

August 19, 2024

Company Name: Datasection Inc.
Representative: Representative Director, President, CEO, Norihiko Ishihara
(Code Number: 3905 TSE Growth)
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Notice Regarding Conclusion of Collaboration and Joint Working Agreement for Construction of AI Data Center

Datasection Inc. resolved on August 19, 2024, to conclude Collaboration and Joint Working Agreement (hereinafter referred to as the "Agreement") for the construction of an AI data center with Solaria Energia y Medio Ambiente SA (Headquarters: Province of Madrid, Spain, CEO: Arturo Díaz-Tejeiro, hereinafter referred to as "Solaria").

Based on the agreement, the two companies will build an AI data center on the site of a former Solaria factory (hereinafter referred to as the "Project"). and aim to start operation as soon as possible.

1. Purpose and Background of the Project and the Agreement

As disclosed in the "Notice of Basic Agreement Among Four Companies for the Construction of an AI Data Centers" dated June 3, 2024, we are in the process of commercializing new businesses such as AI data centers and restructuring its business portfolio in existing businesses, and is working to steer us into a speedy growth phase through financial restructuring in the fiscal year ending March 2024.

Regarding the operation of AI data centers and the promotion of AI cloud services, which are set forth as new strategies, as well as the efforts of the "AI Infrastructure Global Investment Fund", we are making steady progress as disclosed in "Notice Regarding Establishment of Subsidiary" and "Notice of Establishment of DS AI Infrastructure Global Investment Fund (tentative name)" dated August 7 2024.

As the technology surrounding AI is evolving at an accelerated pace, there is a strong demand in the global market to build an AI data center that can handle the rapid increase in AI processing. In addition, as geopolitical risks increase, cutting-edge technologies such as AI are regarded as important solutions to security issues, and not only private companies, but also government agencies and international organizations tend to increase their AI-related budgets in their defense budgets. In order to build an AI data center with a large-scale AI computing infrastructure, it is important to procure state-of-the-art computing equipment, develop a high-efficiency cooling system that suppresses heat generation in equipment, and secure large-scale power and location. In collaboration with Solaria, we will bring together the assets of both companies and their partner companies to quickly respond to these issues and move forward with this project.

2. Contents of the Agreement

Solaria was founded in 2002 and listed on the Madrid Stock Exchange in 2007. It is one of the largest green energy generation companies in Europe, with a total of more than 3 gigawatts of solar power plants (in operation or under construction) in six countries: Spain, Portugal, Germany, Italy, Greece and Uruguay. Solaria have also optimized our power supply by leveraging wind and batteries, and we are currently working on projects that exceed 18 gigawatts. Of these, 5.6 gigawatts of renewable energy projects were financed by the European Investment Bank in 2023 for \$1.8 billion.

Solaria, which has 864 km of high-voltage and medium-voltage lines, a total of 55 solar power plants, and 97 substations, will be used to create a new data center division and build its solar cell and module factory in Puertollano, Ciudad Real, Castile-La Mancha, Spain. Under the agreement, Solaria plans to use its own facility in Puertollano as a site for the project, with a target of 100,000 m², and more than 200 megawatts of electricity will be provided for the project.

In addition to procuring AI servers including NVIDIA's advanced GPUs from our partner Supermicro, we will be responsible for the development of the AI data center operation system and the construction and operation of AI cloud services. (Since the cost of procurement, construction, and operation has not yet been decided, it is currently under scrutiny and will be disclosed as soon as the details are known.) In addition, the AI data center will be equipped with the necessary resources by leveraging our global network of upstream and downstream partnerships in the AI industry. Through this agreement, Solaria and we will continue to build and operate state-of-the-art AI data centers in other parts of Europe.

3. Outline of the other party to the Agreement (Solaria)

(1) Name	Solaria Energía y Medio Ambiente, S.A.	
(2) Location	C/ Princesa, 2 - 4 Planta MADRID, MAD 28008 Spain	
(3) Title and name of the representative	President & Chairman Enrique Díaz-Tejeiro Gutiérrez	
(4) Business description	Solar, thermal, wind and other renewable energies Installation and operation of facilities	
(5) Capital:	EUR 1,250,000	
(6) Date of establishment	November 27, 2002	
(7) Major shareholders and shareholding ratio	DTL Corporación, S.L. 34.91%	
(8) Relationship between listed companies and the companies	Capital Relations	Not applicable.
	Personal Relationships	Not applicable.
	Business Relationships	Not applicable.
	For Related Parties	Not applicable.

	Applicable status of			
(9) Consolidated operating results and consolidated financial position of the company for the last three periods				
Fiscal year end	Fiscal Year Ended December 2021	Fiscal Year Ended December 2022	Fiscal Year Ended December 2023	
Net Worth (in millions of euros)	247	344	524	
Total Assets (in millions of euros)	1,042	1,426	1,648	
Net assets per share (in euros)	1.97	2.75	4.19	
sales (in millions of euros)	95	139	191	
Ordinary Income (△ is loss, in millions of euros)	56	101	135	
Net income attributable to owners of parent (△ is loss, in millions of euros)	48	90	107	
Comprehensive Income (△ is loss, in millions of euros)	24	95	179	
Net income per share (△ is a loss, in euros)	0.38	0.72	0.86	

4. Future outlook

While we are currently closely examining the impact of this business alliance on the group's consolidated financial results for the fiscal year ending March 2025, we believe that it will contribute to the enhancement of the Group's corporate value in the medium to long term. In addition, if there is a matter that should be disclosed in the future, we will promptly disclose it.