

November 14, 2023

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

**Notification of Agreement on Strategic Partnership with STS Group
to Jointly Expand Digital Asset Platform Solution Business
towards European Municipality and Utility Infrastructure Sectors**

Kudan Inc. (headquarters in Shibuya-ku, Tokyo; CEO Daiu Ko, hereafter “Kudan”), a leading provider of real-time simultaneous localization and mapping (SLAM) software, is proud to announce that it has signed a Memorandum of Understanding (MOU) for strategic partnership with STS Engineering & Construction Kft. (including its group companies, hereafter “STS Group”), a leading renewable energy engineering, procurement, and construction (EPC) company headquartered in Hungary. This partnership aims to transform the asset management for European municipalities and utility customers by combining Kudan's SLAM technology and mapping productization package with STS Group's 15-plus years of market expertise and experience in energy infrastructures.



1. Details of the partnership

In the dynamic landscape of public and utility infrastructure sectors, challenges such as aging infrastructure, workforce shortages, escalating regulatory requirements, and costly operational procedures are becoming increasingly apparent in recent years. Traditional methods that rely on manual inspections, fragmented data management, and limited visibility have created barriers to the optimal functioning of these crucial infrastructures. The strategic alliance between Kudan and STS Group seeks to address these challenges head-on, bringing together Kudan's SLAM-based mobile mapping technology and digital asset platform solution offering

with STS Group's extensive industry experience in public infrastructure to guide the asset management in these sectors to next level.

"We are excited to partner with STS Group and leverage their experience in the energy industry and large-scale project as main contractor to further enhance and expand the scope of our SLAM technology and turnkey End-to-End Digital Asset Platform Solution," said Daiu Ko, CEO of Kudan. "This cooperation will help us to deliver our state-of-art asset digitization solutions faster and provide them for Municipalities, Energy Companies, Utilities and Transmission System Operators enabling them to achieve significant productivity increase, faster design and a highly effective Operation and Maintenance against their critical assets."

"STS Group has been a leading group of companies in the Hungarian energy market for 20 years, designing and constructing power grids and power plants, renewable energy power plants, operation and maintenance." said Tamás Gyepes, Founder and Group CEO of STS Group. "Digitalization in this industry is opening an increasingly important space for design and operation & maintenance. We observe a very strong connection in its development with the use of Kudan's technology and solution, which open up a new business opportunity in the Europe electricity and utility market. Digitalization could lead to significant technological advances and efficiency improvements in the future energy sector, and the collaboration between Kudan and STS Group would play a crucial role in contributing to these advancements."

The partnership between Kudan and STS Group represents a powerful alliance that promises innovation, efficiency, and excellence in the realm of digital asset management. As both companies embark on this critical business together, we are committed to working closely and transforming the asset operation and management for the municipality and utility infrastructure sectors in Europe.

2. Overview of business alliance partner

(1) Name	STS Engineering & Construction Kft.
(2) Address	9027 Győr, Koroknay Gyula utca 7., Hungary
(3) Name and position of representative	Tamas GYEPES, Founder and Group CEO
(4) Content of business operation	<ul style="list-style-type: none"> - High Voltage infrastructure project design and implementation - Renewable Energy projects execution: PV, Wind, Biomass, Biogas - Road construction, Substation Civil Works, OVH Line Foundations, Drainage systems - Energy Asset Operation and Maintenance

(5) Capital	21,000,000 HUF (9 million JPY) (Converted at 1 HUF = 0.43 yen (exchange rate as of November 13, 2023))	
(6) Date of establishment	August 10, 2004	
(7) Major shareholders and held share percentages	STS Business Kft.	100.00%
(8) Relationship with Kudan	Capital ties	None
	Personnel ties	None
	Transactional relationships	None
	Related party connections	None

※”Financial performance and fiscal status of the company over the past three years” is not disclosed due to the request of the company.

3. Schedule

(1) Date of resolution	November 14, 2023
(1) Date of agreement of the partnership	November 14, 2023

4. Future Outlook

The effect of this partnership on the company’s fiscal performance is currently under review. In the event that any issue arises that needs to be made public, swift notification will be carried out.

About STS Group.

Founded in 2002, STS Group is an internationally recognized Engineering, Procurement, and Construction (EPC) company with over 15 years of experience. Specializing in High Voltage infrastructure projects, Renewable Energy initiatives, and Energy Asset Operation and Maintenance, STS Group is committed to delivering high-quality solutions across the energy sector. Learn more at <https://stsgroup.hu/>.

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 overview

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■ Contact Information

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