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Consolidated Financial Results For the Three Months Ended June 30, 2024 [Japanese GAAP]

August 14, 2024

Company name: Kudan Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4425
 URL: <http://www.kudan.eu/japan>
 Representative: Daiu Ko, Managing Director, Chief Executive Officer
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Scheduled date of filing quarterly securities report: August 14, 2024
 Scheduled date of commencing dividend payments: None
 Availability of supplementary briefing material on quarterly financial results: Available
 Holding of quarterly financial results briefing session: None

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

1. Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	34	(35.8)	(237)	—	(29)	—	(50)	—
June 30, 2023	54	(47.6)	(184)	—	58	45.9	55	49.2

(Note) Comprehensive income: Three months ended June 30, 2024 (230 million yen) (—%)
 Three months ended June 30, 2023 (174 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	(4.86)	—
June 30, 2023	6.43	6.40

(Note) Diluted earnings per share for the three months ended June 30, 2024 was negative and therefore is not indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	2,678	2,396	89.3
As of March 31, 2024	2,378	2,090	87.9

(Reference) Equity: As of June 30, 2024: 2,391 million yen
 As of March 31, 2024: 2,090 million yen

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, 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		0.00	—	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, 2024 (April 1, 2024 to March 31, 2025)

(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	700	42.6	(430)	—	—	—	—	—	—

(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)
 Notice regarding important changes in subsidiaries during the fiscal period
- (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.: Yes
- 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 June 30, 2024: 10,567,867 shares
 As of March 31, 2024: 10,288,867 shares
- 2) Number of treasury shares at the end of the period:
- As of June 30, 2024: 542 shares
 As of March 31, 2024: 497 shares
- 3) Average number of shares outstanding during the period (cumulative):
- As of June 30, 2024: 10,301,019 shares
 As of June 30, 2023: 8,654,507 shares

Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	1,719,733	2,056,149
Accounts receivable – trade and contract assets	123,432	66,469
Operational investment securities	32,964	32,964
Inventories	12,522	22,309
Short-term loans receivable	7,347	7,759
Income taxes refund receivable	1	1
Consumption taxes receivable	3,307	3,307
Other	57,965	67,508
Allowance for doubtful accounts	(3,673)	(3,879)
Total current assets	1,953,600	2,252,590
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	400,000	400,000
Guarantee deposits	24,807	25,522
Other	7	7
Total investments and other assets	424,815	425,529
Total non-current assets	424,815	425,530
Total assets	2,378,416	2,678,120
Liabilities		
Current liabilities		
Accounts payable–other	24,572	30,297
Short-term borrowings	200,000	200,000
Income taxes payable	11,531	4,099
Contract liabilities	10,090	10,562
Deposits received	7,464	5,384
Other	27,228	24,672
Total current liabilities	280,887	275,016
Non-Current liabilities		
Deferred tax liabilities	6,716	6,716
Total non-current liabilities	6,716	6,716
Total liabilities	287,603	281,732
Net assets		
Shareholders' equity		
Share capital	740,148	1,006,008
Capital surplus	1,776,028	2,041,888
Retained earnings	160,307	110,200
Treasury shares	(1,704)	(1,812)
Total shareholders' equity	2,674,779	3,156,284
Accumulated other comprehensive income		
Foreign currency translation adjustment	(597,945)	(778,129)
Valuation difference on available-for-sale securities	13,284	13,284
Total accumulated other comprehensive income	(584,661)	(764,845)
Share acquisition rights	695	4,948
Total net assets	2,090,813	2,396,388
Total liabilities and net assets	2,378,416	2,678,120

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

Consolidated Statement of Income

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	54,417	34,916
Cost of sales	9,029	4,609
Gross profit	45,387	30,306
Selling, general and administrative expenses	229,915	267,705
Operating loss	(184,528)	(237,399)
Non-operating income		
Foreign exchange gains	244,120	209,440
Other	19	—
Total non-operating income	244,140	209,440
Non-operating expenses		
Interest expenses	860	997
Share issuance cost	259	430
Other	25	479
Total non-operating expenses	1,145	1,907
Ordinary profit(loss)	58,466	(29,865)
Extraordinary loss		
Impairment losses	2,756	20,194
Extraordinary loss	2,756	20,194
Profit(loss) before income taxes	55,710	(50,060)
Income taxes-current	41	46
Total income taxes	41	46
Profit(loss)	55,669	(50,107)
Profit(loss) attributable to owners of parent	55,669	(50,107)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit(loss)	55,669	(50,107)
Other comprehensive income		
Foreign currency translation adjustment	(230,133)	(180,183)
Total other comprehensive income	(230,133)	(180,183)
Comprehensive income	(174,464)	(230,290)
(Breakdown)		
Comprehensive income attributable to owners of parent	(174,464)	(230,290)
Comprehensive income attributable to non-controlling interests	—	—