

September 24, 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 Investment Agreement and Product License Sale 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 an investment agreement and a product license sale 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; hereafter “Whale Dynamic”), Kudan’s business partner which develops autonomous driving solutions in China, and its group company Whale Dynamic Holding Limited (hereafter “Whale Dynamic Holding”) and Whale Dynamic Holding (Hong Kong) Limited (hereafter “Whale Dynamic Holding (Hong Kong)”). The Agreements are based on the memorandum of understanding for a capital and business alliance concluded on September 20, 2023 (please refer to the 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”](#)).



1. Background and reasons for the Agreements

As notified in our January 31, 2024 press release [“Notification of Conclusion of Product License Sale Agreement and Investment Agreement with Whale Dynamic”](#), Kudan concluded an Investment Agreement with Whale Dynamic and Whale Dynamic Holding, and Product License Sale Agreement with Whale Dynamic Holding (Hong Kong) on the same date. In accordance with the agreements, Kudan has completed the investment (hereafter “the Investment”) worth 400 million yen (8% of the total outstanding shares) and product license sales worth 240 million yen.

Through these actions, Kudan has continued to strengthen our collaborative structure and jointly promote the sales of Whale Dynamic's products and the spread of Kudan's technology with 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.

As a result, Whale Dynamic's business expansion has made significant progress in 2024. The company has signed memorandums of understanding (MoUs) for the sale of more than 100 vehicles each with Robomart, which deploys autonomous mobile stores in the U.S., and Faction, which sells unmanned delivery vehicles. In total, MOUs have been signed for the sale of 300 vehicles with business partners including them. This figure represents 7 to 8 times the order volume of the previous year and aligns with the initially planned sales volume for the next 3 to 4 years.

Moreover, Whale Dynamic has been actively expanding its regional reach, not only within China through projects with major companies like Baidu and leading Lidar sensor manufacturer RoboSense, as well as universities and public institutions, but also globally in regions like Japan, Switzerland, and other parts of Europe, including collaborative autonomous driving projects with Kudan.

In terms of product expansion, Whale Dynamic is making steady progress in extending its offerings beyond autonomous mobile vehicles to include autonomous driving related products for passenger cars, as well as expanding into applications for airports, subways, and other areas.

Given these business advancements, Kudan has decided to make an additional investment in Whale Dynamic Holding to further accelerate the expansion of both companies' technologies in global markets. Additionally, to address the expanding of application areas and further strengthen our technological capabilities, Kudan will provide Whale Dynamic Holding (Hong Kong) with Visual SLAM license newly, in addition to the currently provided Lidar SLAM license. This will enable them to advance the provision of products that combine both SLAM technologies.

2. Details of the Agreements

The details of the Agreements are as follows.

(1) Main terms of the investment agreement

Kudan will invest 100 million yen (2% of the total outstanding shares) in the Whale Dynamic Holding.

(2) Main terms of the product license sale agreement

Kudan will sell product licenses to Whale Dynamic Holding (Hong Kong) worth 60 million yen.

3. Overview of the partner in the Agreements

Whale Dynamic Co., Ltd.

(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 = 20.17 JPY (exchange rate as of September 20, 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	Development license agreement has been concluded for licensing Kudan's software
	Status as related parties	Not applicable

Whale Dynamic Holding Limited

(1) Name	Whale Dynamic Holding Limited	
(2) Head office location	Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman KY1-1209, Cayman Islands	
(3) Name and title of representative	CEO and Founder David Yufei Chang	
(4) Nature of business	Group company management	
(5) Amount of stated capital	2,638,048.19 USD (376 million JPY) (converted at 1 USD = 142.67 JPY (exchange rate as of September 20, 2024))	
(6) Date of establishment	December 19, 2023	
(7) Major shareholders and shareholding ratio	ad astra per aspera holding Limited Kudan Inc.	83.64% 8.00%
(8) Relationships with Kudan, etc.	Capital ties	Investment has been completed by 8% of the total outstanding shares
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Status as related parties	Not applicable

Whale Dynamic Holding (Hong Kong) Limited

(1) Name	Whale Dynamic Holding (Hong Kong) Limited
(2) Head office location	Unit16, 18/F, Radio City, 505 Hennessy Road, Causeway Bay, Hong Kong

(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	100 HKD (0 million JPY) (converted at 1 HKD = 18.3 JPY (exchange rate as of September 20, 2024))	
(6) Date of establishment	January 12, 2024	
(7) Major shareholders and shareholding ratio	Whale Dynamic Holding Limited	100.00%
(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
	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 24, 2024
(2) Conclusion of the Agreements	September 24, 2024
(3) Execution of the transactions	September-October 2024 (planned)

5. Future outlook

The impact of this matter has already been incorporated into the forecast for the fiscal year ending March 31, 2025.

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 complement to artificial intelligence (AI), AP functions allow machines to develop autonomy. Currently, Kudan is licensing its technology for next-generation solution areas such as digital twin, robotics and autonomous driving.

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

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■ Contact us [here](#)