

January 26, 2024

Company name	Datasection Inc.	
Representative	President and Representative	Kento Hayashi
	Director and CEO	
		(Code No. 3905, TSE Growth)
Contact	Vice President and Representative	Shinichi Iwata
	Director and CFO	
		TEL. +81 50-3649-4858

Notice on Issuance of New Shares and 19th Share Acquisition Rights (Fixed Exercise Price Type) by Third-Party Allotment and Changes in Major Shareholders and the Largest Shareholders

We hereby announce that at the Board of Directors' meeting held on January 26, 2024, the Company resolved to issue new shares (hereinafter referred to as the "Shares") and the 19th share acquisition rights with a fixed exercise price (hereinafter referred to as the "Share Acquisition Rights") through a third-party allotment.

I. Issuance of Shares and Share Acquisition Rights (Fixed Exercise Price Type) through Third-Party Allotment

1. Outline of Shares and Share Acquisition Rights (Fixed Exercise Price Type)

(1) The Shares

[1] Payment date	February 13, 2024
[2] Number of new shares issued	2,230,000 shares
[3] Issue price	305.82 yen, a price obtained by discounting by 9.8% (rounded to the nearest two decimal places) from 339.05 yen, the simple average of the closing prices of the Company's common stock as published by the Tokyo Stock Exchange for the 60 trading days immediately preceding the day before the resolution date to issue (January 25, 2024)
[4] Amount of financial arrangements	681,978,600 yen
[5] Amount of capitalization	152.91 yen per share
[6] Total amount to be capitalized	340,989,300 yen
[7] Method of offering or allotment (Intended allottee)	2,230,000 shares will be allotted to First Plus Financial Holdings PTE. Ltd. (hereinafter referred to as "FPF") by way of third-party allotment.
[8] Other matters	The issuance of the Shares is subject to the effectiveness of the notification filed under the Financial Instruments and Exchange Act.

(2) Share Acquisition Rights (Fixed exercise price type)

[1] Allotment date	February 13, 2024
[2] Number of share acquisition rights issued	14,880
[3] Issue price	Total amount: 6,249,600 yen (420 yen per Share Acquisition Rights)
[4] Number of dilutive shares from issuance	1,488,000 shares (100 shares per Share Acquisition Rights)
[5] Amount of financial arrangements	815,721,600 yen [Breakdown] Amount procured from issuance of Share Acquisition Rights: 6,249,600 yen Amount procured from exercise of Share Acquisition Rights: 809,472,000 yen
[6] Exercise price	Exercise price: 544 yen
[7] Method of offering or	14,880 rights will be allotted to FPF by way of third-party allotment method.

allotment (Intended allottee)	
[8] Other matters	<p>The issuance of the Share Acquisition Rights is subject to the effectiveness of the notification filed under the Financial Instruments and Exchange Act.</p> <p>We intend to enter into a purchase agreement (hereinafter referred to as the "Purchase Agreement") with the intended allottee of the Share Acquisition Rights upon the effectiveness of the notification under the Financial Instruments and Exchange Act. The Purchase Agreement will provide that if the intended allottee transfers the Share Acquisition Rights with the prior approval of our Board of Directors, the transferee of the intended allottee will succeed to all of the intended allottee's rights and obligations under the Purchase Agreement.</p>

2. Purpose and Reason for the Offer

(1) Purpose of the Offer

With the vision of "Upgrade lifestyle all over the world with Data Analysis," our Group has been providing proprietary products and services to customers in various industries since its inception, with its strengths in key technologies such as big data analysis technology and AI-based image analysis technology, as well as social media analysis and AI system development as its business foundation. In addition, we have been actively promoting alliances, such as the acquisition of the fintech business in Japan in 2017 and the retail marketing business using the FollowUP IoT devices in Japan and South America since 2018, to realize the Group's growth, increase corporate value, and contribute to a sustainable society through "the integration of technology and society" on a global basis.

Under these circumstances, since the change in management structure in 2018 (such as the change in President and Representative Director), we have recognized that our primary focus is on business growth by selecting and focusing on business areas that best utilize our Company's technological capabilities. We have established a unique business model, such as the acquisition of the retail marketing business in South America, and transformed our business portfolio. In South America in particular, we have achieved steady growth by supporting the retail industry and converting large shopping malls and other stores to DX, thereby creating a new business base and a foundation for stable future earnings.

On the other hand, as we look to the future for further growth, the restructuring and monetization of our domestic business portfolio has not progressed. In order to further expand our overseas business, which is on a growth path, it is essential to leverage our domestic business and generate cash flow. From this perspective, in the fiscal year ending March 31, 2024, we have set a stage change from the selection and concentration of the past to a phase of expansion and investment, while pursuing both growth potential and foundation building through "business portfolio review including domestic business restructuring," "strengthening the global structure," "enhancing the value provided to customers," and so on. In addition, we have reorganized our business segments into two, domestic and overseas, to better visualize the challenges of our domestic business and the growth potential of our overseas business, and we have also reviewed our overlapping businesses. With the aim of returning to the Group's strengths in "Data Analytics and AI," the Company will redefine its business structure into three areas of "Data Science," "Marketing Solutions," and "System Integration," in September 2023, we acquired The ROOM4D Co. (Location: Minato-ku, Tokyo; Representative: Takaharu Sakamaki) and The ROOM Door Co. (Location: Minato-ku, Tokyo; Representative: Akihiko Sunada) of The ROOM4D Group, which had an established reputation in the data science domain, to position this business as the core of the data science domain, the core business of our Group, and to make other strategic investments, and we are making progress in achieving balanced investment and growth both in Japan and overseas.

On the other hand, in the overseas business, the Company recorded impairment losses on Jach Technology SpA (Location: Santiago, Chile; Representative: Christian Pablo Cafatti Cuevas), a subsidiary that has temporarily lost excess earning capacity due to deviation from the business plan at the time of acquisition caused by significant changes in the business environment since the acquisition, such as the COVID-19 pandemic. In addition to recording goodwill amortization of 461 million yen in the consolidated financial results for the fiscal year ending March 31, 2023, as announced on December 14, 2023, the Company may incur losses (up to approximately USD 3.3 million) based on preferential dividend rights related to preferred stocks issued by the subsidiary. Despite the solid performance of our overseas business, financial problems have become apparent that may result in capital losses on a consolidated basis, and we recognize that strengthening our financial soundness through capital enhancement is essential for the Group as we make future investments for growth.

In the Group's core areas of "Data Science," "Marketing Solutions," and "System Integration," in the AI market, the expansion of applications of generative AI, which is one of the Company's strengths, and its implementation in society, are progressing both in Japan and abroad, in addition to the distribution of large volumes of data due to the progress of digitization and the accelerated analysis and use of such data, and the steady demand for DX-related software, as evidenced by corporate investment in software. As such, the market environment is expected to grow at an accelerated pace. In addition, in view of the competitive environment, including the need for constantly evolving technological innovation and the need to secure talented engineers, the Company believes that securing management resources that will enable our Group management to make flexible strategic investments at an early stage will not only contribute to strengthening our competitiveness and increasing our corporate value in the future, but is also consistent with our management policy of investing in growth while maintaining financial soundness over the medium to long term through recapitalization to address financial challenges, and we have decided that by raising this financing we will further enhance our corporate value over the long term and contribute to a sustainable society.

FPF, an intended allottee of the Shares and the Share Acquisition Rights, aims to make global investments mainly in the AI and digital sectors. FPF has expressed its intention to support the management of our Group by holding our shares for the medium to long term. In addition, the management of the said company has a track record of investing in the AI and digital field, and is therefore expected to provide useful information and company referrals for our Group's future business development in the AI and digital field. In the subscription agreement for the Shares, the Company and FPF intend to agree that FPF may nominate two candidates for director of the Company. The ratio of the two director candidates nominated by FPF will be 33.3% compared to the current number of six directors in our Company, and if two additional candidates are newly appointed, they will account for 25% of the total number of directors.

Although this financing will result in a dilution of equity per share, we believe that the future growth of our Group's business through strategic investments using the financial arrangements, the expansion of our financial base, and the strengthening of our relationships with third-party allottee will enhance our Group's corporate value and benefit existing shareholders.

The specific use of funds and the planned timing of expenditures from this financing are described under "3. Amount of Funds to be Raised, Purpose and Schedule of Expenditures, (2) Specific Use of Funds to be Raised" below.

(2) Overview of financing methods

The financing through [1] and [2] below is a mechanism by which the Company will raise funds (hereinafter referred to as the "Financing") upon the issuance of the Shares and the Share Acquisition Rights and the exercise of Share Acquisition Rights by the intended allottee through a third-party allotment.

[1] Common stock: 2,230,000 shares

[2] Share Acquisition Rights with fixed exercise price and an exercise period of 5 years for 1,488,000 shares

The Share Acquisition Rights are summarized as follows:

The exercise price of the Share Acquisition Rights shall be the closing price (hereinafter referred to as the "TSE Closing Price") of 544 yen for ordinary transactions on the Tokyo Stock Exchange, Inc. (hereinafter referred to as the "Tokyo Stock Exchange") on the trading day immediately preceding the resolution date to issue the Share Acquisition Rights (hereinafter referred to as the "Resolution Date of Issue"), and the exercise period shall be five years.

The total number of shares to be issued upon the exercise of all of the Shares and the Share Acquisition Rights is 3,718,000 shares (37,180 voting rights), which is expected to represent 24.86% of the total number of shares issued and outstanding of the Company's common stock (hereinafter referred to as the "Company Shares") as of December 31, 2023 (14,957,851 shares) (24.92% of the total number of voting rights (149,168); rounded to the nearest two decimal places).

(3) Reasons for the Choice of Financing Method

In raising funds, the Company has considered methods of raising funds through direct financing with a focus on expanding its equity capital while minimizing the impact on the interests of existing shareholders, taking into account the lending attitude and financial condition of indirect financing, future business development and the external environment. Specifically, in addition to comparing each of the items listed in the "< Comparison with Other

Financing Methods >" below and other means of financing, as a result of a comprehensive consideration of the "< Advantages of the Financing Method >" and "< Disadvantages of the Financing Method >" below, we have determined that the issuance of the Shares and the Share Acquisition Rights is the best option at this time to meet the Company's needs, and we have decided to issue the Shares and the Share Acquisition Rights.

< Advantages of the Financing Method >

[1] Initial financing of a certain amount of funds and prevention of rapid dilution

The combination of issuing the Shares and the Share Acquisition Rights makes it possible to raise a certain amount of funds at the time of issuing the securities and to control rapid dilution.

[2] Determination of the exercise price and the number of shares to be issued

Unlike the MSCB and MS warrants with an exercise price adjustment clause, both the exercise price and the number of shares subject to the Share Acquisition Rights are fixed. The number of shares subject to the Share Acquisition Rights has been fixed at 1,488,000 shares from the date of issuance in accordance with the Issuance Guidelines, and the number of dilutive shares will not change as a result of future stock price fluctuations. It may be adjusted in the event of certain events, such as a stock split, in accordance with the Share Acquisition Rights Issuance Guidelines.

[3] Acquisition Clause

The Share Acquisition Rights are designed to allow the holders of the Share Acquisition Rights to acquire all or part of the remaining Share Acquisition Rights at an amount equal to the issue price at any time after the expiration of six (6) months from the payment date of the Share Acquisition Rights by notifying the holders of the relevant Share Acquisition Rights at least 30 trading days prior to the payment date (hereinafter referred to as the "Share Acquisition Rights Holder"), based on a resolution of the Board of Directors of the Company. This will allow the Company to maintain flexibility in its capital policy and indirectly encourage the exercise of Share Acquisition Rights through the exercise of such acquisition clause when the stock price is above the exercise price.

[4] Restriction on Transfer

Share Acquisition Rights will be issued to the allottee by way of a third-party allotment and will be subject to the Restriction on Transfer in the Purchase Agreement and will not be transferred by the allottee to a third party without the approval of our Board of Directors.

< Disadvantages of the Financing Method >

[1] Limitations on access to a large number of unspecified new investors

The third-party allotment method, which is an agreement only between the Company and an intended allottee, has limitations with respect to raising funds from an unspecified number of new investors.

[2] Non-exercise of rights

There is a possibility that the Share Acquisition Rights Holder will not exercise the Share Acquisition Rights, and the amount of financing arranged by the Company may be less than the amount of funds raised as estimated by the Company.

[3] Restrictions on the issuance of equity securities

Under the Purchase Agreement, for a period of 12 months from the date of execution of the Purchase Agreement, the Company will be subject to restrictions on financing methods, as the Company will not be permitted to issue any shares, share acquisition rights or securities convertible into or giving the right to acquire such shares without the prior written consent of the holder of the Share Acquisition Rights; provided, however, that this shall not apply to the issuance of stock options and restricted stock (including to the extent that shares are issued upon the exercise of such stock options) by the Company to its officers and employees of the Company and its subsidiaries and to the issuance of such securities by the Company to such other operating companies as part of or in connection with a business alliance (including new or potential alliances, not limited to existing alliances) with such other operating companies (provided that such other operating company is not a finance company or a money lender and does not enter into a business alliance for the primary purpose of providing financing to the Company).

[4] Purchase demand

If (i) an intended allottee has unexercised Share Acquisition Rights as of one month prior to the expiration of the Share Acquisition Rights exercise period, or (ii) trading in Company Shares on the Tokyo Stock Exchange is

suspended for a period of five (5) trading days or more, it is planned that the Purchase Agreement will provide that the intended allottee may, at any time thereafter, at its option, request the Company to purchase all or a portion of the Share Acquisition Rights by giving notice to the Company. If such a purchase demand is made, the Company shall, within 15 trading days, purchase all the Share Acquisition Rights relating to such purchase demand by paying an amount of money equal to the issue price of the Share Acquisition Rights per Share Acquisition Right; provided, however, that if the expiration date of the exercise period of the Share Acquisition Rights arrives first, it shall be until such expiration date. Therefore, if the intended allottee requests the Company to purchase the Share Acquisition Rights, in cases where the intended allottee holds an unexercised Share Acquisition Right for one month prior to the expiration of the exercise period of the Share Acquisition Rights, or if trading of the Company Shares on the Tokyo Stock Exchange has been suspended for a period of five (5) or more trading days after the issuance of the Share Acquisition Rights, the final amount of financial arrangements by exercising the Share Acquisition Rights may be reduced due to the fact that the amount of funds raised may be less than the amount assumed due to the non-implementation of the financial arrangements by exercising the Share Acquisition Rights, and, also, the final amount of financial arrangements by exercising the Share Acquisition Rights may also be reduced due to the necessity to pay an amount of money equal to the amount paid for the Share Acquisition Rights.

< Comparison with Other Financing Methods >

Other financing options considered by the Company in selecting the financing method include:

[1] Public stock offerings, rights offerings

Considering that the Company's earnings are unstable due to the fact that the Company is promoting investment for growth, and that the trading volume of the Company Shares fluctuates widely, and that the Company is unable to ensure a certain level of liquidity on a continuous basis, we have determined that it is not an appropriate financing method for the Company to issue shares through a public offering or a rights offering as it would be difficult to ensure that the shares issued are stably consumed in the market.

[2] Borrowings from financial institutions

Given our current liability situation (as of September 30, 2023: Short-term borrowings of 537 million yen, current portion of long-term borrowings of 289 million yen, long-term borrowings of 517 million yen), if the entire amount to be raised is financed through debt, our financial soundness may deteriorate and our future borrowing capacity may shrink. Considering the balance with the use of the funds to be raised, we have determined that this is not an appropriate financing method.

[3] Issuance of convertible-bond-type bonds with share acquisition rights

Convertible-bond-type bonds with stock acquisition rights have the advantage of ensuring that the required amount can be raised at the time of issuance. On the other hand, if the conversion is not carried out after the issuance, it will increase the Company's total liabilities, which will reduce its financial soundness, and a large amount of funds will be required at the time of redemption in the future. Therefore, we have determined that it would not be an appropriate financing method.

In addition, convertible-bond-type bonds with share acquisition rights with an exercise price amendment clause tend to be converted relatively quickly. However, due to the structure of the bonds in which the number of shares to be delivered upon conversion is determined in accordance with the exercise price, the total number of shares to be delivered upon conversion is not fixed prior to the completion of the conversion, which has a large direct impact on the stock price and is considered to be a significant disadvantage to the shareholders. In view of these disadvantages, we believe that it is in the best interests of our shareholders to raise the necessary amount of funds in the event of a shortfall in other ways while minimizing dilution, rather than raising the necessary amount of funds in any event, and therefore, we have determined that convertible-bond-type bonds with share acquisition rights with an Exercise Price amendment clause are not appropriate as a financing method at this time.

[4] Issuance of moving strike warrant

Although share acquisition rights with exercise price amendment clauses tend to be relatively easy to exercise, the Exercise Price may fluctuate and the financial arrangements may be significantly less than initially expected, and therefore, we have determined that this is not an appropriate financing method at this time.

3. Amount of funds to be raised, purpose and schedule of expenditure

(1) Amount of funds to be raised

Total amount to be paid (yen)	Estimated amount of issuance costs (yen)	Estimated net amount (yen)
1,497,700,200	13,000,000	1,484,700,200

Note 1. The total amount to be paid in is the sum of the total amount to be paid for the Shares (681,978,600 yen), the amount to be paid for Share Acquisition Rights (6,249,600 yen) and the total amount (815,721,600 yen) of the amount to be paid upon exercise of Share Acquisition Rights (809,472,000 yen).

	Total issue value (Yen)	Total amount payable upon the exercise (yen)
The Shares	681,978,600	-
Share Acquisition Rights	6,249,600	809,472,000
Total	688,228,200	809,472,000

- The estimated amount of issuance cost does not include consumption tax, etc.
- The estimated amount of expenses for the issuance includes the cost of fair value calculation of the share acquisition rights and legal fee (3,500 thousand yen), registration and license tax (6,000 thousand yen), and preparation cost of securities registration statement and others (3,500 thousand yen) to PLUTUS CONSULTING Co., Ltd.
- If the Share Acquisition Rights are not exercised within the exercise period or if the Company acquires or purchases the Share Acquisition Rights, the total amount to be paid in and the estimated net amount to be received may decrease.

(2) Specific Use of Funds to be Raised

The above estimated net amount of 1,484,700,200 yen from the issuance of the Shares and the Share Acquisition Rights is planned to be used for funds and expenses related to M&A and capital and business alliances. Purpose of use and schedule of expenditures are as follows:

< Shares >

Purpose of use	Amount (millions of yen)	Schedule of expenditure
Funds and expenses related to M&A and capital and business alliances	669	February 2024 - February 2026 (some are already under specific consideration and are expected to be decided during this period)

< Share Acquisition Rights >

Purpose of use	Amount (millions of yen)	Schedule of expenditure
Funds and expenses related to M&A and capital and business alliances	816	February 2024 - February 2029

Note: The Company intends to maintain stable cash management of such funds in bank deposits until the funds raised by the payment of the Shares and the Share Acquisition Rights are used for the purposes described above.

M&A and capital and business alliances have been the pillars of the Group's growth strategy since its establishment, and of the current eight consolidated subsidiaries, up to seven have become part of the Group through M&A, thereby strengthening its management base.

In the Group's core business areas, in addition to the expected high market growth potential, M&A and capital and business alliances are effective options for early growth from the perspective of strengthening competitiveness, including the need for ever-evolving technological innovation and the securing of management resources such as engineering personnel. In addition, in South America, where there are few players and growth is rapid, an "integrated" strategy of acquiring a competitor or distributor has proven effective, especially in the Spanish-speaking countries of South America. From this perspective, our Group plans to continue to pursue growth strategies both in Japan and overseas by executing agile M&A or capital and business alliances on a global basis in its core businesses of "Data Science," "Marketing Solutions," and "System Integration" domains to accelerate growth.

In executing M&A transactions, we may choose to acquire shares of the target company through a contribution in kind of our shares or other means, not necessarily through a cash acquisition alone. In such cases, the funds raised are

used to implement the post-acquisition integration process, to invest in the expansion of the acquired business, or to repay borrowings from other banks related to the acquired business.

Although no M&A transactions have been finalized at this time, we are considering several specific transactions, and raising capital to strengthen our financial position is an extremely important factor in facilitating negotiations and giving us the flexibility to pursue transactions that are essential to our growth. In order not to miss out on such growth opportunities, we believe it is essential to secure a certain amount of funds in advance. When executing M&A, our Board of Directors will deliberate from various perspectives, including the financial impact on our Group, such as the capital adequacy ratio, and the profitability of the investment, and we will disclose the results in a timely and appropriate manner.

Even if an M&A transaction with the terms we desire does not materialize during the planned spending period for the M&A funds, we will continue to search for and select a deal, and we plan to use the funds as soon as a specific deal is completed. Therefore, no alternative use of the funds is assumed at this time. If there is a change in the use of the funds, we will announce it after the Board of Directors has made a further decision on the use of the funds.

Any payment resulting from the exercise of Share Acquisition Rights and the timing of the exercise of the rights will depend on the judgment of the Share Acquisition Rights Holder, and there is a possibility that the rights will not be exercised if the stock price falls below the Exercise Price for a long period of time, etc. Therefore, the amount and timing of the funds to be raised have not been determined at this time, and there is a possibility that there will be a difference between the amount of the financial arrangements and the estimated timing of the expenditure as of present. If the expenditure of the expenses described above in the use of deducted funds of the Share Acquisition Rights are incurred prior to the exercise of Share Acquisition Rights, such expenses will be temporarily covered by cash on hand or borrowings, and after the necessary Share Acquisition Rights have been exercised and the payment for the exercise has been made, the net amount of funds from such exercise will be used to supplement such cash on hand or to repay borrowings in a timely manner. If the Share Acquisition Rights are not exercised and the funds raised are insufficient, we intend to make up the shortfall by raising funds in other ways, such as from cash on hand or from financial institutions.

4. Views on the rationality of the use of funds

If the financing is completed as planned, we believe that we will be able to raise the necessary funds for each of the initiatives described above in "2. Purpose and Reason for the Offer, (1) Purpose of the Offer," "3. Amount of Funds to be Raised, Purpose and Schedule of Expenditures, (2) Specific Use of Funds to be Raised." Since the effective use of these funds to implement the Group's growth strategy and increase the value of the Company will also benefit the existing shareholders, the Company believes that there is a certain rationality in the use of these funds.

5. Rationality of the Issue Terms, etc.

(1) Basis for and details of the calculation of the amount to be paid in

[1] The Shares

The issue price of the Shares was determined based on the simple average (rounded to the nearest two decimal places) of the TSE Closing Price for the 60 trading days (from October 26, 2023 to January 25, 2024) immediately preceding the resolution date of the Board of Directors on the issuance of the Shares, which was 339.05 yen, an amount equal to 90.2% of the said amount.

The Board of Directors of the Company has continuously considered the issuance of the Shares since the beginning of September 2023 and has discussed the necessity of the issuance of the Shares for the following reasons.

- The third-party allotment through the issuance of the Shares and the Share Acquisition Rights is essential for the financing and expenses related to the multiple M&A and capital and business alliances that are at the core of the Company's growth strategy, and is considered to contribute to the enhancement of the corporate value of the Group and the shareholder value of the existing shareholders

- It is expected to maintain and improve the external credit rating of the Company by ensuring stable funding and improving the capital adequacy ratio and financial soundness, taking into account the risk buffer of capital. In addition to such necessity, the Board of Directors of the Company, at its meeting held in mid-November 2023, also deliberated on the scheme and the issue price of the Shares and the Share Acquisition Rights based on discussions with the intended allottee, and proceeded, as the intention of the Board of Directors, with its

deliberations on the assumption that the issue price would be based on the market price of the Company Shares on the Tokyo Stock Exchange (hereinafter referred to as the "Company's Stock Price") and at a discount to the extent that it would not constitute a favorable issue, and had obtained the consent of the Intended Allottee.

During this period, the Company's Stock Price remained stable at around 300 yen from August 15, 2023, the day after the announcement of the financial results for the first quarter of the FY2024, to December 26, 2023 (the simple average of the TSE Closing Price during the same period: 293 yen). However, in the absence of any information disclosed by the Company that would have a positive impact on the Company's Stock Price, the price sharply rose to 767 yen from December 27, 2023, to January 19, 2024, and then plummeted to 513 yen on January 25. Not only was the price fluctuation severe, but the average daily trading volume in the previous month, which was also in the tens of thousands of shares, increased sharply to over one million shares during the 18 trading days from December 27, 2023, to January 25, 2024, when the Company's Stock Price began to rise. The increase in the Company's Stock Price from December 27, 2023, to January 25, 2024, was 115%, which is significantly higher than the 6% increase in the TSE Growth Market Index during the same period. Such a sharp rise in the Company's Stock Price deviated significantly from the Company's Stock Price in November 2023 (282 yen, the simple average of TSE Closing Price from November 1 to November 30, 2023), which was the basis for the issue price agreed to by the intended allottee in early December 2023. As the reason for the sharp rise in the Company's Stock Price is unknown, on January 16, 2024, we received a request from the intended allottee to adopt the average stock price for a certain period as the basis for the issue price. In adopting the average stock price over a certain period of time, we have taken into account the sharp rise in the Company's Stock Price since December 27, 2023, and the fact that the factors behind this increase are unknown, because there is a possibility that the issue price will be significantly discounted from the previous day's closing price if the closing price on the day before the resolution date to issue is used as a standard, and there is also a possibility that the issuance will fall under the category of a favorable issuance as a result. In order to give due consideration to this issue price, the Company has obtained objective opinions on the issue price of the shares from Attorneys Manabu Tanizoe (URYU & ITOGA) and Kei Omuta (URYU & ITOGA), who are outside experts with no vested interest in the Company and who are to a certain extent independent of management, and has obtained their written opinions dated January 26, 2024 (hereinafter referred to as the "Opinion Statement"). The full text of the Opinion Statement of Attorneys Mr. Tanizoe and Mr. Omuta is set forth below.

From the viewpoint of eliminating special factors such as temporary stock price fluctuations, and from the viewpoint that the method based on the closing price on the resolution date to issue, which determines the issue price of the shares only on the basis of the period of abnormal sharp increases that are clearly different from the previous stock price trends, is not a reasonable method for calculating a fair price, we have also determined that it is reasonable to eliminate the influence of short-term stock price fluctuations by using the average closing price of the TSE over a certain period of time instead of the closing price of the TSE immediately prior to the resolution date of the Board of Directors on the issuance of shares.

Specifically, in reviewing the Company's stock price for a certain period of time based on the "Guidelines Concerning Handling of Allocation of New Shares to a Third Party" (hereinafter referred to as the "JSDA Guidelines") set forth by the Japan Securities Dealers Association on April 1, 2010, as the reason for the sharp rise in the Company's stock price was unclear for approximately one month, considering that the average price of the Company's shares including a certain period of time prior to the sharp rise in the Company's stock price is to be reviewed and the Company's Stock Price did not show any wild fluctuations or spikes immediately after the Company's most recent earnings announcement for the second quarter of the FY2024/3, which was made on November 14, 2023, and from the viewpoint of eliminating the impact of periods of unusual sharp rises, the Company has determined that it is appropriate to adopt the simple average of the closing price of the TSE for 60 trading days from October 26, 2023 to January 25, 2024, which is the day before the resolution date of the issuance.

If the issue price of the New Shares is determined on the basis of the average stock price over a certain period of time, there is a high probability that the issue price will be lower than the closing price on the day before the resolution date to issue the New Shares, given the recent Company's Stock Price. In such case, theoretically, it may be possible to find another allottee at a higher price than the issue price of the new shares. However, with regard to the allottee, the Company (i) has continued to consult with VLC Holdings Co., Ltd. (Location: Minato-ku, Tokyo; Representative: Norihiko Ishihara), the referral source, regarding the financing since around August 2023; (ii) obtained FPF's consent in early December 2023; and (iii) is currently in discussions with VLC

Holdings Co., Ltd. regarding a business alliance, including comprehensive mutual customer referrals and solution cooperation focusing on marketing, etc. Based on the above process of considering the Financing and its importance to our business strategy, we have discussed the appropriate issue price with FPF.

In addition, the subscription agreement requires FPF to continue to hold the Shares for a period of six (6) months following the acquisition of the Shares. As a result, FPF will be able to accept the risk of a decline in the Company's Stock Price during the relevant period, while the Company will be able to raise funds quickly and reliably through the issuance of the Shares, which is expected to increase shareholder value in the medium to long term. After comprehensive consideration of the above and other factors, including the discount rate to the simple average of the closing price of the Company Shares on the TSE during the 60 trading days mentioned above, the issue price of the Shares was determined after thorough consultation with the intended allottee.

As a result, the issue price was set at 339.05 yen, which is the simple average (rounded to the nearest two decimal places) of the closing prices on the Tokyo Stock Exchange for the 60 trading days (from October 26, 2023 to January 25, 2024) immediately preceding the resolution date of the Board of Directors to issue the Shares, and is equal to 90.2% of such amount (a discount of 9.8%). While the amount to be paid in will in principle be equal to or greater than the amount obtained by multiplying the price on the day immediately preceding the resolution date of the Board of Directors by 0.9, taking into account the price or trading volume up to the immediately preceding date and other conditions, this is in consideration of the JSDA Guidelines which state that the amount to be paid in may not be less than the amount obtained by multiplying the average price during the period from the date of such resolution to the date immediately preceding such resolution by 0.9, which is a reasonable period for determining the amount to be paid in (maximum of 6 months). Therefore, the Company has determined that the issue price of 305.82 yen does not represent a particularly favorable amount. In light of the principle of shareholder equality, a resolution for a favorable issuance at the general meeting of shareholders could be conservatively considered, but we have determined that a resolution at the general meeting of shareholders is unnecessary for the following reasons: (i) The Company believes that the current Company's Stock Price does not reflect the fair value of the Company due to the recent sharp increase in the Company's Stock Price for unknown reasons; (ii) In making this consideration, the Company's Board of Directors has fully and carefully considered the issue through a due process of deliberation, including obtaining the Opinion Statement and other opinions of several third-party attorneys, and (iii) The consideration period for the Financing lasted approximately six months, and as of the beginning of December 2023, we had reached an agreement with the Intended Allottee on the terms and conditions.

The issue price of the Shares of 305.82 yen (rounded to the nearest two decimal places; hereinafter, the discount or premium to the stock price shall be calculated in the same manner) represents a discount of 43.78% to the closing price of 544 yen on the business day immediately preceding the resolution date of the Board of Directors to issue the Shares, a discount of 35.79% to 476.26 yen, the simple average of the closing price on the Tokyo Stock Exchange for the one-month period ending on the business day immediately preceding the resolution date of the Board of Directors, and a discount of 5.47% to 323.53 yen, the simple average of the closing price on the Tokyo Stock Exchange for the six months immediately preceding the resolution date of the Board of Directors.

In addition, all three Auditors of the Company (including three External Auditors) have expressed their opinion that the issue price of the Company Shares is reasonable in light of the Opinion Statement and that they have no objection that the issue price is not favorable to the Company for the following reasons: (i) the issue price is based on the average closing price of the Company Shares on the Tokyo Stock Exchange, which is an objective value representing the value of the Company Shares over a period of time that can be considered reasonable based on market price trends, (ii) the discount rate of 9.8% to the average closing price of the TSE for the 60 trading days immediately preceding the date of valuation is not unreasonable in light of the circumstances described above, and (iii) it also takes into account the JSDA Guidelines.

"Opinion of Attorneys Manabu Tanizoe (URYU & ITOGA) and Kei Omuta (URYU & ITOGA) dated January 26, 2024"

< Key Assumptions >

(1) Datasection Inc. (hereinafter referred to as "your Company") is considering issuing of new shares by way of a third-party allotment with a planned issue resolution date of January 26, 2024 (hereinafter referred to

as the "Capital Increase by Third-Party Allotment").

(2) While your Company's shares of common stock (hereinafter referred to as "your Company Stock") is listed on the Growth Market of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the "TSE"), the price of your Company Stock on the TSE Growth Market (hereinafter referred to as "your Company Stock Price") remained generally stable in the range of 250 yen to 290 yen from November 15, 2023, the trading day following the announcement of your Company's financial results for the second quarter of the FY2024, to December 26, 2023, immediately prior to the price increase described below.

(3) On the other hand, since the closing price of your Company Stock was 301 yen on December 27, 2023 (an increase of 19.0% increase (rounded to the nearest first decimal place; the same applies to the calculation of the rate of change and the discount rate) from the closing price of 253 yen on December 26, 2023), your Company Stock Price has remained well above the level in (2) above, and on January 18, 2024, the closing price of your Company Stock reached 667 yen (163.6% increase over the closing price of 253 yen on December 26, 2023), and on January 25, 2024, the closing price was 544 yen (115.0% increase over the closing price of 253 yen on December 26, 2023) (the changes in your Company Stock Price between December 27, 2023 and January 25, 2024 are hereinafter collectively referred to as the "Stock Price Increase").

(4) Based on the Stock Price Increase, your Company is considering setting the issue price for the Capital Increase by Third-Party Allotment not on the basis of the closing price on the trading day prior to the resolution date to issue, but by a certain discount method based on the average stock price over a certain period of time prior to the resolution date to issue. Specifically, the Company is considering setting the price at 305.82 yen (hereinafter referred to as the "Issue Price"), a discount of 9.8%, based on the simple average of your Company Stock Price of 339.05 yen from October 26, 2023 to January 25, 2024.

(5) The Issue Price represents a 43.78% discount to the closing price of 544 yen on the trading day prior to the scheduled resolution date of the issuance. However, your Company has determined, based on the above circumstances of the Stock Price Increase, etc., that this does not constitute an issuance of new shares at a "particularly favorable amount" under Article 199, Paragraph 3 of the Companies Act (hereinafter referred to as the "Favorable Issuance").

< Question >

Based on the above assumptions and related facts, is this issue price considered to be a "particularly favorable amount" pursuant to Article 199, Paragraph 3 of the Companies Act?

< Opinion >

Based on the above assumptions and related facts, we are of the opinion that the Issue Price is not considered to be a "particularly favorable amount" pursuant to Article 199, Paragraph 3 of the Companies Act.

< Reason for Opinion >

At your request, we reviewed your Company's disclosure materials (including, but not limited to, timely and regulatory disclosures) and publicly available information such as market stock prices, trading volumes and margin balances. We also conducted an interview with your Company and confirmed the results of your identification and analysis of the stock price increase and the status of your Company's disclosure before and after the stock price increase.

Based on the results of the above review, we express the above opinion, and the reasons for our opinion are as follows:

1. Importance of the "particularly favorable amount"

The "particularly favorable amount" referred to in Article 199, paragraph 3 of the Companies Act is interpreted as a price that is particularly lower than the fair issue price. According to the relevant court decisions, the "fair issue price" should be determined by the "objective value of the company," which in most cases is understood to be based on the stock price.

However, even in the relevant court rulings, it is not always interpreted that the stock price should be the basis for the fair issue price, but rather that the stock price may not be the basis for the "fair issue price" in certain cases, such as when "speculative motives or other artificial factors other than the objective value of the company may cause the stock price to rise or fall abnormally without reflecting the objective value of the

company" (Tokyo High Court, July 27, 1973, Hanrei Jiho No. 715, p. 100). According to the approach expressed in the relevant court rulings, it is generally considered that the stock price is not the basis for the fair issue price in cases where (1) there are no reasonable circumstances causing the stock price to rise, such as improved business performance of the issuing company, (2) the stock price rises to an abnormal extent due to speculation, etc., and (3) the rise is only a temporary phenomenon, and it is permissible to exclude the stock price during the rise from the basis for calculating the fair issue price.

The "Guidelines Concerning Handling of Allocation of New Shares to a Third Party" set forth by the Japan Securities Dealers Association (as of April 1, 2010; hereinafter referred to as the "JSDA Guidelines") also states: "The amount to be paid in shall not be less than the amount obtained by multiplying the price on the day immediately preceding the resolution date of the Board of Directors (if there is no trading on the immediately preceding date, the price shall be the price on the last day prior to the immediately preceding date) regarding the issuance of shares by 0.9; provided, however, that the price may be set at not less than by multiplying the average price or trading volume during the period from the date of such resolution to the day immediately preceding such resolution by 0.9, taking into account the price or trading volume up to the last day or the day immediately preceding such resolution," and there are cases where it is permissible to determine the issue price based on the average share price over a certain period (up to a maximum of six months) instead of the share price on the last day. As stated in the relevant court rulings, if there is an unusual and temporary surge in the stock price without a reasonable cause, it is considered reasonable to determine the Issue Price based on the average stock price over a certain period of time, "taking into account the price or trading volume up to the most recent or immediately preceding date" in relation to the JSDA Guidelines.

In view of the foregoing, in determining whether the Issue Price that your Company is considering falls within the category of a "particularly favorable amount," from the perspective of whether your Company Stock Price after the Stock Price Increase is the basis for calculating the fair issue price that reflects the objective value of your Company Stock, we have examined the following elements below: (1) the absence of any reasonable cause, such as the improvement of your Company's business performance, (2) an abnormal increase in the Stock Price due to speculation, etc., and (3) any circumstances to deny that the said increase was a temporary phenomenon.

2. Consideration of Stock Price Increase

(1) Any reasonable circumstances that cause the stock price to rise, such as improved business performance

First, a comparison with market conditions shows that during the period of the Stock Price Increase, index indices such as the TSE Stock Price Index and the Nikkei Stock Average (225) increased as a whole, but the rate of increase was only about 10%. Since the rate of increase is significantly different from the rate of increase in your Company Stock Price as stated in the Assumed Facts, the extent to which the increase in Stock Price can be explained by market conditions is considered to be negligible.

In addition, your Company disclosed "Notice on Losses of Consolidated Subsidiary" on December 14, 2023, which was close to the Stock Price Increase, so it is possible that this disclosure may have caused the stock price to rise. However, this disclosure was made to disclose the possibility that a consolidated subsidiary of your Company might incur a loss due to the preferred dividend, which would not normally be considered a cause of a stock price spike, although it could cause the stock price to fall. In addition to the above, your Company did not disclose any information that could have caused the stock price to rise during the period around the time of the stock price increase, and, according to our confirmation with your Company, your Company did not disclose any undisclosed facts to any particular person that could have caused the stock price to rise to a particular level. Therefore, we do not believe that your Company's disclosure of information was the cause of the Stock Price Increase.

In addition, on December 22, 2023, a Large Shareholding Report was filed by an individual shareholder regarding the holding of your Company Stock. It is conceivable that the filing of the Large Shareholding Report may have caused the stock price to rise, for example, due to the possibility of some kind of business alliance between your Company and the shareholder. However, according to our confirmation with your Company, neither the individual shareholder nor the company in which the individual shareholder serves as a director has any business relationship with your Company, and the individual shareholder submitted a change report as of January 15, 2024, stating that his shareholding ratio had decreased by 1% or more. In view of the fact that the Stock Price Increase continued even after the report was submitted, it cannot be assumed that the individual

shareholder's holding of your Company's shares caused the Stock Price Increase, because, for example, the possibility of a business alliance arose from the individual shareholder's holding of your Company's shares.

Furthermore, a sudden change in the supply and demand balance due to the trading of your Company Stock by a certain major shareholder can also be assumed. However, your Company has confirmed that there has been no change in major shareholders that would cause such a sharp fluctuation in supply and demand, except for the above-mentioned change in a single shareholder.

Other than the above, there were no reasonable circumstances that could have caused the Stock Price Increase.

Therefore, we do not believe that there are any reasonable circumstances, such as improved business performance, that could have caused the stock price to rise.

(2) Abnormality of a sharp rise in the stock price, such as being the target of speculation

As described in the Assumptions, since the announcement of the quarterly financial results immediately prior to the Stock Price Increase, your Company Stock Price has remained stable in terms of both stock price and trading volume. In contrast, on January 18, 2024, the 13th trading day from December 27, 2023, when the Stock Price Increase began, the closing price was 667 yen (a 163.6% increase from the closing price of 253 yen on December 26, 2023, or 2.6 times the closing price), an unusual increase that was clearly different from the previous stock price trend.

The trading volume also remained at a level of thousands to tens of thousands of shares per trading day before the Stock Price Increase, while during the Stock Price Increase it multiplied hundreds to ten times, reaching the level of hundreds of thousands to millions of shares. In addition, the balance of margin transactions also increased significantly in January 2024, confirming an extremely large increase in trading volume, including margin transactions.

In view of the above, the trading conditions of your Company Stock before and after the Stock Price Increase were clearly different, and it is recognized that the trading was overheated in terms of the rate of increase, the volume, and the significant increase in the balance of margin transactions. In view of the fact that there are no reasonable circumstances that could have caused the stock price spikes as described in (1) above, it is deemed that your Company Stock Price rose abnormally due to speculation and other factors.

(3) Temporary nature of the stock price spike

The reference to the temporary nature of the stock price increase in the relevant court decisions means that the stock price should not be excluded from the basis of the fair issue price as a temporary increase if the stock price is maintained for a relatively long period of time, such as six months to one year or more. On the other hand, the Stock Price Increase is a relatively short period of time (about one month), and there is no reason to deny that the Stock Price Increase is a temporary phenomenon.

(4) Conclusion

In view of the above, considering the following circumstances related to the Stock Price Increase, (1) there were no reasonable circumstances, such as an improvement in your Company's business performance, which could have caused the stock price to soar; (2) the stock price surged to an abnormal extent due to speculation, etc.; and (3) there were no circumstances to deny that the said spikes were a temporary phenomenon, your Company Stock Price after the Stock Price Increase does not reflect the objective value of your Company Stock. Therefore, we believe that it is not appropriate to use your Company Stock Price after the Stock Price Increase as the basis for the "fair issue price" to determine whether or not the issue price is a "particularly favorable amount."

In view of the situation regarding the Stock Price Increase, as a method of determining the Issue Price based on the "fair issue price," which is considered to more appropriately reflect the objective value of your Company Stock, with reference to the JSDA Guidelines, we believe that there are certain reasonable grounds for determining the Issue Price based on the average stock price over a certain period of time prior to the resolution date on the issue.

Specifically, in view of the fact that the Stock Price Increase continued for about a month, we believe that there are certain reasonable grounds to use the average stock price during the 60-day period from October 26, 2023, to January 25, 2024, including a certain period prior to the sharp rise in the stock price, as the basis for

calculation, from the perspective of eliminating special factors such as temporary stock price fluctuation effects, and that the following is not an appropriate method for calculating the fair value: the method of determining the value of Capital Increase by Third-Party Allotment only during the period of unusual sharp rises in the stock price, which is clearly different from the trend of the stock price in the past, based on the closing price of the day before the resolution date to issue; and the method based on the average of the most recent one month up to the resolution date to issue.

3. Applicability of the Issue Price to Favorable Issuance

As stated above, we believe that there are certain reasonable reasons for determining the Issue Price on the basis of the average stock price over a certain period of time prior to the resolution date on the issue. However, when considering whether the Issue Price is a Favorable Issuance, it is necessary to consider not only the appropriateness of the calculation method based on the average stock price over a certain period of time but also the appropriateness of a certain discount from the average stock price.

In this regard, it is expected that the Capital Increase by Third-Party Allotment will be subject to a 6-month lock-up period (a period during which the disposal of your Company Stock is prohibited) for the intended allottee. Under such conditions, the intended allottee bears the risk of a significant decline in the stock price during the lock-up period. Based on discussions and negotiations with the intended allottee, in which the intended allottee indicated that a 9.8% discount was necessary in exchange for the allottee assuming such risk, we believe that the Issue Price is not a "particularly favorable amount" and does not constitute a Favorable Issuance, as your Company has determined that it is unavoidable to accept the issue at such a discount from the standpoint of the feasibility of a Capital Increase by Third-Party Allotment, and the level of the discount is in accordance with the JSDA Guidelines.

[2] Share Acquisition Rights

The Company has engaged PLUTUS CONSULTING Co., Ltd (Location: Kasumigaseki Bldg. 35F, 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo-to 100-6035 Japan; Representative: Mahito Noguchi), an independent third-party valuation institution, in determining the price for Issuance of the Share Acquisition Rights to ensure fairness.

The valuation institution used a Monte Carlo simulation, which is commonly used in the valuation of stock acquisition rights, to estimate the value of the Share Acquisition Rights, taking into account the exercise period (5 years), the exercise price (544 yen), the stock price of the Company Shares on January 25, 2024 (544 yen), volatility (45.05%), dividend yield (0%), and risk-free interest rate (0.311%). In valuing the shares, we assumed that the Company would not exercise the call option and that the intended allottee would exercise the rights, taking into account the impact on the market and so on.

As a result, the value per Share Acquisition Right was calculated to be 420 yen, and the Company determined the amount to be paid per Share Acquisition Right to be 420 yen, which is the same amount as the above valuation.

The exercise price of the Share Acquisition Rights will be equal to the TSE Closing Price on January 25, 2024, the trading day prior to the Resolution Date of Issue.

Taking into account the features and details of the Share Acquisition Rights, the level of the Exercise Price of Share Acquisition Rights, and the valuation results of the Share Acquisition Rights by a third-party valuation agency, and as a result of comprehensive consideration of these factors, we have concluded that the method of determining the amount to be paid in for the Share Acquisition Rights and the amount thereof are reasonable and that the issuance of the Share Acquisition Rights does not fall into the category of a Favorable Issuance.

Furthermore, all three of the Company's Auditors (including three External Auditors) have reviewed the above basis of calculation, and are of the opinion that the amount to be paid in for the Share Acquisition Rights does not constitute a particularly favorable amount to be paid.

The Third-Party Allotment is a scheme to issue new shares and share acquisition rights at the same time, and based on the recent sharp rise in the Company's Stock Price for the issue price of the new shares, considering that the issue price of the new shares will be calculated based on the simple average (rounded to the nearest two decimal places) of the closing price of the TSE for the 60 trading days (from October 26, 2023 to January 25,

2024) immediately preceding the resolution date of the Board of Directors regarding the issuance of the shares, which is 339.05 yen, the price was set at 305.82 yen, which represents 90.2% (9.8% discount) of the said amount. On the other hand, the Exercise Price of the share acquisition rights is set at 544 yen, which is the closing price of the day before the resolution date of the Board of Directors regarding the issuance of the Share Acquisition Rights. This is due to the fact that there is only one intended allottee for the Third-Party Allotment, and the decision was made after discussions with the intended allottee, taking into account the Share Acquisition Rights, including the fixed exercise price and exercise period (5 years), as well as the risk of fluctuations in the Company's Stock Price.

(2) Basis for determining that the number of shares to be issued and the extent of share dilution are appropriate

The total number of shares to be issued upon the exercise of all of the Shares and the Share Acquisition Rights is 3,718,000 shares (37,180 voting rights), which represents 24.86% of the total number of outstanding shares of the Company Shares as of December 31, 2023 (14,957,851 shares) (24.92% of the total number of voting rights (149,168); rounded to the nearest two decimal places) and will cause some dilution.

Although such dilution will occur, the use of the deducted funds of the Financing for the purposes set forth above will contribute to the enhancement of the Company's corporate and shareholder value in the medium to long term, and as we believe that the Financing will provide sufficient benefit to our existing shareholders even after taking into account the associated dilution, we have determined that the number of shares to be issued and the extent of the dilution of the shares are reasonable.

The number of Company Shares that would be issued if all Share Acquisition Rights were exercised would be 1,488,000 shares. The average daily trading volume of the Company Shares for the last six (6) months and the last three (3) months, commencing on January 25, 2024, was 355,298 shares and 698,195 shares, respectively, and the average daily trading volume per share for the last month was 2,157,563 shares. Therefore, the impact on the secondary market from the sale of the above shares in the market would be 1,215 shares sold per day if the maximum dilution from the exercise of Share Acquisition Rights is achieved over the five-year exercise period (calculated at 245 trading days per year/annual business day), which is the exercise period of the Share Acquisition Rights. As this represents only 0.34% (rounded to the nearest two decimal places) of the average daily trading volume over the above last six months, we have determined that the liquidity of the Company Shares will be sufficient to absorb any sale of the Company Shares issued upon exercise of Share Acquisition Rights even if the Company Shares issued upon exercise of Share Acquisition Rights are sold.

6. Reasons for selecting the intended allottee, etc.

(1) Overview of intended allottee

[1]	Company name	First Plus Financial Holdings
[2]	Address	8 MARINA VIEW #36-02 ASIA SQUARE TOWER 1 SINGAPORE
[3]	Name and title of the representative	CEO LI ZHIBO
[4]	Business activities	Investment management
[5]	Share capital	S \$70 million
[6]	Date of incorporation	July 11, 2019
[7]	Fiscal year end	December 31
[8]	Number of employees	20
[9]	Major customers	Financial institutions and investors
[10]	Main banks	DBS Bank Limited and United Overseas Bank Limited
[11]	Principal investor and the investment ratio	FIRST GROUP (UK) CO., LIMITED 95%
[12]	Relationship between the parties	
	Capital relationship	Not applicable.
	Human relationship	Not applicable.

	Business relationship	Not applicable.
	Applicability to related parties	Not applicable.

* As a private company, the business results and financial position are not disclosed at the discretion of the other party.

Note: The Company has received written confirmation from FPF that FPF and its officers and major investors (hereinafter referred to as "FPF Related Parties") do not have any relationship with antisocial forces. In addition, as a result of requesting an investigation by Security & Research Inc. (Location: 2-16-6 Akasaka, Minato-ku, Tokyo; Representative: Hisaji Hada), a third-party research organization, to investigate the matter of whether or not FPF Related Parties are involved with antisocial forces or illegal activities, and received the investigation results that there is no information on FPF Related Parties indicating any involvement with the antisocial forces, etc., or illegal activities. Accordingly, we have determined that FPF Related Parties has no relationship with antisocial forces, and have submitted a written confirmation to that effect to the Tokyo Stock Exchange.

(2) Reason for selecting the intended allottee

Against the background described in “2. Purpose and Reason for the Offer, (1) Purpose of the Offer” above, the Company began to consider raising funds through direct financing around August 2023. Subsequently, we held discussions with VLC Holdings Co., Ltd. for a business alliance including comprehensive mutual customer referrals and solution cooperation focusing on the marketing field (discussions are still ongoing), and consulted with Mr. Ishihara, Representative Director of VLC Holdings Co., Ltd., regarding financing for M&A, etc., for the growth of our Group. Mr. Ishihara introduced us to FPF, the intended allottee of the Shares and the Share Acquisition Rights, and we have had a series of discussions.

FPF aims to make global investments mainly in the AI and digital sectors. FPF has expressed its intention to support the management of the Company by holding the Company Shares for the medium to long term. In addition, the management of the company has a track record of investing in the AI and digital field (no track record of investing in Japanese companies), and we therefore expect useful information and company introductions for business development in the same field.

Accordingly, we have determined that the allotment of the Shares and the Share Acquisition Rights to FPF will contribute to the enhancement of our management and shareholder value, and have selected FPF as the intended allottee of the Shares and the Share Acquisition Rights.

The Company will announce in a timely and appropriate manner when the Board of Directors of the Company decides on the business alliance under discussion with VLC Holdings Co., Ltd.

(3) Intended allottee’s holding policy and restriction measure on transfer

The Company intends to obtain a written commitment from FPF, the intended allottee of the Shares and the Share Acquisition Rights, to continue to hold the Shares for a period of six months after the acquisition; provided, however, that this shall not apply in the event of (i) a breach of any representation, warranty or obligation contained in the subscription agreement, (ii) a material change in circumstances assumed at the time the Shares were issued, such as the delisting of the Company or the commencement of bankruptcy proceedings, or (iii) the Company commits any other act which would objectively be deemed to materially damage the confidence of the intended allottee. In addition, FPF has orally stated that it intends to hold not only the Shares but also the Company Shares acquired through the exercise of the Share Acquisition Rights in the medium to long term. In addition, the Company intends to obtain a written commitment from FPF in which FPF agrees to reporting to the Company in writing the details of any transfer of all or part of the Shares within two (2) years from the date of payment for the Shares, and the Company reporting such report to the Tokyo Stock Exchange and making the contents of such report available for public inspection.

With respect to the Share Acquisition Rights, the Company and FPF, the intended allottee, plan to enter into a Purchase Agreement which provides that the prior approval of the Board of Directors of the Company is required for the transfer of the Share Acquisition Rights to a third party after the effective date of the notification under the

Financial Instruments and Exchange Act. In approving the transfer, we will verify the identity of the transferee, whether or not the transferee has any relationship with antisocial forces, the source of payment for the exercise of Share Acquisition Rights, and the transferee's holding policy prior to the transfer. In the event of a transfer of the Share Acquisition Rights, we will promptly disclose the details thereof.

(4) Details of confirmation of the existence of assets required for the payment of intended allottee

We have received verbal assurance from Mr. LI ZHIBO, CEO of FPF, that FPF, the intended allottee, will pay the full amount payable for the Shares and the Share Acquisition Rights on the payment date and that the necessary funds have been secured. In addition, the Company has received the consolidated financial report of FPF for the FY2022/12 (the immediately preceding fiscal year) and a balance statement as at December 31, 2023, of First Plus Asset Management Pte. Ltd, a fund currently managed by FPF, which will serve as the source of funds for the payment. We have also verbally confirmed with the intended allottee that there has been no material decrease in cash and deposits as of the filing date of the Securities Registration Statement (January 26, 2024) that would affect the availability of funds to pay for the Shares and the Share Acquisition Rights.

(5) Stock lending agreement

FPF, an intended allottee, has not and will not enter into any agreement with the Company or any of its officers on stock lending related to the Company Shares to be acquired upon exercise of Share Acquisition Rights.

7. Principal shareholders and shareholdings

Before allotment		After allotment	
KDDI CORPORATION	14.23%	First Plus Financial Holdings PTE. Ltd.	20.12%
Kento Hayashi	6.45%	KDDI CORPORATION	11.37%
Hideki Saito	4.58%	Kento Hayashi	5.15%
Nippon Life Insurance Company	4.57%	Hideki Saito	3.66%
THE CHASE MANHATTAN BANK, N. A. LONDON SPECIAL ACCOUNT NO. 1	4.22%	Nippon Life Insurance Company	3.65%
Daiya Hashimoto	3.81%	THE CHASE MANHATTAN BANK,N. A. LONDON SPECIAL ACCOUNT NO. 1	3.37%
Allm Inc.	3.67%	Daiya Hashimoto	3.05%
au Kabucom Securities Co., Ltd.	2.65%	Allm Inc.	2.93%
MORGAN STANLEY SMITH BARNEY LLC CLIENTS FULLY PAID SEG ACCOUNT	2.59%	au Kabucom Securities Co., Ltd.	2.12%
Shunsuke Ikegami	2.11%	MORGAN STANLEY SMITH BARNEY LLC CLIENTS FULLY PAID SEG ACCOUNT	2.07%

- Note 1. The shareholding ratio before the allotment is based on the shareholder registry as of September 30, 2023.
2. The shareholding ratio is the ratio to the total number of shares issued and is calculated by rounding to the nearest two decimal places.
3. Principal shareholders and shareholding ratios after the allotment are based on the number of shares outstanding following the issuance of 2,230,000 shares of the Shares and the exercise of all Share Acquisition Rights (1,488,000 dilutive shares).
After the issuance of only 2,230,000 shares of the Shares, the shareholding of the allottee will be 13.16%, making it a major shareholder.

8. Future Outlook

The impact of the Financing on the Company's business results for the period is expected to be minimal.

In the future, when the M&A transaction, which is the purpose of the funds herein, is decided, we will disclose the information in a timely and appropriate manner.

9. Matters related to procedures under the Code of Corporate Conduct

Third-Party Allotment does not require the opinion of an independent third party or confirmation of the intention of

the shareholders pursuant to Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because: (i) the total number of voting rights represented by the Company Shares to be delivered upon the exercise of the Shares and the Share Acquisition Rights is less than 25% of the total number of voting rights represented by the total number of issued Company Shares as of the resolution date on the issuance; and (ii) even if all Share Acquisition Rights are exercised, a change in the controlling shareholder is not expected. As the total dilution ratio due to the issuance of new shares and share acquisition rights this time is 24.90% based on the number of voting rights, we have obtained the consent of all of the Company's Auditors, including three External Auditors, that the scale of dilution is reasonable and that they agree with the rationality of the allottee, the use of the shares, and the scale of dilution.

10. Performance and equity financing over the last three years

(1) Results of the last three years

Fiscal year end	FY2021	FY2022	FY2023
Consolidated net sales	1,389 million yen	1,692 million yen	1,924 million yen
Consolidated operating profit (loss)	18 million yen	(77 million yen)	55 million yen
Consolidated ordinary profit	31 million yen	165 million yen	46 million yen
Consolidated profit (loss) attributable to owners of parent	(41 million yen)	2 million yen	(530 million yen)
Consolidated profit (loss) per share	(3.02 yen)	0.17 yen	(36.45 yen)
Dividends per share	-	-	-
Consolidated net assets per share	201.85 yen	195.22 yen	167.39 yen

(2) Number of shares outstanding and dilutive shares (as of January 25, 2024)

	Number of shares	% of number of shares outstanding
Number of shares outstanding	14,958,051 shares	100.00%
Number of dilutive shares at the current exercise price	421,600 shares	2.82%

Note 1. The above number of dilutive shares is based on stock options.

- The 216,000 dilutive shares (common stock) related to the 15th Share Acquisition Rights resolved by the Board of Directors on January 15, 2021 are not included in the total number of dilutive shares at this time because the diluted profit per share, assuming all such dilutive shares were exercised, would be greater than the profit per share.

(3) Recent stock prices

[1] Last three years

	FY2021	FY2022	FY2023
Opening price	344 yen	461 yen	313 yen
Highest price	855 yen	492 yen	326 yen
Lowest price	342 yen	277 yen	237 yen
Closing price	459 yen	313 yen	262 yen

[2] Last six months

	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024
Opening price	335 yen	310 yen	319 yen	283 yen	275 yen	332 yen
Highest price	339 yen	332 yen	328 yen	295 yen	348 yen	767 yen
Lowest price	273 yen	299 yen	280 yen	272 yen	251 yen	329 yen
Closing price	313 yen	318 yen	283 yen	272 yen	344 yen	544 yen

Note: January 2024 is as of January 25, 2024.

[3] Stock price as of the previous trading day

	As of January 25, 2024
Opening price	538 yen
Highest price	560 yen
Lowest price	513 yen
Closing price	544 yen

(4) Equity financing over the last three years

- Issuance of new shares by way of third-party allotment (contribution in kind)

Payment date	June 15, 2021
Amount of financial arrangements	97 million yen. However, the payment will be made by contribution in kind of 12,635 shares of Alianza FollowUP S.A.S. (453 Type A shares and 12,182 Type B shares) owned by the intended allottee.
Issue price	535 yen per share
Total number of shares outstanding at the time of the offering	13,996,553 shares
Number of shares issued through the offering	Common stock: 182,910 shares
Allotted to	Go Strategy S.A.S.
Initial purpose of the funds at the time of issuance	Acquisition of shares in Alianza FollowUP S.A.S.
Schedule of expenditure at the time of issue	June 2021
Appropriation as of present	The entire amount was used to pay for 12,635 shares of Alianza (453 type A shares and 12,182 type B shares) owned by the intended allottee as a contribution in kind.

11. Issue Guidelines

As described in Exhibits 1 and 2.

II. Changes in Major Shareholders and Largest Shareholder

1. Background of the change

The allocation of the Shares to FPF is expected to result in the following changes in the major shareholders of the Company and its largest shareholder.

2. Summary of changes in shareholders

(1) Overview of new major shareholders and largest shareholder

Overview of FPF, which is expected to become a new major shareholder and the largest shareholder of the Company as a result of the allotment of Shares to FPF shall be as described in “I. Issuance of Shares and Share Acquisition Rights (Fixed Exercise Price Type) through Third-Party Allotment, 6. Reasons for selecting the allottee, etc., (1) Overview of intended allottee.”

(2) Summary of shareholder who will no longer be the largest shareholder

After the Capital Increase by Third-Party Allotment, the following shareholder will remain a major shareholder but will no longer be the largest shareholder.

[1]	Company name	KDDI CORPORATION
[2]	Address	3-10-10 Iidabashi, Chiyoda-ku, Tokyo
[3]	Name and title of the representative	Makoto Takahashi, President and Representative Director

[4]	Business activities	Telecommunications business
-----	---------------------	-----------------------------

3. Number of voting rights held by the intended allottee before and after the change and percentage of voting rights held by all shareholders

(1) FPF

	No. of voting rights (No. of shares held)	% of voting rights in shares held by all shareholders*	Ranking of major shareholders
Before the change (As of September 30, 2023)	-	-	-
After the change	22,300 (2,230,000 shares)	13.16%	1st

- Note 1. The percentage of voting rights held after the change is calculated based on the number of voting rights (169,507), which is the total number of voting rights of all shareholders as of September 30, 2023 (147,207), plus the number of voting rights to be increased by the issuance of these shares (22,300).
2. Percentage of voting rights held is rounded to the nearest two decimal places.

(2) KDDI CORPORATION

	No. of voting rights (No. of shares held)	% of voting rights in shares held by all shareholders*	Ranking of major shareholders
Before the change (As of September 30, 2023)	21,000 (2,100,000 shares)	14.27%	1st
After the change	21,000 (2,100,000 shares)	12.39%	No. 2

- Note 1. The percentage of voting rights held before the change is the ratio of the number of voting rights held to the total number of voting rights (147,207) of all shareholders as of September 30, 2023.
2. The percentage of voting rights held after the change is calculated based on the number of voting rights (169,507), which is the total number of voting rights of all shareholders as of September 30, 2023 (147,207), plus the number of voting rights to be increased by the issuance of these shares (22,300).
3. Percentage of voting rights held is rounded to the nearest two decimal places.

4. Date of change

February 13, 2024 (scheduled)

5. Future Outlook

Please refer to “I. Issuance of Shares and Share Acquisition Rights (Fixed Exercise Price Type) through Third-Party Allotment, 8. Future Outlook.”

Datasection Inc. Common Stock (Third-Party Allotment)
Issuance Guidelines

- | | | | |
|-----|---|---|-----------------|
| 1. | Class of shares offered | Common stock of the Company: 2,230,000 shares | |
| 2. | Amount paid | 305.82 yen per share
(A price obtained by discounting by 9.8% (rounded to the nearest two decimal places) from 339.05 yen, the simple average of the closing prices of the Company's common stock as published by the Tokyo Stock Exchange for the 60 trading days immediately preceding the day before the resolution date to issue (January 25, 2024)) | |
| 3. | Total amount to be paid | 681,978,600 yen | |
| 4. | Amount of share capital and capital reserve to be increased | Share capital | 340,989,300 yen |
| | | Capital reserve | 340,989,300 yen |
| 5. | Application date | February 13, 2024 | |
| 6. | Payment date | February 13, 2024 | |
| 7. | Method of offering or allotment | By way of third-party allotment | |
| 8. | Allottee and number of shares allotted | First Plus Financial Holdings PTE. Ltd. 2,230,000 shares | |
| 9. | Payment agent | Sumitomo Mitsui Banking Corporation, Shibuya-ekimae Branch | |
| 10. | Other matters | Each item of the foregoing is subject to the effectiveness of the notification filed under the Financial Instruments and Exchange Act. | |

Datasection Inc. 19th Share Acquisition Rights (Third-Party Allotment)

Issuance Guidelines

1. Name of Share Acquisition Rights

Datasection Inc. 19th Share Acquisition Rights (hereinafter referred to as the "Share Acquisition Rights")

2. Application period

February 13, 2024

3. Allotment date

February 13, 2024

4. Payment date

February 13, 2024

5. Method of offering

All Share Acquisition Rights will be allotted to First Plus Financial Holdings PTE. Ltd. (hereinafter referred to as "FPF") by way of third-party allotment.

6. Class and number of shares underlying the Share Acquisition Rights

(1) The class and total number of shares to be issued upon exercise of the Share Acquisition Rights shall be 1,488,000 shares of the Company's common stock (the number of shares to be issued upon exercise of one Share Acquisition Right (hereinafter referred to as the "Number of Shares Allotted") shall be 100 shares); provided, however, that if the Number of Shares Allotted is adjusted in accordance with Items (2) through (4) below, the total number of shares to be issued upon exercise of the Share Acquisition Rights shall be adjusted in accordance with the Number of Shares Allotted after such adjustment.

(2) If the Company adjusts the Exercise Price (as defined below) in accordance with the provisions of Paragraph 10, the Number of Shares Allotted shall be adjusted in accordance with the following formula; provided, however, that any fraction of less than one (1) share resulting from the adjustment shall be rounded down. The exercise prices before and after adjustment in such formula shall be those set forth in paragraph 10.

$$\text{Number of shares allocated after adjustment} = \frac{\text{Number of shares allocated before adjustment} \times \text{Exercise price before adjustment}}{\text{Exercise price after adjustment}}$$

(3) The date of commencement of application of the number of shares allotted after adjustment shall be the same as the date of application of the exercise price after adjustment specified in each item in respect of the adjustment of the exercise price pursuant to items (2) and (5) of paragraph 10 for the adjustment event.

(4) If the number of allotted shares is adjusted, the Company shall notify the Share Acquisition Rights holders in writing of such adjustment and the reasons therefor, the number of allotted shares before and after the adjustment, the date on which the adjustment takes effect and other necessary matters by the day before the date on which the number of allotted shares after the adjustment takes effect; provided, however, that in the case set forth in item (2)[5] of Paragraph 10, or in any other case in which the foregoing notice cannot be given by the day prior to the

commencement date of application, such notice shall be given promptly on or after the commencement date of application.

7. Total number of the Share Acquisition Rights

14,880

8. Amount paid for each Share Acquisition Rights

Price per share acquisition rights: 420 yen

9. Value or calculation method of assets to be contributed upon exercise of Share Acquisition Rights

(1) The assets to be contributed upon the exercise of each Share Acquisition Right shall be in cash, and its value shall be the amount of cash per share of the Company's common stock to be contributed upon the exercise (hereinafter referred to as the "Exercise Price") multiplied by the number of shares allotted.

(2) The Exercise Price for Share Acquisition Rights shall be 544 yen; provided, however, that the Exercise Price shall be subject to adjustment as set forth in Paragraph 10.

10. Adjustment of Exercise Price

(1) If, after the issuance of the Share Acquisition Rights, the total number of issued shares of the Company's common stock changes or is likely to change due to any of the reasons set forth in following Item (2), the Company shall adjust the Exercise Price using the formula set forth below (hereinafter referred to as the "Exercise Price Adjustment Formula").

$$\begin{array}{ccccccc} \text{Exercise} & & & & \text{Number of} & & \text{Number of new shares} & & \text{Amount paid} \\ \text{price after} & & \text{Exercise} & & \text{shares already} & + & \text{issued and sold} & \times & \text{per share} \\ \text{adjustment} & = & \text{price before} & \times & \text{issued} & & \text{Market price per share} & & \\ & & \text{adjustment} & & \text{Number of shares} & & \text{Number of new shares} & & \\ & & & & \text{already issued} & + & \text{issued and sold} & & \end{array}$$

(2) If the Exercise Price is adjusted by the Exercise Price Adjustment Formula and the adjusted Exercise Price is applied, the Exercise Price will be adjusted as follows.

[1] When new shares of the Company's common stock are issued or when shares of the Company's common stock held by the Company are disposed of at a price lower than the market price set forth in Item (4)[2] below (including the case of gratis allotment) (Except for the case of issuance of shares of the Company's common stock upon the exercise of share acquisition rights (including those attached to bonds with share acquisition rights), the acquisition of shares with put option or acquisition clause, or the exercise of other rights to request delivery of shares of the Company's common stock)

The adjusted exercise price shall be effective on or after the payment date (if a payment period is specified at the time of the public offering, the last day of such period and, in the case of an allotment without contribution, the effective date of such allotment) or, if there is a record date for the granting of the right of shareholders to receive an allotment for such issue or disposition, on or after the day following such record date.

[2] When common stock is issued as a result of stock split

The adjusted exercise price shall be effective on and after the day following the record date for the stock split. The number of newly issued or disposed of shares to be used in the Exercise Price Adjustment Formula shall be the number of shares of the Company's Common Stock increased by the stock split.

[3] When issuing or granting shares with put options that provide for delivery of shares of the Company's common stock at an amount to be paid in that is lower than the market price referred to in Item (4)[2] below, or share acquisition rights that allow the holder to request delivery of shares of the Company's common stock at an amount to be paid in that is lower than the market price referred to in Item (4)[2] below (including those attached to bonds with share acquisition rights)

The Exercise Price after adjustment shall be calculated by applying the Exercise Price Adjustment Formula, assuming that all put options or share acquisition rights with respect to all shares with put options have been exercised in accordance with the original terms and conditions, and shall be effective as of the payment date (which shall be the allotment date in the case of share acquisition rights and the effective date in the case of gratis allotment); provided, however, that if there is a record date for entitlement to an allotment, the adjustment shall be effective on and after the day following such record date.

[4] When shares of the Company's common stock are delivered at a price less than the market price set forth in Item (4) [2] below in exchange for the acquisition of shares or share acquisition rights with a put option issued by the Company (including those attached to bonds with share acquisition rights)

The adjusted exercise price will apply on and after the day following the date of acquisition.

[5] In the case of [1] through [3] of this item, if a record date is set and the effective date is subject to the approval of the general meeting of shareholders, the Board of Directors or any other body of the Company after such record date, the Exercise Price after adjustment shall be applied from the day following the date of such approval, notwithstanding [1] through [3] of this item. In such case, additional shares of the Company's common stock shall be delivered to Share Acquisition Rights holders who have requested to exercise their Share Acquisition Rights from the day following such record date to the day on which such approval is granted, in accordance with the following method of calculation. Fractions of less than one share will be rounded down.

$$\text{Number of shares} = \frac{\left(\begin{array}{c} \text{Exercise} \\ \text{price before} \\ \text{adjustment} \end{array} - \begin{array}{c} \text{Exercise} \\ \text{price after} \\ \text{adjustment} \end{array} \right) \times \text{Number of shares issued during the period} \\ \text{at the exercise price before adjustment}}{\text{Exercise price after adjustment}}$$

(3) If the difference between the Exercise Price after adjustment as calculated by the Exercise Price Adjustment Formula and the Exercise Price before adjustment is less than one yen, the Exercise Price shall not be adjusted; provided, however, that if an event requiring an adjustment of the Exercise Price subsequently occurs and the Exercise Price is adjusted, the amount obtained by subtracting the difference from the Exercise Price before adjustment shall be used instead of the Exercise Price before adjustment in the Exercise Price Adjustment Formula.

(4) [1] The Exercise Price Adjustment Formula shall be calculated to the second decimal place and rounded off to the nearest first decimal place.

[2] The market price used in the Exercise Price Adjustment Formula shall be the average closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange for 30 consecutive trading days (excluding days without a closing price) beginning on the 45th trading day prior to the date on which the adjusted Exercise Price is first applied (or the record date in the case of (2) [5] of this paragraph). In such case, the average shall be calculated to the second decimal place and rounded to the nearest first decimal place.

[3] The number of outstanding shares to be used in the Exercise Price Adjustment Formula shall be the number of shares of common stock outstanding as of the record date, if any, for entitlement to allotment. If there is no such record date, the number of shares to be used in the Exercise Price Adjustment Formula shall be the total number of shares of the Company's common stock outstanding as of the date one month prior to the date on which the adjusted Exercise Price is first applied, less the shares of common stock held by the Company as of such date. In the case of Item (2) [5] above, the number of newly issued and sold shares used in the Exercise

Price Adjustment Formula shall not include the number of shares of the Company's common stock to be allotted to the shares of the Company's common stock held by the Company on the Record Date.

(5) In addition to cases other than those requiring an adjustment of the Exercise Price as described in item (2) above, the Company will make the necessary adjustment of the Exercise Price in the following cases after consulting with and obtaining the approval of the holder of the Share Acquisition Rights.

[1] When the Exercise Price needs to be adjusted as a result of a reverse stock split, corporate split, stock exchange, share issue or merger.

[2] When the Exercise Price needs to be adjusted due to a change in the number of shares of the Company's common stock, any event that may cause a change therein, or the payment of dividends to shareholders.

[3] When multiple events requiring an adjustment of the exercise price occur in close proximity to each other and it is necessary to consider the impact of an events on the market price to be used in calculating the exercise price after adjustment based on any of the events.

(6) When the exercise price is adjusted, the Company shall notify the Share Acquisition Rights holders in writing of such adjustment and the reasons therefor, the Exercise Price before and after the adjustment, the date on which the adjustment takes effect and other necessary matters by the day before the date on which the Exercise Price after the adjustment takes effect; provided, however, that in the case referred to in Item (2) [5] above or in any other case in which the foregoing notice cannot be given by the day prior to the commencement date of application, such notice shall be given promptly on or after the said date.

11. Period during which Share Acquisition Rights may be exercised

The period shall be from February 14, 2024 to February 13, 2029; provided, however, that if the last day of the exercise period is not a bank business day, it shall be the following bank business day.

12. Other conditions for the exercise of Share Acquisition Rights

Share Acquisition Rights may not be exercised in part.

13. Purchase of Share Acquisition Rights

(1) If the Board of Directors of the Company deems it necessary to repurchase the Share Acquisition Rights after six months have elapsed from the payment date of the Share Acquisition Rights, upon giving 30 trading days' notice in accordance with the provisions of Articles 273 and 274 of the Companies Act, the Company may, on the acquisition date determined by the Board of Directors of the Company, acquire all or part of the Share Acquisition Rights held by the holders of the Share Acquisition Rights (other than the Company) for an amount equal to the amount to be paid per Share Acquisition Right. Partial purchases shall be made by lottery or other reasonable method.

(2) If the general meeting of shareholders of the Company resolves to approve a merger (limited to cases where the Company is dissolved due to a merger), or a share exchange or share transfer whereby the Company becomes a wholly-owned subsidiary of another company, upon giving notice in accordance with the provisions of Article 273 of the Companies Act, the Company shall, on the acquisition date determined by the Board of Directors of the Company (provided, however, that such date shall be a date prior to the effective date of such reorganization), acquire the Share Acquisition Rights held by the Share Acquisition Rights holders (excluding the Company) for an amount equal to the amount to be paid per Share Acquisition Right.

(3) In the event that the common stock issued by the Company is delisted from the Tokyo Stock Exchange, the Company will, on the day two weeks after the date on which the delisting is decided (if it is not a bank business day, it will be the next bank business day), acquire the Share Acquisition Rights held by the Share Acquisition Rights holders (excluding the Company) at an amount equal to the amount to be paid per Share Acquisition Right.

(4) Notwithstanding any other provision of the Guidelines, no notice of the acquisition of Share Acquisition Rights by the Company to the Share Acquisition Rights holders shall be effective unless the Company discloses such acquisition in such a manner that any information obtained by the Share Acquisition Rights holders in connection with such acquisition does not constitute an undisclosed material fact as defined in Article 166, Paragraph 2 of the Financial Instruments and Exchange Act.

14. Increase in share capital and capital reserve for the issuance of shares upon exercise of Share Acquisition Rights

The amount of the increase in the share capital in the case of the issuance of shares upon exercise of Share Acquisition Rights shall be the maximum amount of the increase in the share capital, etc., calculated in accordance with Article 17 of the Corporate Calculation Regulations multiplied by 0.5, and any fraction less than one yen resulting from the calculation shall be rounded up to the nearest yen. The amount of the capital reserve to be increased shall be the maximum amount of the increase in the share capital, etc., less the amount of the share capital to be increased.

15. Method and effective date of claiming the exercise of Share Acquisition Rights

(1) The Share Acquisition Rights shall be exercised by completing the necessary procedures for the exercise request to the transfer agent or the account management institution (as defined in Paragraph 22) pursuant to Article 2, Paragraph 4 of the Act on Book Entry of Corporate Bonds and Shares (hereinafter referred to as the "Act on Book Entry of Corporate Bonds and Shares"), and by notifying the transfer agent of the exercise request during the exercise period of the Share Acquisition Rights set forth in Paragraph 11 to the agent for accepting exercise requests for Share Acquisition Rights set forth in Paragraph 18 (hereinafter referred to as the "Agent for Acceptance of Exercise Requests").

(2) In order to exercise the Share Acquisition Rights, in addition to the procedures required for the exercise request set forth in the preceding item, the full amount of the value of the property to be contributed upon exercise of Share Acquisition Rights shall be transferred in cash through the transfer or account management agent to the account designated by the Company at the payment agent for the exercise of Share Acquisition Rights as set forth in Paragraph 19.

(3) A request to exercise the Share Acquisition Rights shall become effective on the date on which all matters necessary for the exercise request have been notified to the Agent for Acceptance of Exercise Requests referred to in Paragraph 18 and the full amount of the value of the assets to be contributed upon the exercise of such Share Acquisition Rights has been credited to the account referred to in the preceding item.

(4) A person who has requested to exercise the Share Acquisition Rights may not subsequently withdraw the request.

16. Non-issuance of investments in share acquisition rights

Regarding the Share Acquisition Rights, the Company will not issue investments in share acquisition rights.

17. Basis for calculation of the amount to be paid in for the Share Acquisition Rights and the value of assets to be contributed upon exercise thereof

Taking into account the Issuance Guidelines and various requirements set forth in the Purchase Agreement to be entered into with the intended allottee, and based on a Monte Carlo simulation, which is a commonly used pricing model, the amount to be paid for one Share Acquisition Rights was set at 420 yen, taking into account the results of an independent third party's valuation of the Company's stock price, the liquidity and volatility of the Company's Share, the call options granted to the Company, the exercise behavior and the shareholding trends of the intended allottee, among other factors, based on certain assumptions. Furthermore, the value of the assets to be contributed upon exercise of Share Acquisition Rights was determined as described in Paragraph 9.

18. Agent for Acceptance of Exercise Requests

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

19. Payment agent

Shibuya-ekimae Branch, Sumitomo Mitsui Banking Corporation

20. Issuance of shares upon exercise of share acquisition rights

The Company will issue shares upon the new registration of book-entry stock or the transfer of treasury shares in the name of the Company on the date two banking business days after the effective date of the request to exercise the Share Acquisition Rights.

21. Application, etc., of the provisions of the Act on Book Entry of Corporate Bonds and Shares

Share Acquisition Rights are share acquisition rights which stipulate that all of them are subject to the provisions of the Act on Book Entry of Corporate Bonds and Shares, pursuant to Article 163 of the said Act, and no share acquisition rights certificates may be issued except as provided in Article 164, Paragraph 2 of the said Act. In addition, the handling of the Share Acquisition Rights and the shares to be issued upon exercise of Share Acquisition Rights shall be in accordance with the Regulations on Book-Entry Transfer of Shares, etc., and other rules, established by the transfer agent.

22. Name and address of transfer agent

Japan Securities Depository Center, Incorporated

7-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo

23. Other matters

(1) Each item of the foregoing is subject to the effectiveness of the notification filed under the Financial Instruments and Exchange Act.

(2) All other necessary matters relating to the issuance of Share Acquisition Rights are left to the sole discretion of the President and Representative Director of the Company.