

March 27, 2023

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## Notification concerning cancellation of the exercise conditions of the 13th and 14th share acquisition rights (with exercise price amendment clause)

Kudan Inc. (henceforth in this document as “Kudan”) announces that at its Board of Directors Meeting today, it has resolved to cancel the exercise condition of the 13th and 14th share acquisition rights issued on July 27, 2022.

### 1. Details of the share acquisition rights to cancel the exercise condition

(1) Name of share acquisition rights	Kudan Inc. 13 <sup>th</sup> share acquisition rights Kudan Inc. 14 <sup>th</sup> share acquisition rights
(2) Number of share acquisition rights	The 13 <sup>th</sup> share acquisition rights: 1,064 units The 14 <sup>th</sup> share acquisition rights: 710 units
(3) Date of cancellation of the exercise condition	March 27, 2023

This share acquisition rights are the unexercised portion of share acquisition rights issued for financing, and they have performance and stock price conditions, respectively. However, since the performance condition, customer commercialization, has already been achieved in accordance with Kudan’s business plan, the remaining stock price condition is to be cancelled.

The dilution rate, if all the share acquisition rights are exercised, will be 2.09% of the total number of voting rights as of September 30, 2022, which is 84,694 (total number of shares issued: 8,480,467).

### 2. The reason for cancellation of the exercise condition

As for the current financing, Kudan had initially set stock price condition to optimize shareholder value in addition to performance condition to meet the demand for financing as the business progressed. However, with the rapid increase in uncertainty in financial markets on a global scale, including the collapse of financial institutions in the U.S., capital policies must be adjusted in order to maximize shareholder value corresponding to such a circumstance.

In addition to steadily achieving customer commercialization in the current fiscal year, as Kudan has been pushing forward with the development of the mobile mapping development kit as "priming" to further expand customer commercialization, there was an urgent and growing need to perform financing for business expansion.

In this changing external environment and demand for financing, Kudan has determined that procuring funds as early as possible as a risk countermeasure will enhance its mid- to long-term corporate value and contribute to the benefits of its existing shareholders.

### 3. Future outlook

The cancellation of the exercise condition with respect to the share acquisition rights will have a minor impact on the company's financial performance.

(Note)

1. The 13th and 14th share acquisition rights are referred to individually or collectively as the "share acquisition rights"
2. The condition for exercising these share acquisition rights is referred to as the "exercise condition"
3. The details of the exercise conditions are as follows;
  - The 13<sup>th</sup> share acquisition rights: Exercisable only on or after the date when the base stock price is 5,000 yen or more and at least one customer commercialization announcement has been made.
  - The 14<sup>th</sup> share acquisition rights: Exercisable only on or after the date when the base stock price is 7,500 yen or more and at least two customer commercialization announcements have been made.

In the above conditions, "base stock price" means the closing price on the trading day immediately preceding the effective date of each exercise request of the share acquisition rights.

In addition, "customer commercialization announcement" means a news release or other public announcement by Kudan or its business partners to the effect that a product or service utilizing the technology of Kudan or its group companies has been commercialized by the customer (customer commercialization) on or after the allotment date of the share acquisition rights. In the event that a news release or other public announcement is made by a Kudan's business partner to the effect that a product or service utilizing the technology of Kudan or its group companies has been commercialized by the customer (customer commercialization), Kudan will promptly disclose the information if the exercise condition is satisfied.

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