

May 13th, 2022

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

Financial report presentation video and its transcript are available online

Kudan Inc. (henceforth in this document as “Kudan”) announces that the video and the transcript of Kudan’s financial report presentation for the fiscal year ended March 31, 2022 are now available online. As the video and the transcript are available in Japanese only, the English-translated transcript is attached to this release.

Also, the translated transcript for the question and answer in the financial report presentation meeting for institutional investors and analysts will be available within a few days.

▼▼Financial report presentation video can be viewed from below (Japanese only)▼▼

<https://youtu.be/cUKYztL2ER0>

▼▼Financial report presentation transcript can be viewed from below (Japanese only)▼▼

<https://finance.logmi.jp/377024>

※This is a English-translated transcript of Kudan’s financial report presentation.※



Supplementary Documentation to the financial report for the fiscal year ending March 2022

May 13, 2022

Eyes to the all machines

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【Title】

Kudan has achieved revenue recovery and business progress as expected

～Expect several customers' commercialization and a shift to earning structure aiming for profitability in this fiscal year～

【Speakers】

Daiu Ko, CEO, Kudan Inc.

Taro Murai, Vice President and COO, Kudan Inc.

Kohei Nakayama, Vice President and CFO, Kudan Inc.

【Contents】

The financial report presentation for the fiscal year ending March 2022

Daiu Ko (hereafter “Ko”) : Hello everyone, this is Ko, CEO of Kudan Inc.

We will explain the financial results for the fiscal year ended March, 2022.

First of all, we can say that with the fiscal year ended March, 2022, Kudan has passed through its most challenging period. Nevertheless, we have not been in a slump, but rather in fact, we have been making steady progress.

Specifically, in the past two years, Kudan has made a series of positive changes in the aspects other than financial performance in order to strengthen the quality of its business in the wake of COVID-19 impacts and to secure discontinuous competitive advantages through M&A.

As a result, in the fiscal year ended March, 2022 we were able to achieve the business progress that we anticipated. This has enabled us to secure the foundation to achieve the shift of earning structure and the advancement of the business phase in the current fiscal year ending March, 2023. In this presentation of financial results, we would like to explain the details including the evolution behind our financial performance.

Highlights

Highlights



- **Revenue recovery and business progress continue as expected**
 - Revenue for FY22, adjusted for the impact of the change in accounting standards, were in line with the forecast (296 million yen)
 - Continued business growth resulting in **+130%** year-on-year revenue growth, and is expected to continue to grow significantly in FY23
- **Accelerated acquisition of Artisense for the purpose of growth acceleration and profit structure improvement (Moved up from Jan. 2023 to Dec. 2021)**
 - Full-scale R&D integration has begun to realize smart-SLAM, a hybrid technology of Kudan and Artisense and a technology that can solve a wider range of market challenges
 - Achieve significant cost synergies from technology integration by FY23/4Q (cost **-18%** compared to 4Q of prior fiscal year) and significantly mitigate loss-making structure to ensure profitable earning structure
- **Ongoing projects for customers' commercialization are increasing and we are moving forward from the preparation phase to the harvest phase**
 - As a result of consistent project progress, we expect to launch several customers' commercialized products in FY23
 - Aim to increase software license revenue as customers' products become more widely used and to dramatically increase revenue in the mid to long term
 - In May 2022, we borrowed 200 million yen from a bank to further strengthen our financial base
- **With the demand for Metaverse as a tailwind, the market further expands**
 - Stimulate demand for our technology for the next generation Metaverse extending not only to AR/VR but also to robotics
 - Continued expansion of partners on a global scale (Intel, Texas Instruments, ADLINK, more)

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Ko : Here is the highlight for the fiscal year ended in March, 2022.

First, revenue recovery and business progress have continued as expected. Specifically, revenue, adjusted for the impact of changes in accounting standards, were approximately 300 million yen, in line with the forecast. As a result, the business has achieved 130% growth year-on-year and is expected to further grow significantly in the fiscal year ending March, 2023.

Second, we accelerated the acquisition of Artisense, which had been planned for the fiscal year ending March, 2023, in order to accelerate business growth and improve profitability. Thereby, the full-scale R&D integration has begun between Kudan and Artisense to achieve a hybrid technology that can solve a wider range of market challenges and lead to technology diffusion. In addition, the integration of our two lines of technology development will improve development efficiency and generate significant cost synergies, and we plan to ensure the earning structure that enable us to achieve profitability by the fourth quarter of the current fiscal year.

Furthermore, progress has been made toward the transition of Kudan's business phase, from the so-called preparation phase to the harvest phase. Specifically, as a result of continued progress on projects in the development phase, several customers' products are expected to be released in the current fiscal year.

This will result in an increase in software license revenues from customers' products, and we aim to achieve accelerated revenue growth over the mid- to long- term.

Finally, in terms of the business environment, the market has been continuing to expand further with the demand for Metaverse as a tailwind. In particular, the Metaverse is developing in a direction that extends beyond conventional AR/VR-related applications to include robotics, stimulating demand for Kudan's technology to support such next-generation Metaverse. These trends have also led to the continued expansion of partnership with top global partners such as Intel and Texas Instruments.

Performance overview

Performance overview



- Increased profit due to the expansion of projects in a wide range of application areas and progress in the phases of development projects towards customers' commercialization contributed to our revenue growth
- After adjusting for the impact of the change in accounting standards^(*), substantial revenue (revenue for projects actually delivered in the current fiscal year) were 296 million yen, and our business has progressed mostly in line with the forecast (300-350 million yen)
- Selling, general and administrative expenses increased due to the effect of Artisense becoming a consolidated subsidiary from January 2022
- Impairment losses, as R&D investment, were recorded all at once as a one-time integration cost due to early acquisition of Artisense in the current fiscal year. No cash payment or decrease in shareholders' equity due to this acquisition, as the impairment losses were recorded at the same time as the issuance of new shares (capital increase).
- As a result, the burden of future goodwill amortization expenses will be eliminated and this will enable us to quickly turn profitable

(Unit: million yen)	Performance for FY2020	Performance for FY2021	Performance for FY2022
Net Sales (Prior to accounting standards change)	456	127	271 (296)
Operating Profit	9	△451	△433
Ordinary Profit	△12	△1,575 (incl. *share of loss of entities accounted for using equity method*(1,232))	△681 (incl. *share of loss of entities accounted for using equity method*(403))
Profit Attributable to Owners of Parent	△29	△1,608	△2,237 (incl. impairment losses of (1,474))

(*) This is a special adjustment caused by the inconsistency between the old and new accounting standards (revenue recognition standard), *under the old standard, it is recorded in the current period* and *under the new standard, it is recorded in the previous period,* and will not occur in the next period and thereafter.

Kohei Nakayama (hereafter "Nakayama") : As for the details of business performance for the fiscal year ended March, 2022, Nakayama, CFO, will provide an explanation. In the previous fiscal year, we continued to focus on the continuation and acquisition of projects towards customers' commercialization, which is the most important factor for mid- to long-term growth, and have succeeded in significant increase of such projects. Although the commercialization of these projects will be realized from the current fiscal year, the increase in project value due to the progress of development milestones toward commercialization contributed to the increase in revenue in the previous fiscal year.

In addition, new projects in a wider range of business areas, such as drones, cleaning robots, and mapping at construction sites, have been acquired, contributing to our revenue, and there are some projects expected to be commercialized in the current fiscal year and beyond.

Although the revenue figure excludes 25 million yen in revenue from a project delivered in the previous fiscal year due to the change in accounting standards, the total revenue from projects

actually delivered in the fiscal year ended March, 2022 amounted to approximately 300 million yen, and the business recovery has been largely achieved as originally planned.

The change in accounting standards is a special adjustment that occurs only at the time of the change in standards in the first year, and will not occur thereafter.

In terms of costs, SG&A expenses have increased significantly since January due to the acquisition of Artisense. Although we proceeded the acquisition of Artisense earlier than originally expected and this resulted in an early increase in SG&A expenses, we believe that this will enable the early completion of SLAM technology integration and lead to both revenue expansion and reduction of development costs at an accelerated pace.

In addition, there were impairment losses as a one-time cost associated with the acquisition of Artisense. As explained at the 2Q results explanation meeting, we made a conservative accounting estimate as we did for the fiscal year ended March, 2021, and instead of amortization of goodwill to be recorded in the future, we recorded the entire amount as a one-time cost in the previous fiscal year as a kind of R&D expense. As a result, we believe that this will enable us to quickly turn profitable.

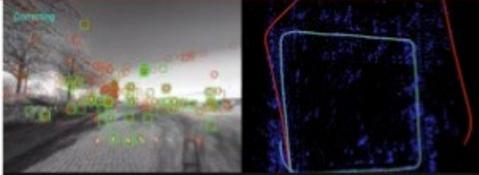
The above is an explanation of our business performance.

Highlights: Business development and R&D (1/2)

R&D and Business Development Highlights: Robotics and autonomous driving/ADAS



- Robotics: Launch and progress further development projects by leveraging partners
- Autonomous driving-ADAS(Driving assistance): Continued and expanded large-scale projects

<p>Robotics</p> <p><u>R&D</u></p> <ul style="list-style-type: none"> • Visual: Improved stability against environmental changes • Visual: Improved performance on the integration of wheel odometry • Visual: Improved processing speed and load reduction for specific processors • Lidar: Improved performance when integrating IMUs <p><u>Business Development</u></p> <ul style="list-style-type: none"> • Launched and progress in development with multiple autonomous mobile robot OEMs • Visual SLAM optimization progress with major semiconductor OEM • Acquired projects through trial version distribution with Ouster • Joint marketing with technology trading companies, Intel, NVIDIA, etc. to raise awareness and acquire projects 	 <p>SLAM by KdLidar in an indoor shopping mall</p>  <p>SLAM by KdVisual in an operating factory</p>
<p>Autonomous Driving/ADAS</p> <p><u>R&D</u></p> <ul style="list-style-type: none"> • Visual: Improved performance on fisheye type cameras • Visual: Improved performance on the integration of wheel odometry • Lidar: Added map integration and map streaming functions <p><u>Business Development</u></p> <ul style="list-style-type: none"> • Progress on autonomous driving projects with automotive OEMs • Progress on ADAS project with automotive Tier 1 supplier • Collaboration with automated driving-related companies in China 	 <p>Achieved high accuracy of localization by integrating fisheye monocular lens and wheel odometry (Red line: Wheel odometry only, Blue line: SLAM trajectory)</p>

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Taro Murai (hereafter “Murai”) : This is Murai, Vice President and COO, and I will explain the highlights of our business development and R&D activities.

We are currently developing both business and R&D in four main areas of focus. These are robotics, autonomous driving/ADAS, mapping, and Metaverse including AR/VR. I will be summarizing each of these areas, and our business activities in the major areas are as follows.

In the robotics area, we have continued to work on large-scale projects close to solutions and launched various development projects. In R&D, we have focused on development aimed at improving stability in more difficult and varied environments for both Visual SLAM and Lidar SLAM, and they are now being adopted for projects with shorter timelines to commercialization than before as well. For example, we launched a B2B autonomous cleaning robot project in Europe and the project team chose us for our performance and ease of use after considering several commercial SLAM packages because they could not meet their target product launch timing with in-house production. In the current fiscal year, we are going to launch more such development projects to increase our product pipeline. Joint marketing with partners and introductions from partners have been particularly effective in acquiring such projects, and we plan to continue these efforts in the current fiscal year.

In the area of autonomous driving and ADAS, the continuation and expansion of large-scale projects have been a major theme. The autonomous driving project using Lidar SLAM has entered the second phase, with plans for autonomous driving tests on public roads using Kudan Lidar SLAM, and expansion of functions to enable larger-scale practical use. In the ADAS area, the project using Visual SLAM has also been progressing and concrete discussions for commercialization have begun. Overseas, we have launched large-scale projects, including a project in China. In R&D, we are focusing on development based on customer-specific needs, with an emphasis on maximizing value per project and deepening our involvement in customer projects.

Highlights: Business development and R&D (2/2)

R&D and Business Development Highlights: Mapping and Metaverse (AR/VR)



- Mapping: Progress on existing projects towards commercialization and launched several new development projects of simple mapping devices
- Metaverse (AR/VR): Progress in development projects with camera-related OEMs and expanded in the areas of indoor localization and industrial AR

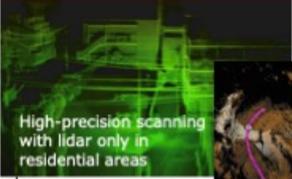
Mapping

R&D

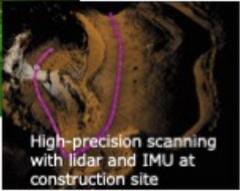
- Lidar: Added SLAM functionality using multiple lidars
- Lidar: Improved accuracy by correcting point cloud distortion
- Lidar: Improved performance on the integration of wheel odometry

Business Development

- Progress on integration with US mapping solution players toward commercialization
- Progress on the development toward commercialization of a simple mapping device using KdLidar in both Japan and overseas this year
- Launched and progress multiple construction/construction equipment development projects in Japan



High-precision scanning with lidar only in residential areas



High-precision scanning with lidar and IMU at construction site

Metaverse (AR/VR)

R&D

- Visual: Improved stability of localization against landscape changes outdoors
- Visual: Localization on point cloud map and its implementation on the cloud

Business Development

- Progress on evaluation and development with several major camera/camera sensor OEMs
- Progress on development for medical headsets
- Progress on multiple projects in indoor localization and industrial AR



AR Navigation with ArtiSLAM



Prototype of digital twin solution using helmet-type device with KdVisual

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In the mapping area, it was the start and seeding phase of development projects for various solutions. Kudan Lidar SLAM is basically the main offering here. Although the market is smaller per company than that of autonomous driving, the needs of each company are largely the same, so we were able to initiate development projects to improve functionality and performance to fit the needs of various customers.

There are strong needs for simple, easy, and relatively inexpensive solutions in areas where only very expensive solutions were available to meet the required accuracy and our technology has been adopted for development projects in such areas, including the joint development with Atos, a construction solution provider in Japan, the development of a simple mapping solution in overseas that combines Kudan Lidar, Lidar and processor.

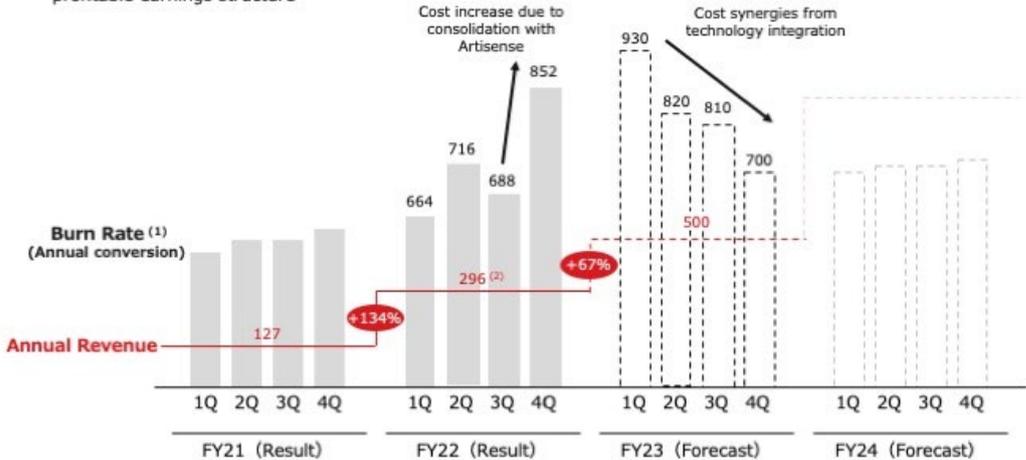
In Metaverse, including AR/VR, we have expanded projects directly with sensor OEMs and launched evaluation and development projects in AR applications in the B2B domain. In collaboration with sensor OEMs, we are working on projects to develop and commercialize sensors more suitable for SLAM, and to introduce such sensors into devices. In R&D, we plan to further expand customers and projects this year by enhancing stability in a variety of environments and enabling the use of cloud-based setups to realize AR solutions using less expensive end devices.

Performance forecast for the fiscal year ending March 2023

About performance forecast for FY2023



- Continued business growth resulting in +130% (+170 million yen) year-on-year revenue growth, and projected to grow significantly by +60% (+200 million yen) in FY23
- In addition, cost synergies from the technology integration with Artisense (significant efficiency in development through sharing of architecture, modules, etc.) will significantly improve the loss-making structure by FY23/4Q, ensuring profitable earnings structure



(1) Annual costs required for business activities, calculated by each quarterly cost times four. Calculated by deducting R&D subsidy income from total cost of sales, SG&A expenses, non-operating expenses, extraordinary losses, income taxes, etc. (adjusted for seasonal variations, foreign exchange losses and other transitory costs). Prior to FY22/3Q before Artisense was consolidated, Artisense-related costs such as impairment losses and share of loss (income) of entities accounted for using equity method were deducted and only Kudan's costs were totaled. (2) Revenue adjusted for the impact due to accounting standards change

Nakayama : Next, I would like to explain the improvement in the earnings structure for the current fiscal year. Although it is difficult to forecast commercial license revenue because they are up to customers' sales plans to end users, we expect continuous revenue growth in the current fiscal year,

centered on evaluation and development projects, even without taking commercial license revenue into consideration.

Even though the acquisition of Artisense resulted in a significant one-time increase in business operating costs, annual business operating costs are expected to drop significantly by the end of the current fiscal year due to progress in the ongoing technology integration with Artisense.

The chart shows the annual operating costs at the end of each quarter, which include not only cost of sales and SG&A expenses, but also interest expenses, impairment losses, and taxes. Therefore, we hope you understand that, in principle, if the annual revenue acquisition capacity exceeds this cost level, Kudan will have an earnings structure that continuously generates a profit. In the fourth quarter of the current fiscal year, annual costs are expected to fall by about 20% from 850 million yen in the fourth quarter of the previous fiscal year to 700 million yen.

We believe that the current fiscal year is a year to lay the foundation for a turnaround to profitable earning structure in the next fiscal year through continued revenue growth and cost reductions achieved through cost synergies.

Performance forecast for the fiscal year ending March 2023

Performance forecast for FY2023



- Continuous significant revenue growth is expected due to increasing of evaluation and development projects and scaling of projects
- Cost of sales and SG&A expenses are expected to increase from the previous year due to the full-year consolidation effect of Artisense (consolidated only for 3 months in the previous year), but cost structure will be improved by 4Q
- Non-operating profit is expected to include subsidy income from R&D in the U.K. and Germany

(Unit : million yen)

	Performance for FY2020	Performance for FY2021	Performance for FY2022	Forecast for FY2023
Net Sales <small>(Prior to accounting standards change)</small>	456	127	271 (296)	500
Operating Profit	9	△451	△433	△350
Ordinary Profit	△12	△1,575 <small>(incl. "share of loss of entities accounted for using equity method"(1,232))</small>	△681 <small>(incl. "share of loss of entities accounted for using equity method"(403))</small>	△300
Profit Attributable to Owners of Parent	△29	△1,608	△2,237 <small>(incl. impairment losses of (1,474))</small>	△315

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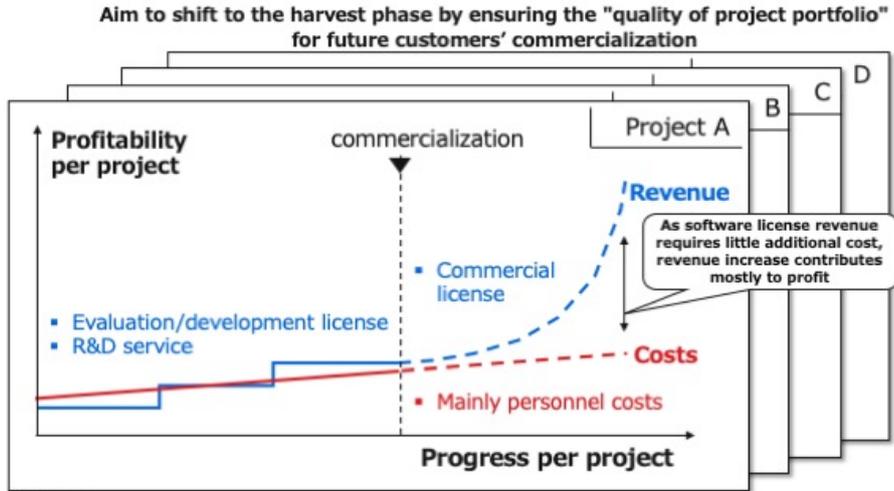
As a result of the above explanation, we expect net sales of 500 million yen and an operating loss of 350 million yen for the current fiscal year. In addition, since we expect to receive R&D subsidy income in the U.K. and Germany as non-operating income, we forecast an ordinary loss of 300 million yen and a net loss of 315 million yen for the current fiscal year.

Further progress of business phase

Further progress of business phase



- Almost all of customers' projects are in the evaluation or development phase, and we have focused on acquiring and continuing high-quality projects that are expected to achieve customers' commercialization and expand the scale of sales in the future
- Although stable growth can be expected in revenue based on evaluation/development licenses in the evaluation or development phase and customer development support, we will promote the shift to the "harvest phase" to achieve a dramatic increase in revenue through the penetration of various products by customers' commercialization and the resulting commercial license revenues



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Murai : It is expected to see that we achieve this improvement in our earning structure, and at the same time, we advance our business phases further in the future. From now, I would like to explain how Kudan's business phases will progress in the future. As shown in the graph below, each project goes through phases of evaluation, development, and customers' commercialization. In the pre-commercialization phase, it is our earning structure that the cost of evaluation, development projects increases as revenue increases.

On the other hand, once a customer product is commercialized, in principle, the increase in man-hours for technical support, etc., is quite limited in relation to the increase in revenue of the customer's product. Therefore, it is very important for Kudan to achieve customers' commercialization as quickly and as much as possible. Scaling up in this commercial license will be the driver of dramatic growth in revenue and profits.

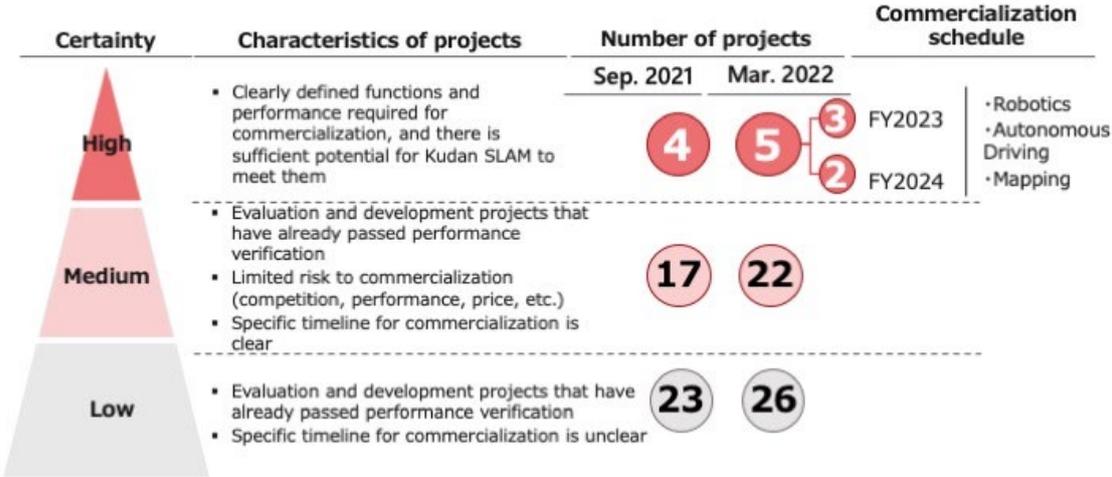
As of last year, most of our projects were evaluation and development projects, and we have been working on these preparation phased projects in order to achieve commercialization. As we will explain in more detail later, we have several projects that are expected to be commercialized this fiscal year, and while we continue to focus on revenue growth from evaluation and development projects, we expect to gradually shift to revenue growth with higher profitability from commercial licenses.

Accumulation of projects toward customers' commercialization

Accumulation of projects toward customers' commercialization



- Compared to 2Q (six months ago), the overall pipeline has expanded, and in particular, we have succeeded in raising the number of "low/medium" projects to "medium/high" in terms of certainty
- Currently three projects in FY2023 and two projects in FY2024 are highly certain to be commercialized, and projects are actively progressing



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I would like to share with you the status of Kudan's projects for customers' commercialization as mentioned earlier. Kudan's projects are categorized into three levels based on the degree of certainty that the project will be commercialized and you can see how many projects are progressing for each level. The "high" project is defined as a project where the SLAM performance required for commercialization is clear, integration work has already been started, and no major obstacles are in sight. The "medium" project is the one that has passed the initial performance evaluation and meets the general requirements, is therefore in principle a fee-based development project, and has a timeline for commercialization in sight. The "low" projects are those that have passed the initial evaluation and are under discussion for specific future collaboration.

Previously, we shared figures as of the end of September 2021, that was six months ago, and this explanation shows figures as of the end of March 2022, six months later from then. While the pipeline as a whole has increased, especially, the number of projects in the "medium" level has increased, and those that have progressed from initial evaluation to specific development projects are included in this category.

In order to expand the overall pipeline this fiscal year, we have also been strengthening our engineering team, and in fact, inbound inquiries have increased since January 2022. We are also aiming for growth beyond the previous fiscal year in terms of projects in progress, learning from the various evaluation projects we had conducted up to the previous fiscal year and making more steady progress by resuming on-site visits to customers.

Highlights of projects accumulated for customers' commercialization

Highlights of projects accumulated for customers' commercialization



Market	New/Ongoing (Comparison at the end of 2Q)	Company	Algorithm	Overview
Robotics	Ongoing	Major telecommunication	Visual SLAM	A platform that enables the cooperative use of various robots
	New	Major semiconductor	Visual SLAM	Visual SLAM optimization and SLAM packaging for specific processors
Autonomous driving-ADAS	Ongoing	TOP5 automotive OEM	Lidar SLAM	Autonomous driving project for general passenger cars
	Ongoing	Major automotive Tier1	Visual SLAM	Development of driver assistance functions with cameras installed in commercial vehicles
Metaverse (AR/VR)	Ongoing	Major camera OEM	Visual SLAM	Development of Mixed Reality headset for medical applications
	Ongoing	UK engineering company	Visual SLAM	Development of digital twin solutions for industrial facilities
Mapping	Ongoing	Mapping provider	Lidar SLAM	Mapping solutions in non-GPS environments
	New	Construction Solution Provider	Lidar SLAM	Development of simple mapping device for construction and civil engineering

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I will be introducing some of the major projects in each area of our focus.

In robotics, we have been developing various forms of initiatives, from module-level initiatives such as bundling of their software tools through collaborations with major semiconductor companies, to platform initiatives such as solutions with major telecommunications companies, and SLAM integration into robotics OEMs.

I will not discuss the autonomous driving/ADAS areas and the Metaverse, as they overlap with what I mentioned in the highlights, but with regard to mapping, continued collaboration with the US mapping solution provider and development of simplified mapping solutions is underway in each region.

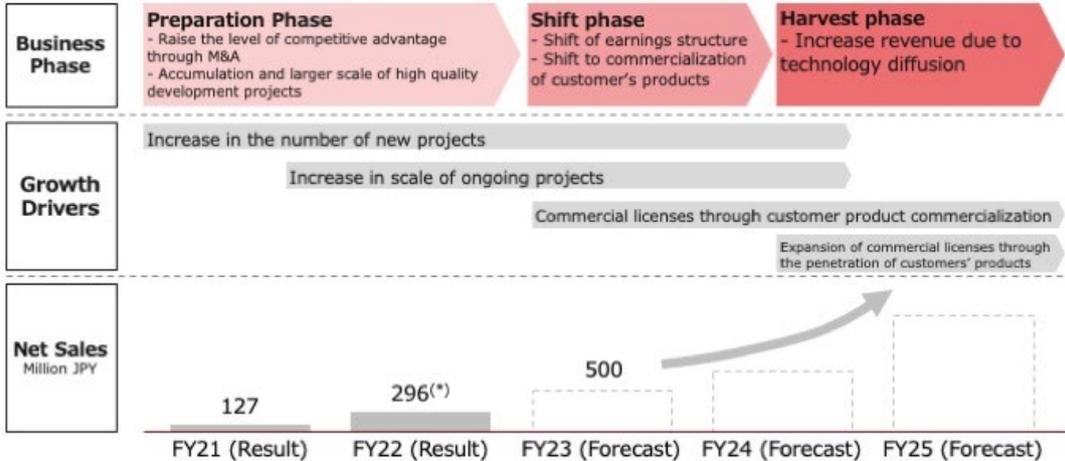
Overall, in Europe and Asia, a total of 3-4 more projects have made concrete progress toward commercialization from six months ago, and we continue to aim for steady expansion in Japan and further acceleration overseas this fiscal year.

Future growth potential (FY23~Short-term)

Future growth potential (FY23~Short-term)



- In FY23, while maintaining project portfolio centered on evaluation and development, we will achieve revenue growth by accumulating and scaling projects, and along with cost synergies from M&A, achieve a shift to profitable earnings structure
- Accelerate revenue growth from all directions: regions (Asia and overseas), products (development support and product packages directly linked to customers' commercialization), and channels (sales partners)
- In addition, we will promote to shift our revenue model by achieving commercialization of customers' products and realize the foundation for revenue growth from the fiscal year ending March 31, 2024 onward



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(*) Revenue adjusted for the impact due to accounting standards change

Ko : As for our short-term growth potential, we plan the phased development based on the improvement of our earning structure and the progress we have made toward commercialization of our customers' products.

Specifically, based on the enhancement of our technological competitiveness and the accumulation of projects to date, in the fiscal year ending March, 2023, we will achieve revenue growth by further accumulating and scaling projects while maintaining project portfolio centered on evaluation and development, and together with cost synergies from M&A, we will achieve a shift to earning structure aiming for profitability.

For this revenue growth, from all directions in terms of regions, products, and channels, we will accelerate business expansion in Asia and overseas, strengthening of development support and product packages that are easily linked directly to customers' commercialization, and expansion of sales partners.

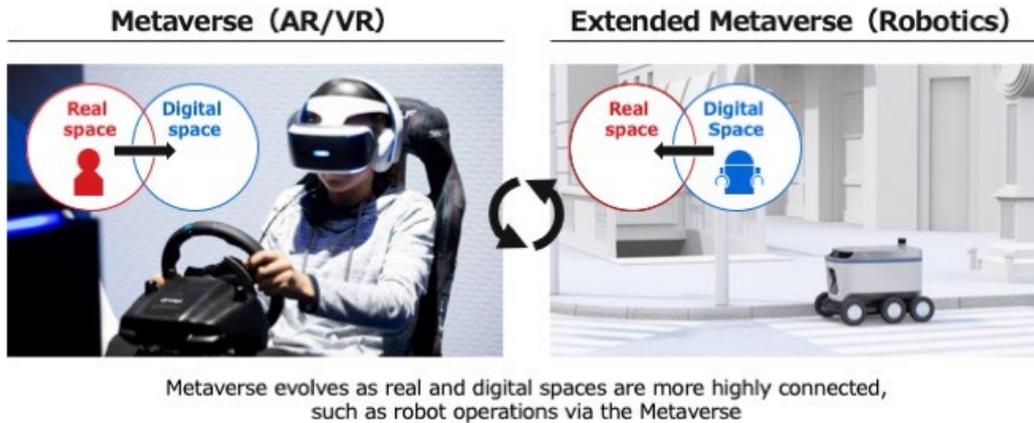
In addition, we aim to shift our earning structure by achieving customers' commercialization, and secure the foundation for revenue growth from the next fiscal year, the fiscal year ending March 2024 and beyond.

Metaverse demand pushes us forward

Metaverse demand pushes us forward



- With the demand for Metaverse as a tailwind, Kudan's Artificial Perception/SLAM technology is the core technology of the Metaverse, which realizes the "coupling of real space and digital space," and further extends the Metaverse to integrate with robotics
- Capture the ongoing evolution of Metaverse demand for growth by providing versatile-purpose technology for both Metaverses



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In the mid- to long-term, we have continued expanding the market, boosted by the demand for Metaverse. Artificial Perception and SLAM technologies provided by Kudan are the core technologies of the Metaverse that connect "real space and digital space," and these trends will undoubtedly be a tailwind for Kudan.

In addition, Kudan's technology plays a role in promoting not only AR and VR, which have been at the center of the Metaverse to date, but also the expansion of the Metaverse and its integration with robotics. AR/VR and robotics are two sides of the same coin from a technological perspective, and are expected to become increasingly important as elemental technologies linking these two major markets.

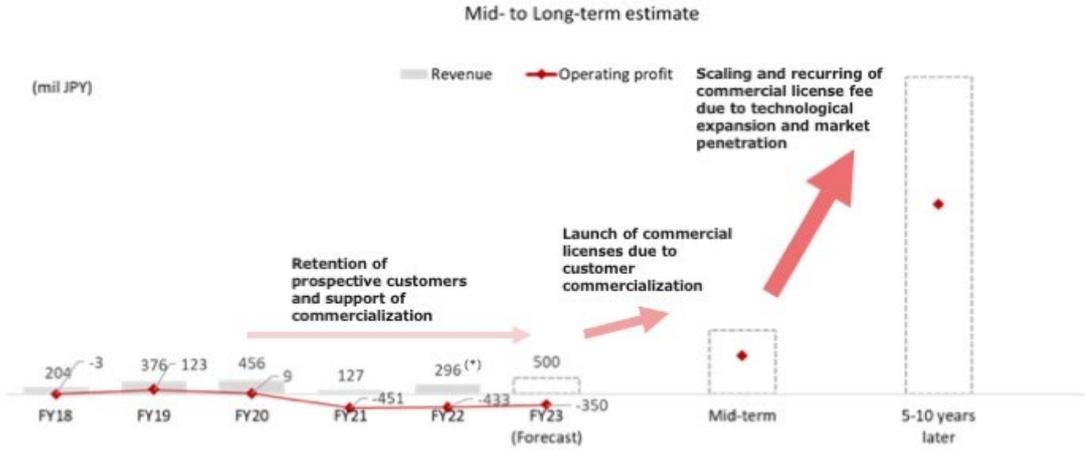
The extension of the Metaverse to robotics, such as the operation of robots via the Metaverse, has already begun on a research basis, and as these markets expand and develop, further demand will be captured in our business growth.

Future growth potential (Mid- to Long-term)

Future growth potential (Mid- to Long-term)



- Stable commercialization from the cumulative customer projects creates technological penetration to the market, leading to recurring revenue from commercial licenses and significant growth in profit



(*) Revenue adjusted for the impact due to accounting standards change

In terms of mid- to long-term growth potential, we aim for Kudan's technology to be penetrated in the market by continuously commercializing accumulated customers' projects and disseminating customers' products in ever-expanding markets.

By doing so, we intend to scale and stabilize software license revenues, which have high profit margins, and achieve dramatic expansion of profits.

This concludes our explanations about the financial results.

※If you have any inquiries regarding the contents of the financial report presentation, please feel free to contact us at Kudan's contact form below. Also, if you would like to have an interview with us, please let us know as well.

■ Company Details

Name: Kudan Inc.

Securities Code: 4425

Representative: CEO Daiu Ko

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