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Company Name	Kudan Inc.	
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	(Securities code: 4425 TSE Growth)	
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Notification concerning discrepancies between the consolidated earnings forecast and the actual figure, and the recordings of non-operating income and extraordinary losses

Kudan Inc. (henceforth in this document as “Kudan”) announces discrepancies between the consolidated earnings forecast for the fiscal year ending March 2024, which outlined in the press release of December 18th, 2023, “Notification of revision to the annual earnings forecast”, and the actual figure.

Also, Kudan announces that it has recorded non-operating income and extraordinary losses.

1. Discrepancies between the consolidated earnings forecast for the fiscal year ending March 2024 and the actual figure

(April 1st, 2023 – March 31st, 2024)

	Net sales	Operating Profit	Ordinary Profit	Profit attributable to the owners of parent	Basic earnings per share
Previously released forecast (A)	Million yen 520	Million yen △550	Million yen △240	Million yen △270	yen △30.91
Actual figure (B)	490	△527	△50	△69	△7.88
Discrepancy (B-A)	△29	22	189	200	
Rate of change (%)	△5.6	—	—	—	
Reference: Previous FY results (FY ending March 2023)	332	△598	△394	△413	△49.30

<Reason for discrepancies>

In regards to the current FY results of Ordinary Profit and Profit attributable to the owners of parent, foreign exchange gains of 384 million yen due to a result of the change of Pound, Euro and Dollar exchange rate were recorded, and as a result, there was a discrepancy from the forecasted figure.

2. Recording of non-operating income

Foreign exchange gains of 384 million yen due to a result of the change of Pound, Euro and Dollar exchange rate were recorded as non-operating income as of the fourth quarter of the year while foreign exchange gains of 191 million had been recorded as non-operating income as of the third quarter of the year.

A total of 100 million yen, including 63 million yen in R&D subsidy from the U.K. government (January 29, 2024) and 37 million yen in R&D subsidy from German government (January 4, 2024), was recorded in non-operating income as subsidy income for R&D activities.

3. Recording of extraordinary losses

Impairment losses of 18 million yen as a write-down of acquired fixed assets were recorded as extraordinary loss as of the fourth quarter of the year while Impairment losses of 9 million had been recorded as extraordinary loss as of the third quarter of the year.

The impact on the earnings of recording non-operating income and extraordinary losses described from Section 2 to Section 3 above is reflected in the “Consolidated Financial Results for the Fiscal Year Ended March 2024 [Japanese GAAP]” announced today.

■Contact Information

For more details, please contact us from [here](#).