

December 23, 2024

Company Name Data Section Inc.
Representative President & CEO Norihiko Ishihara
(Code Number: 3905 TSE Growth)
Contact Director Daisuke Katano
TEL. 050-3649-4858

Notice of Conclusion of Basic Agreement for Business Alliance with Quanta Computer

Datasection Inc. resolved on December 23, 2024, to conclude a basic agreement to enter into discussions for a business alliance with Quanta Computer, Inc., (Headquarters: Taoyuan City, Taiwan, Representative: Chairman, Barry Lam, TWSE: 2382, hereinafter referred to as "Quanta Computer") a leading provider of Electronic Manufacturing Services (EMS) for electronic devices such as laptops and cloud servers.

1. Purpose and Reason for the Business Alliance

Quanta Computer is a global leader in laptop manufacturing and a leading solution provider in the cloud computing space, focused on developing and manufacturing advanced, high-performance server technologies.

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

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

2. Details of the Business Alliance

In preparation for this collaboration, discussions are proceeding with a focus on securing servers equipped with state-of-the-art NVIDIA GPUs in the field of AI servers and setting up AI data centers, and details such as the specific details of this basic agreement will be disclosed appropriately as soon as they are decided based on future discussions.

3. Overview of Quanta Computer (as of the end of December 2023)

(1) Name		QUANTA COMPUTER INC.		
(2) Location of Head Office		No. 211, Wenhua 2nd Rd., Guishan Dist., Taoyuan City, Taiwan		
(3) Title and name of the representative		Chairman, Barry Lam		
(4) Business description		Provision of notebook PCs, servers, industrial equipment, and cloud solutions		
(5) Capital:		TWD 38,626 million (The amount converted to 1 Taiwan dollar at the closing price of 4.593 yen on December 29, 2023 is 177,410 million yen)		
(6) Date of establishment		May 9, 1988		
(7) Major shareholders		CIANYU INVESTMENT LTD 14.82% Barry Lam 10.76% New Labor Pension Fund 3.36%		
(8) Operating results and financial position of the company in the last three periods (Note)	Fiscal year end	Fiscal Year Ended December 2021	Fiscal Year Ended December 2022	Fiscal Year Ended December 2023
	Net Worth	JPY668,921M	JPY721,273M	JPY855,249M
	Per share Net Worth	JPY173.17	JPY186.73	JPY221.41
	Total Assets	JPY2,978,774M	JPY3,479,889M	JPY3,169,721M
	sales	JPY4,688,586M	JPY5,459,622M	JPY4,986,211M
	Operating Profit	JPY154,744M	JPY132,986M	JPY 200,023M
	Ordinary Income	JPY180,312M	JPY173,884M	JPY 237,602M
	Net Income	JPY142,633M	JPY126,734M	JPY 185,964M
	per share Net Income	JPY36.24	JPY32.02	JPY 47.26
	per share Dividends	JPY27.39	JPY25.58	JPY 41.33
(9) Relationship between the listed company	Capital Relations	There is no such matter.		
	Personal	There is no such matter.		

and the company	Relationships	
	Business Relationships	There is no such matter.
	Related Parties	It does not apply to related parties.

Note: The Company's operating results and financial position for the last three periods are calculated at NTD 1 for the fiscal year ended December 2021 at 4.151 yen at the closing price on December 31, 2021, at the closing price on December 30, 2022 at 4.263 yen for the fiscal year ended December 2022, and at 4.593 yen at the closing price on December 29, 2023 for the fiscal year ended December 2023.

4. Schedule

- (1) Date of Conclusion of the December 23, 2024
 Memorandum of
 Understanding
- (2) Commencement date of the We aim to achieve this by March 2025.
 Business Alliance (tentative)

5. Future Prospects

The impact of this matter on the Company's consolidated financial results for the fiscal year ending March 2025 is unknown at this time. In the future, if there is a matter that needs to be disclosed, we will promptly disclose it. In addition, we believe that the realization of this business alliance will contribute to the enhancement of our business performance and corporate value over the medium to long term.