,485)	(887,528)
Total accumulated other comprehensive income	(953,485)	(887,528)

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Subscription rights to shares	17,273	7,281
Total net assets	2,642,449	2,393,400
Total liabilities and net assets	2,977,983	2,650,852

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	400,331	289,197
Cost of sales	292,334	201,455
Gross profit (loss)	107,996	87,742
Selling, general and administrative expenses	524,195	338,141
Operating loss	(416,198)	(250,399)
Non-operating income		
Interest income	1,948	2,675
Foreign exchange gains	78,830	—
Subsidy income	48,422	—
Reversal of allowance for doubtful accounts	—	1,839
Other	2,341	1,299
Total non-operating income	131,543	5,814
Non-operating expenses		
Foreign exchange losses	—	70,626
Interest expenses	2,406	2,698
Share issuance costs	140	86
Total non-operating expenses	2,546	73,411
Ordinary loss	(287,201)	(317,996)
Extraordinary income		
Gain on reversal of share acquisition rights	—	5,504
Extraordinary income	—	5,504
Extraordinary loss		
Impairment losses	847	9,105
Extraordinary loss	847	9,105
Loss before income taxes	(288,049)	(321,597)
Income taxes	41,552	388
Total income taxes	41,552	388
Loss	(329,602)	(321,986)
Loss attributable to owners of parent	(329,602)	(321,986)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit (loss)	(329,602)	(321,986)
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,114)	—
Foreign currency translation adjustment	(76,500)	65,957
Total other comprehensive income	(89,614)	65,957
Comprehensive income	(419,217)	(256,029)
(Breakdown)		
Comprehensive income attributable to owners of parent	(419,217)	(256,029)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Loss before income taxes	(288,049)	(321,597)
Depreciation	69	—
Increase (decrease) in allowance for doubtful accounts	(2,201)	(3,474)
Foreign exchange losses(gains)	(79,623)	69,380
Interest income	(1,948)	(2,675)
Interest expenses	2,406	2,698
Share issuance cost	140	86
Share-based payment expenses	4,477	2,880
Gain on reversal of share acquisition rights	—	(5,504)
Impairment losses	847	9,105
Subsidy income	(48,422)	—
Increase (decrease) in provision for bonuses	(12,275)	—
Decrease (increase) in accounts receivable trade, and contract assets	18,092	222,070
Decrease (increase) in inventories	(18,479)	29,723
Increase (decrease) in trade payables	(4,565)	(22,302)
Decrease (increase) in investment securities for sale	29,999	—
Other	30	(93,367)
Subtotal	(399,502)	(112,975)
Interest received	1,948	2,675
Interest paid	(2,406)	(2,698)
Income taxes paid	(1,810)	(13,584)
Income taxes refund	7,420	580
Cash flows from operating activities	(394,349)	(126,002)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,690)	(9,105)
Payments of guarantee deposits	—	(2,161)
Proceeds from collection of guarantee deposits	—	17,631
Proceeds from collection of loans receivable	—	3,709
Cash flows from investing activities	(2,690)	10,073
Cash flows from financing activities		
Proceeds from issuance of shares	1	9,604
Cash flows from financing activities	1	9,604
Effect of exchange rate change on cash and cash equivalents	4,876	(3,750)
Net increase (decrease) in cash and cash equivalents	(392,162)	(110,075)
Cash and cash equivalents at beginning of period	2,593,858	1,986,078
Cash and cash equivalents at end of period	2,201,696	1,876,002