

August 19, 2024

Company Name: Datasection Inc.
Representative: Representative Director, President, CEO, Norihiko Ishihara
(Code Number: 3905 TSE Growth)
Contact: Representative Director, Vice President, CFO and COO, Shinichi Iwata
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Notice of Conclusion of Joint Development Agreement

Datasection Inc. resolved on August 19, 2024, to conclude Joint Development Agreement (hereinafter referred to as the "Agreement") with NowNaw Japan K.K. (hereinafter referred to as "NNJ") for the purpose of jointly developing and constructing a new AI cloud service system in connection with new businesses such as AI data centers and AI cloud services.

1. Purpose of Entering into the Agreement

As disclosed in the "Notice of Basic Agreement Among Four Companies for the Construction of AI Data Centers" dated June 3, 2024, we are in the process of commercializing new businesses such as AI data centers and AI cloud services, as well as restructuring its business portfolio in existing businesses, and is working to steer toward 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.

Under such circumstances, in the operation of the AI data center, which is the core of the new strategy, and the promotion of the AI cloud service that we envision, securing excellent engineering resources and the development of a new AI cloud service system are indispensable and important points in accelerating business. With NNJ, which has a large number of engineers with a wealth of experience around the world, we have decided to conclude this agreement for the purpose of jointly developing a new AI cloud service system for AI cloud services (algorithms for maximizing the efficiency of AI functions of GPUs, hereinafter referred to as the "AI Cloud Service System").

2. Contents of this Agreement

In order to complete the joint development by the end of FY2024 utilizing NVIDIA Corporation ("NVIDIA") GB200 NVL72/NVL36 and DGX H100/H200 for this AI cloud service system, both companies have agreed to appropriately secure the engineering personnel, software, hardware, etc. of both companies, and to conduct joint development in a form in which we solely own all intellectual property rights, and with the support of NNJ, we aim to acquire quality standards through the validation test, which is a verification procedure by NVIDIA for the AI cloud service system.

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

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|---|--|-----------------|
| (1) Name | NowNaw Japan K.K. | |
| (2) Location | 11th floor, 4-3-5 Hatchobori, Chuo-ku, Tokyo | |
| (3) Title and name of the representative | Representative Director: Reika Omi | |
| (4) Business description | AI-related development contract AR/VR Platform Development Planning, development and operation of application software | |
| (5) Capital: | JPY 10 million | |
| (6) Date of establishment | October 25, 2022 | |
| (7) Major shareholders and shareholding ratio | Reika Omi 90% | |
| (8) Relationship between listed companies and the companies | Capital Relations | Not applicable. |
| | Personal Relationships | Not applicable. |
| | Business Relationships | Not applicable. |
| | Status of applicability to related parties | Not applicable. |
| (9) Financial Position and Operating Results | NNJ is a privately held company and those will not be disclosed due to confidentiality obligations with NNJ | |

4. Schedule

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| Date of resolution of the Board of Directors | August 19, 2024 |
| Date of Conclusion of the Agreement | August 19, 2024 |

5. Future Prospects

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