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Company Name Kudan Inc.
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(Securities code: 4425 TSE Growth)
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**Notification of revision of annual earnings forecast
for the fiscal year ending March 2025**

Kudan Inc. (henceforth in this document as “Kudan”) has revised its consolidated earnings forecast for the fiscal year ending March 2025 (April 1, 2024 to March 31, 2025) that was announced on May 15, 2024.

1. Revision to the consolidated earnings forecast for the fiscal year ending March 2025

(April 1, 2024 – March 31, 2025)

	Net Sales	Operating profit	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share
Previously released forecast (A)	Million yen 700	Million yen △430	Million yen —	Million yen —	yen —
Revised forecast (B)	500 ~550	△850 ~△820	—	—	—
Discrepancy (B-A)	△200 ~△150	△420 ~△390	—	—	—
Rate of change (%)	△28.6% ~△21.4%	—	—	—	—
Reference: Previous FY results (FY2024)	490	△527	△50	△69	△7.88

2. Reason for the revision

During the current fiscal year, we have achieved the expected progress in customer commercialization, with eight customer products reaching commercialization and projected product-related revenue of 270 - 300 million yen. However, slower than expected market growth and customer product adoption in the robotics area has significantly delayed the expansion of commercial licensing and end-solution building sales, resulting in a revenue decline of approximately 170 million yen. Additionally, in the digital twin area, adjustments to public policies related to solutions for new energy facilities in Europe have caused a

revenue delay of approximately 60 million yen.

Given these business conditions, we have decided to focus on areas with short-term market expansion potential, such as private-sector digital twin businesses for industrial and logistics facilities, and to strengthen human-assisted robotics initiatives. Accordingly, we have reassessed our resource allocation and advanced business investments. As a result, sales of private-sector digital twin solutions have significantly expanded, contributing to an expected revenue increase of approximately 160 million yen. Conversely, our selective approach to robotics projects that require longer timeframes for profitability has led to a revenue decline of approximately 50 million yen.

On the cost side, expanded R&D and investments in human resources have resulted in an increase of approximately 160 million yen, while procurement costs for hardware and other components associated with the expansion of private-sector digital twin solution sales have risen by approximately 50 million yen.

Furthermore, some of the revenue expected in this fiscal year has been deferred to the next fiscal year, resulting in a revenue decrease of approximately 50 million yen, and the depreciation of the yen has also led to an increase in overseas subsidiary personnel costs and other expenses by approximately 20 million yen.

For the next fiscal year, we will continue to focus on areas with short-term growth potential, centering on private-sector digital twin solutions, which have shown an upward trend this fiscal year. By expanding the utilization of external technologies in end-solution building, we aim to enhance the breadth of spatial technology offerings and drive revenue growth. Additionally, as the necessary personnel reinforcement for our business strategy shift has been completed during the current fiscal year, we aim to significantly improve operating profit and cash flow by optimizing costs through selection and concentration within our existing organization and development.

Based on the above circumstances, we have revised our annual earnings forecast accordingly. For further details regarding this revision, please refer to the “Supplementary document on the revision of annual Earnings forecast of the fiscal year ending March 2025” announced today.

※ The above forecasts are based on information available as of the date of this document, and actual performance may vary due to various factors in the future.