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### Notice on Reversal of Deferred Tax Assets and Revision of Full-Year Consolidated Earnings Forecast

The Company hereby announces the reversal of deferred tax assets in its financial results for the third quarter of FY2024/3, as well as the revision of its consolidated earnings forecast for fiscal year 2024 (April 1, 2023 to March 31, 2024) announced on May 15, 2023, based on recent performance trends as described below.

#### 1. Reversal of deferred tax assets

In view of the results for the year and the outlook for the future, the recoverability of deferred tax assets was carefully reviewed, and as a result, deferred tax assets were reversed and income taxes - deferred of 89 million yen were recorded in the third quarter of FY2024.

#### 2. Revised forecast of consolidated financial results for the FY2024 (from April 1, 2023 to March 31, 2024)

	Net sales	Operating profit	Adjusted EBITDA	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecast (A)	Millions of yen 2,000	Millions of yen 60	Millions of yen 295	Millions of yen 42	Millions of yen 5	Millions of yen 0.34
Revised forecast (B)	2,100	(250)	(50)	(290)	(960)	(64.18)
Change (B - A)	100	(310)	(345)	(332)	(965)	-
Change (%)	5.0	-	-	-	-	-
[Reference] Previous period results (FY2023)	1,924	(55)	689	46	(530)	(36.45)

\* The actual results for the previous fiscal year are the figures shown in the Annual Securities Report submitted on June 30, 2023, as the figures have been revised since the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]" released on May 15, 2023, in accordance with the instructions of our auditing firm.

#### Reasons for revising earnings forecast

In the FY2024/3, we are pursuing balanced growth both in Japan and overseas, while restructuring our domestic business portfolio and strengthening our global structure as a basic policy.

As a result, net sales are expected to exceed the previous forecast due to an increase in the number of FollowUP stores overseas, development orders received in Japan, and an increase in social media-related business, which is expected to exceed the plan for all consolidated subsidiaries except the Company.

On the other hand, we expect to record an operating loss and an ordinary loss. This is due to the fact that we have not been able to cover the costs of feasibility and personnel recruitment for the restructuring of the business portfolio, as well as the costs of personnel recruitment and the use of external resources to strengthen our global structure, resulting in profit and loss being much lower than planned. The reason for this is that the Company's efforts to improve the quality and project management accuracy of contracted

development projects resulted in delays in the acquisition of new projects in the third and fourth quarters of the period under review. For more details, please refer to < Appendix 1 >.

As announced today in the "Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 [Japanese GAAP]" and "Disclosure Update: Losses of Consolidated Subsidiary," in the third quarter under review, consolidated subsidiaries recorded extraordinary losses of 505 million yen related to bad debts on long-term loans receivables and income taxes - deferred of 89 million yen due to the reversal of deferred tax assets after reassessment of future taxable income, which are reflected in the estimated profit attributable to owners of parent.

As a result, we have revised our full-year consolidated earnings forecasts for the fiscal year 2024 (April 1, 2023 to March 31, 2024), which we announced on May 15, 2023.

< Appendix 1: Breakdown of Operating Profit Forecast after Revised Financial Results for the Fiscal Year Ending March 31, 2024 >

(Unit: millions of yen)					
	Previous forecast (A)	Revised forecast (B)	Change (B-A)	Change rate (%)	[Reference] Previous period results (FY2023)
Business in Japan	102	(375)	(477)	-	(95)
Overseas business	88	181	93	105.7	154
Elimination through consolidation	(130)	(56)	74	-	(114)
Total operating profit	60	(250)	(310)	-	(55)

\* The above forecasts are based on information available as of the date of this document, and actual results may differ from the forecasts due to various factors in the future.