

Company name:	Datasection Inc.
Representative:	Norihiko Ishihara Representative Director, President and CEO
	(Securities code: 3905, TSE Growth)
Contact person in charge:	Daisuke Katano Executive Vice President
	TEL: 050-3649-4858

**Notice Regarding the Issuance of the 23rd Series of Stock Acquisition Rights
(Fixed Exercise Price) through Third-Party Allotment and Partial Amendment to
the Articles of Incorporation**

**I. Issuance of the 23rd Series of Stock Acquisition Rights (Fixed Exercise Price)
through Third-Party Allotment**

Datasection Inc. hereby announces that, at the meeting of its Board of Directors held on September 10, 2025, it resolved to issue the 23rd series of stock acquisition rights with a fixed exercise price (hereinafter, the “Stock Acquisition Rights”) through a third-party allotment.

The issuance of the Stock Acquisition Rights is subject to the approval, at the Extraordinary General Meeting of Shareholders scheduled to be held on October 17, 2025 (the “Extraordinary General Meeting”), of the proposal to amend the Articles of Incorporation to increase the total number of authorized shares, as well as the special resolution approving the issuance of the Stock Acquisition Rights.

1. Overview of the Stock Acquisition Rights (Fixed Exercise Price)

(1) Allotment Date	October 17, 2025
(2) Number of Stock Acquisition Rights to be issued	440,000
(3) Issued price	Total: JPY 809,600,000 (JPY 1,840 per Stock Acquisition Right)
(4) Number of potential shares from the issuance	44,000,000 shares (100 shares per Stock Acquisition Right)
(5) Amount of funds to be raised	JPY 55,809,600,000 (Breakdown) Proceeds from the issuance of Stock Acquisition Rights: JPY 809,600,000 Proceeds from the exercise of Stock Acquisition Rights: JPY 55,000,000,000 For the estimated net proceeds after deducting issuance expenses,

	please refer to “3. Amount, Use of Proceeds, and Expected Timing of Expenditures” below.
(6) Exercise price	JPY 1,250 per share
(7) Property to be contributed upon exercise of Stock Acquisition Rights and its value	<p>The property to be contributed upon the exercise of the Stock Acquisition Rights shall be either cash or the total amount of loan principal claims and interest claims thereon held by First Plus Financial Holdings Pte. Ltd. (“First Plus”) against the Company pursuant to the revolving credit facility agreement dated August 4, 2025 (with a maximum facility amount of USD 35,000,000 (Note), a term of two years, and an interest rate of 4%; hereinafter, the “Facility Agreement”).</p> <p>In the event that U.S. dollar-denominated monetary claims are contributed in accordance with the terms of issuance, the value of such monetary claims shall be converted into Japanese yen based on the middle rate of the telegraphic transfer spot transactions for customers quoted by MUFG Bank, Ltd. on the business day immediately preceding the exercise date of the Stock Acquisition Rights.</p>
(8) Method of offering or allotment (Allottee)	440,000 Stock Acquisition Rights will be allotted to First Plus Financial Holdings Pte.Ltd. through a third-party allotment.
(9) Exercise period	The exercise period is scheduled to commence on October 20, 2025 and end on October 19, 2026
(10) Other matters	<p>The issuance of the Stock Acquisition Rights shall be subject to the following conditions:</p> <ol style="list-style-type: none"> 1. Approval at the Extraordinary General Meeting of Shareholders of the amendment to the Articles of Incorporation to increase the total number of authorized shares; 2. Approval by special resolution at the same Extraordinary General Meeting of Shareholders of the issuance of the Stock Acquisition Rights; 3. Effectiveness of the securities registration pursuant to the Financial Instruments and Exchange Act of Japan; and 4. Submission of the amended securities registration statement. <p>The Company plans to enter into a third-party allotment agreement regarding the Stock Acquisition Rights with the planned allottee (hereinafter referred to as the “Third-Party Allotment Agreement”).</p> <p>The Third-Party Allotment Agreement is expected to provide for the following:</p>

	<p>1) In the event that the planned allottee transfers the Stock Acquisition Rights with the prior approval of the Board of Directors of the Company, the transferee shall succeed to all rights and obligations of the planned allottee under the Third-Party Allotment Agreement.</p> <p>2) As stated in “2. Purpose of the Offering (3) Reason for Selecting the Method of Financing <Merits of this Financing Method> (iv) Exercise Restrictions” below, if the shareholding ratio of the Company’s common shares held by the planned allottee exceeds 33% of the Company’s total number of issued shares, the prior approval of the Company shall be required.</p> <p>3) If the cumulative number of exercised Stock Acquisition Rights exceeds 220,000, the prior approval of the Company shall be required unless certain conditions are satisfied.</p>
--	--

(Note) 1. The amount converted into Japanese yen at the exchange rate of JPY 147.02 to USD 1, which was the closing rate as of the end of August 2025, is JPY 5,145 million.

2. The method of application and payment for the Stock Acquisition Rights shall be as follows:

The planned allottee shall enter into a subscription agreement for all of the Stock Acquisition Rights by the payment due date, and on the payment due date, the total issue price shall be paid by way of set-off between (i) the obligation to pay for the Stock Acquisition Rights and (ii) the loan principal claim and the interest claim thereon owed by the Company to the planned allottee (the outstanding balance of which, as of September 10, 2025, is USD 4,849,128 in principal and USD 20,739 in interest, which, when converted at the closing exchange rate as of the end of August 2025 of JPY 147.02 per USD, equals JPY 712 million in principal and JPY 3 million in interest).

2. Purpose and Reason for the Offering

(1) Purpose of the Offering

In the previous consolidated fiscal year, the Group launched a new global AI data center business as a strategic core business. In order to expand and develop this business, we renewed our management structure and promoted the recruitment of highly skilled talent. On the business front, given the global shortage in the supply of NVIDIA GPUs, we adopted and executed a strategy to secure them through business partnerships with major Taiwanese server equipment suppliers. At the same time, we advanced the development and construction of “TAIZA,” our proprietary algorithmic system designed to optimize the operation of large-scale GPU clusters, while deepening collaborations and discussions with current and potential business partners. In parallel with these initiatives, we have also promoted sales activities leveraging our global network. As a result, we are building a substantial pipeline of opportunities, particularly in Asia and Europe, toward the provision of AI data center services, primarily in Japan.

In this context, as announced in the “Notice Regarding Large-Scale Order” dated July 10, 2025, the

Company, on the same date, entered into a large-scale service agreement (the “First Project”) for its first AI data center project through its business partner, NowNaw Japan Co., Ltd. (headquartered in Chuo-ku, Tokyo; Representative: Reika Omi), indirectly with a customer that is one of the world’s largest cloud service providers. The agreement relates to the AI data center scheduled to be established in Osaka Prefecture, with a contract term of three years, extendable for an additional two years at the Company’s discretion. The annual contract value amounts to USD 135,342 thousand (JPY 20,401 million), the total value for three years is USD 406,026 thousand (JPY 61,203 million), and the total value for five years is USD 676,710 thousand (JPY 102,005 million) *. The project under the First Project is currently progressing.

Furthermore, as announced in the “Notice Regarding Acquisition of Fixed Assets (GPU Servers Equipped with NVIDIA B200)” dated July 4, 2025 (the “Fixed Asset Acquisition Disclosure”), the Company, on the same date, entered into a sales and purchase agreement (the “Sales Agreement”) with its business partner, GIGA COMPUTING CO., LTD. (headquartered in New Taipei City, Taiwan; CEO: Daniel Hou), for the acquisition of GPU servers (625 units) equipped with 5,000 NVIDIA B200s. These servers are scheduled to be introduced into the AI data center under the First Project.

The funds for the acquisition of fixed assets under this Sale and Purchase Agreement amount to USD 272 million (with completion of delivery scheduled for September 2025 and the final payment due date scheduled for December 2025). Of this, USD 20 million (JPY 2,918 million) has already been paid, funded by (i) the proceeds from the issuance of new shares and the 19th series of stock acquisition rights issued through third-party allotment on 29 February 2024, (ii) the proceeds of JPY 2,750 million from the issuance of the 20th series of stock acquisition rights on 6 March 2025, and (iii) borrowings of JPY 168 million under this Basic Agreement. The unpaid balance of USD 252 million (equivalent to JPY 37,049 million, based on the closing exchange rate of JPY 147.02 per USD 1 as of the end of August 2025) remains outstanding. In addition to this acquisition, substantial funds will also be required for the procurement of related facilities and the utilization of data center sites necessary for the provision of AI data center services.

As disclosed in the “Notice Regarding Acquisition of Fixed Assets (GPU Servers Equipped with NVIDIA B200)” and the “Notice Regarding Changes in Use of Proceeds from Third-Party Allotment of New Shares and the Issuance of the 19th and 20th Series of Stock Acquisition Rights” dated July 16, 2025, the Company intends to allocate, toward the funding required for the First Project, advance payments of USD 33 million from the AI data center customer (scheduled to be received between September and October 2025, equivalent to JPY 4,974 million based on the same exchange rate), borrowings, as well as proceeds raised through the aforementioned new shares and the 19th and 20th Series of Stock Acquisition Rights.

Furthermore, from the perspective of optimizing funding costs, as announced in the “Notice Regarding Shelf Registration for the Issuance of Stock Acquisition Rights” dated August 12, 2025, the Company filed a shelf registration (the “Shelf Registration”) on the same day to enable prompt and flexible financing through the issuance of stock acquisition rights. Depending on the timing of fundraising and payments, proceeds from stock acquisition rights under this Shelf Registration may also be applied toward the First Project.

In light of the fact that, alongside the progress of the First Project, the probability of securing multiple large-scale prospective projects requiring significant funding is increasing, the Company has determined that it is necessary to secure a substantial amount of discretionary capital in a timely manner. This will ensure

that the Company can capture business opportunities without delay, while securing adequate project profits and further strengthening its financial base. Accordingly, proceeds from the issuance of stock acquisition rights under the Shelf Registration are also planned to be allocated to capital investments and working capital in the AI data center business, including projects other than the First Project.

Subsequently, alongside the progress of the First Project, several other large-scale prospective pipelines have also advanced. In particular, the likelihood of securing orders for a major pipeline in Australia, approximately twice the scale of the First Project and targeted for launch within the current fiscal year (the “Second Project”), has significantly increased.

Given the scale of each AI data center project relative to the current size of the Group (for the fiscal year ended March 2025, revenue of JPY 2,942 million, operating loss of JPY 496 million, ordinary loss of JPY 613 million, and net loss attributable to owners of the parent of JPY 654 million, as of the end of the first quarter of the fiscal year ending March 2026, total assets of JPY 6,416 million, net assets of JPY 4,716 million, and cash and cash equivalents JPY 1,997 million), as well as the magnitude of the required investments (with the estimated total initial investment for the First Project alone amounting to approximately JPY 43,193 million) and the status of ongoing discussions with prospective lenders including financial institutions, the Company has determined that it is appropriate at this juncture to conduct financing through the issuance of stock acquisition rights under the Shelf Registration (the “Financing”).

Accordingly, at the Board of Directors meeting held on September 10, 2025, the Company resolved to issue the Stock Acquisition Rights through a third-party allotment to First Plus under the Shelf Registration. While this Financing will result in dilution of shareholders’ equity per share, the Company believes that the strategic investments enabled by the funds raised will drive the future growth of the Group’s business, strengthen its financial foundation, and reinforce its relationship with the allottee, thereby contributing to the enhancement of corporate value and ultimately benefiting existing shareholders. Details regarding the specific uses of proceeds from this Financing and the expected timing of expenditures are provided in “3. Amount, Purpose and Scheduled Timing of Use of Funds (2) Specific Uses of Funds.”

Prior to this Financing, our largest and principal shareholder, First Plus, the planned allottee, has already provided financial support to the Company by making payment for the exercise of all 14,880 units (1,488,000 shares) of the Company’s 19th Series of Stock Acquisition Right^{*1} and by extending a loan of USD 5,000,000 to the Company under the Master Agreement^{*2} (equivalent to JPY 735 million, based on the closing exchange rate of JPY 147.02 per USD as of the end of August 2025). Going forward, there remains a possibility that further loans may be extended in response to the Company’s funding needs. In addition, taking into account time constraints associated with overseas remittances, it is possible that the payment of funds upon exercise of the Stock Acquisition Rights may be affected through a contribution in kind, in the form of this monetary claim.

It should be noted that the issuance of the Stock Acquisition Rights is solely for financing purposes and is not intended to grant management control to First Plus. Accordingly, under the Third-Party Allotment Agreement, it is expected to be stipulated that should First Plus’s shareholding ratio of the Company’s common shares exceed 33% of the Company’s total issued shares, the prior approval of the Company will be required.

Furthermore, in order to prevent excessive dilution, the Third-Party Allotment Agreement is expected to provide that if the cumulative number of exercised Stock Acquisition Rights exceeds 220,000, the prior approval of the Company will be required until such time as the Company or its subsidiary has entered into a service agreement with a customer for an AI data center project of the same type as the first project, or a purchase agreement for GPU servers, after the execution of the Third-Party Allotment Agreement, and such fact has been timely disclosed through TDnet of the Tokyo Stock Exchange.

However, this restriction will not apply if, prior to the execution date of the Third-Party Allotment Agreement, the Company has entered into a service agreement with a customer for the second project or a purchase agreement for GPU servers, and such fact has been timely disclosed through TDnet.

*1. First Plus has already made an advance payment of the exercise price. All shares to be issued upon exercise are scheduled to be issued once the review of the prior notification under Article 27 of the Foreign Exchange and Foreign Trade Act has been completed.

It should be noted that, at the time of acquiring the 19th series of Stock Acquisition Rights, First Plus had not yet filed the prior notification. Given that the Company's funding needs may require advance payment of the exercise price, it was agreed that the prior notification procedure would be undertaken at the time when First Plus resolved to acquire the Company's shares through the exercise of the 19th series of Stock Acquisition Rights.

*2. Following partial repayment, the outstanding balance currently stands at USD 4,849,128 (equivalent to JPY 712 million, converted at the closing exchange rate of JPY 147.02 to USD 1 as of the end of August 2025).

(2) Overview of the Financing Method

This financing will be implemented through the issuance of the Stock Acquisition Rights with a fixed exercise price, to be allotted to the planned allottee by way of third-party allotment. The Stock Acquisition Rights will cover a total of 44,000,000 underlying shares, with an exercise period of one year. The Company will raise funds through the exercise of these Stock Acquisition Rights by the planned allottee.

The exercise price of the Stock Acquisition Rights has been set at JPY 1,250, representing 46.89% of the closing price of JPY 2,666 of the Company's shares 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 (the "Issuance Resolution Date").

If all of the Stock Acquisition Rights are exercised, the total number of shares to be delivered will be 44,000,000 shares (corresponding to 440,000 voting rights). This represents 199.07% of the total number of the Company's issued common shares as of August 29, 2025 (22,103,051 shares), and 200.30% of the total number of voting rights (219,674), rounded to the third decimal place.

(3) Reasons for Selecting the Financing Method

In considering financing options, the Company has taken into account the lending stance of financial institutions, its own financial position, future business development, and the external environment. Our primary objective has been to strengthen equity capital through direct financing, while mitigating the

impact on existing shareholders' interests.

Specifically, the Company has compared various alternatives, as set forth in "Comparison with Other Financing Methods" below, and carefully evaluated both the "Advantages of This Financing Method" and the "Disadvantages of This Financing Method." As a result of this comprehensive review, the Company has determined that the issuance of these Stock Acquisition Rights represents the most appropriate option at this time to meet the Company's funding needs, and accordingly resolved to proceed with the issuance.

<Advantages of This Financing method>

(i) Fixed Exercise Price and Number of Underlying Shares

Unlike so-called MSCBs (Moving Strike Convertible Bonds) or MS Warrants that include price adjustment clauses, these Stock Acquisition Rights have both a fixed exercise price and a fixed number of underlying shares. The number of underlying shares for these Stock Acquisition Rights is set at 44,000,000 shares from the time of issuance as stipulated in the issuance terms, and will not fluctuate depending on future share price movements. Accordingly, there is no risk of dilution exceeding the initial expectations. It should be noted, however, that in the event of certain circumstances such as stock splits, adjustments may be made in accordance with the issuance terms of the Stock Acquisition Rights.

(ii) Acquisition Clause

Following issuance, the Company may, at any time, acquire all or part of the outstanding Stock Acquisition Rights at a price equal to the original issue price, pursuant to a resolution of the Board of Directors, by providing notice to the holders of the Stock Acquisition Rights (the "Right Holders") no later than 30 trading days in advance. This feature allows the Company to maintain flexibility in its capital policy. Furthermore, in situations where the market price exceeds the exercise price, exercising this acquisition clause may indirectly encourage the exercise of the Stock Acquisition Rights.

(iii) Transfer Restrictions

The Stock Acquisition Rights will be issued through a third-party allotment to the allottee and will be subject to transfer restrictions under the Third-Party Allotment Agreement. Accordingly, they may not be transferred from the allottee to any third party without the approval of the Company's Board of Directors.

(iv) Exercise Restrictions

In order to prevent excessive dilution, the Third-Party Allotment Agreement is expected to provide that, if the cumulative number of exercised Stock Acquisition Rights exceeds 220,000 rights (equivalent to 22,000,000 shares), the prior approval of the Company will be required until such time as the Company or its subsidiary has entered into a service agreement with a customer for an AI data center project of the same type as the first project, or a purchase agreement for GPU servers, following the execution of the Third-Party Allotment Agreement, and such fact has been timely disclosed through TDnet of the Tokyo Stock Exchange.

However, this restriction will not apply if, prior to the execution date of the relevant purchase agreement, the Company has entered into a service agreement with a customer for the second project or a purchase agreement for GPU servers, and such fact has been timely disclosed through TDnet.

In addition, the Third-Party Allotment Agreement is expected to stipulate that, should the allottee's shareholding ratio of the Company's common shares exceed 33% of the Company's total issued shares, the prior approval of the Company will also be required.

<Disadvantages of This Financing Method>

(i) Limited Access to a Broad Range of New Investors

As the financing will be conducted through a third-party allotment based solely on an agreement between the Company and the planned allottee, there are inherent limitations in soliciting funds from a wide and unspecified pool of new investors.

(ii) Non-Exercise of Rights

Since the exercise price of the Stock Acquisition Rights is fixed, there is a possibility that, depending on the share price level after issuance, some or all of the rights may not be exercised by the right holders. In such cases, the total funds raised by the Company may fall short of the originally anticipated amount.

(iii) Restrictions on the Issuance of Equity Securities

Under the Third-Party Allotment Agreement, the Company will be restricted from issuing any shares, stock acquisition rights, or securities convertible into or exercisable for such shares or rights, from the date of execution of the Third-Party Allotment Agreement until the date falling six months thereafter, without the prior written consent of the holders of the Stock Acquisition Rights. As a result, the Company will be subject to certain limitations on its financing options.

However, this restriction does not apply in the following cases: (i) the issuance of stock options or restricted shares to directors and employees of the Company or its subsidiaries (including the issuance of shares upon the exercise of such stock options); and (ii) the issuance of such securities to another operating company as part of, or in connection with, a business alliance (including not only existing but also new or potential alliances), provided that such company is neither a financial institution nor a moneylender, and the primary purpose of the alliance is not to provide financing to the Company.

(iv) Repurchase Right

The Third-Party Allotment Agreement is expected to provide that: (i) if, one month prior to the expiry of the exercise period, the allottee still holds unexercised Stock Acquisition Rights; or (ii) if trading of the Company's shares on the Tokyo Stock Exchange has been suspended for a period of five or more consecutive trading days, the allottee may, at any time thereafter, by giving notice to the Company, request the Company to purchase all or part of the Stock Acquisition Rights.

In such cases, the Company will be required, within 15 trading days (or by the expiry date of the exercise period if that occurs earlier), to repurchase all of the relevant Stock Acquisition Rights by

paying an amount in cash equal to the original issue price per Stock Acquisition Right. Accordingly, if the allottee holds unexercised Stock Acquisition Rights one month before the end of the exercise period, or if the Company's shares are suspended from trading on the Tokyo Stock Exchange for five or more consecutive trading days after the issuance of the Stock Acquisition Rights, and the allottee exercises its purchase right, there is a possibility that the Company will raise less funding than initially expected, as no funds will be received through the exercise of such rights. Furthermore, as the Company would be required to pay an amount in cash equivalent to the subscription price of the Stock Acquisition Rights, the ultimate amount of financing procured through the Stock Acquisition Rights may be reduced.

(v) Significant Dilution of Existing Shares

If all of the Stock Acquisition Rights are exercised, 44,000,000 shares will be issued, resulting in significant dilution of the existing shares.

<Comparison with Other Financing Methods>

The alternative financing methods considered by the Company in selecting this financing method are as follows:

(i) Public Offering or Shareholder Allotment (Rights Offering)

Given that the Company's earnings remain unstable due to the ongoing implementation of growth investments, and that the trading of the Company's shares is subject to significant fluctuations in trading volume without consistently maintaining sufficient liquidity, it is considered difficult for shares issued through a public offering or a shareholder allotment (rights offering) to be absorbed stably by the market. Accordingly, such methods were deemed inappropriate as a means of financing in this case.

(ii) Third-Party Allotment of New Shares

At present, apart from First Plus, no suitable allottee for a third-party allotment of new shares has been identified. It should be noted that, in this financing, it was decided, at the request of First Plus, not to include the issuance of new shares.

(iii) Borrowings from Financial Institutions

As of the end of the first quarter of the fiscal year ending March 2026, the Company's consolidated financial position was as follows: total assets of JPY 6,416 million, net assets of JPY 4,716 million, cash and cash equivalents of JPY 1,997 million, and an equity ratio of 72.6%. Given this position and the planned fundraising amount of JPY 55,809 million, raising the full amount through debt financing could affect funding costs, reduce financial soundness, and limit the Company's borrowing capacity in the future. Taking into account the balance with the intended use of funds, the Company has determined that borrowings from financial institutions are not an appropriate method for this fundraising.

(vi) Issuance of Convertible Bonds with Stock Acquisition Rights

Convertible bonds with stock acquisition rights have the advantage of securing the required

funds at the time of issuance. However, if conversions do not progress after issuance, the Company's overall debt would increase, leading to a deterioration in financial soundness and a future need for substantial funds at the time of redemption. For these reasons, the Company has determined that this is not an appropriate fundraising method at this time.

Although convertible bonds with stock acquisition rights that include a price adjustment clause tend to convert more quickly, the number of shares to be delivered upon conversion is determined according to the exercise price. As a result, the total number of shares to be delivered upon conversion cannot be determined until conversion is complete. This structure has a significant direct impact on the share price and is considered to be disadvantageous to shareholders.

Taking such disadvantages into account, the Company believes that prioritizing the mitigation of dilution, while securing any shortfall through alternative means, if necessary, better serves the interests of shareholders than raising the full amount upfront. Accordingly, the Company has also determined that convertible bonds with stock acquisition rights incorporating a price adjustment clause are not an appropriate method for this fundraising.

(v) Issuance of Stock Acquisition Rights with Price Adjustment Clause

As First Plus, the planned allottee, does not have a trading division, it would be difficult for the company to manage the exercise of stock acquisition rights incorporating a price adjustment clause. Accordingly, the Company has determined that this method is not appropriate for the current fundraising.

(4) Opinion of the Audit and Supervisory Committee on the Allotment of the Stock Acquisition Rights to a Specific Subscriber

First Plus, the planned allottee of this Third-Party Allotment, qualifies as a "specific subscriber" as defined in Article 244-2, Paragraph 1 of the Companies Act of Japan.

At today's meeting of the Board of Directors, the Audit and Supervisory Committee (of which two of the three members are outside directors) expressed the following opinion:

- There is an urgent need for funds to be allocated to the first and second projects.
- It is necessary for the Company to raise funds to promote the future business growth of the Group.
- Given First Plus's understanding of the Company's business, its relationship with the Company, and its policy on shareholding, the company is deemed appropriate as the allottee.
- The issue price of the Stock Acquisition Rights is reasonable, based on an evaluation by an independent third-party institution.
- As a condition of issuance, approval by special resolution of the General Meeting of Shareholders will be obtained to confirm the will of existing shareholders, thereby taking their interests into account.

Based on the above, the Audit and Supervisory Committee has expressed its opinion that the necessity and appropriateness of allotting the Stock Acquisition Rights to First Plus, which qualifies as a "specific subscriber" under Article 244-2, Paragraph 1 of the Companies Act, are duly recognized.

3. Amount, Use of Proceeds, and Scheduled Timing of Expenditures

(1) Amount of Proceeds to be Raised

Total subscription amount (JPY)	Estimated issuance expenses (JPY)	Estimated net proceeds (JPY)
55,000,000,000	230,000,000	54,770,000,000

Notes:

1. The total subscription amount represents the total amount payable upon the exercise of the Stock Acquisition Rights (55,000,000,000 yen). The total issue price of the Stock Acquisition Rights (JPY 809,600,000) is not included in the total subscription amount, as it will be offset against the loan claim of the allottee against the Company. In addition, if there remains any outstanding balance of the loan principal claim or the related interest claim owed by the Company to the allottee, such claims are expected to be prioritized as contributions in kind upon the exercise of the Stock Acquisition Rights.
2. The estimated issuance expenses do not include consumption tax or other applicable taxes.
3. The breakdown of the estimated issuance expenses includes the fair value assessment fee for the Stock Acquisition Rights, legal fees, registration and license tax, the preparation costs of the amended securities registration statement, and other related expenses.
4. In the event that the Stock Acquisition Rights are not exercised within the exercise period, or if the Company acquires or repurchases the Stock Acquisition Rights, the total subscription amount and the estimated net proceeds may decrease.

(2) Specific Use of Proceeds

The specific use of the estimated net proceeds of JPY ● and the scheduled timing of expenditures are as follows:

Specific Use	Amount (JPY million)	Scheduled Timing of Expenditures
Capital investment and working capital, etc. for the AI data center business	54,770	October 2025 – December 2026

Note: Until the funds raised through the payment for the Stock Acquisition Rights are applied to the above purposes, the Company intends to manage the funds in a stable manner by depositing them with financial institutions.

The Company intends to allocate all funds procured through the payment for the Stock Acquisition Rights to the following purposes in connection with the first and second AI data center projects: capital expenditures for a full set of GPU servers and related or peripheral equipment; working capital including personnel expenses and outsourcing costs; deposits, rent, and utility expenses associated with the use of data center sites; and the repayment of borrowings of JPY 710 million made in advance of the payment for the Stock Acquisition Rights (comprising JPY 480 million for a one-off payment related to the use of a data center site, JPY 168 million for the acquisition of GPU servers, and JPY 62 million for related and peripheral equipment).

The total investment amount for the First Project is expected to be as follows: USD 272 million for GPU server systems (of which USD 20 million, or JPY 2,918 million, has already been paid, with the remaining USD 252 million outstanding, equivalent to JPY 37,049 million based on the closing exchange rate of JPY 147.02 per USD as of the end of August 2025); USD 15 million for related and ancillary equipment (equivalent to JPY 2,205 million at the same exchange rate); monthly working capital of approximately JPY 70 million for personnel expenses, outsourcing costs, and maintenance expenses; JPY 2,400 million for security deposits related to data center site usage; and monthly payments of approximately JPY 450 million for rent, utilities, and insurance premiums. As the Second Project is expected to be approximately twice the scale of the First Project, the required investment amount is projected to be roughly double, allocated to the same categories of expenditure.

The specific allocation of funds has not yet been determined, as it will depend on factors such as the borrowing costs and payment terms under the Basic Agreement, other financing methods, and the timing of the payment for the Stock Acquisition Rights.

The payment of funds through the exercise of the Stock Acquisition Rights, as well as the timing of such exercises, will depend on the judgment of the holders. In circumstances where the market price falls below the exercise price, the Stock Acquisition Rights may not be exercised, and the exercise price itself may also be subject to adjustment. Accordingly, the amount and timing of funds to be procured cannot be determined at this stage, and may differ from the amounts and timing currently assumed.

Should any expenditures described under “Use of Proceeds” precede the exercise of the Stock Acquisition Rights, such expenditures will be temporarily financed through internal reserves or borrowings. Following the exercise of the Stock Acquisition Rights and receipt of the corresponding payment, the proceeds will be sequentially applied to replenish internal reserves or repay borrowings. In the event that the actual proceeds ultimately fall short of the initially expected amount at issuance, the shortfall will be supplemented through internal reserves, borrowings from financial institutions, or other financing methods.

4. Reasonableness of the Use of Proceeds

Provided that the planned financing is successfully completed as scheduled, we expect to secure the necessary funds for the purposes described under “2. Purpose and Rationale for the Offering (1) Purpose of the Offering” and “3. Amount, Use of Proceeds and Scheduled Timing of Expenditures (2) Specific Use of Proceeds.” By effectively utilizing these funds to implement the Group’s growth strategy and enhance corporate value, we believe that the use of proceeds will also serve the interests of existing shareholders. Accordingly, we consider the intended use of proceeds to be reasonable

5. Reasonableness of the Issuance Terms

(1) Basis and Specific Details for the Calculation of the Paid-in Amount

In determining the issue price of the Stock Acquisition Rights, the Company, in order to ensure fairness, engaged an independent third-party valuation firm, Akasaka International Accounting Co., Ltd. (Representative: Kenzo Yamamoto; Address: 1-8, Moto-Akasaka 1-chome, Minato-ku, Tokyo), to perform the valuation. The Company has no material interest in relation to the aforementioned third-party valuation

firm.

The valuation firm, in determining the pricing model to be used for the calculation, conducted a comparative review of alternative models such as the Black-Scholes model and the binomial model. Based on this review, it concluded that, in light of the staged exercise of rights within a specified number of shares and over a defined period, as well as other conditions stipulated in the issuance terms of the Stock Acquisition Rights and in the Share Purchase Agreement to be executed with the planned allottee, the Monte Carlo simulation—among the generally accepted option pricing models—would be the most appropriate method to reasonably reflect these factors in the valuation outcome.

In addition, the valuation institution, taking into account the market environment as of the valuation reference date, applied certain assumptions including: the Company's share price of JPY 2,666; a volatility of 113.2%; an expected dividend of JPY 0 per share; a risk-free interest rate of 0.7%; the liquidity of the Company's shares; and the assumption that, should any Stock Acquisition Rights remain outstanding at the end of the exercise period, the issuer would acquire them. On this basis, certain assumptions were also made regarding the Company's funding requirements and the exercise behavior of both the Company and the planned allottee.

In addition, the exercise price of the Stock Acquisition Rights was determined at JPY 1,250 (representing a 53.11% discount to the closing price on the business day immediately preceding the Board resolution date), following discussions with the planned allottee. This determination was made after taking into consideration the Company's share price trends (including the simple averages of the closing prices on the Tokyo Stock Exchange for the one-month, three-month, six-month, and one-year periods up to the business day immediately prior to the resolution date), as well as volatility, highs, and lows, with the aim of enhancing the likelihood of payment upon exercise of the Stock Acquisition Rights.

Furthermore, based on these assumptions, the Company referred to the valuation (JPY 1,840) calculated by the independent valuation firm, and, following consultations with the planned allottee, resolved to set the payment amount per Stock Acquisition Right at the same amount as the valuation (JPY 1,840).

The exercise price of JPY 1,250 per Stock Acquisition Right represents a discount of 53.11% to the closing price on the Tokyo Stock Exchange on the business day immediately preceding the Board resolution date (JPY 2,666), a discount of 54.03% to the simple average of the closing prices over the one-month period up to that date (JPY 2,719), a discount of 54.58% to the simple average of the closing prices over the three-month period (JPY 2,752), a discount of 33.37% to the simple average of the closing prices over the six-month period (JPY 1,876), and a discount of 11.79% to the simple average of the closing prices over the one-year period (JPY 1,417).

The Company's share price traded in the range of approximately JPY 1,000 to JPY 1,300 in October 2024, but declined to JPY 619 by December 2024. Subsequently, the share price rose sharply from late May 2025, reaching a high of JPY 4,320 on July 11, 2025, before declining to JPY 2,217 as of August 29, 2025, demonstrating significant volatility, particularly over the most recent six-month period.

In light of this share price trend, and in order to ensure the reliable procurement of the necessary funds, the exercise price was determined at JPY 1,250 following discussions with the planned allottee.

At today's meeting of the Board of Directors, the Audit and Supervisory Committee (including two outside

directors) expressed the following opinion: the valuation institution has no ongoing business relationship with the Company and is therefore considered reasonably independent from management; it has also conducted its valuation independently from the planned allottee; and the payment amount has been determined to be equivalent to the fair value assessed in the valuation report prepared by the institution, which employed a generally accepted methodology in line with market practice for stock acquisition rights. On this basis, the Committee acknowledged to some extent the view that the issuance does not constitute a favorable issue. However, given that the exercise price represents a 53.11% discount to the closing price of JPY 2,666 on the business day prior to the issuance resolution date, and that orders for the second project have not yet been confirmed and any such confirmation may affect the share price, the Committee also noted that the payment amount could arguably fall within the scope of a favorable issue.

Therefore, in order to confirm the intentions of existing shareholders, the Company has resolved that the issuance of the Stock Acquisition Rights shall be subject to approval by special resolution of shareholders at the Extraordinary General Meeting scheduled to be held on October 17, 2025.

(2) Basis for Determining that the Number of Rights to be Issued and the Scale of Dilution are Reasonable

If all of the Stock Acquisition Rights are exercised, the total number of shares to be delivered will be 44,000,000 shares (equivalent to 440,000 voting rights). As of August 29, 2025, this represents 199.07% of the Company's currently outstanding total of 22,103,051 shares, and 200.30% of the total number of voting rights (219,674). Percentages are rounded to the third decimal place.

Although this level of dilution will occur, the Company believes that applying the funds procured through this financing to the purposes described above will contribute to enhancing the Company's medium- to long-term corporate value and shareholder value. Accordingly, we have determined that the scale of the issuance and the resulting dilution are reasonable, as the financing is expected to deliver sufficient benefits to existing shareholders even after taking into account the dilution.

As disclosed in the "Notice Regarding Earnings Forecast" dated July 16, 2025, by reflecting the revenue from the First Project, the Company forecasts for the fiscal year ending March 31, 2026 consolidated net sales of JPY 16,419 million (a year-on-year increase of 458.09%), operating income of JPY 3,173 million (compared to an operating loss of JPY 496 million in the previous fiscal year), adjusted EBITDA of JPY 8,554 million (compared to negative JPY 169 million in the previous fiscal year), ordinary income of JPY 2,511 million (compared to an ordinary loss of JPY 613 million in the previous fiscal year), and profit attributable to owners of parent of JPY 2,048 million (compared to a net loss of JPY 654 million in the previous fiscal year). It should be noted that this earnings forecast does not reflect revenues from the Second Project or subsequent projects.

In addition, with respect to the 45,488,000 shares of common stock of the Company that are the subject of this Stock Acquisition Rights issuance and the unexercised 19th Series of Stock Acquisition Rights, the average daily trading volume of the Company's common shares over the past six months was 2,686,684 shares, demonstrating a certain level of liquidity. Accordingly, we have determined that the above issuance volume and the scale of dilution are also reasonable from this perspective.

However, as this third-party allotment will result in substantial dilution of 25% or more for existing

shareholders and may be deemed an issuance on favorable terms, the Company has resolved to submit the relevant agenda item to the forthcoming Extraordinary General Meeting of Shareholders. At the meeting, the Company will explain the necessity and appropriateness of this financing, and will regard approval of the agenda item as confirmation of the will of its shareholders.

6. Reasons for Selecting the Allottee, etc.

(1) Overview of the Allottee (as of August 29, 2025)

1.	Name	First Plus Financial Holdings Pte. Ltd.
2.	Address	8 MARINA VIEW #36-02 ASIA SQUARE TOWER 1 SINGAPORE
3.	Representative	CEO, LI ZHIBO
4.	Business description	Investment Business
5.	Capital	SGD 70,000,000
6.	Date of Incorporation	July 11, 2019
7.	Fiscal Year End	December 31
8.	Number of employees	20
9.	Principal clients	Financial institutions, investors
10.	Principal banks	DBS Bank, United Overseas Bank
11.	Major Shareholders and ownership ratio	LIVIA & HARRIET Pte. Ltd. 100%
12.	Relationship with the Company	
	Capital relationship	The allottee is the Company's largest and principal shareholder, holding 2,230,000 shares of the Company's common stock (representing a voting rights ratio of 10.13%) and 14,880 of the Company's 19th Series Stock Acquisition Rights (corresponding to 1,488,000 shares).
	Personnel relationship	The allottee has the right to nominate two directors of the Company. As of the date hereof, however, no directors have been nominated pursuant to this right.
	Business relationship	The Company has entered into a revolving credit facility agreement with the allottee (maximum borrowing limit: USD 35,000,000), under which the Company has borrowed funds.
	Related party status	The allottee qualifies as a major shareholder of the Company.

Note: Due to confidentiality obligations, financial results and financial position are not disclosed.

(Remark) The Company has received and confirmed a written statement from First Plus and its officers and principal shareholders (collectively, the "First Plus Affiliates") certifying that they have no relationship whatsoever with antisocial forces. In addition, the Company engaged Security & Research Co., Ltd. (Head Office: 2-16-6 Akasaka, Minato-ku, Tokyo; Representative: Toshitsugu Hada), an independent third-party investigative agency, to conduct a background check on whether the First Plus Affiliates are members of organized crime groups or otherwise maintain any relationship with antisocial forces. As a result, the Company received an investigative report dated July 28, 2025, confirming that there was no relevant information

indicating any involvement of the First Plus Affiliates with antisocial forces or illegal activities. Accordingly, the Company has determined that the First Plus Affiliates have no connection with antisocial forces and has submitted a written confirmation to that effect to the Tokyo Stock Exchange.

(2) Reason for Selecting the Allottee

In mid-July 2025, Mr. Norihiko Ishihara, the Company's Representative Director, explained to Mr. Li Zhibo, CEO of First Plus, the necessity of securing substantial self-financing to fund projects under the Company's AI data center business. Upon obtaining Mr. Li's understanding regarding the need for large-scale self-financing, discussions between the parties were initiated. Following these discussions, in late July 2025, the Company obtained First Plus's consent to proceed with the filing of the issuance registration for stock acquisition rights to be allotted to First Plus.

First Plus is engaged in global investments with a particular focus on the AI and digital sectors. The company was the allottee of the new shares and the 19th series of stock acquisition rights issued on February 29, 2024, and is currently the Company's largest and principal shareholder. First Plus has consistently demonstrated its understanding of the Group's business development and financing needs, and has expressed its intention to support the Group's management through the medium- to long-term holding of the Company's shares. Its management team has a track record of investments in the AI and digital sectors. The Company has already benefited from introductions to major Taiwanese server equipment suppliers facilitated by First Plus, and it is expected that the Group will continue to receive valuable introductions to companies and information beneficial for furthering its business development in the AI and digital fields.

Accordingly, as stated in "2. Purpose and Rationale of the Offering (1) Purpose of the Offering," in order to advance and expand our AI data center business, and in light of the progress of the First Project as well as several other large-scale pipeline projects, the Company filed, on August 12, 2025, a securities registration to facilitate the prompt and flexible financing through the issuance of stock acquisition rights, designating First Plus as the planned allottee.

The Company has determined that the allotment of the Stock Acquisition Rights under this securities registration to First Plus will contribute to enhancing the Company's management and increasing shareholder value.

(3) Policy of the Allottee Regarding Shareholding and Measures for Transfer Restrictions

The Company has received an oral representation from First Plus, the planned allottee of the Stock Acquisition Rights, that its cooperation in this financing is intended to provide financial support to the Company and is not for the purpose of acquiring control over the Company. First Plus has further indicated that, in order to secure funds for the payment upon exercise of the Stock Acquisition Rights, it may promptly sell the Company's shares acquired through such exercise.

Furthermore, with respect to the Stock Acquisition Rights, the Company plans to enter into a Third-Party Allotment Agreement with First Plus, the planned allottee, which will provide that any transfer of

the Stock Acquisition Rights to a third party shall require the prior approval of the Company's Board of Directors. In granting such approval, the Company will conduct advance verification of the transferee's identity, the absence of any ties to antisocial forces, the source of funds for payment upon exercise of the Stock Acquisition Rights, and the transferee's holding policy. In addition, in the event of any transfer of the Stock Acquisition Rights, the Company will promptly disclose the details thereof.

(4) Confirmation Regarding the Availability of Assets Required for Payment by the Planned Allottee

The total issue price of the Stock Acquisition Rights will be paid by way of set-off against the loan principal and the related interest claims owed by the Company to the allottee. Regarding the payment of funds upon the exercise of the Stock Acquisition Rights, Mr. Li Zhibo, CEO of First Plus, has verbally indicated that there would be no particular difficulty in arranging the necessary funds at the time of actual exercise.

In addition, the Company has received First Plus's consolidated financial statements for the fiscal year ended December 2024, as well as a statement of balances for the fund currently managed by the company that will serve as the source of payment funds. Mr. Li Zhibo has explained that approximately SGD 100,000,000 (equivalent to JPY 11,452 million, converted at the closing exchange rate of JPY 114.52 per SGD 1 as of the end of August 2025) is expected to be liquidated from this fund through a partial redemption in October 2025.

Although First Plus has not yet secured the full amount required for the exercise of the Stock Acquisition Rights, the Company considers that there should be no material difficulty in arranging such funds, taking into account the following possibilities: (i) in addition to cash, contributions in kind may be made upon exercise through the loan principal and related interest claims held by First Plus against the Company under the Basic Agreement, which provides for a maximum facility amount of USD 35,000,000; (ii) proceeds from the sale of the Company's shares already held by First Plus or to be acquired through the exercise of the 19th series of Stock Acquisition Rights may be applied toward the exercise funds; and (iii) the Stock Acquisition Rights may be exercised in multiple tranches, with proceeds from the sale of shares obtained upon exercise applied to the funds required for subsequent exercises.

(5) Agreement Regarding Stock Lending

The Company confirms that no agreement concerning stock lending has been, or is planned to be, executed between First Plus, the planned allottee, and the Company or any of its officers in relation to the Company's shares to be acquired upon the exercise of the Stock Acquisition Rights.

7. Major Shareholders and Shareholding Ratios (Prior to Allotment)

割当前	
First Plus Financial Holdings PTE. Ltd.	10.09%
KDDI Corporation	9.50%
Toka Tokyo Securities Co., Ltd.	4.11%
SBI SECURITIES Co., Ltd.	3.87%
Nippon Life Insurance Company	3.05%
CITIC SECURITIES BROKERAGE (HK) LIMITED AC CLIENT	2.71%
VLC Holdings Co., Ltd	2.33%
INTERACTIVE BROKERS LLC	1.92%
BNP PARIBAS PARIS/2S/JASDEC/STONEX FINANCIAL INC CLIENTS/BACKTOBACK	1.81%
Takahisa Nagai	1.74%

(Note)

1. The shareholding ratios prior to the allotment are based on the register of shareholders as of August 29, 2025.
2. Shareholding ratios are calculated as a percentage of the total number of issued shares, rounded to the nearest third decimal place.
3. This financing is being undertaken in response to the Company's funding needs and is not intended to enable First Plus to acquire control of the Company. First Plus has indicated its policy to maintain a certain level of shareholding while retaining discretion to sell the Company's shares at its own investment judgment, and has not committed to long-term ownership. Accordingly, the "Major Shareholders and Shareholding Ratios After the Allotment" are not provided.

8. Future Outlook

This financing is expected to enhance the Company's project execution capabilities and profitability in the AI data center business, as well as to strengthen its equity capital base and cash reserves. The impact on the Company's financial results for the current fiscal year is still under review. Should any matters requiring disclosure arise, the Company will promptly make the necessary announcements.

9. Matters Relating to Procedures Under the Corporate Code of Conduct

As this third-party allotment will result in a dilution ratio of 25% or more, it requires either the obtaining of an opinion from an independent third party or confirmation of the shareholders' intent, in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange. Accordingly, the necessity and appropriateness of this financing will be explained under the agenda item to be submitted to the Extraordinary General Meeting of Shareholders, and confirmation of the shareholders' intent will be obtained through the approval of such agenda item.

10. Business Performance and Equity Financing Over the Past Three Years

(1) Business Performance for the Past Three Fiscal Years

Fiscal Year ended March	FY03/23	FY03/24	FY03/25
Consolidated net sales	JPY 1,924 million	JPY 2,229 million	JPY 2,942 million
Consolidated operating income (loss)	△JPY 55 million	△JPY 216 million	△JPY 496 million
Consolidated ordinary income (loss)	JPY 46 million	△JPY 235 million	△JPY 613 million
Net income (loss) attributable to owners of parent	△JPY 530 million	△JPY 1,261 million	△JPY 654 million
Net income (loss) per share	△JPY 36.45	△JPY 84.07	△JPY 37.40
Cash dividends per share	—	—	—
Net assets per share	JPY 167.39	JPY 111.78	JPY 130.74

(2) Status of Issued Shares and Potential Shares (as of September 10, 2025)

	Number of shares	% of issued shares
Issued shares	22,103,051 shares	100.00%
Potential shares at current exercise price	3,072,000 shares	11.04%

Note: The above potential shares consist of stock options and the 19th series of Stock Acquisition Rights.

(3) Recent Share Price Performance

(i) Share price performance over the past three fiscal years (fiscal years ended March 31)

(Unit: JPY)	FY03/23	FY03/24	FY03/25
Opening price	313	260	736
High price	326	1,419	3,140
Low price	237	251	585
Closing price	262	729	965

(ii) Share Price Performance over the Past Six Months

(Unit: JPY)	Apr.2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
Opening price	965	906	1,338	1,684	3,370	2,233
High price	973	1,038	2,711	4,320	3,385	2,974
Low price	675	706	1,280	1,463	2,217	2,602
Closing price	906	1,038	1,604	3,440	2,233	2,666

Note: Figures for August 2025 are as of September 9, 2025.

(iii) Share Price on the Trading Day Immediately Preceding the Issuance Resolution Date

(Unit: JPY)	As of September 9, 2025
Opening price	2,632
High price	2,850
Low price	2,602
Closing price	2,666

(iv) Status of Equity Financing Over the Past Three Years

• Issuance of New Shares through Third-Party Allotment

Payment date	February 29, 2024
Amount of funds raised	JPY 669 million (approximate net proceeds)
Issue price	JPY 305.82 per share
Allottee	First Plus Financial Holdings Pte. Ltd.
Number of shares outstanding at the time of offering	14,958,051 shares
Number of shares in the offering	2,230,000 shares
Initial intended use of proceeds	Funds and expenses related to M&A and capital and business alliances
Scheduled Expenditure Period at the Time of Offering	February 2024 to February 2026
Current Status of Use of Proceeds (Note)	JPY 383 million was applied to funds and expenses related to M&A and capital and business alliances between March 2024 and June 2025, and JPY 286 million was applied in July 2025 to the acquisition of GPU server systems.

Note: As announced in the “Notice Regarding the Change in the Use of Proceeds from the Issuance of New Shares through Third-Party Allotment and the 19th and 20th Series of Stock Acquisition Rights” dated July 16, 2025, the intended use of proceeds has been changed.

• Issuance of the 19th Series of Stock Acquisition Rights through Third-Party Allotment

Allotment date	February 29, 2024
Number of stock acquisition rights issued	14,880 units
Issue price	JPY 6,249,600 in total
Planned net proceeds at time of issuance	JPY 816 million (approximate net amount after deducting expenses)
Allottee	First Plus Financial Holdings Pte. Ltd.
Number of shares outstanding at the time of offering	14,958,051 shares
Number of potential shares from the offering	1,488,000 shares

Exercise price	JPY 544
Current exercise status	None
Fund raised to date	JPY 6,249,600
Initial intended use of proceeds at the time of issuance *1	Funds and expenses related to mergers and acquisitions as well as capital and business alliances
Initially Planned Expenditure Period	From February 2024 to February 2029
Current Status of Allocation *2	An amount of JPY 816 million was allocated between July 2025 and August 2025 for the acquisition of a full set of GPU servers.

Note: 1. As announced on July 16, 2025 in the “Notice Regarding Change in Use of Funds for New Shares Issued through Third-Party Allotment and the 19th and 20th Series of Stock Acquisition Rights,” the use of funds has been revised.

2. First Plus has already made an advance payment of the exercise price, and all shares to be issued upon exercise are scheduled to be issued once the review of the prior notification under Article 27 of the Foreign Exchange and Foreign Trade Act has been completed

• Issuance of the 20th Series of Stock Acquisition Rights through Third-Party Allotment

Allotment date	March 6, 2025
Number of stock acquisition rights issued	44,000 units
Issue price	JPY 15,488,000
Planned net proceeds at time of issuance	JPY 3,009 million (approximate net amount after deducting expenses)
Allottee	Hayate Management Co., Ltd.
Number of shares outstanding at the time of offering	17,703,051 shares
Number of potential shares from the offering	4,400,000 shares
Initial exercise price	JPY 688
Current exercise status	4,400,000 Shares
Fund raised to date	JPY 4,657 million
Initial intended use of proceeds at the time of issuance	(i) Development and construction of the DS Cloud Stack: JPY 1,000 million (ii) Equity contributions to joint ventures related to AI data center operations and to the DSAI Fund: JPY 709 million (iii) Recruitment expenses, personnel costs, and working capital: JPY 700 million (iv) Repayment of borrowings: JPY 600 million
Initially Planned Expenditure Period	From March 2025 to March 2027

Current Status of Allocation*	<p>(i) JPY 895 million allocated between March and August 2025 to the development and construction of the DS Cloud Stack</p> <p>(ii) JPY 709 million allocated in July 2025 to the acquisition of AI data center–related equipment</p> <p>(iii) JPY 1,648 million allocated in July 2025 to the acquisition of GPU servers</p> <p>(iv) JPY 700 million allocated between April and August 2025 to recruitment expenses, personnel costs, and working capital</p> <p>(v) JPY 600 million allocated between March and August 2025 to the repayment of borrowings</p>
-------------------------------	--

Note: As announced in the “Notice Regarding Change in Use of Proceeds from the 20th Series of Stock Acquisition Rights (with Adjustment Clause for Exercise Price)” dated July 4, 2025, the intended use of proceeds under item (ii) was revised from equity contributions to joint ventures related to AI data center operations and to the DSAI Fund, to the acquisition of AI data center–related equipment. Furthermore, as announced in the “Notice Regarding Issuance of New Shares through Third-Party Allotment and Change in Use of Proceeds from the 19th and 20th Series of Stock Acquisition Rights” dated July 16, 2025, given that the funds raised through the exercise of the 20th Series of Stock Acquisition Rights exceeded the initial estimate, an additional intended use of proceeds was added under item (iii) for the acquisition of GPU servers.

11. Terms of Issuance

As set forth in the attached document.

II. Partial Amendment to the Articles of Incorporation

At the meeting of the Board of Directors held today, the Company resolved to submit the agenda item “Partial Amendment to the Articles of Incorporation” to the Extraordinary General Meeting of Shareholders scheduled to be held on October 17, 2025.

1. Reason for the Amendment

The total number of authorized shares under Article 6 of the Company’s Articles of Incorporation is currently 30,400,000 shares, while the total number of issued shares as of August 29, 2025, stands at 22,103,051 shares. In connection with the issuance of the 23rd Series of Stock Acquisition Rights (with fixed exercise price) described in “I. Issuance of the 23rd Series of Stock Acquisition Rights through Third-Party Allotment,” and in order to provide flexibility for future capital policies, the Company proposes to increase the total number of authorized shares.

2. Details of the Amendment

The details of the amendment are as follows.

(Underlined portions indicate the proposed changes.)

Current articles of incorporation	Proposed amendment
(Total number of authorized shares) Article 6 The total number of authorized shares of the Company shall be 30,400,000 shares.	(Total number of authorized shares) Article 6 The total number of authorized shares of the Company shall be <u>88,000,000</u> shares.

3. Schedule

Extraordinary General Meeting of Shareholders for Amendment of the Articles of Incorporation:

October 17, 2025 (Friday) (scheduled)

Effective Date of the Amendment to the Articles of Incorporation:

October 17, 2025 (Friday) (scheduled)

**Datasection Inc. – Terms of Issuance of the 23rd Series of Stock Acquisition Rights
(Third-Party Allotment)**

1. Name of Stock Acquisition Rights
Datasection, Inc. 23rd Series of Stock Acquisition Rights (hereinafter referred to as the “Stock Acquisition Rights”).
2. Subscription Period
October 17, 2025
3. Allotment Date
October 17, 2025
4. Payment Due Date
October 17, 2025
5. Method of Offering
All of the Stock Acquisition Rights will be allotted to First Plus Financial Holdings Pte. Ltd. through a third-party allotment.
6. Type and Number of Shares to Be Issued upon Exercise of the Stock Acquisition Rights
 - (1) The type and total number of shares to be issued upon exercise of the Stock Acquisition Rights shall be 44,000,000 shares of the Company’s common stock (100 shares per Stock Acquisition Right, hereinafter referred to as the “Allotted Shares per Right”). However, if the number of Allotted Shares per Right is adjusted pursuant to items (2) through (4) below, the total number of shares to be issued upon exercise of the Stock Acquisition Rights shall be adjusted accordingly.
 - (2) If the Company adjusts the exercise price (as defined below) pursuant to the provisions of Item 10, the number of Allotted Shares per Right shall be adjusted in accordance with the following formula. Any fractional shares of less than one share resulting from such adjustment shall be rounded down. The “Exercise Price Before Adjustment” and the “Exercise Price After Adjustment” in the formula below shall have the meanings set forth in Item 10.

Number of allotted shares after adjustment =

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

(3) The effective date for the application of the adjusted number of Allotted Shares shall be the same date on which the adjusted exercise price prescribed in Items (2) and (5) of Section 10 becomes applicable in connection with the relevant adjustment event.

(4) When adjusting the number of Allotted Shares, the Company shall notify the holders of the Stock Acquisition Rights in writing, no later than the day prior to the effective date of such adjustment, of the fact of the adjustment, the reason therefor, the number of Allotted Shares before adjustment, the number of Allotted Shares after adjustment, the effective date of such adjustment, and any other necessary matters. Provided, however, that if it is not possible to give such notice by the day prior to the effective date due to the circumstances set forth in Item (2)(v) of Section 10 or for other reasons, the Company shall provide such notice promptly after the effective date.

7. Total Number of Stock Acquisition Rights

440,000 rights

8. Payment Amount per Stock Acquisition Right

JPY 1,840 per right

9. Value or Method of Calculation of Assets to Be Contributed upon Exercise of the Stock Acquisition Rights

(1) The assets to be contributed upon exercise of each Stock Acquisition Right shall be one of the following, and the value thereof shall be the amount obtained by multiplying the exercise price per share of the Company's common stock contributed upon exercise (the "Exercise Price") by the number of Allotted Shares per Right:

(i) Cash

(ii) The loan principal and related interest claims owed by the Company to First Plus Financial Holdings Pte. Ltd. under the revolving basic agreement dated August 4, 2025 (maximum facility amount of USD 35,000,000, including subsequent amendments)

(2) The Exercise Price of each Stock Acquisition Right shall be JPY 1,250. However, the Exercise Price is subject to adjustment as provided in Section 10. In the event that U.S. dollar-denominated monetary claims are contributed pursuant to Item (1)(ii) above, the value of such monetary claims shall be converted into Japanese yen based on the telegraphic transfer middle rate quoted by MUFG Bank, Ltd. for customer transactions on the business day immediately preceding the date of exercise of the Stock Acquisition Rights.

10. Adjustment of Exercise Price

(1) After the issuance of the Stock Acquisition Rights, if any of the events set forth in Item (2) below results, or may result, in a change in the total number of the Company's issued shares of common stock, the

exercise price shall be adjusted in accordance with the following formula (the “Exercise Price Adjustment Formula”):

Adjusted exercise price =					
		Number of outstanding shares	+	Number of newly issued or disposed shares	x Paid-in amount per share
Exercise price before adjustment x				Market price per share	
		Number of outstanding shares + Number of newly issued or disposed shares			

(2) In the case of an adjustment of the exercise price pursuant to the Exercise Price Adjustment Formula and with respect to the timing of application of the adjusted exercise price, the following shall apply.

(i) In the event that the Company issues new shares of its common stock or disposes of its treasury shares at a paid-in amount below the market price specified in Item (4)(ii) below (including cases of free allotment), provided, however, that this shall not apply to cases where shares of common stock are delivered upon the exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights), upon the acquisition of shares with acquisition rights or shares with acquisition clauses, upon the exercise of other rights entitling holders to receive delivery of the Company's common stock, or upon corporate splits, share exchanges, share deliveries, or mergers, the adjusted exercise price shall apply from the payment date (or, in the case of a free allotment, from the effective date thereof). If there is a record date for granting shareholders the right to receive allotment in connection with such issuance or disposition, the adjusted exercise price shall apply from the day immediately following such record date.

The adjusted exercise price shall apply from the payment date (or, in the case where a payment period is specified upon offering, from the final day of such period, and in the case of a free allotment, from the effective date thereof) or, if there is a record date for granting shareholders the right to receive allotment in connection with such issuance or disposition, from the day immediately following such record date.

(ii) In the case of a stock split

If the Company issues share of its common stock as a result of a stock split, the adjusted exercise price shall apply on or after the day immediately following the record date for the stock split. The number of newly issued or disposed shares to be used in the Exercise Price Adjustment Formula shall be the number of additional shares of the Company's common stock resulting from the stock split.

(iii) If the Company issues or grants shares with acquisition rights that provide for the delivery of common stock of the Company at a paid-in amount per share below the market price specified in Item (4)(ii) below, or stock acquisition rights (including those attached to bonds with stock acquisition rights) that entitle the holder to request delivery of common stock of the Company at a paid-in amount per share below such market price, the adjusted exercise price shall apply.

The adjusted exercise price shall be calculated by applying the Exercise Price Adjustment Formula on the assumption that all acquisition rights attached to shares with acquisition rights or all stock acquisition rights have been exercised under their initial terms. The adjusted exercise price shall apply on or after the payment date (in the case of stock acquisition rights, the allotment date; or, in the case of a gratis allotment, the effective date). However, if a record date is established in order to grant shareholders the right to receive such allotment, the adjusted exercise price shall apply on or after the day immediately following such record date.

(iv) If the Company delivers shares of its common stock at a value below the market price specified in Item (4)(ii) below in exchange for the acquisition of shares with acquisition clauses or stock acquisition rights with acquisition clauses (including those attached to bonds with stock acquisition rights) issued by the Company, the adjusted exercise price shall apply on or after the day immediately following the acquisition date.

(v) In the cases of Items (i) through (iii) above, if a record date has been set and the effectiveness thereof is subject to approval by a general meeting of shareholders, the Board of Directors, or any other corporate body of the Company on or after such record date, then notwithstanding Items (i) through (iii), the adjusted exercise price shall apply on or after the day immediately following the date of such approval. In such cases, for holders of the Stock Acquisition Rights who have requested exercise of their rights during the period from the day immediately following the record date until the date of such approval, the Company shall deliver additional shares of its common stock calculated in accordance with the following formula. Any fractional shares less than one share resulting therefrom shall be rounded down.

Number of shares to be delivered =				
(Exercise price before adjustment	-	Exercise price after adjustment) x
				Number of shares delivered during the relevant period at the exercise price before adjustment
				Adjusted exercise price

(3) No adjustment shall be made to the exercise price if the difference between the adjusted exercise price calculated under the Exercise Price Adjustment Formula and the exercise price before adjustment is less than JPY 1. However, if any subsequent event necessitates an adjustment to the exercise price, the amount obtained by deducting such difference from the exercise price before adjustment shall be used in place of the exercise price before adjustment in the Exercise Price Adjustment Formula.

(4)(i) In calculating the Exercise Price Adjustment Formula, the amount shall be computed to two decimal places in yen, and the second decimal place shall be rounded to the nearest whole number.

(ii) The market price to be used in the Exercise Price Adjustment Formula shall be the average of the closing prices of the Company's common stock in regular trading on the Tokyo Stock Exchange (the "TSE") for the 30 consecutive trading days commencing on the 45th trading day prior to the date on which the adjusted exercise price is first applied (or, in the case of Item (2)(v) above, prior to the record date), excluding any days on which no closing price is quoted. Such average shall be calculated to two decimal places in yen, with the second decimal place rounded to the nearest whole number.

(iii) The number of outstanding shares to be used in the Exercise Price Adjustment Formula shall be the total number of the Company's issued shares of common stock as of the record date, if one has been set to grant shareholders the right to receive an allotment, or, if no such record date has been set, the total number of the Company's issued shares of common stock as of the date one month prior to the date on which the adjusted exercise price is first applied, less the number of shares of common stock held by the Company as treasury shares on such date. In addition, in the case of Item (2)(ii) above, the number of newly issued or disposed shares to be used in the Exercise Price Adjustment Formula shall not include the number of shares of the Company's common stock that are to be allotted to the Company itself as of the record date.

(5) In addition to the cases requiring adjustment of the exercise price under Item (2) above, the Company may make necessary adjustments to the exercise price, subject to consultation with and approval by the holders of the Stock Acquisition Rights, in the following cases:

(i) When it is necessary to adjust the exercise price due to a share consolidation, capital reduction, corporate split, share exchange, share delivery, or merger.

(ii) When it is necessary to adjust the exercise price due to any other change, or possible change, in the number of shares of the Company's common stock, or due to dividends to shareholders.

(iii) When multiple events requiring adjustment of the exercise price occur simultaneously, and it is necessary to take into account the impact of one such event in determining the market price to be used for calculating the adjusted exercise price under another event.

(6) When adjusting the exercise price, the Company shall notify the holders of the Stock Acquisition Rights in writing, no later than the day prior to the effective date of the adjusted exercise price, of the fact of such adjustment, the reasons therefor, the exercise price before adjustment, the adjusted exercise price, the effective date, and any other necessary matters. Provided, however, that if it is not possible to give such notice by the day prior to the effective date due to the circumstances set forth in Item (2)(v) above or for other reasons, the Company shall provide such notice promptly after the effective date.

11. Exercise Period of the Stock Acquisition Rights

The Stock Acquisition Rights may be exercised from October 20, 2025 to October 19, 2026. However, if the final day of the exercise period is not a business day for banks, the immediately following banking business day shall be deemed the final day.

12. Other Conditions for the Exercise of the Stock Acquisition Rights

The Stock Acquisition Rights may not be exercised in part.

13. Acquisition of the Stock Acquisition Rights

(1) After the issuance of the Stock Acquisition Rights, if the Board of Directors of the Company resolves that the acquisition of the Stock Acquisition Rights is necessary, the Company may, in accordance with Articles 273 and 274 of the Companies Act, acquire all or part of the Stock Acquisition Rights held by the holders thereof (excluding the Company itself) on the acquisition date determined by the Board of Directors, by paying an amount equal to the paid-in amount per Stock Acquisition Right, provided that notice of such acquisition is given at least 30 trading days in advance. In the event of a partial acquisition, the Company shall conduct such acquisition by lottery or other reasonable methods.

(2) In the event that a resolution is adopted at the General Meeting of Shareholders of the Company approving a merger in which the Company is the disappearing company, or a share exchange or share transfer in which the Company becomes a wholly-owned subsidiary (collectively, “Organizational Restructuring Transactions”), the Company shall, in accordance with Article 273 of the Companies Act and upon providing prior notice, acquire all of the Stock Acquisition Rights held by the

holders thereof (excluding the Company itself) on the acquisition date determined by the Board of Directors, which shall be a date prior to the effective date of such Organizational Restructuring Transaction, by paying an amount equal to the paid-in amount per Stock Acquisition Right.

(3) In the event that the Company's common stock is delisted from the Tokyo Stock Exchange, the Company shall acquire all of the Stock Acquisition Rights held by the holders thereof (excluding the Company itself) on the date falling two weeks after the date on which such delisting is determined (or, if such date is not a banking business day, on the immediately following banking business day), by paying an amount equal to the paid-in amount per Stock Acquisition Right.

(4) Notwithstanding any other provision of these Terms, any notice of acquisition of the Stock Acquisition Rights given by the Company to the holders shall not be effective unless the Company discloses such acquisition, so that no information the holders may obtain in connection therewith constitutes material non-public information as defined in Article 166, Paragraph 2 of the Financial Instruments and Exchange Act.

14. Increase in Capital Stock and Capital Reserve upon Issuance of Shares through the Exercise of the Stock Acquisition Rights

In the event that shares are issued upon the exercise of the Stock Acquisition Rights, the amount of capital stock to be increased shall be an amount obtained by multiplying 0.5 by the maximum amount of increase in capital stock, etc. as calculated pursuant to the provisions of Article 17 of the Ordinance on Company Accounting, with any fraction of less than one yen resulting from such calculation rounded up. The amount of capital reserve to be increased shall be the maximum amount of increase in capital stock, etc. less the amount of capital stock to be increased.

15. Method of Exercise of the Stock Acquisition Rights and Timing of Effectiveness

(1) To exercise the Stock Acquisition Rights, the necessary procedures for the exercise request must be carried out with the book-entry transfer institution (as defined in Item 22) or with an account management institution as defined in Article 2, Paragraph 4 of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc. (the "Book-Entry Transfer Act"). Such exercise shall be deemed to have been made when a notice of the exercise request is delivered by the book-entry transfer institution to the exercise request acceptance office specified in Item 18 during the exercise period set forth in Item 11.

(2) In the case where the property contributed upon the exercise of the Stock Acquisition Rights is cash, in addition to the procedures required for the exercise request under the preceding item, the full amount of such cash shall be remitted, through the book-entry transfer institution or the account management institution, in cash to the account designated by the Company at the payment handling office specified in Item 19. In the case where the property contributed upon the exercise of the Stock Acquisition Rights is a monetary claim, in addition to the procedures required for the exercise request under the preceding item, such monetary claim shall be delivered.

(3) An exercise request for the Stock Acquisition Rights shall become effective on the date when (i) in the case of a cash contribution, notice containing all matters required for the exercise request is delivered to the exercise request acceptance office specified in Item 18 and the full amount of the cash is deposited into the account specified in the preceding item, or (ii) in the case of a monetary claim contribution, notice of exercise is delivered to the exercise request acceptance office specified in Item 18 and the full amount of such monetary claim has been delivered.

(4) A person who has made an exercise request for the Stock Acquisition Rights may not withdraw such request thereafter.

16. Non-Issuance of Stock Acquisition Right Certificates

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

17. Basis for Calculation of the Paid-in Amount of the Stock Acquisition Rights and the Value of Property Contributed upon Exercise

Taking into account the terms and conditions set forth in these issuance guidelines and in the third-party allotment agreement to be entered into with the planned allottee, and based on the Monte Carlo simulation method, a generally accepted valuation model, the Company referred to the valuation results prepared by an independent valuation agent. Such valuation was conducted under certain assumptions regarding the Company's share price, liquidity and volatility of the Company's shares, call options granted to the Company, the exercise behavior of the planned allottee, and its shareholding trends. As a result, the paid-in amount per Stock Acquisition Right was determined to be JPY 1,840. Furthermore, the value of the property to be contributed upon exercise of the Stock Acquisition Rights was determined as set forth in Item 9 above.

18. Exercise Request Acceptance Office

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

19. Payment Handling Office

Shibuya Ekimae Branch, Sumitomo Mitsui Banking Corporation

20. Delivery of Shares upon Exercise of the Stock Acquisition Rights

The Company shall deliver shares by new book-entry registration or by transfer from treasury stock under the Company's name on the second banking business day following the date on which the exercise request of the Stock Acquisition Rights becomes effective.

21. Application of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc.

The Stock Acquisition Rights are rights that are subject, in their entirety, to the provisions of Article 163 of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc. (the "Book-Entry Transfer Act"), and, except as provided in Article 164, Paragraph 2 of the Book-Entry Transfer Act, certificates for the Stock Acquisition Rights may not be issued. The handling of the Stock Acquisition Rights and the shares to be delivered upon exercise thereof shall be governed by the business regulations and other rules concerning book-entry transfer of shares and the like as established by the book-entry transfer institution.

22. Name and Address of the Book-Entry Transfer Institution

Japan Securities Depository Center, Incorporated (JASDEC)

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

23. Miscellaneous

(1) The matters set forth above shall be subject to the effectiveness of the securities registration under the Financial Instruments and Exchange Act, the filing of the amended securities registration statement, and the approval at the Extraordinary General Meeting of Shareholders of the Company scheduled to be held on October 17, 2025, of the amendment to the Articles of Incorporation relating to the increase in the total number of issuable shares, as well as the approval of the issuance of the Stock Acquisition Rights.

(2) Any other matters necessary in connection with the issuance of the Stock Acquisition Rights shall be delegated to the Representative Director of the Company.