

April 12, 2024

Company name	Datasection Inc.
Representative	Shinichi Iwata, President, CEO and CFO (Code No. 3905, TSE Growth)
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Notice Regarding Execution of Basic Agreement Toward Business Alliance with Super Micro Computer, Inc. by Datasection Inc.

Datasection Inc. (hereinafter referred to as the "Company") is pleased to announce that it has decided to enter into a business alliance with Super Micro Computer, Inc. (NASDAQ: SMCI), a global leader in designing and manufacturing high-performance and high-efficiency servers and storage systems, and has signed a basic agreement toward this business alliance. The details are as follows:

1. Purpose and Reason for the Alliance

Super Micro Computer, Inc. is a global leader in designing and manufacturing high-performance and high-efficiency servers and storage systems, and continues to provide innovations in the IT infrastructure market, including enterprise, cloud, AI, and 5G Telco/Edge.

The Company, Datasection Inc., has developed multiple elemental technologies through AI-based image analysis and other methods from the research stage, in addition to big data analysis. The Company has been expanding its system integration business, which promotes business improvements for clients, and its marketing solutions business, which supports clients' digital marketing and DX initiatives. In recent years, through an aggressive M&A strategy, the Company has restructured its business portfolio and has been expanding its proprietary products utilizing AI-based image analysis in over 20 countries worldwide. Furthermore, in September 2023, the Company acquired businesses in the data science and AI domains, aiming to realize "The integration of technology and society" and create new corporate value.

We have signed a basic agreement in preparation for this business alliance with the aim of collaborating on R&D in the AI server field and the operation of AI data centers, areas where demand is expected to continue growing, by leveraging the technologies, products, resources, and networks of both companies.

2. Content of the Alliance

The Company is currently in discussions with Super Micro Computer, Inc. regarding the commencement of this business alliance, focusing on R&D in the AI server field and the operation of AI data centers. The specific policies and details of this business alliance will be disclosed appropriately as soon as they are decided based on these discussions.

3. Overview of Super Micro Computer, Inc. (as of April 12, 2024)

Company Name	Super Micro Computer, Inc.
Headquarters	980 Rock Avenue, San Jose, CA, 95131
Representative	President, Chief Executive Officer Charles Liang
Business Description	Design and manufacture of high-performance and high-efficiency servers and storage systems
Capital	USD 47 million
Established	1993

Major Shareholders		Charles Liang 14.5% Sara Liu 14.5% BlackRock, Inc. 10.3%		
Financial Performance and Condition in the Most Recent Three Fiscal Years		FY 2021	FY 2022	FY 2023
	Net Assets	USD 1,096 million	USD 1,426 million	USD 1,972 million
	Net Assets per Share	USD 21	USD 27	USD 37
	Total Assets	USD 2,241 million	USD 3,205 million	USD 3,674 million
	Net Sales	USD 3,557 million	USD 5,196 million	USD 7,123 million
	Operating Income	USD 123 million	USD 335 million	USD 761 million
	Ordinary Income	USD 118 million	USD 336 million	USD 754 million
	Net Income	USD 111 million	USD 285 million	USD 640 million
	Net Income per Share	USD 2.09	USD 5.32	USD 11.43
	Dividend per Share	None	None	None
Relationship with the Listed Company	Capital Relationship	None		
	Personnel Relationship	None		
	Business Relationship	None		
	Related Parties	Not applicable.		

4. Future Outlook

The Company believes that the impact of this business alliance on its consolidated financial results for the fiscal year ending March 2025 will be minor. However, the Company expects that the realization of this business alliance will contribute to the medium- to long-term enhancement of its business performance and corporate value. The Company will promptly disclose any matters that require disclosure as they arise.

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