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## Consolidated Financial Results For the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 14, 2024

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  
 Phone: +81-3-4405-1325  
 Scheduled date of filing quarterly securities report: February 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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	112	(49.8)	(598)	—	(409)	—	(419)	—
December 31, 2022	223	23.0	(477)	—	(315)	—	(323)	—

(Note) Comprehensive income: Nine months ended December 31, 2023 (598 million yen) (—%)  
 Nine months ended December 31, 2022 (418 million yen) (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	(48.37)	—
December 31, 2022	(38.71)	—

(Note) 1. 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, 2023	735	481	64.6
As of March 31, 2023	1,008	759	75.0

(Reference) Equity: As of December 31, 2023: 474 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	—	0.00	—		
Fiscal year ending March 31, 2024 (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, 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	(550)	—	(240)	—	(270)	—	(30.91)

(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.: 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 December 31, 2023: 8,687,567 shares
    - As of March 31, 2023: 8,509,267 shares
  - 2) Number of treasury shares at the end of the period:
    - As of December 31, 2023: 450 shares
    - As of March 31, 2023: 450 shares
  - 3) Average number of shares outstanding during the period (cumulative):
    - As of December 31, 2023: 8,666,629 shares
    - As of December 31, 2022: 8,356,355 shares

## Consolidated Financial Statements and Relevant Notes

### (1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	852,076	590,651
Notes and accounts receivable - trade, and contract assets	61,914	53,083
Operational investment securities	32,964	32,964
Inventories	—	6,920
Short-term loans receivable	—	4,712
Income taxes receivable	17,504	—
Consumption taxes receivable	9,102	—
Other	17,904	22,318
Total current assets	991,467	710,650
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	24,395
Other	—	7
Total investments and other assets	16,608	24,402
Total non-current assets	16,608	24,402
<b>Total assets</b>	<b>1,008,076</b>	<b>735,053</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable—trade	183	—
Accounts payable—other	20,498	26,164
Short-term borrowings	200,000	200,000
Income taxes payable	804	0
Deposits received	6,131	4,317
Other	13,960	16,422
Total current liabilities	241,578	246,904
Non-current liabilities		
Deferred tax liability	6,716	6,716
Total non-current liabilities	6,716	6,716
<b>Total liabilities</b>	<b>248,294</b>	<b>253,620</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	345,700	14,995
Capital surplus	965,814	1,050,875
Retained earnings	(332,666)	(189,014)
Treasury shares	(1,645)	(1,645)
Total shareholders' equity	977,203	875,210
Accumulated other comprehensive income		
Foreign currency translation adjustment	(234,535)	(413,496)
Valuation difference on available-for-sale securities	13,284	13,284
Total accumulated other comprehensive income	(221,251)	(400,212)
Subscription rights to shares	3,829	6,435
<b>Total net assets</b>	<b>759,781</b>	<b>481,433</b>
<b>Total liabilities and net assets</b>	<b>1,008,076</b>	<b>735,053</b>

## (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, 2022	For the nine months ended December 31, 2023
Net sales	223,609	112,154
Cost of sales	109,892	27,019
Gross profit	113,717	85,134
Selling, general and administrative expenses	591,165	683,297
Operating loss	(477,447)	(598,162)
Non-operating income		
Interest income	2	45
Foreign exchange gains	102,161	191,769
Subsidy income	61,839	—
Other	480	169
Total non-operating income	164,483	191,984
Non-operating expenses		
Interest expenses	2,192	2,660
Commission expenses	596	311
Other	28	97
Total non-operating expenses	2,817	3,059
Ordinary loss	(315,782)	(409,238)
Extraordinary loss		
Impairment losses	7,460	9,846
Other	0	—
Extraordinary loss	7,460	9,846
Loss before income taxes	(323,242)	(419,085)
Income Taxes	242	155
Total income taxes	242	155
Loss	(323,485)	(419,240)
Loss attributable to owners of parent	(323,485)	(419,240)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit (loss)	(323,485)	(419,240)
Other comprehensive income		
Foreign currency translation adjustment	(94,865)	(178,961)
Total other comprehensive income	(94,865)	(178,961)
Comprehensive income	(418,350)	(598,202)
(Breakdown)		
Comprehensive income attributable to owners of parent	(418,350)	(598,202)
Comprehensive income attributable to non-controlling interests	—	—