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Consolidated Financial Results For the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 14, 2025

Company name: Kudan Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4425
 URL: <https://www.kudan.io>
 Representative: Daiu Ko, Managing Director, Chief Executive Officer
 Contact: Kohei Nakayama, Director, Chief Financial Officer
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 Scheduled date of filing quarterly securities report: February 14, 2025
 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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	250	123.2	(687)	—	(480)	—	(519)	—
December 31, 2023	112	(49.8)	(598)	—	(409)	—	(419)	—

(Note) Comprehensive income: Nine months ended December 31, 2024 (663 million yen) (—%)
 Nine months ended December 31, 2023 (598 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	(47.63)	—
December 31, 2023	(48.37)	—

(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 December 31, 2024	3,575	3,286	91.9
As of March 31, 2024	2,378	2,090	87.9

(Reference) Equity: As of December 31, 2024: 3,284 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
Fiscal year ended March 31, 2024	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (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, 2025 (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: No

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.: 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 December 31, 2024: 11,282,067 shares
 - As of March 31, 2024: 10,288,867 shares
 - 2) Number of treasury shares at the end of the period:
 - As of December 31, 2024: 542 shares
 - As of March 31, 2024: 497 shares
 - 3) Average number of shares outstanding during the period (cumulative):
 - As of December 31, 2024: 10,913,913 shares
 - As of December 31, 2023: 8,666,629 shares

Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

As of March 31, 2024 As of December 31, 2024

Assets		
Current assets		
Cash and deposits	1,719,733	2,784,619
Notes and accounts receivable - trade, and contract assets	123,432	63,592
Operational investment securities	32,964	32,964
Inventories	12,522	83,995
Short-term loans receivable	7,347	7,418
Income taxes receivable	1	—
Consumption taxes receivable	3,307	—
Other	57,965	81,378
Allowance for doubtful accounts	(3,673)	(8,199)
Total current assets	1,953,600	3,045,769
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	500,000
Guarantee deposits	24,807	29,766
Other	7	7
Total investments and other assets	424,815	529,773
Total non-current assets	424,815	529,774
Total assets	2,378,416	3,575,543
Liabilities		
Current liabilities		
Accounts payable—trade	—	3,167
Accounts payable—other	24,572	32,955
Short-term borrowings	200,000	200,000
Income taxes payable	11,531	16,259
Contract liabilities	10,090	10,384
Deposits received	7,464	3,473
Other	27,228	15,950
Total current liabilities	280,887	282,190
Non-current liabilities		
Deferred tax liability	6,716	6,716
Total non-current liabilities	6,716	6,716
Total liabilities	287,603	288,906
Net assets		
Shareholders' equity		
Share capital	740,148	12,286
Capital surplus	1,776,028	3,926,171
Retained earnings	160,307	76,567
Treasury shares	(1,704)	(1,812)
Total shareholders' equity	2,674,779	4,013,212
Accumulated other comprehensive income		
Foreign currency translation adjustment	(597,945)	(742,049)
Valuation difference on available-for-sale securities	13,284	13,284

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Total accumulated other comprehensive income	(584,661)	(728,765)
Subscription rights to shares	695	2,189
Total net assets	2,090,813	3,286,636
Total liabilities and net assets	2,378,416	3,575,543

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

Consolidated Statement of Income

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	112,154	250,294
Cost of sales	27,019	92,551
Gross profit	85,134	157,743
Selling, general and administrative expenses	683,297	845,410
Operating loss	(598,162)	(687,667)
Non-operating income		
Interest income	45	209
Subsidy income	—	46,844
Foreign exchange gains	191,769	165,177
Other	169	106
Total non-operating income	191,984	212,338
Non-operating expenses		
Interest expenses	2,660	3,122
Commission expenses	311	1,250
Other	87	482
Total non-operating expenses	3,059	4,855
Ordinary loss	(409,238)	(480,184)
Extraordinary loss		
Impairment losses	9,846	39,408
Extraordinary loss	9,846	39,408
Loss before income taxes	(419,085)	(519,593)
Income Taxes	155	267
Total income taxes	155	267
Loss	(419,240)	(519,861)
Loss attributable to owners of parent	(419,240)	(519,861)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit (loss)	(419,240)	(519,861)
Other comprehensive income		
Foreign currency translation adjustment	(178,961)	(144,104)
Total other comprehensive income	(178,961)	(144,104)
Comprehensive income	(598,202)	(663,965)
(Breakdown)		
Comprehensive income attributable to owners of parent	(598,202)	(663,965)
Comprehensive income attributable to non-controlling interests	—	—