

November 14, 2024

Company Name	Kudan Inc.	
Representative	CEO	Daiu Ko
	(Securities code: 4425 TSE Growth)	
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**The video and the transcript of the financial report presentation  
for the second quarter of the fiscal year ending March 31, 2025 are available online**

Kudan Inc. (henceforth in this document as “Kudan”) announces that the video and the transcript of Kudan’s financial report presentation for the second quarter of the fiscal year ending March 31, 2025 are now available online. As the video available in Japanese, the English-translated transcript is attached to this release.

**【FY2025 Q2 financial report presentation】**

1. Date: Thursday, November 14, 2024
2. Speakers: Daiu Ko, CEO  
Kohei Nakayama, CFO

▼▼Financial report presentation video can be viewed from below (Japanese only)▼▼

[https://youtu.be/3gFdzRo\\_93w](https://youtu.be/3gFdzRo_93w)



## Supplementary Documentation to the financial report for the second quarter of the fiscal year ending March 2025

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November 14, 2024

**Eyes to the all machines**

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**Daiu Ko (hereafter “Ko”)** : Hello everyone, this is Ko, CEO of Kudan Inc. We will explain the financial results for the second quarter of fiscal year ending March 2025.

- **Sales of ¥148 million up to Q2 doubled and grew year-on-year**, and performance is progressing towards the full-year forecast of ¥700 million, while the trend of year-end concentration remains the same as in the previous years
- **The Business is progressing in line with the growth strategies**
  - A Customer commercialisation<sup>1</sup>**
    - The pace of customer commercialisation<sup>1</sup> accelerated several-fold year-on-year, increasing commercial-related revenue<sup>2</sup> by 18 times<sup>3</sup>
  - B End-solution building**
    - Public sector projects are expanding and progressing globally, particularly in Europe and Japan, contributed by the expansion of technical cooperation with Whale Dynamic and XGRIDS
- With the funds raised through the 18th warrant, **all operating capital and investment funds have already been secured<sup>4</sup> in line with the management plan until the business turns profitable**

1. The turning point in a project where our direct customer decides to adopt Kudan technology for their commercial products or internal operation services

2. Revenue associated with contracts allowing customers to use our technologies and solutions in their commercial products or internal operation services

3. ¥110 million in the Q2 of the current financial year compared with ¥6 million in the Q2 of the previous financial year

4. 99% of the funds aimed in the 18<sup>th</sup> warrant were raised, with an expected cash balance of ¥3 billion as of Q2

**Ko:** First of all, here are the highlights up to the second quarter.

In terms of figures, revenue of 150 million yen in the first half of the fiscal year has doubled compared to the same period last year.

The trend of revenue being concentrated at the end of the fiscal year is the same as in previous years, and performance is progressing towards the full-year forecast of 700 million yen.

Regarding business, we are making progress in our efforts in line with the two pillars of growth: customer commercialisation and constructing end-solutions.

Regarding customer commercialisation, the number of projects completed has accelerated several times compared to the previous fiscal year, and commercial-related revenue has grown 18 times compared to the same period last year.

Regarding end-solution building, public projects are expanding globally, particularly in Europe and Japan, and our technical partnerships with partner companies Whale Dynamic and XGRIDS are also making a significant contribution.

In terms of finances, with the funds raised through the 18th warrant conducted, all the operating capital and investment funds have already been secured in line with the management plan until the business turns profitable. We will aim to grow our business on the basis of this stable financial position.

## Financial results



- Revenue has doubled and progressed year-on-year, with the aim of achieving the full-year budget
- Operating profit remained at the same level as in the previous year. On the other hand, the deterioration in ordinary profit is accounted for due to foreign exchange gains and losses but does not reflect cash flow and business

	Previous FY (24/3)		Current FY (25/3)		
	Q2	Full-year	Q2	Full-year (forecast)	
Revenue	73	490	148	700	Doubled to +102% year-on-year due to progress in customer commercialisation and constructing end solutions
Operating profit	-395	-527	-437	△430	Forecasts at the beginning of the year were maintained, with major project deliveries expected by the end of the fiscal year
Ordinary profit	-111	-50	-519	-	Cost increases due to enhancement of organisation and funding for further business expansion; profit level at the same level as in the same period of the previous year
Profit	-117	-69	-553	-	Due to the significant Japanese yen appreciation, a foreign exchange loss of ¥78mn was booked from intra-group receivables and payables (conversely, a foreign exchange gain of ¥286mn was booked in the previous year due to the significant yen depreciation)

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**Kohei Nakayama** (hereafter “Nakayama”): Nakayama, CFO, will provide an explanation on the financial results for the second quarter of the fiscal year ending March 2025.

First, in terms of progress through the second quarter compared to the previous year, revenue has been expanding steadily at a pace of doubling year-on-year. Regarding costs, there has been an increase compared to the previous year, driven by investments in strengthening our human resources and financial capabilities as part of building a foundation for future business expansion. As a result, operating profit has progressed at approximately the same level as the previous year.

For ordinary profit and below, while the previous year benefited from substantial foreign exchange gains due to significant yen depreciation, the current quarter has incurred foreign exchange losses due to yen appreciation thus far.

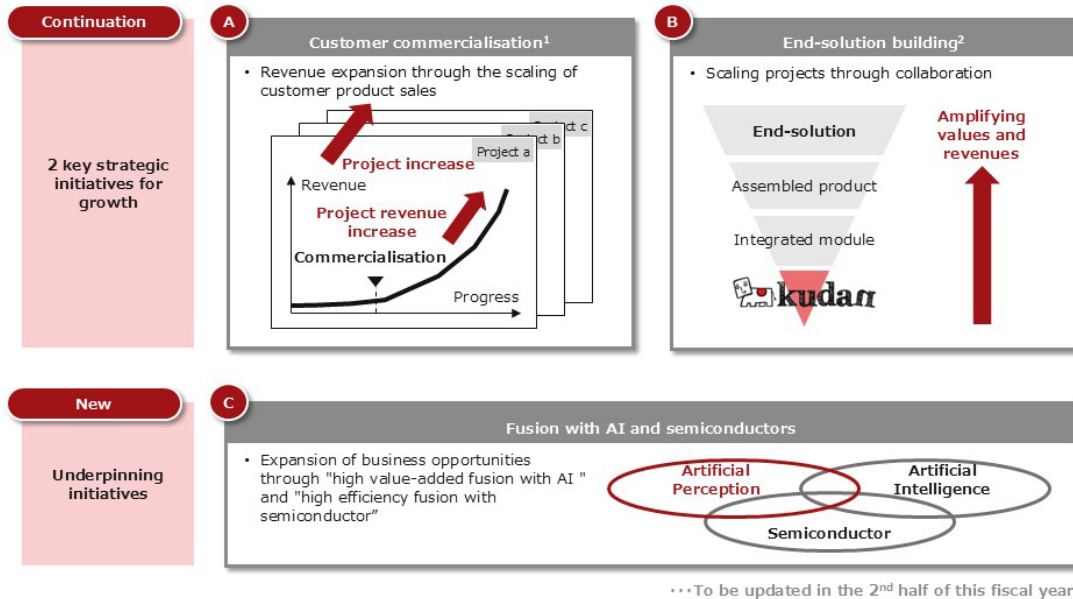
Consequently, there is an increase in accounting losses for ordinary profit and below. However, please note that this is purely an accounting adjustment arising from the offsetting of intra-group receivables and payables in our consolidated financial statements, which does not involve actual cash flow nor reflect business activities

In terms of progress toward the full-year performance forecast, we aim to achieve our budget target for revenue by delivering several large-scale projects expected in the second half.

Regarding costs, while we expect the increasing cost trend to continue due to ongoing strengthening of human resources in the second half, we are committed to driving revenue growth to achieve our operating profit targets.

# Growth strategies

- This year, in addition to continuing with the '2 key strategic initiatives for growth', we will also focus on initiatives to underpin



1. The turning point in a project where our direct customer decides to adopt Kudan technology for their commercial products or internal operation services  
 2 To build solutions not only for the customer base that directly adopts our deep tech, but also for end customers through business co-ordination with collaborators.

**Ko:** This fiscal year, we are continuing to focus on the two pillars of growth that we have been pursuing since the previous year: customer commercialisation and end-solution building.

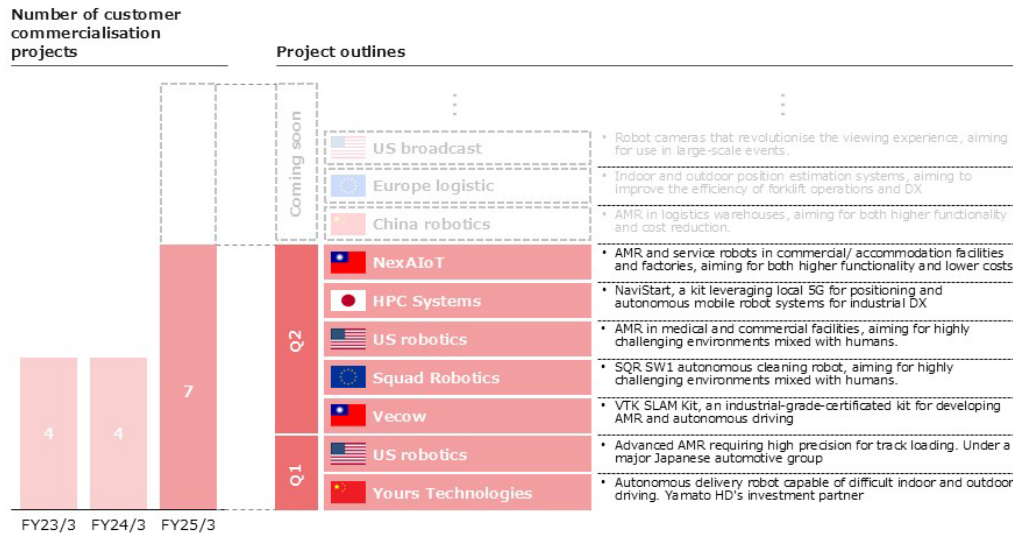
Customer commercialisation is positioned as a milestone in each customer project where Kudan's direct customers decide to adopt Kudan technology for their own products, and as a turning point from the development phase to the harvesting phase.

By end-solution building, we construct solutions for end customers beyond the customers who directly adopt Kudan's deep tech, through business coordination with partners, and we aim to amplifying the value of our technology and revenues, not just for the customers who directly adopt Kudan's deep tech.

I will explain the progress of each.

# A Customer commercialisation

- The pace of customer commercialisation<sup>1</sup> has accelerated in the current financial year; 7 projects were commercialised by Q2, which is a significant increase from the previous 2 years, followed by further projects expected in the 2<sup>nd</sup> half of the current fiscal year.
- As a result, commercialization-related revenue<sup>2</sup> up to Q2 hit ¥110 million, which is 18 times higher year-on-year), growing steadily towards the forecast of ¥250~400 million for the current fiscal year



1. The turning point in a project where our direct customer decides to adopt Kudarr technology for their commercial products or internal operation services  
 2. Revenue associated with contracts allowing customers to use our technologies and solutions in their commercial products or internal operation services

**Ko:** Firstly, regarding the progress of customer commercialisation, the number of projects achieved has accelerated significantly since this fiscal year. We have achieved 7 projects by the second quarter, which is a significant increase compared to the 4 projects in the previous year and the 4 projects in the year before that.

In particular, customer commercialisation in the robotics field has continued, and we have achieved projects such as the autonomous delivery robot of Yours Technologies, which is a Chinese investee of Yamato Holdings, the autonomous mobile robot for truck loading of a US robotics company under the umbrella of a major Japanese automotive group, the autonomous driving robot of Squad Robotics in Europe, and automatic mobile robots from a US robotics company and Taiwan's NexAIoT, are being used in high-performance autonomous mobile systems that can handle difficult indoor and outdoor driving and environments with people, mainly in factories and commercial facilities.

In addition, products are being adopted by development kits for robotics companies and industrial DX solution companies, such as Taiwan's Vecow and Japan's HPC Systems.

We expect this kind of business progress to continue to accelerate, with the track record of commercialisation of customer products so far attracting further commercialisation of customer products, and we are also expecting more important projects in the second half of the year, including a Chinese robot company, a European logistics company and a US broadcast company.

As a result of this progress, commercial-related revenue, which is the proceeds from the commercialisation of customer products, has also grown significantly, increasing 18-fold year-on-

year to 110 million yen, and is steadily increasing towards the forecast of 250 to 400 million yen for this fiscal year.

## B End-solution building



Public sector projects are expanding and progressing globally, mainly focusing on digital twin-based DX for infrastructure and asset management, which are accelerated by our strategic alliances for constructing solutions for end customers.

		Project outlines	Progress in the Q2	
Expansion of public sector projects	Germany Public facilities management	• Developing DX solutions for school facilities management with Digital Twin in German cities for approximately 2,000 spaces, as the first project of its kind conducted in the German public sector	• Verification is progressing and is scheduled to be completed in the Q3. Aiming for large-scale expansion thereafter.	
	Finland Digital forestry	• Developing Digital Twin solutions for forest management and forestry automation led by the Ministry of Agriculture and Forestry	• Development is ongoing, and additional orders for the same area have closed	
	Japan Infrastructure management DX	• Supporting a government-led, large-scale infrastructure management DX project, in collaboration with a major company	• Completed preparations for multi-year development, which are scheduled to start this fiscal year	
	Taiwan Smart shipyard	• Supporting the digital solutions needed for government-led smart shipbuilding projects. Partnered with MacroInsight	• Received orders and provided technology in the Q2. Verification is progressing and the project is scheduled to continue in the next fiscal year	
	Japan <b>NEW</b> Major robotics	• (Coming soon) Supporting a development project of robot solutions for government/ public sectors	• Expected to receive orders this fiscal year for a multi-year development project	Coming soon
	Europe <b>NEW</b> Major logistics	• (Coming soon) Supporting a development project of next-generation solutions, including AI implementation, for facility asset management	• The order and delivery for the initial phase are expected in the current fiscal year	Coming soon
Expansion of strategic alliances	XGRIDS Joint business expansion	• Promoting sales and solutions for the construction, real estate and infrastructure industries by utilising the industry's most advanced mapping equipment.	• Technical collaboration has been conducted for multiple projects above, with plans to expand in the future	
	Whale Dynamic Joint business expansion	• Developing multifaceted technologies and business collaborations for autonomous driving, robotics, and automotive mapping. Investee	• Collaboration progresses, and vehicle-based technologies will be developed into a solution in the 2 <sup>nd</sup> half of this fiscal year	

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**Ko:** Next is end-solution building. This quarter, progress is being made globally, with a focus on public sector projects to create digital twins of infrastructure assets.

















Specifically, verification and development are continuing for projects such as the digital management of school facilities in Germany, the digital forestry project being led by the Finnish Ministry of Agriculture and Forestry, the infrastructure management DX project led by the Japanese government, and the smart shipyard project led by the Taiwanese government, and those progresses are being made towards large-scale implementation in the future.

In addition, there are also new projects expected to start this fiscal year, such as the Japanese government-led robot solution development project and next-generation DX solutions being developed by a major European logistics company, and we will continue to acquire large-scale solution projects while expanding our collaboration with governments and public sectors in various countries.

Moreover, in these solution-based initiatives, we are building solutions that are closer to the end customer through the collaboration and integration of Kudan's deep tech with related technologies so that we are also accelerating the development of technological cooperation with strategic partner companies such as XGRIDS and Whale Dynamic, which is important for building solutions for autonomous driving, robotics, and mapping, and this is making a significant contribution to the acquisition and expansion of solution-based projects.

## Other highlighted projects

### Selected projects<sup>1</sup>

	Customer	Project info	Release
Digital twin	 Major telecom	Digital twin for smart city	
	 Major energy	Digital twin for facility asset management	<a href="#">Link</a>
	 Major electric	Multi-purpose mobile mapping device	
	 Major railway/ industrial	Mapping for railway infrastructure maintenance	<a href="#">Link</a>
	 Major construction	Development package for construction DX	<a href="#">Link</a>
	 Mobile mapping vendor	Multi-purpose mobile mapping device	
	 National university	Digital campus	
Robotics	 Major heavy industrial	Automation of outdoor industrial logistics	
	 Major automotive OEM	Autonomous driving and robot-taxi service	<a href="#">Link</a>
	 Major automotive OEM	Autonomous mobility platform	<a href="#">Link</a>
	 EUSPA (EU agency for space program)	Autonomous driving in GPS-denied environment	<a href="#">Link</a>
	 Kawasaki Heavy industry	Four-legged robot	<a href="#">Link</a>
	 NASA	Robot for moon exploration	<a href="#">Link</a>
	 Industrial	Cleaning robot	
	 Major industrial and mobility	Position estimation system for logistic mobilities	
 Major robotics	Industrial AMR		

<sup>1</sup> A selection of projects that have made significant business progress up to Q2 that are not listed by the previous pages. A number of projects not listed here are also in progress.

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**Ko:** As the progress of our business and projects, which are focused on the commercialisation of customer products and solutions, we are also working on many other projects that support the development of future customer commercialisation and promote the technological and business construction of new end-solutions.

Specifically, for digital twins, we are working on practical applications in a wide range of industrial sectors, including smart cities, railways, construction, and digital campuses, and for robotics, we are promoting the application of technology in a very wide range of robotics fields, from industrial applications to robot taxis, autonomous driving, quadruped robots, and lunar exploration.

By achieving the customer commercialisation and end-solution building in these wide-ranging areas, we will achieve steady business growth.

This concludes our explanations about the financial results.

### ■ Company Details

Name: Kudan Inc.

Securities Code: 4425 (TSE Growth)

Representative: CEO Daiu Ko

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