

June 23, 2025

Company name:	Datasection Inc.
Representative:	Norihiko Ishihara Representative Director, President and CEO (Securities code: 3905, TSE Growth)
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Notice Regarding the Issuance of Performance-Linked Stock Options (Paid Stock Acquisition Rights)

Datasection Inc. hereby announces that, at a meeting of the board of directors held on June 23, 2005, it resolved to issue stock acquisition rights (hereinafter, the “Stock Acquisition Rights”) to its directors and executive officers in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act of Japan, as outlined below.

Please note that the Stock Acquisition Rights will be issued for consideration at fair value to the eligible recipients and therefore do not constitute issuance under especially favorable conditions. Accordingly, shareholder approval is not required.

Furthermore, the Stock Acquisition Rights are not being granted as compensation but will be subscribed for based on the individual investment decisions of the recipients.

I. Purpose and rationale for the issuance of Stock Acquisition Rights

In addition to restructuring our business portfolio, the Company has launched a new global AI data center business as a strategic core initiative. To expand and scale this business, we implemented a new management structure in the previous fiscal year and are now actively promoting business growth under this renewed leadership. With the aim of driving mid- to long-term performance improvement and enhancing corporate value, we have decided to issue performance-linked stock acquisition rights for consideration to the Company’s directors and executive officers. The objective is to further increase motivation and morale, strengthen organizational cohesion, encourage a strong commitment to achieving performance targets, and realize sustainable growth.

The Stock Acquisition Rights may be exercised only if the Company’s consolidated revenue exceeds JPY 5.0 billion in either the fiscal year ending March 2026 or the fiscal year ending March 2027. This performance target represents a significant increase compared to the consolidated revenue of JPY 2.942 billion recorded for the fiscal year ended March 2025.

If all of the Stock Acquisition Rights are exercised, the total number of newly issued shares of common stock would represent approximately 3.0% of the total number of shares outstanding. However, as noted above, the exercise of the rights is subject to the achievement of a high-performance target, which we believe will contribute to an increase in both corporate and shareholder value.

Accordingly, we consider the issuance of these Stock Acquisition Rights to be in the interests of our existing shareholders, and that the resulting level of dilution is reasonable.

II. Terms and Conditions of the Stock Acquisition Rights

22nd Series of Stock Acquisition Rights

1. Number of Stock Acquisition Rights

6,312 units

Upon exercise of all Stock Acquisition Rights, the total number of shares to be issued will be 631,200 shares of the Company's common stock.

If the number of shares to be granted per stock acquisition right is adjusted pursuant to item 3. (1) below, the total number of shares to be issued will be calculated by multiplying the adjusted number of shares per right by the total number of Stock Acquisition Rights.

2. Amount to be paid in exchange for Stock Acquisition Rights

The issue price of each Stock Acquisition Right shall be JPY 1,344

This amount was determined to be equal to the fair value calculated by Akasaka International Accounting Co., Ltd., an independent third-party valuation firm, using the Monte Carlo simulation model, a commonly used option pricing model, taking into account the Company's stock price and other relevant factors.

3. Details of the Stock Acquisition Rights

(1) Type and number of shares underlying each stock acquisition right

The number of shares of the Company's common stock to be delivered upon exercise of one Stock Acquisition Right (the "Number of Granted Shares") shall be one hundred shares.

In the event that, after the allotment date of the Stock Acquisition Rights, the Company conducts a stock split (including a free allotment of shares of common stock; the same shall apply hereinafter) or a reverse stock split, the number of granted shares shall be adjusted using the following formula. However, such adjustment shall only apply to the number of shares underlying Stock Acquisition Rights that have not been exercised as of the time of the relevant event, and any fraction of less than one share resulting from the adjustment shall be rounded down.

Adjusted number of granted shares = Number of granted shares before adjustment x Ratio of split (or reverse split)

In addition, if the Company conducts a merger, company split, share exchange, share transfer, or any other corporate reorganization that necessitates an adjustment to the number of granted shares, such adjustment shall be made appropriately and within a reasonable scope.

(2) Amount of method of calculation of assets to be contributed upon exercise of Stock Acquisition Rights

The amount of assets to be contributed upon the exercise of each Stock Acquisition Right shall be the amount obtained by multiplying the exercise price per share (the "Exercise Price") by the number of shares granted per right.

The Exercise Price shall be JPY 2,315, which is equal to the closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution to issue the Stock Acquisition Rights.

In the event that the Company conducts a stock split or reverse stock split after the allotment date of the Stock Acquisition Rights, the Exercise Price shall be adjusted using the following formula, any fraction of less than one yen resulting from such adjustment shall be rounded up.

Adjusted Exercise Price = Original Exercise Price x (1÷Stock Split (or Consolidation) Ratio)

Furthermore, in the event that, after the allotment date of the Stock Acquisition Rights, the Company issues new shares of common stock or disposes of treasury shares at a price below market value (excluding cases involving the issuance of new shares or disposal of treasury shares upon the exercise of stock acquisition rights, or in connection with mergers, company splits, share exchanges, or share delivery), the Exercise Price shall be adjusted in accordance with the following formula, Any fractional amount of less than one yen resulting from such adjustment shall be rounded up.

Adjusted Exercise Price = Original Exercise Price ×
(Existing Shares Outstanding + (New Shares Issued × Issue Price per Share ÷
Market Price per Share before Issuance)) ÷
(Existing Shares Outstanding + New Shares Issued)

In the above formula, "Existing Shares Outstanding" shall mean the total number of issued shares of the Company's common stock, less the number of treasury shares of the Company's common stock.

In the case where the Company disposes of its treasury of common stock, the term "New Shares Issued" shall be read as "Number of Treasury Shares Disposed."

Furthermore, in the event that, after the allotment date of the Stock Acquisition Rights, the Company conducts a merger, company split, share exchange, or share transfer, or in any other case where an adjustment to the exercise price is deemed necessary under similar circumstances, the Company may adjust the exercise price appropriately within a reasonable scope.

(3) Exercise period of the Stock Acquisition Rights

The period during which the Stock Acquisition Rights may be exercised (the "Exercise Period") shall be from April 1, 2027 to March 31, 2035; provided, however, that if the final day of the period is not a banking business day, the Exercise Period shall end on the preceding banking business day.

(4) Matters regarding the increase in capital stock and capital reserve

- ① In the event that shares are issued upon the exercise of the Stock Acquisition Rights, the amount of increase in capital stock shall be one-half of the maximum amount of capital and capital reserve increase calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Company Accounting. Any amount of less than one yen resulting from the calculation shall be rounded up to the nearest whole yen.
- ② In the event that shares are issued upon the exercise of the Stock Acquisition Rights, the amount of increase in capital reserve shall be the amount obtained by subtracting the amount of increase in capital reserve shall be the amount obtained by subtracting the amount of increase in capital stock as set forth in ① above from the maximum amount of capital and capital reserve increase as described in ① above.

(5) Restrictions on Acquisition of Stock Acquisition Rights by Transfer

Any acquisition of the Stock Acquisition Rights by way of transfer shall require the approval of the Company's board of directors by resolution.

(6) Conditions for the exercise of Stock Acquisition Rights

- ① The holders of the Stock Acquisition Rights (the "Right Holders") may exercise such rights during the Exercise Period stipulated in item (3) above only if the net sales started in the Company's consolidated statement of income (or, if no consolidated statement of income is prepared, the non-consolidated statement of income; the same shall apply hereinafter) included in either the securities report for the fiscal year ending March 2026 or March 2027 exceed JPY 5,000 million.
- ② The Right Holders must remain as a director, corporate auditor, or employee of the Company or its affiliates at the time of exercising the Stock Acquisition Rights.
However, this requirement shall not apply in the event of resignation upon expiration of term of office, retirement upon reaching the mandatory retirement age, or other justifiable reasons as approved by the Company's board directors.
- ③ The Stock Acquisition Rights may not be exercised by the heirs of any Right Holder.
- ④ The Stock Acquisition Right may not be exercised if such exercise would result in the total number of issued shares of the Company exceeding the total number of shares authorized to be issued at that time.
- ⑤ The Stock Acquisition Rights may not be exercised in fractional units of less than one right.

4. Allotment date of the Stock Acquisition Rights

July 10, 2025

5. Matters concerning the Acquisition of Stock Acquisition Rights

- (1) In the event that a resolution is adopted at a general meeting of shareholders (or a resolution of the board of directors if shareholder approval is not

required) with respect to a merger agreement under which the Company is to be the dissolving company, a company split agreement or plan under which the Company is to be the splitting company, or a share exchange agreement, share delivery plan, or share transfer plan under which the Company is to become a wholly-owned subsidiary, the Company may acquire all of the Stock Acquisition Rights without consideration on a date separately determined by a resolution of its board of directors.

- (2) In the event that a Right Holder becomes unable to exercise the Stock Acquisition Rights pursuant to the provisions set forth in 3. (6) above before exercising such rights, the Company may acquire the Stock Acquisition Rights from the Right Holder without consideration.

6. Treatment of Stock Acquisition Rights in the event of organizational restructuring
In the event that the Company conducts a corporate reorganization (collectively, “Organizational Restructuring”), including a merger (limited to cases in which the Company is the dissolving company), an absorption-type company split, an incorporation-type company split, a share exchange, or a share transfer, the Company shall, on the effective date of such Organizational Restructuring, deliver to the holders of the Stock Acquisition Rights stock acquisition rights of the applicable company listed in Article 235, Paragraph 1, Item 8 (イ) through (ホ) of the Companies Act (hereinafter referred to as the “Reorganized Company”), under the conditions outlined below.

However, this shall apply only if the relevant merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan stipulates that stock acquisition rights of the Reorganized Company will be delivered in accordance with the conditions described below.

- (1) Number of Stock Acquisition Rights to be delivered by the reorganized company

The same number of stock acquisition rights as held by each Stock Acquisition Right holder shall be delivered by the reorganized company.

- (2) Type of shares underlying the Stock Acquisition Rights of the reorganized company

The shares underlying the stock acquisition rights shall be common shares of the reorganized company.

- (3) Number of shares underlying the Stock Acquisition Rights of the reorganized company

The number of shares underlying each stock acquisition right shall be determined in accordance with the conditions of the organizational restructuring and based on the method provided in 3. (1) above.

- (4) Amount of assets to be contributed upon exercise of the Stock Acquisition Rights

The amount of assets to be contributed upon exercise of each delivered stock acquisition right shall be the amount obtained by adjusting the exercise price determined in 3. (2) above, taking into account the conditions of the organizational restructuring and multiplying the adjusted exercise price by the number of shares underlying such stock acquisition rights such stock acquisition right as determined pursuant to item (3) above.

(5) Exercise period of the Stock Acquisition Rights

The period during which the stock acquisition rights may be exercised shall be from the later of (i) the commencement date of the exercise period set forth in 3. (3) above or (ii) the effective date of the organizational restructuring, until the last day of the exercise period specified in 3. (3) above.

(6) Matters concerning the increase in capital stock and capital reserve upon exercise

Such matters shall be determined in accordance with the provisions of 3. (4) above.

(7) Restrictions on acquisition of Stock Acquisition Rights by transfer

The acquisition of stock acquisition rights by transfer shall require the approval of the board of directors of the reorganized company by resolution.

(8) Other conditions for the exercise of Stock Acquisition Rights

Other conditions for the exercise shall be determined in accordance with the provisions of 3. (6) above.

(9) Grounds and conditions for acquisition of Stock Acquisition Rights

Such grounds and conditions shall be determined in accordance with the provisions of Section 5 above.

(10) Other terms and conditions

Any other matters shall be determined in accordance with the terms and conditions of the reorganized company.

7. Matters concerning the issuance of Stock Acquisition Right certificate

The Company shall not issue any certificates for the Stock Acquisition Rights.

8. Payment date for the consideration in exchange for the Stock Acquisition Rights
July 10, 2025

9. Application deadline
July 9, 2025

10. Allottees and number of Stock Acquisition Rights to be allocated

Directors of the Company:	3 persons, 5,260 rights
Executive officers of the Company:	2 persons, 1,052 rights