

January 31, 2024

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 Product License Sale Agreement and Investment Agreement with Whale Dynamic

Kudan Inc. (headquarters in Shibuya-ku, Tokyo; CEO Daiu Ko; including its subsidiaries, hereafter “Kudan”) is pleased to announce that today it has concluded a product license sale agreement and an investment agreement (the “Agreements”) 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; including its group companies, hereafter “Whale Dynamic”), Kudan’s business partner which develops autonomous driving solutions in China.



1. Background and reasons for the Agreements

As notified in our September 20, 2023 press release [“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 concluded a memorandum of understanding on the same date for a capital and business alliance with Whale Dynamic. Also, as notified in our November 14, 2023 press release [“Notification of Agreement on Main Terms of Product License Sale Agreement and Investment Agreement with Whale Dynamic”](#), Kudan has reached a binding agreement on the same date on the main terms of a product license sale agreement and investment agreement with Whale Dynamic.

In accordance with the agreement, Kudan subsequently continued specific discussions of the detailed conditions of the Agreements and further expansion of the partnership, reaching the conclusion of the Agreements.

As a result, in this fiscal year (FYE March 2024), Kudan is selling product licenses worth 240 million yen to Whale Dynamic in order for Whale Dynamic to meet the increased demand for its solutions from its two-pronged global regional expansion and product expansion, including autonomous driving for passenger cars as well as mapping and robots (autonomous mobile vehicles) in global regions such as Europe and the Middle East, as well in the Chinese market, where it has already been expanding its track record.

In addition, Kudan will invest 400 million yen in the Whale Dynamic and continue to strengthen our collaborative structure and jointly promote the sales of Whale Dynamic’s products and the spread of Kudan’s technology.

2. Details of the Agreements

The details of the Agreements concluded by Kudan and Whale Dynamic are as follows.

- (1) Main terms of the product license sale agreement
Kudan will sell product licenses to Whale Dynamic group worth 240 million yen.
- (2) Main terms of the investment agreement
Kudan will invest 400 million yen (8% of the total outstanding shares) in the Whale Dynamic group.

Going forward, based on the Agreements, we plan to complete the transactions in February-March 2024. We will also examine the conclusion of additional product license sale agreements and investment agreements depending on the progress of the business and collaboration structure of both parties. We will promptly announce any resolution to conclude additional agreements.

3. Overview of the partner in the Agreements

(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 (30 million JPY) (converted at 1 CNY = 20.76 JPY (exchange rate as of January 30, 2024))	
(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 concluded 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	January 30, 2024
(2) Conclusion of the Agreements	January 30, 2024
(3) Investment	February-March 2024 (planned)

5. Future outlook

As set forth in 2. above, we expect that Kudan will sell product licenses to Whale Dynamic worth 240 million yen in total in this fiscal year (FYE March 2024). We will promptly make an announcement if any event arises that should be announced regarding the impact on Kudan’s consolidated financial performance.

(Reference) Movie about the demonstration project in the United Kingdom using products from Kudan and Whale Dynamic

<https://youtu.be/9rv1HI8y6IM>

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, including multi-sensor fusion perception, spatial-temporal synchronization, vehicle embedded systems, high-precision 3D mapping, and centimeter-level location awareness. Its technology has been widely used by many transportation operators, leading 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 autonomous driving technology in self-developed autonomous vehicles, and its meticulous operational scenario design and extensive road test results have made application to a wide range of operational use cases possible.

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

■ Company overview

Name: Whale Dynamic Co., Ltd. (Chinese: 深圳市惠爾智能有限公司)

Representative: CEO and Founder David Yufei Chang

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/>).

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■ Contact us [here](#)