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Consolidated Financial Results For the Three Months Ended June 30, 2023 [Japanese GAAP]

August 14, 2023

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
 Contact: Kohei Nakayama, Director, Chief Financial Officer
 Phone: +81-3-4405-1325
 Scheduled date of filing quarterly securities report:
 Scheduled date of commencing dividend payments:
 Availability of supplementary briefing material on quarterly financial results:
 Holding of quarterly financial results briefing session:

August 14, 2023
 None
 Available
 None

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

1. Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(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, 2023	53	(47.6)	(184)	—	58	45.9	55	49.2
June 30, 2022	103	206.6	(138)	—	40	—	37	—

(Note) Comprehensive income: Three months ended June 30, 2023 (174 million yen) (—%)
 Three months ended June 30, 2022 (124 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	6.43	6.40
June 30, 2022	4.53	4.51

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	951	893	93.5
As of March 31, 2023	1,008	759	75.0

(Reference) Equity: As of June 30, 2023: 889 million yen
 As of March 31, 2023: 755 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (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, 2023 to March 31, 2024)

(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	520	56.3	(560)	—	(520)	—	(550)	—	(63.47)

(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.: 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 June 30, 2023: 8,669,067 shares
 - As of March 31, 2023: 8,509,267 shares
 - 2) Number of treasury shares at the end of the period:
 - As of June 30, 2023: 450 shares
 - As of March 31, 2023: 450 shares
 - 3) Average number of shares outstanding during the period (cumulative):
 - As of June 30, 2023: 8,654,507 shares
 - As of June 30, 2022: 8,229,832 shares

Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	852,076	796,135
Notes, accounts receivable – trade and contract assets	61,914	50,807
Operational investment securities	32,964	32,964
Income taxes receivable	17,504	17,504
Consumption taxes receivable	9,102	9,102
Other	17,904	18,964
Total current assets	991,467	925,479
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		
Guarantee deposits	16,608	26,072
Total investments and other assets	16,608	26,072
Total non-current assets	16,608	26,072
Total assets	1,008,076	951,552
Liabilities		
Current liabilities		
Accounts payable–trade	183	—
Accounts payable–other	20,498	31,180
Short-term borrowings	200,000	—
Income taxes payable	804	2,129
Deposits received	6,131	5,739
Other	13,960	12,340
Total current liabilities	241,578	51,390
Non-Current liabilities		
Deferred tax liabilities	6,716	6,716
Total non-current liabilities	6,716	6,716
Total liabilities	248,294	58,106
Net assets		
Shareholders' equity		
Share capital	345,700	499,783
Capital surplus	965,814	1,119,896
Retained earnings	(332,666)	(276,996)
Treasury shares	(1,645)	(1,645)
Total shareholders' equity	977,203	1,341,037
Accumulated other comprehensive income		
Foreign currency translation adjustment	(234,535)	(464,668)
Valuation difference on available-for-sale securities	13,284	13,284
Total accumulated other comprehensive income	(221,251)	(451,384)
Share acquisition rights	3,829	3,793
Total net assets	759,781	893,446
Total liabilities and net assets	1,008,076	951,552

(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, 2022	For the three months ended June 30, 2023
Net sales	103,752	54,417
Cost of sales	33,531	9,029
Gross profit	70,221	45,387
Selling, general and administrative expenses	208,353	229,915
Operating loss	(138,132)	(184,528)
Non-operating income		
Foreign exchange gains	178,610	244,120
Other	52	19
Total non-operating income	178,663	244,140
Non-operating expenses		
Interest expenses	463	860
Share issuance cost	—	259
Other	0	25
Total non-operating expenses	463	1,145
Ordinary profit	40,066	58,466
Extraordinary loss		
Impairment losses	1,827	2,756
Extraordinary loss	1,827	2,756
Profit before income taxes	38,238	55,710
Income taxes-current	937	41
Total income taxes	937	41
Profit	37,300	55,669
Profit attributable to owners of parent	37,300	55,669

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	37,300	55,669
Other comprehensive income		
Foreign currency translation adjustment	(162,059)	(230,133)
Total other comprehensive income	(162,059)	(230,133)
Comprehensive income	(124,758)	(174,464)
(Breakdown)		
Comprehensive income attributable to owners of parent	(124,758)	(174,464)
Comprehensive income attributable to non-controlling interests	—	—