

## **The Success Story of KOITO & CEPTON**

### **Koito & Cepton teamed up to incorporate novel sensor technologies into headlights**

Plug and Play's batch startup Cepton joined forces with Koito, the leader in automotive lighting equipment. They integrated new sensor technology into its headlamps and this partnership ultimately led to a \$50 million investment in the startup.

The Innovation Partnership Success Stories is a series that focuses on key projects that emerged through our Smart Cities platform.

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**Koito**



# The Parties Involved

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## The Corporate Partner

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Koito Manufacturing Co., Ltd (Koito) is the No.1 tier-one automotive lighting supplier, producing over 20 percent of headlights globally and 60 percent of Japanese OEM vehicles. Today the Koito Group consists of 31 companies located in 13 countries worldwide, and is recognized for its high quality and advanced technology.

Koito joined Plug and Play's Mobility program as an Ecosystem partner in July 2016. They launched SVL (Silicon Valley Lab) and started SSF (Sunnyvale Sensor Fusion Meetup) in April 2017.

## The Startup

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Cepton was founded in 2016 and it is led by industry veterans with over two decades of collective experience across a wide range of advanced lidar and imaging technologies. This startup is focused on the mass market commercialization of high performance, high quality lidar solutions.

They are headquartered in San Jose, California, USA, and also have registered offices in Germany, Canada and UK and a fast growing, global customer base. Cepton's patented lidar technology enables reliable, scalable, and cost-effective solutions that deliver long range, high resolution 3D perception for smart applications.

Cepton announced itself for the first time at an exhibition at GTC (GPU Tech Conference at Sunnyvale) in May 2017.



# The Project

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Koito was exploring new business opportunities to diversify its current core product portfolio around automotive lighting equipment. They mainly analyzed how they could support their customers transitioning into ADAS and AV platform solutions. As a result, Koito planned to incorporate new sensors into their headlamps for autonomous driving and ADAS. In order to do so quickly, they made the decision to work with startups.

Koito and Cepton met through a networking event. **They're a great example of the "indirect introductions" made possible through our innovation ecosystem.**



#### April 2018:

Cepton joined Koito's SSF as a speaker at a networking event where they finally were introduced to Koito. The relationship of trust between the two companies and the sharing of future visions had further accelerated

#### May 2018:

Koito and Cepton start their co-research about headlight sensors

#### January 2020:

Strong relationship building and ongoing communications with Japan's HQ have ensured executive buy-in to move forward, so Koito reveals collaboration with Cepton at CES 2020

#### February 2020:

Koito invests \$50M in Cepton's Series C round to become strategy and technology partner of Cepton

Koito's investment provides a strong foundation to substantially ramp up Cepton's R&D efforts, expand its footprint in the automotive market and support major customers worldwide. As part of the transaction, **Koito will obtain non-exclusive rights to manufacture and sell Cepton's lidar sensor design for an automotive application**, using key components supplied by Cepton.

Koito is not just joining Cepton as an investor but also as a significant **technology and manufacturing partner**. Combining Koito's world leadership in automotive lighting and their world-class quality, reliability and manufacturing with Cepton's award-winning lidar solutions, presents a tremendous opportunity to make deep inroads into the automotive market.

# Take Aways

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## **Give the startup freedom to collaborate with multiple corporations**

This will allow the startup to faster develop its product and to not rely on a single collaboration for its success, which is a win-win.

## **Be a strategic investor**

The investment of a corporate into a startup of their interest can be of significant support to develop the product and market expansion, which in turn will help the startup's business grow faster and broader.

## **Achieve buy-in from executives at your HQ**

The involvement of a VP and a diverse local team, who are proficient in English, helped facilitate the collaboration and made things move faster. Strong relationship and regular communications with the Japan office cleared hurdles.

## **How We Can Help**

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We are the ultimate innovation platform, bringing together the best startups and the world's largest corporations. Collaborating with startups is a great source of inspiration and innovation ... but can be a challenge. Let us show you how to adopt the concept of open innovation to help your business succeed.





Plug and Play is a global corporate innovation platform which helps to connect corporate partners to startups in order to help solve their greatest challenges. We also operate as a venture fund and startup ecosystem. To date, we have helped over 3,000 early-to-growth stage startups raise over \$3.5 billion. Plug and Play is consistently ranked among the most active VCs in Silicon Valley.

For additional information, please contact [mobility@pnptc.com](mailto:mobility@pnptc.com)

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