



Explanatory material on the conclusion of a MOU for a capital and business alliance, including the sales of product licenses totaling 300-400 million yen to Whale Dynamic

September 20, 2023

Eyes to the all machines

We agreed to enter into a product license agreement worth 300-400 million yen with Whale Dynamic (hereafter WD), which has been taking the lead in bringing Kudan technology to the market



- WD, which has achieved Kudan's first customer commercialization, began offering mapping (vehicle-mounted) and robots (outdoor vehicles) (July 2022)
- While the track record in the Chinese market is accumulating, global demand is being stimulated, particularly in Europe and the Middle East, and the prospects for product expansion into autonomous driving (passenger cars) are increasing
- As a result, WD's products is expected to expand sales and we agreed to enter into a corresponding product license agreement worth 300-400 million yen for Kudan technology (total revenue of 300-400 million yen is expected to be recorded in this fiscal year and the next fiscal year)
- In addition, Kudan will invest 500 million yen to accelerate WD's regional expansion to global and product expansion to autonomous driving, and will promote WD's products and Kudan technology for market penetration

whale dynamic

惠尔智能



- Leverages proprietary LV4-5 technologies for a wide range of product offerings including autonomous mobile robots and autonomous driving
- Not only targets the rapidly evolving Chinese market, but also expands its business extensively into the global market

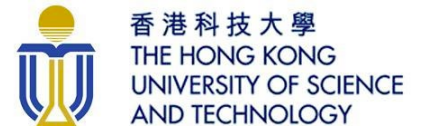
Founder & CEO
(David Chang)

- Led the development in "Apollo", the country's largest autonomous driving project by Chinese IT giant, Baidu, as a senior product manager. MPhil, University of Cambridge, U.K.

Global expansion

- The only company in the world to be a member of both "Apollo" and "Autoware", the globally recognized open-source ecosystem for autonomous driving

**Clients/
Partners**



- Product commercialization by WD utilizing Kudan technology was realized in July 2022, and product introduction is in progress

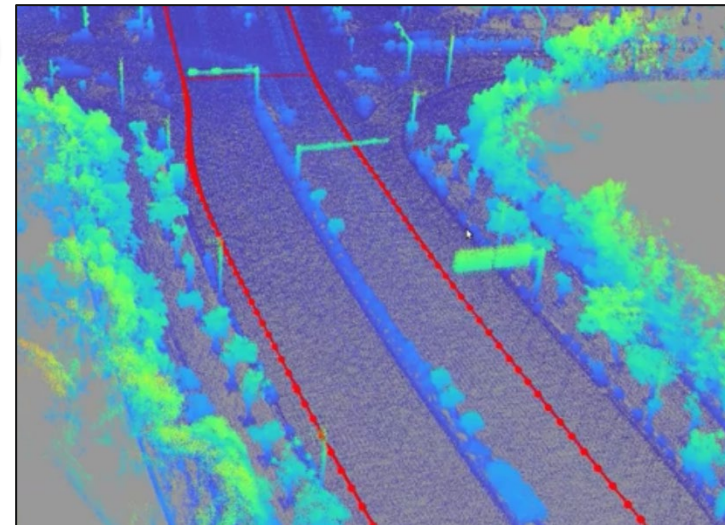
whale dynamic

- Provides mapping for public roads (vehicle-mounted) and robot (autonomous mobile vehicle)*



kudan

- Provides SLAM technology for localization and HD map creation
- Achieve higher performance with proprietary technology related to the integration of Lidar SLAM and Visual SLAM

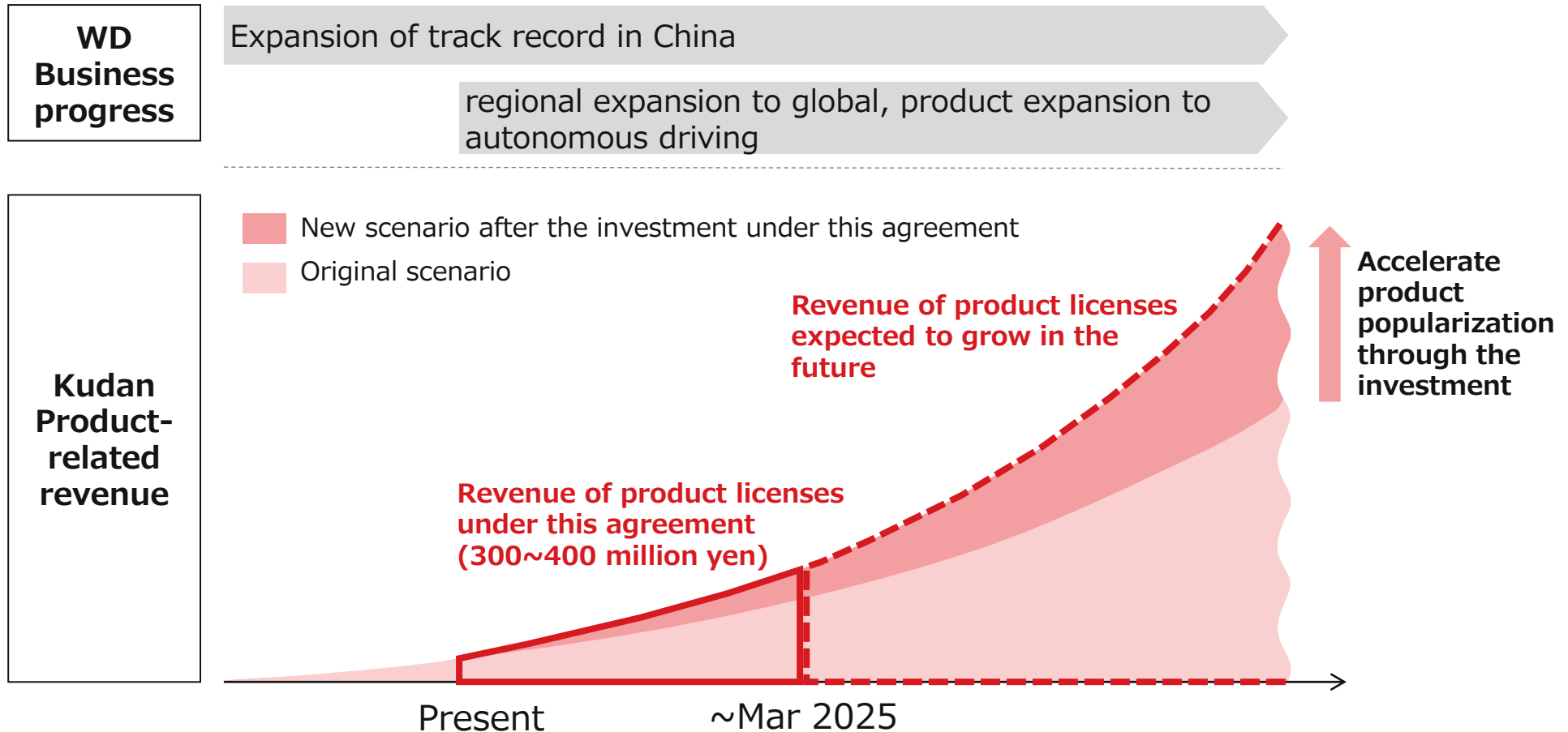


[*] [Demo movie URL about the technology for mapping \(vehicle-mounted\) and robot \(autonomous mobile vehicle\)](#)

About capital and business alliance with Whale Dynamic



- Kudan agreed to enter into a product license agreement totaling 300-400 million yen in the current and next fiscal years in line with the expansion of WD's sales
- In addition, Kudan will invest 500 million yen in growth capital, including regional expansion to global and product expansion to autonomous driving, to accelerate the popularization of WD's products and to increase and continue to expand product license sales in the future



Collaboration policy to promote products and technologies of both companies



- Kudan collaborates in sales, development and support in terms of business expansion of WD along two axes: regions and products
- Product expansion to autonomous driving is an opportunity for Kudan to further expand its customer commercialization area and scale the business significantly

Collaboration with Kudan on Whale Dynamic's business development

Expansion of achievements in China

- As a core member company of “Baidu Apollo”, China's largest autonomous driving project, WD has been working on numerous demonstration projects in the public and private sectors
- WD is accumulating cutting-edge achievements in the Chinese market, which is one of the world's fastest growing markets for autonomous driving

regional expansion to global

- As global market demand is also being stimulated, project acquisition is in progress, mainly in Europe and the Middle East
- Collaborate with Kudan to provide joint global marketing, project development and support

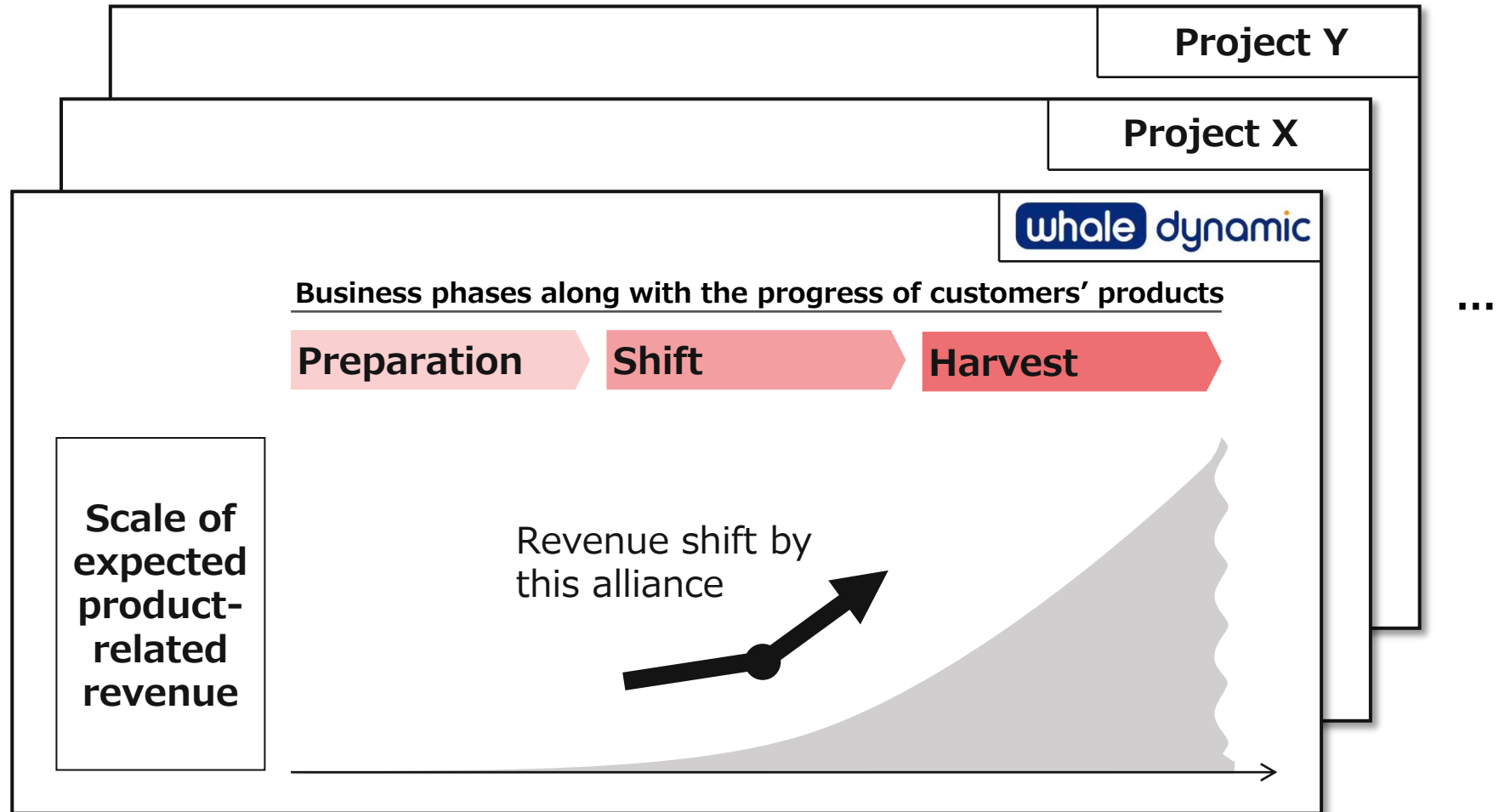
product expansion to autonomous driving

- Plan to expand product offerings from mapping (vehicle-mounted) and robot (autonomous mobile vehicle) to autonomous driving for passenger cars, and jointly develop applications for Kudan technology

Areas for accelerated collaboration in the future

Future growth of product-related revenue

- Beginning with Whale Dynamic, Kudan aims to further expand product-related revenue, by promoting the progress of the business phase with customers in each of their commercialized projects



- This document contains Kudan's plans, estimates and expectations for the future based on its current business situation and industry trends.
- All such projections for the future inherently involve uncertainty and a wide variety of risks.
- It is conceivable that risks both understood and unforeseen, uncertainties and other factors may cause actual results to differ from the projections contained within this document.
- Kudan offers no guarantee of the accuracy of its projections for the future and accepts that they may differ significantly from actual results.
- All projections for the future included in this document are based upon information available to Kudan as of September 20th, 2023, and may not be updated or changed to reflect future developments or changes in status.