

November 15, 2024

Company Name: Datasection Inc.
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(Code Number: 3905 TSE Growth)
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Notice of Conclusion of Basic Agreement for Business Alliance with Inventec

Datasection Inc. resolved on November 15, 2024, to enter into discussions for a business alliance with Inventec Corporation (Headquarters: Taipei, Taiwan, Representative: President, Tsai, Chih-An, TWSE: 2356, hereinafter referred to as "Inventec".), one of Taiwan's leading electronics manufacturing services (EMS) companies specializes in the design, manufacture and service of servers, blade servers, network switches, storage, and server management, and have concluded a basic agreement with Inventec as follows.

1. Purpose and Background for the Basic Agreement

Inventec is one of Taiwan's leading providers of electronics manufacturing services (EMS), designing and manufacturing computers, telecommunications equipment, and consumer electronics. The company provides solutions that utilize advanced technologies such as IT, cloud, AI, and IoT, and boasts the largest PC server OEM business in Taiwan, with high quality and cost competitiveness.

Datasection has strengths in large-capacity data analysis and high-performance image analysis using AI. With the operation of AI data centers and the development of AI cloud as new strategies, the "Notice Regarding Establishment of Subsidiary" and "Notice of Establishment of DS AI Infrastructure Global Investment Fund (tentative name)" on August 7, 2024, and the "Notice of Conclusion of Collaboration and Joint Working Agreement for Construction of AI Data Center" dated August 19, we are promoting each initiative. In addition, we have been searching for capable suppliers in order to secure multiple stable procurement of servers equipped with high-performance GPUs, which are the foundation for AI data center operation and AI cloud service deployment.

Utilizing the technologies, products, resources, and networks of both companies, the two companies have signed a basic agreement for this basic agreement with the aim of collaborating in securing servers equipped with state-of-the-art NVIDIA GPUs, for which demand is expected to grow in the future, and in setting up AI data centers.

2. Details of the Basic Agreement

In preparation for this basic agreement, discussions are proceeding with a focus on securing servers equipped with state-of-the-art NVIDIA GPUs in the field of AI servers and

setting up AI data centers, and details such as the specific details of this basic agreement will be disclosed appropriately as soon as they are decided based on future discussions.

3. Overview of Inventec (as of the end of December 2023)

(1) Name	INVENTEC CORPORATION			
(2) Location of Head Office	No.66, Hougang Street, Shilin District, Taipei City, Taiwan			
(3) Title and name of the representative	President, Tsai, Chih-An			
(4) Business description	Manufacture and sale of electronic devices such as notebook PCs, servers, and mobile devices			
(5) Capital:	TWD 35,874 million (The amount converted to 1 Taiwan dollar at the closing price of 4.593 yen on December 29, 2023 is 164,772 million yen)			
(6) Date of establishment	June 9, 1975			
(7) Major shareholders	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF 5.32% Yeh, Kuo-I 4.92% Lai-Chu Investment Co., Ltd 3.81%			
(8) The Company's operating results and financial position in the last three periods Note:	Fiscal year end	Fiscal Year Ended December 2021	Fiscal Year Ended December 2022	Fiscal Year Ended December 2023
	Net Worth	JPY 236,970M	JPY 253,932M	JPY 280,722M
	per share Net Worth	JPY 66.05	JPY 70.78	JPY 78.25
	Total Assets	JPY 1,027,901M	JPY 998,671M	JPY 1,100,978M
	Sales	JPY 2,157,511M	JPY 2,309,971M	JPY 2,364,229M
	Operating Profit	JPY 19,612M	JPY 28,436M	JPY 34,278M
	Ordinary Income	JPY 31,960M	JPY 30,602M	JPY 33,230M
	Net Income	JPY 24,687M	JPY 25,847M	JPY 27,653M
	per share Net Income	JPY 7.55	JPY 7.29	JPY 7.85
	per share Dividends	JPY 5.81	JPY 6.39	JPY 6.89

(9) Listed companies and Relationship with the company concerned	Capital Relations	There is no such matter.
	Personal Relationships	There is no such matter.
	Business Relationships	There is no such matter.
	Related Parties	It does not apply to related parties.

Note: The Company's operating results and financial position for the last three periods are calculated at NT\$1 at:

- 4.151 yen (price on 2021/12/31) for the fiscal year ended December 2021,
- 4.263 yen (price on 2022/12/30) for the fiscal year ended December 2022, and
- 4.593 yen (price on 2023/12/29) for the fiscal year ended December 2023.

4. Schedule

- (1) Date of Conclusion of the Memorandum of Understanding of November 15, 2024
- (2) Commencement date of the Business Alliance (tentative) We aim to achieve this by March 2025.

5. Future Prospects

The impact of this incident on the Company's consolidated financial results for the fiscal year ending March 2025 has already been reflected in the upwardly revised full-year consolidated earnings forecast on August 14, 2024. In addition, we believe that the realization of this basic agreement will contribute to the enhancement of our business performance and corporate value over the medium to long term. In the future, if there is a matter that needs to be disclosed, we will promptly disclose it.