

September 20, 2023

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

**Notification of Conclusion of Memorandum of Understanding
for a Capital and Business Alliance, Including the sales of Product Licenses
Totaling 300-400 Million Yen to Whale Dynamic**

Kudan Inc. (headquarters in Shibuya-ku, Tokyo; CEO Daiu Ko, hereafter “Kudan”) is pleased to announce that today it has concluded a memorandum of understanding (the “Agreement”) for a capital and business alliance (the “Transactions”) with Whale Dynamic Co., Ltd. (Chinese: 深圳市惠爾智能有限公司; headquartered in Shenzhen, China; CEO: David Yufei Chang; hereafter “Whale Dynamic”), Kudan’s business partner which develops autonomous driving solutions in China.



1. Purpose and Reasons for the Agreement

Whale Dynamic began providing robots (autonomous delivery vehicle) and associated HD map toolchain products that integrate Kudan’s 3D-Lidar SLAM technology in July 2022, and has been promoting market sales mainly in Chinese market where demonstration of advanced autonomous driving technology led by a public-private system has been rapidly growing (Reference: [China’s Whale Dynamic releases products for autonomous driving by integrating Kudan 3D-Lidar SLAM and won a project in Tier1 City in China \(July 11, 2022\)](#)).

Amid these circumstances, demand for Whale Dynamic’s solutions is increasing in global regions such as Europe and the Middle East along with the expansion of track record in the Chinese market, and with that comes better prospects for opportunities to provide Kudan’s technology in a wider range of Whale Dynamic’s products, such as autonomous driving for passenger cars. As the expansion of sales of Whale Dynamic’s products that integrate Kudan’s

technology is expected due to our business progress, we have concluded the Agreement with Whale Dynamic regarding the sales of corresponding product licenses worth 300 million to 400 million yen in total.

In addition, Kudan has concluded the Agreement regarding the investment of 500 million yen in growth capital into Whale Dynamic to accelerate their regional expansion to global and product expansion to autonomous driving, and to strengthen our collaborative structure and joint promotion of the sales of Whale Dynamic’s products and the spread of Kudan’s technology.

2. Details of the Transactions

The details of the Transactions agreed to by Kudan and Whale Dynamic are as follows.

(1) Business alliance

Kudan will sell product licenses to Whale Dynamic worth 300 million yen to 400 million yen in total in this fiscal year and the next fiscal year (FYE March 2024 and March 2025).

At the same time, both companies will strengthen joint product development and promote business development and marketing in China and other global regions.

(2) Capital alliance

Kudan will invest a total of 500 million yen (anticipated to be approximately 10% of the total number of issued shares) in Whale Dynamic (including Whale Dynamic’s group companies) in this fiscal year and the next fiscal year (FYE March 2024 and March 2025).

Furthermore, the Agreement is not legally binding, and we plan to proceed from now with detailed considerations for the execution of a final agreement pertaining to the Transactions, which we expect to be executed in stages depending on the progress of the business and collaboration structure of both parties. We plan to disclose further details in the event of a resolution to execute a final agreement.

3. Overview of the partner in the Agreement

(1) Name	Whale Dynamic Co., Ltd.	
(2) Head office location	H3-6 Chiwan 2nd Road, Nanshan District, Shenzhen, Guangdong, P.R. China	
(3) Name and title of representative	CEO and Founder David Yufei Chang	
(4) Nature of business	Development and sales related to autonomous driving and intelligent traffic	
(5) Amount of stated capital	1,479,042 CNY (29 million JPY) (converted at 1 CNY = 20.25 JPY (exchange rate as of September 19, 2023))	
(6) Date of establishment	October 27, 2015	
(7) Major shareholders and shareholding ratio	David Yufei Chang	91.89%

(8) Relationships with Kudan, etc.	Capital ties	Not applicable
	Personnel relationship	Not applicable
	Business relationship	A sales agreement has been executed for licensing Kudan's software for autonomous driving-related solutions provided by Whale Dynamic.
	Status as related parties	Not applicable

* The business performance and financial condition of the company for the past three years is not included due to a request for non-disclosure by the company.

4. Schedule

(1) Resolution of the Board of Directors	September 20, 2023
(2) Conclusion of the MoU	September 20, 2023
(3) Conclusion of the capital and business alliance agreement	CY2023 and CY2024 (planned)

5. Future outlook

As set forth in 2. above, we expect that Kudan will sell product licenses to Whale Dynamic worth 300 million yen to 400 million yen in total in FYE March 2024 and March 2025. We will promptly make an announcement if any event arises that should be announced regarding the impact on Kudan's consolidated financial performance while we are monitoring the progress of the finalization of the Transactions and other customer projects.

(Reference) Demo movie about the technology for mapping (vehicle-mounted) and robots (autonomous mobile vehicle)

<https://youtu.be/HgAHwv37oXQ>

About Kudan Inc.

Kudan is a deep tech research and development company specializing in algorithms for artificial perception (AP). As a technology that complements artificial intelligence (AI), AP advances machines toward autonomous functioning. Currently, Kudan is using its high-level technical innovation to drive business development based on its own milestone models specializing in deep tech which will impact a wide range of industries.

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

■ Company Details

Name: Kudan Inc.

Securities code: 4425 (TSE Growth)

Representative: CEO Daiu Ko

About Whale Dynamic Co., Ltd.

Whale Dynamic is a fast-growing autonomous driving technology company in Shenzhen, China, focused on autonomous driving and intelligent traffic applications. The company holds many fundamental technology patents in vehicle autonomy, from the fields of multi-sensor fusion perception, spatial-temporal synchronization, vehicle embedded system, HD mapping, centimeter level localization and others. Its technology has been widely used by many transportation providers, tier1 companies, universities, and other institutions. Unlike most AD solution companies which only retrofit passenger vehicles for autonomy, Whale Dynamic has used its existing full-stack passenger vehicle autonomy technology in self-developed driverless autonomous vehicles, and secured rich operational use cases by sophisticated design and extensive road testing.

For more information, please refer to Whale Dynamic's website at <http://www.whaledynamic.com>

■Company Details

Name: Whale Dynamic Co.Ltd.

Representative: CEO and Founder David Yufei Chang

■Contact Information

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