



December 10, 2021

Company Name	Kudan Inc.	
Representative	CEO	Daiu Ko
	(Securities code: 4425 TSE Mothers)	
Inquiries	CFO	Kohei Nakayama
	(Tel. 03-4405-1325)	

**Notification concerning completion of acquisition of Artisense Corporation shares accompanying change in subsidiary by carrying out the Third Closing, completion of payment (payment in kind) pertaining to issuance of new shares through third-party allocation, and withdrawal of stock issuance registration**

Kudan announced that the acquisition of shares (hereinafter called the “Share Purchase”) of Artisense Corporation (hereinafter called “Artisense”) disclosed in the press release of January 27, 2020, “Notification concerning the purchase of shares of Artisense Corporation, a computer vision company with its origins in the Technical University of Munich in Germany, for the purposes of acquiring Artisense as a subsidiary, and the issuance of new shares as a third-party allocation” and press release of October 4, 2021, “Notification concerning acquisition of Artisense Corporation shares accompanying change in subsidiary by carrying out the Third Closing and issuance of new shares (payment in kind) through third party allocation” was completed on December 10, 2021, thereby making Artisense a subsidiary, and that furthermore, payment in kind regarding the issuance of Common Shares by the method of third-party allocation (hereinafter referred to as the "Third-Party Allocation") to the shareholders of Artisense as partial consideration for the Share Purchase was completed today, as briefly explained below.

Kudan also announced that today, owing to the completion of the payment in kind for the Third-Party Allotment, the stock issuance registration related to issuance of new shares (“Stock Issuance Registration”) disclosed in the press release of January 27, 2020, “Notification concerning the purchase of shares of Artisense Corporation, a computer vision company with its origins in the Technical University of Munich in Germany, for the purposes of acquiring Artisense as a subsidiary, and the issuance of new shares as a third-party allocation” was withdrawn.

Details

I. Share Purchase

1. Overview of the subsidiary subject to change (Artisense)

(as of October 4, 2021)

(1) Name	Artisense Corporation
(2) Address	Silicon Valley 555 Bryant Street PMB Palo Alto, CA 94301
(3) Role and name of representative	CEO Daiu Ko
(4) Content of business operations	R&D and sales of spatial and positional recognition software
(5) Capital	5,985,334 USD (658 million JPY)
(6) Date established	February 2016

2. Number of shares for acquisition and share status before and after acquisition

(1) Shares held prior to purchase	3,927,148 Common Shares and 4,734,380 Preferred Shares (8,661,528 votes) 37.4 percent of votes held
(2) Shares acquired	6,800,229 Common Shares and a total of 7,724,511 Preferred Shares (14,524,740 votes) 62.6 percent of votes held
(3) Shares held after purchase	10,727,377 Common Shares and 12,458,891 Preferred Shares (23,186,268 votes) 100 percent of votes held

3. Date of share purchase

December 10, 2021

4. Future projections

The effects of the Share Purchase on the consolidated performance of Kudan for this fiscal year are currently under review, but as outlined in the press release of May 14, 2021, “Notification concerning discrepancies between the consolidated earnings for the fiscal year and the actual figure for the previous fiscal year, between the consolidated earnings forecast and the actual figure, and the recordings of non-operating income, non-operating expenses and extraordinary losses”, in the previous fiscal year ending March 2021, the cumulative purchase amount of Artisense shares was fully impaired, and similarly, an impairment loss pertaining to the Share Purchase may also be recorded as an extraordinary loss after some time following the purchase of the shares (whether or not such impairment loss will be recorded and the amount and timing thereof are currently under consideration, and will be disclosed in a timely and appropriate manner once specifically determined). However, Kudan believes that the expansion of business through the Share Purchase will contribute to the growth of our business and higher stock value for the Kudan Group in the medium- to long-term.

The final impact on the consolidated performance for the current fiscal year will be promptly announced if any issue warrants disclosure.

II. Third-Party Allocation

1. Outline of offering

(1) Contribution period (Payment period)	From October 26, 2021, to December 24, 2021 (Note)	
(2) Number of new shares to be issued	Common Shares	494,067 shares
(3) Issue value	3,549 JPY per share	
(4) Funds procured	1,753,443,783 JPY Payment in kind of 6,800,229 Common Shares and 7,724,511 Preferred Shares of Artisense as consideration, with no cash payment.	
(5) Method of offering or allocation	Third-party allocation	
	Andrej Kulikov Holding UG (haftungsbeschränkt)	115,796 shares
	FabliTec UG (haftungsbeschränkt)	180,333 shares
	BrightSide UG (haftungsbeschränkt)	15,492 shares

	Litquidity Capital UG (haftungsbeschränkt)	2,913 shares
	VITO Ventures Fonds I GmbH & Co. KG	70,460 shares
	Project A Ventures II GmbH & Co. KG	69,857 shares
	Inventures GmbH	18,026 shares
	Lapaero GmbH	7,830 shares
	Tim Miksche	5,176 shares
	Rui Wang	8,184 shares

## 2. Changes in the total number of issued shares and stated capital

(1)	Total number of issued shares before capital increase	7,736,000 shares	(Capital before capital increase	21,140,000 JPY)
(2)	Increased number of shares as a result of capital increase	494,067 shares	(Increased capital	876,721,892 JPY)
(3)	Total number of issued shares after capital increase	8,230,067 shares	(Capital after capital increase	897,861,892 JPY)

## III. Withdrawal of Stock Issuance Registration

### 1. Overview of Stock Issuance Registration withdrawal

(1)	Stock issuance registration submission date	January 27, 2020
(2)	Type of solicited security	Common Shares of Kudan
(3)	Planned issuance period	Until the day on which two years have elapsed from the effective date of the stock issuance registration (February 23, 2020, to February 22, 2022)
(4)	Planned issuance amount	Up to 2,600,000,000 JPY Note: This amount is 18.6 million EUR converted at 1 EUR = 140 JPY based on the highest EUR/JPY exchange rate over the three years preceding submission of the stock issuance registration.

### 2. Results of Stock Issuance Registration

Total issued value: 1,753,443,783 JPY

### 3. Reason for withdrawal of Stock Issuance Registration

Because of the completion of the planned stock offering in accordance with the Stock Issuance Registration.

## About Kudan Inc.

Kudan (Tokyo Stock Exchange securities code: 4425) is a Deep Tech research and development company specializing in algorithms controlling artificial perception (AP). As a complement to artificial intelligence (AI), AP functions allow machines to develop autonomy. Currently, Kudan is using its high-level technical innovation to explore business areas based on its own milestone models established for Deep Tech which provide wide-ranging impact on several major industrial fields.

For more information, please refer to Kudan's website at <https://www.kudan.io/>.

■Company Details

Name: Kudan Inc.

Securities Code: 4425

Representative: Daiu Ko, CEO

■Contact Information

ir@kudan.eu

End of document