



Business Plans and Matters Concerning Growth Potential

Datasection Inc.

June 30, 2025

Securities Code: 3905



1. Company Overview
2. Business Model
3. Market Environment
4. Sources of Competitive Advantage
5. Business Plan
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1. Company Overview

We ARE ...

What we will be ...

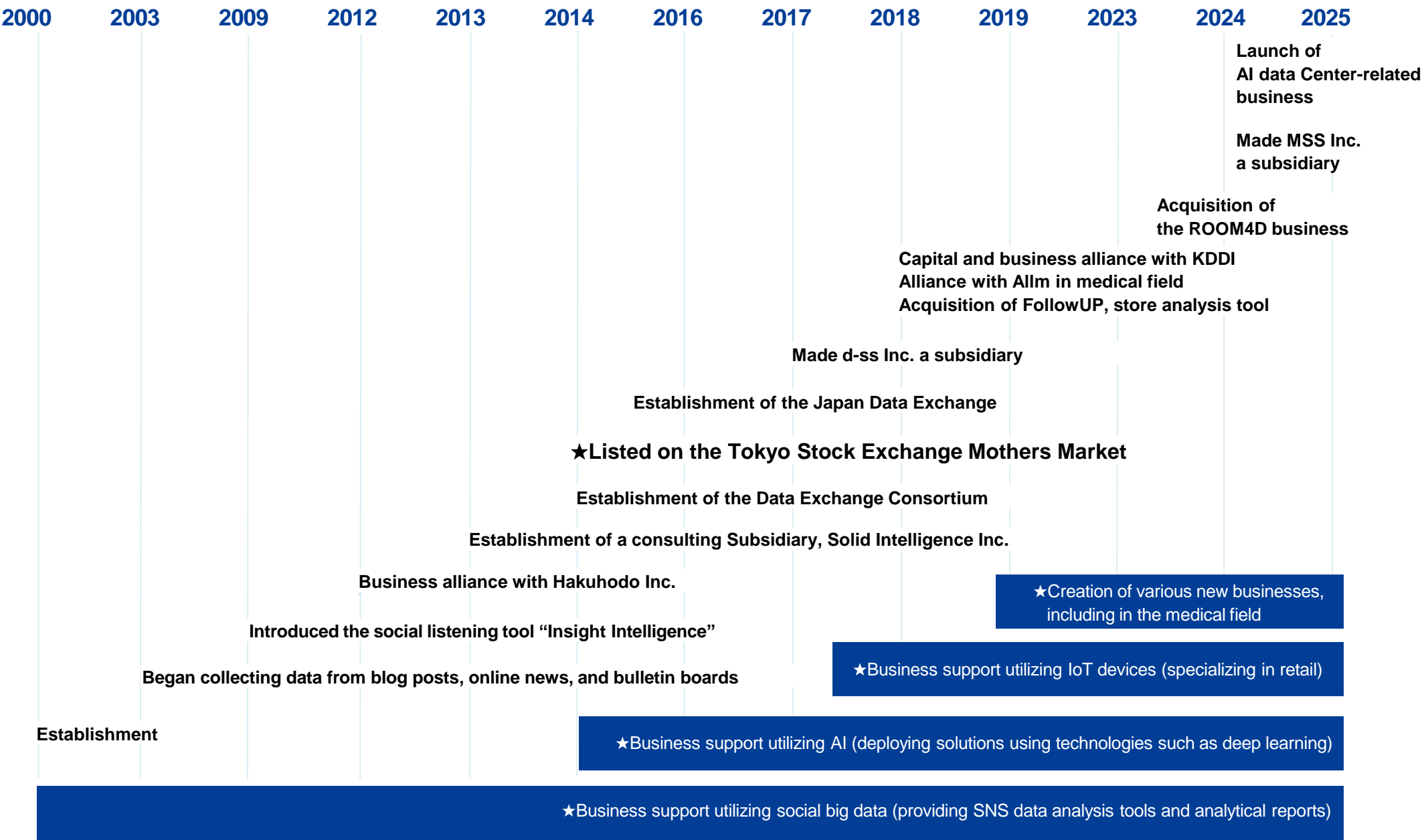
What we should do ...

Change the Frame

As the world's data 'section' overseeing and orchestrating data, we harness transformative technologies to continuously enhance lives, driving meaningful change in society and shaping new ways of living.

Datasection Inc.

Address	8F Gotanda PLACE, 1-3-8 Nishigotanda, Shinagawa-ku, Tokyo		Business Description	AI Data Center Solutions Data Science Services System Integration Marketing Solutions
Incorporation Date	July 11, 2000			
Capital	JPY 1,912,113 thousand (as of March 31, 2025)		Securities Code	3905
Board of Directors	Chairman, Director	Pablo Casado Blanco	Shareholders	First Plus Financial Holdings Pte. Ltd.
	Representative Director, President & CEO	Norihiko Ishihara		KDDI CORPORATION
	Director	John Ellis Bush Jr.		Nippon Life Insurance Company
	Director, Audit and Supervisory Committee Member	Shigeyuki Tsuchida		VLC Holdings Co., Ltd.
	Outside Director, Audit and Supervisory Committee Member	Tsuyoshi Hirayama German Alcayde Fort		Hakuhodo Inc.
	Senior Advisor	H.E. Anders Fogh Rasmussen		Others
Founder	Daiya Hashimoto			
Number of Employees	221 (Consolidated Basis)			





Pablo Casado Blanco
Chairman, Director



Norihiko Ishihara
Representative Director,
President and CEO



John Ellis Bush Jr.
Director



Shigeyuki Tsuchida
Director, Audit and
Supervisory Committee Member













German Alcayde Fort
Outside Director, Audit and
Supervisory Committee Member



Tsuyoshi Hirayama
Outside Director, Audit and
Supervisory Committee Member

- It has strengths in large-scale data analysis and high-performance image analysis using AI, and supports the digital transformation and operational efficiency of a wide range of businesses, including the retail industry, on a global basis.

	Year of Consolidation	Voting Rights Ownership Ratio	Main Business Activities
Datasection Inc. 	2000	-	AI Business
Solid Intelligence Inc. 	2013	100.0%	Marketing solutions business (multilingual social media analysis, etc.)
d-ss Inc. 	2018	100.0%	Financial system operation and maintenance, application development, and system integration business
Jach Technology SpA 	2019	100.0%	Marketing solutions business (Chile)
Alianza FollowUP S.A.S. 	2019	100.0%	Marketing solutions business (Columbia)
Intelligenxia S.A. 	2021	100.0%	Marketing solutions business (Chile)
FollowUP Peru S.A.C 	2022	55.0%	Marketing solutions business (Peru)
FollowUP Customer Experience S.L. 	2023	95.0%	Marketing solutions business (Spain)
Alianza FollowUP Panamá S.A 	2023	100.0%	Marketing solutions business (Panama)
MSS Inc. 	2024	100.0%	Marketing solutions business (marketing research, promotion, etc.)

Sustainability Policy

**Shaping a better world
and enriching lives for the next 100 years**

Top Message

Driven by a steadfast commitment to enhancing lives worldwide, we pursue sustainable growth and propel our company toward new heights.

“The integration of technology and society” has been our philosophy since being founded in 2000.

We believe that by harnessing cutting-edge technologies, such as big data analytics, AI, and deep learning, and implementing them in society, we can help shape a better future.

■ We are deeply committed to addressing global challenges, ranging from declining birthrates and aging populations, to shrinking workforces, food security, and societal safety, as well as the transformation of the very structures of society itself. To realize this vision, continually striving to enhance corporate value.

As a concrete and enduring framework for these efforts, we have established the Datasection Group Sustainability Policy.

Sustainability Vision

Shaping a better world and enriching lives for the next 100 years

Our mission “**Change the Frame**”, embodies our unwavering vision, to continually elevate and transform the way people live around the world.

As the Datasection Group, we operate on a truly global state, driven by the ambition to help shape a future, 100 years from now, where humanity and the planet not only coexist but flourish together.

With this future in mind, we embrace our role as trailblazers in technology.

Forging innovation through the power of global partnerships

By supporting stable management centered on our South American subsidiaries, we contribute to developing technologies in emerging countries and fostering the expansion of new businesses. Furthermore, leveraging our ongoing global partnerships, we collaborated with Japan's Ministry of Internal Affairs and Communication to implement our services in Chile's public institutions, driving cross-boarder innovation.



Promoting diversity and inclusion on a global scale

By partnering with companies in Southeast Asia, we promote diversity while ensuring compliance with labor environments based on each country's regulations. Since 2022, we have introduced a paternity leave system, seen a steady increase in female employees, and evolved into a more flexible organization that embraces differences in gender and family circumstances. We are also proactively hiring multinational engineers, fostering a workplace where people can work regardless of birthplace, race or cultural background.



Cultivating and empowering diverse talent to lead the world of tomorrow

Offering educational programs designed to cultivate talent capable of clearly communicating data utilization methods and analytical results to stakeholders in diverse roles, in anticipation of a near future where data science becomes the core of business. These initiatives promote understanding of data science and contribute to developing data scientists who can excel across a wide range of industries.



Committed to strict compliance and to strengthening corporate governance

Striving to build a transparent and open workplace by implementing initiatives such as regular one-on-one meetings between management and all employees, and allowing interested staff to observe executive meetings. We engage with external professionals for specific purposes, seeking expert advice to scale our business and collaborating with occupational health physicians to support the physical and mental well-being of our employees.



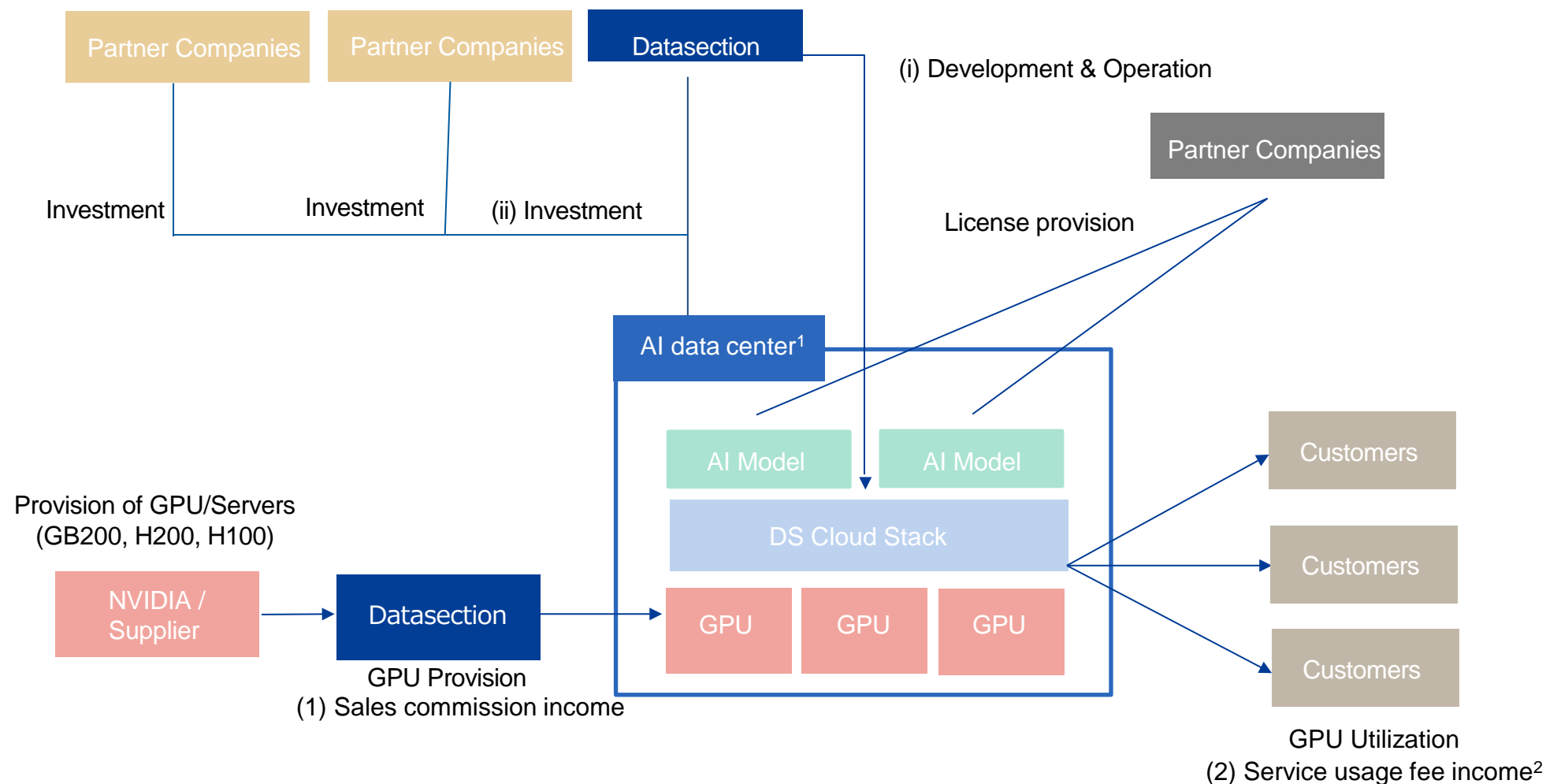
2. Business Model

- New Business:
 - AI data center-related business
- Existing Businesses:
 - Data science business
 - System integration business
 - Marketing solutions business

In the case of a direct investment model for AI data centers, there are two revenue structures:

- Returns from AI data center investments
- Revenue from AI data center-related businesses

Although there were no sales results in the fiscal year ended March 2025, which marked the startup phase of the AI data center business, we aim to make it a core business within the fiscal year ending March 2026.

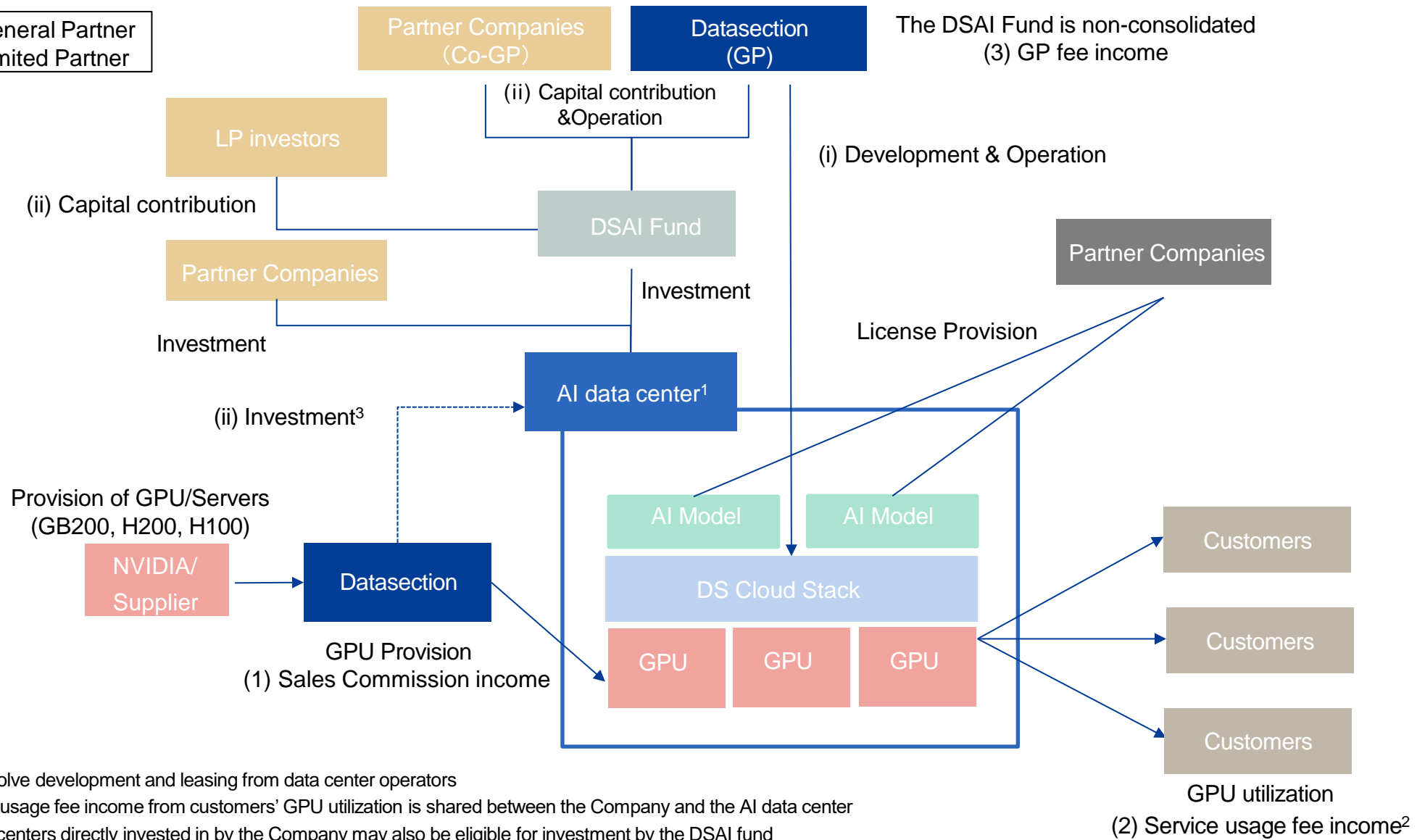


1. May involve development and leasing from data center operators

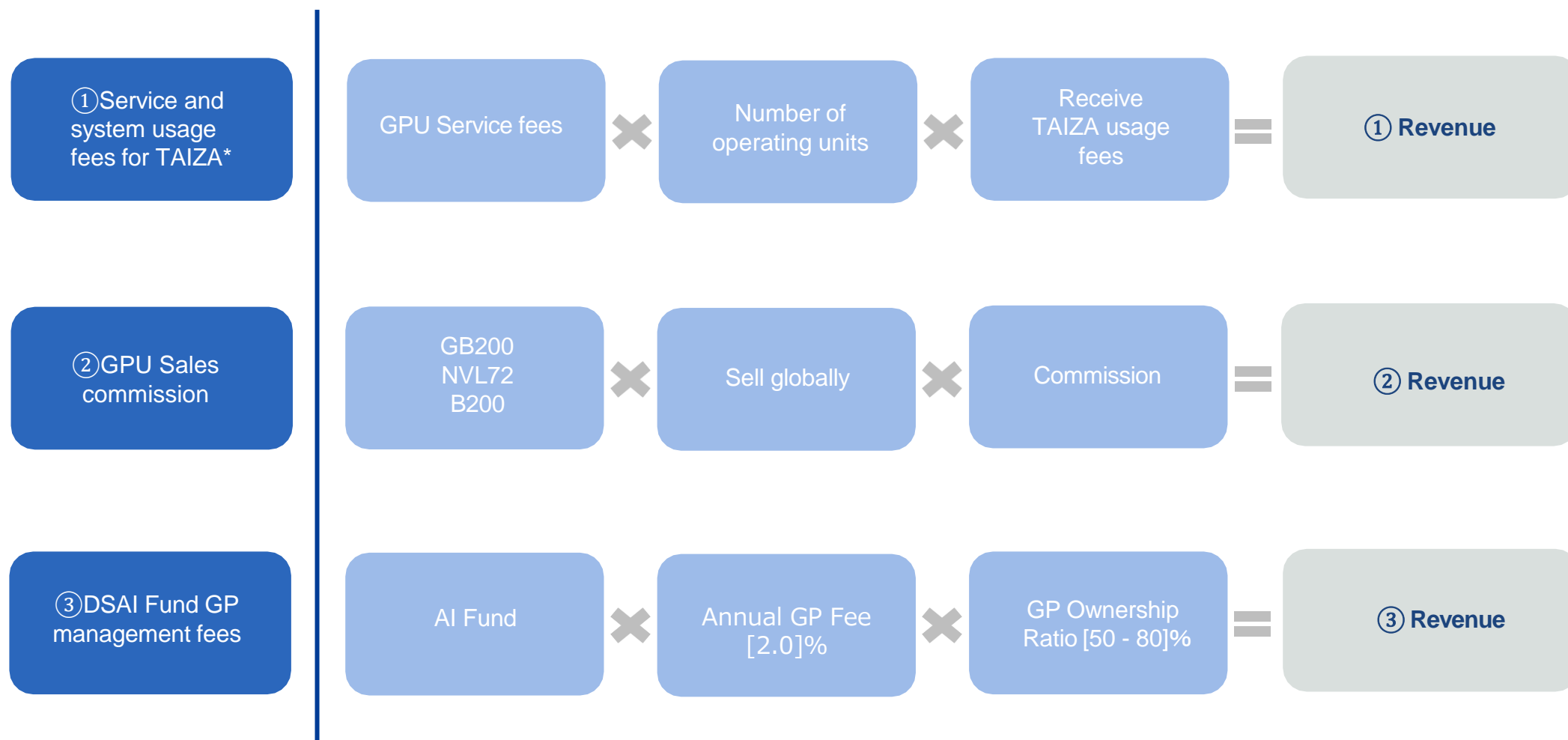
2. Service usage fee income from customers' GPU utilization is shared between the Company and the AI data center

When supporting AI data Center through a fund, **there are three revenue structures.**

- Returns from DSAI fund investments

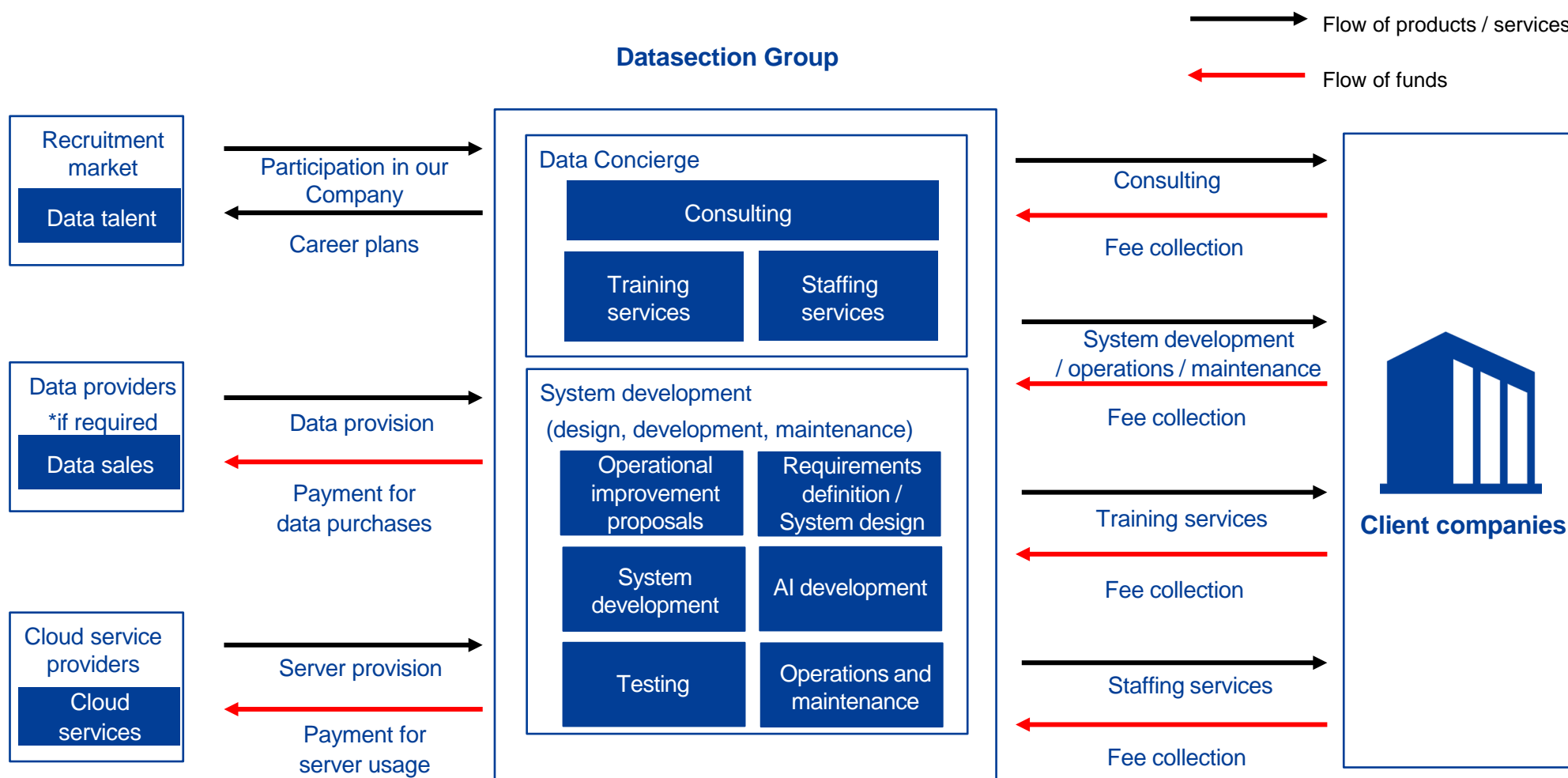


- The new AI data center business is expected to generate revenue through the following **three main models**.
- At present, priority is given to high-margin “Direct Investment” opportunities, whereas GP fees ③ are contingent upon individual project arrangements.

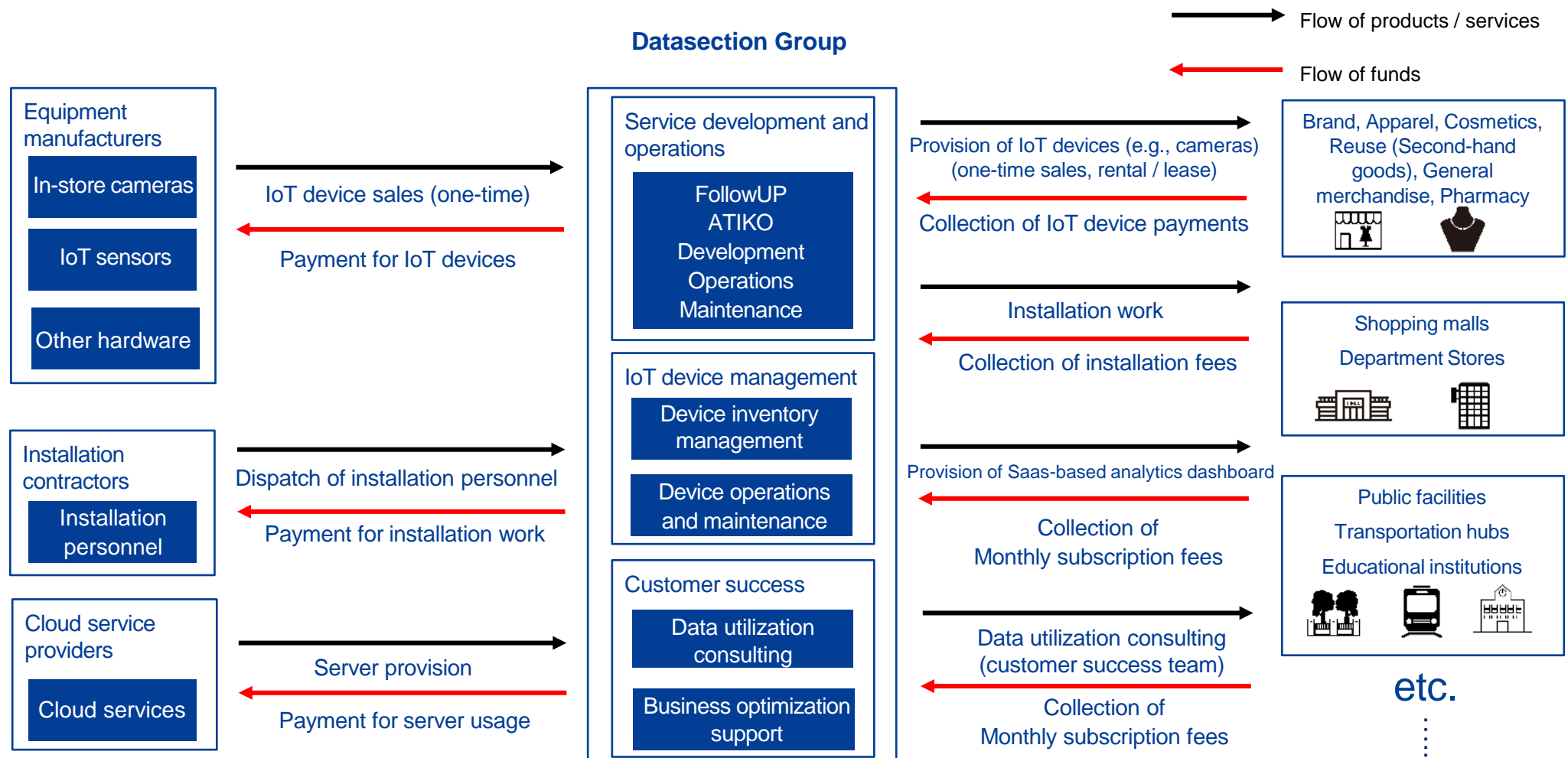


*TAIZA: our proprietary AI cloud service system that enables the operation of AI data centers in the same manner as hyperscalers.

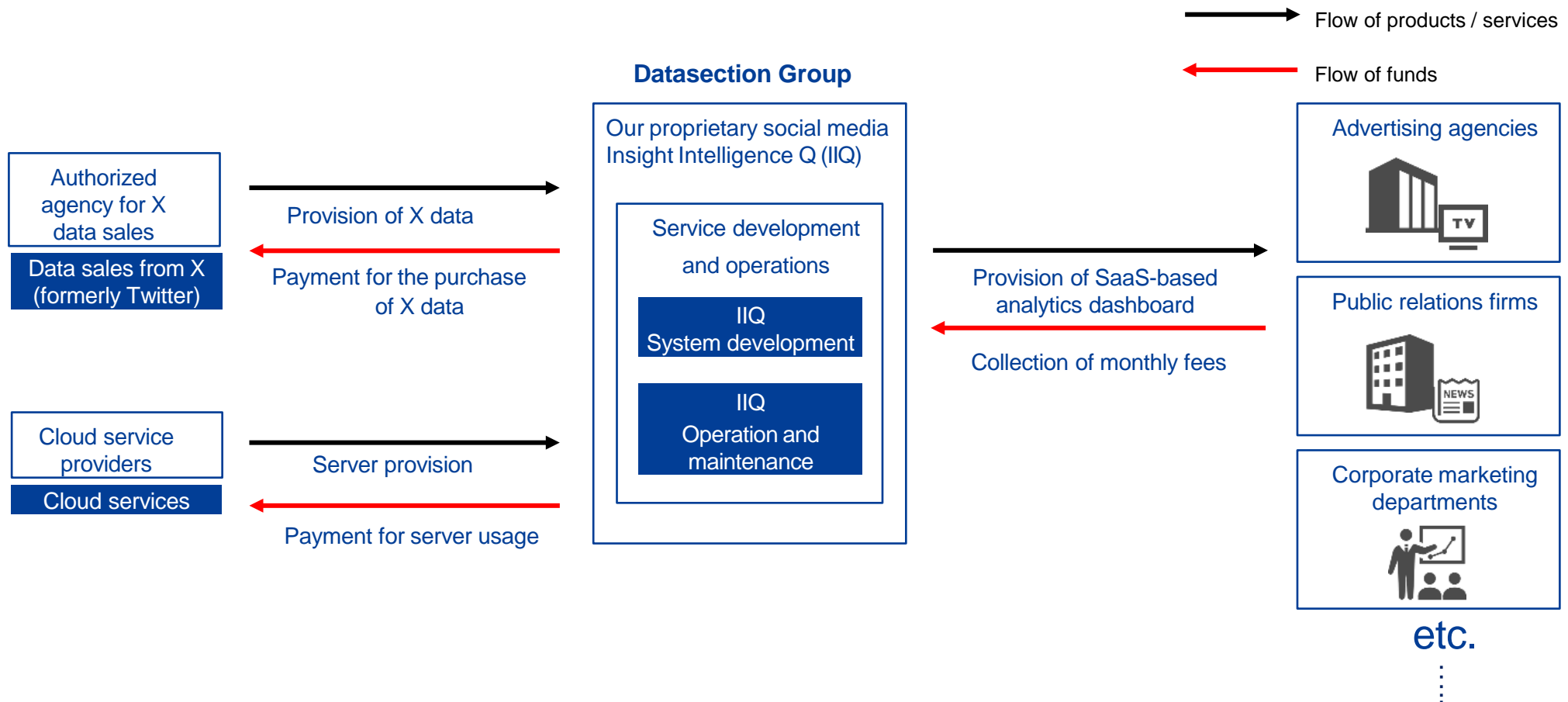
- Providing comprehensive services to enhance corporate operational efficiency and Digital Transformation
 - Leveraging the domain expertise and data management capabilities of our group companies.
 - Delivering consulting, training, staffing, AI and related system development, as well as operational support, all tailored to meet the specific needs of our clients.



- Promoting facility digital transformation (DX) through Big Data unavailable from POS system
 - Offering two proprietary in-store analytics services: FollowUP and ATIKO.
 - Deploying IoT devices in stores to capture behavioral data of all visitors within the facility.
 - Processing and analyzing the data, then delivering results via an intuitive dashboard to empower data-driven improvement decisions.



- Measuring the effectiveness of Corporate promotions on X (formerly Twitter)
 - Insight Intelligence Q (IIQ) analyzes user-generated content and word-of-mouth trends disseminated on X to provide actionable insights.
 - Offered as a subscription-based SaaS platform to support and enhance corporate digital marketing strategies.

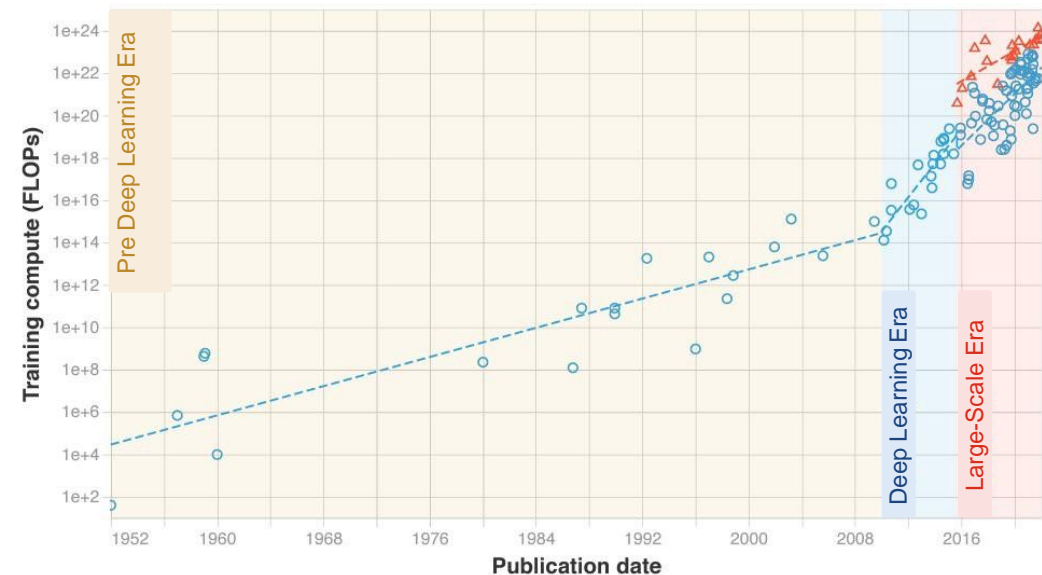


3. Market Environment

The transition from traditional AI to generative AI has led to a dramatic leap in both the processing capacity and speed of AI computing.

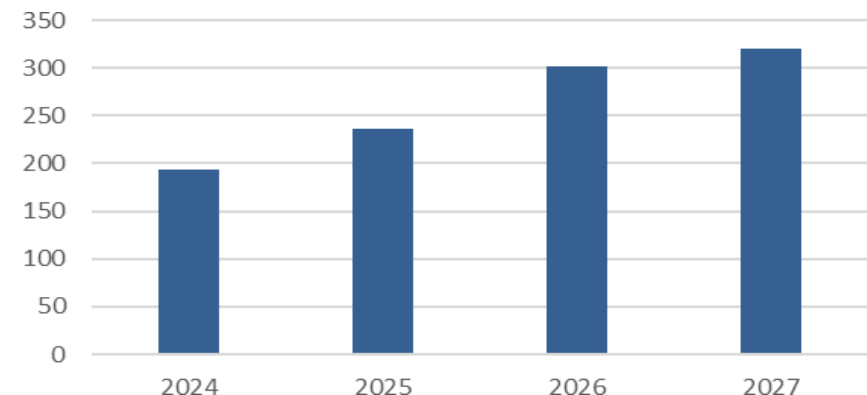
- Large Language Models (LLMs) are expanding at an unprecedented pace¹. The swift progress in video generation technologies is driving the need for infrastructure with computing power far surpassing that of LLMs².
- For instance, in autonomous driving, faster decision-making and action planning are required, demanding the ability to execute complex decisions rapidly and process vast amounts of real-time data³.
- With an increasing number of companies adopting AI to boost productivity, creativity, and competitiveness, demand for high-performance AI infrastructure is accelerating. The market is forecast to surpass USD 400 billion by 2033, achieving a compound annual growth rate (CAGR) of 27.53% between 2024 and 2033⁴.
- **Production capacity for AI servers, including Graphics Processing Units (GPU)*, remains constrained⁵, while demand for computing power is surging⁶.** The computing capacity required to train AI models is doubling roughly every six months⁶, but supply has not kept up, leading to a worldwide shortage of high-performance AI servers⁵.
- **The AI server market is forecast to achieve a compound annual growth rate (CAGR) of 24.7% between 2024 and 2027**, with shipments rising from 2 million units in 2024 to 3.2 million units by 2027⁷.

Training Compute Resources⁶



AI Server Unit Compound Annual Growth Rate (CAGR) 2024 - 2027⁷

Unit: 10K Server Units



* A specialized processor built into devices dedicated to image rendering, designed to perform complex computational tasks.

Raising capital through funds to address the growing global demand for AI infrastructure. We secure capital via funds to support global AI infrastructure needs.

- Despite substantial investment in AI infrastructure, computing capacity remains severely constrained, making resource acquisition challenging even for major corporations⁵. With AI infrastructure investment expected to reach several billion USD⁴, securing resources will be **even more difficult for small and mid-sized enterprises with limited capital**.
- **On July 4, 2024, we resolved to establish the DS AI Infrastructure Global Investment Fund (tentative name, “DSAI Fund”) to tackle this challenge.** By attracting global investors and securing capital support, we seek to address the ongoing global GPU shortage and driver the acceleration of business activities through AI adoption.

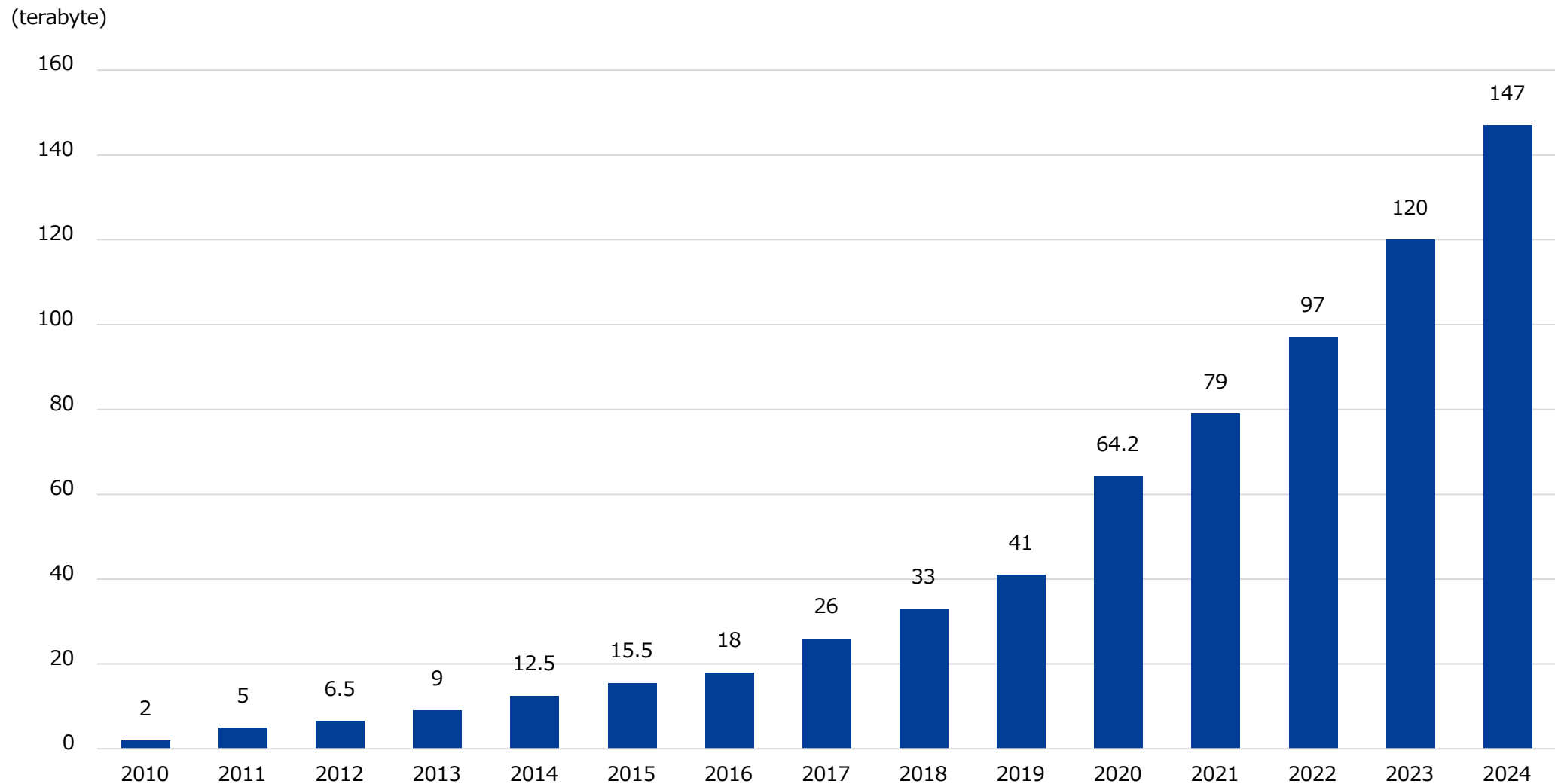
Note: For each project, we will adopt either a fund investment model leveraging the DSAI Fund or a direct investment model, depending on the circumstances.

Forging strong partnerships with the United States and Europe to driver GPU procurement and the formation of strategic projects.

- In the context of escalating geopolitical risks, **AI is emerging as a key enabler for addressing security challenges**, leveraging drones, satellites, facial recognition, and large-scale data analytics⁸.
- **Focus on Europe.** After decades of underinvestment and dependence on the United States (Euro 713.5 billion compared to Euro 293 billion by European countries⁹), **European defense expenditure is forecast to rise to Euro 453 billion by 2026**, representing a 53% increase over five years, and to approach Euro 1 trillion by 2030⁹.
- In AI technologies, the United States has imposed stringent export controls, with further tightening anticipated. This suggests that, **in the future, only nations with close relationships with the U.S. or recognized security partners will be able to secure the required import licenses and access to technical support**¹⁰.
- By partnering with four leading Taiwanese suppliers, we **secure access to cutting-edge GPUs**.

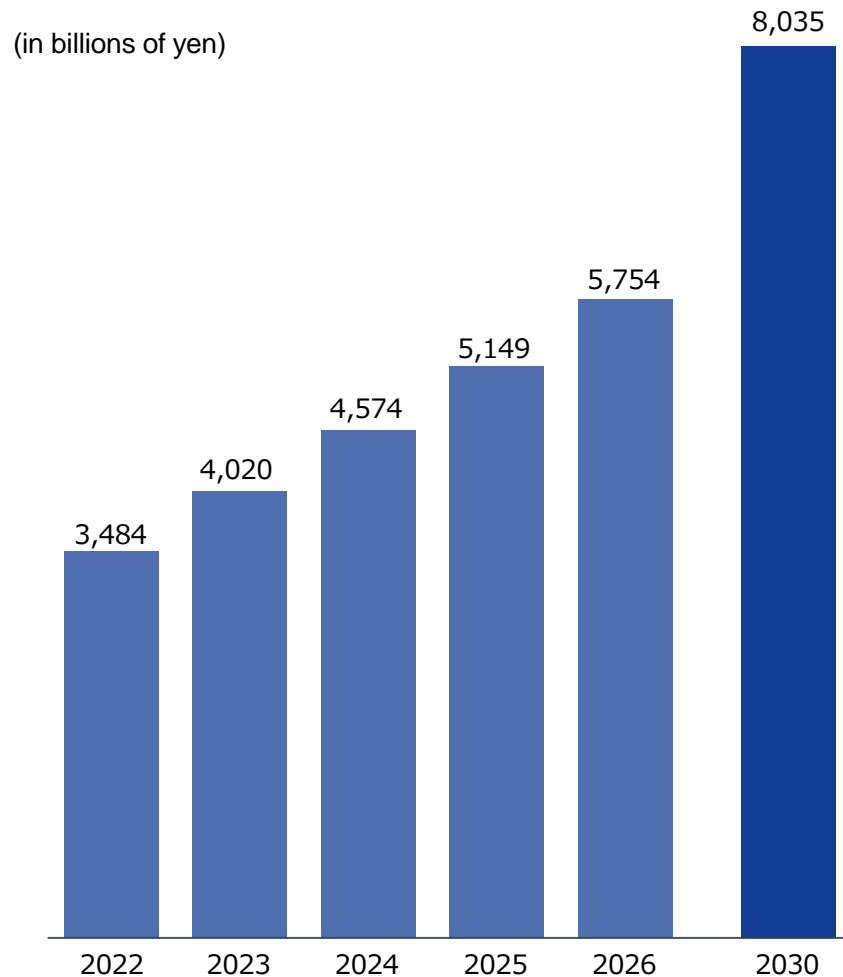
- 1 *“Can AI Scaling Continue Through 2023?”*, EPOCH AI
- 2 *“Video generation models as world simulators (February 2025)”*, OpenAI
- 3 *“Edge Computing for Real-Time Decision Making in Autonomous Driving: Review of Challenges, Solutions, and Future Trends (2024)”*, Jihong XIE, Xiang ZHOU, Lu CHENG
- 4 *“Artificial Intelligence (AI) Infrastructure Market Size, Share, and Trends 2024 to 2033 (April 2024)”*, Precedence Research
- 5 *“AMD's AI head explains how it's tackling Nvidia's 'lock-in' and the AI chip shortage (July 2024)”*, BUSINESS INSIDER
- 6 *“Compute Trends Across Three Eras of Machine Learning”*, Jaime Sevilla, Lennart Heim, Anson Ho, Tamay Besiroglu, Marius Hobbhahn, Pablo Villalobos
- 7 *“Taiwan Accounts for 90% Global AI Server Shipments with Two Major Growth Drivers Anticipated in 2024 (January 2024)”*, Market Intelligence & Consulting Institute
- 8 *“Artificial Intelligence and National Security (November 2020)”*, Congressional Research Service
- 9 *“Invasion of Ukraine: Implications for European Defense Spending (December 2022)”*, McKinsey
- 10 *“The generative world order: AI, geopolitics, and power (December 2023)”*, Goldman Sachs

Global Volume of Data Generated and Replicated



References: IDC Global DataSphere Forecast, 2021-2025

- Driven by the need to address industry and societal challenges, the domestic DX market is accelerating investment and is expected to reach JPY 8.035 trillion by FY2030.



Industries / Societal challenges requiring DX investment

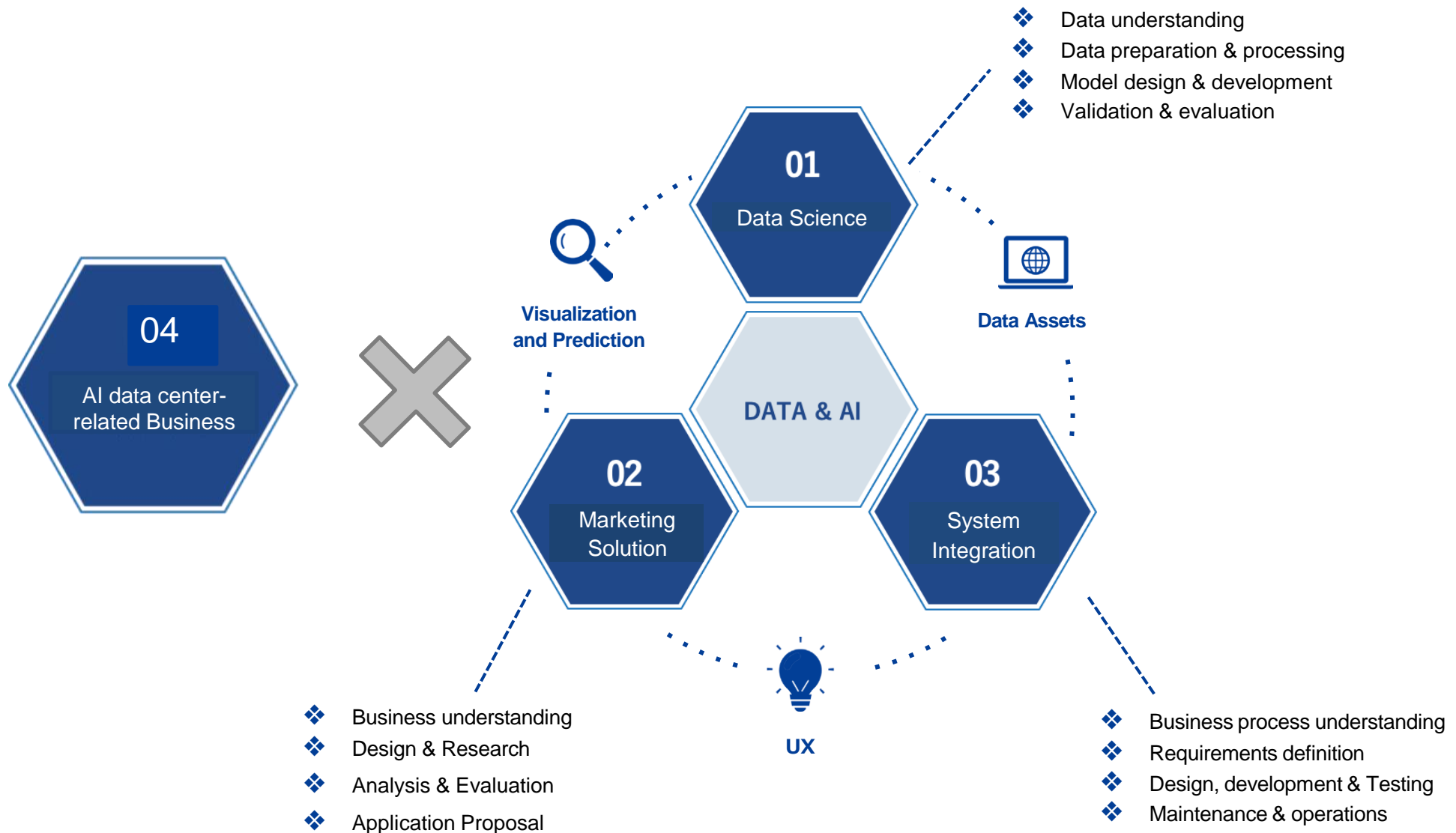
- Revenue / Profit growth
- Aging society
- Labor shortages
- Supply chain issues
- Rising prices
- Foreign exchange fluctuations
- Shifts in consumer behavior
- Uncertain global environment
- Decarbonization / ESG Initiatives

DX Roadmap / Phase









1. Individual process optimization and digital adoption
2. Enterprise-wide optimization, process transformation, and applied data utilization
3. Fostering innovation and deepening social-level digital transformation

4. Sources of Competitive Advantage

- Leveraging the solid foundation of our existing businesses, built on three proven data solutions applicable across industries, to drive the growth of our new AI Business.



Business environment surrounding the AI data center-related business

	Essential capabilities of an AI data center	Challenges faced by the industry
During Development	 GPU	NVIDIA products are in high demand and short supply
	 Servers and associated equipment	NVIDIA's partner manufacturers face capacity constraints
	 Land and facilities	Developing from scratch takes more than three years
	 EPC	The ongoing construction boom is making it difficult to secure contractors
After Commencement of Operations	 AI Cloud operations	Developing a hyperscale-class platform offering top efficiency and usability is highly challenging
	 Data center operations	Few companies possess the expertise to operate the latest equipment
	 Power supply	Power capacity is tight across Japan
	 Customer acquisition	Securing Large-scale customers is difficult without testing features ahead of competitors



By overcoming the challenges faced by the AI data center business, we aim to gain a competitive advantage even against hyperscalers.

Challenges in the data center business



Datasection's Strategy



Achieved Business Model



In the data center business, success will belong only to those who can overcome the following challenges

- Capability to secure GPUs and servers while mitigating political risks
- Capability to develop foundational software for AI data center
- Capability to rapidly complete development and construction
- Capability to secure significant power capacity

Fast-tracking commercialization by tackling industry bottlenecks through technology-led partnerships

- 1** Partnering with top Taiwanese manufacturers for priority GPU procurement.
 - 2** Engineers have further strengthened the AI Cloud since 2014 listing.
 - 3** Fast-tracking capacity planning through collaboration with industry experts.
- Developing a model to repurpose power-ready idle plants and lease existing Data centers at scale.

Achievements already realized through our strategy

- Partnership established with NVIDIA's four Taiwan manufacturing partners.
- Developed "TAIZA", a cloud stack optimized to deliver maximum GPU performance for AI model inference.
- Partnership with CUDO, SSI, and other proven players in Europe and Asia.
- Forged alliances with several leading data center operators.

November 15 / November 21 / December 2 / December 23, 2024

Entered into a basic agreement on a business partnership with four Taiwan manufacturers, partner suppliers of NVIDIA.

Continuing discussions on manufacturing capacity for GPU server racks, including those for Sakai city, Osaka, and Spain.

NVIDIA maintains partnerships with server manufacturers



NVIDIA Partners with World's Top Server Manufacturers to Advance AI Cloud Computing

Foxconn, Inventec, Quanta, Wistron Using NVIDIA HGX Reference Architecture to Build AI Systems for Hyperscale Data Centers

May 29, 2017

Computex -- NVIDIA today launched a partner program with the world's leading original design manufacturers (ODM) -- Foxconn, Inventec, Quanta and Wistron -- to more rapidly meet the demands for AI cloud computing.

Through the NVIDIA HGX Partner Program, NVIDIA is providing each ODM with early access to the NVIDIA HGX reference architecture, NVIDIA GPU computing technologies and design guidelines. HGX is the same data center design used in Microsoft's Project Olympus initiative, Facebook's Big Basin systems and NVIDIA DGX-1™ AI supercomputers.

Using HGX as a starter "recipe," ODM partners can work with NVIDIA to more quickly design and bring to market a wide range of qualified GPU-accelerated systems for hyperscale data centers. Through the program, NVIDIA engineers will work closely with ODMs to help minimize the amount of time from design win to production deployments.

As the overall demand for AI computing resources has risen sharply over the past year, so has the market adoption and performance of NVIDIA's GPU computing platform. Today, 10 of the world's top 10 hyperscale businesses are using NVIDIA GPU accelerators in their data centers.

With new NVIDIA® Volta architecture-based GPUs offering three times the performance of its predecessor, ODMs can feed the market demand with new products based on the latest NVIDIA technology available.

Reference: NVIDIA Newsroom Press Release <https://nvidianews.nvidia.com/news/nvidia-partners-with-world-s-top-server-manufacturers-to-advance-ai-cloud-computing>

Status of diversification in server procurement and secured volumes (Negotiations by server supplier)



April 12, 2024

Inventec

(Revenue: JPY 2,364.2 billion, 2023)



November 15, 2024

wistron

(Revenue: JPY 3,982.4 billion, 2023)



November 21, 2024

GIGA COMPUTING



December 2, 2024



Quanta Computer

(Revenue: JPY 4,986 billion, 2023)



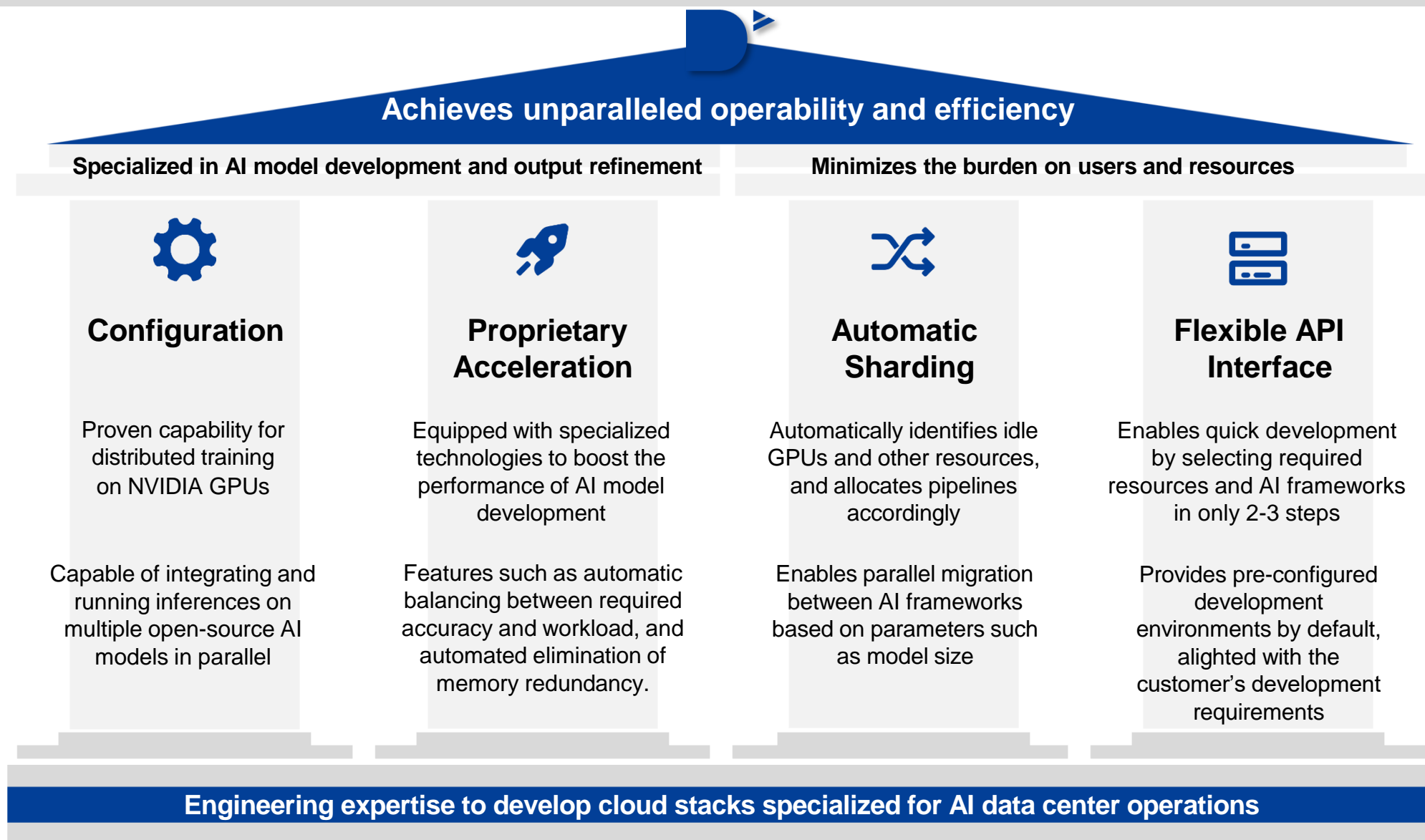
December 23, 2024

2 Our Proprietary DS Cloud Stack, “TAIZA”, Delivered Performance on Par With, or Exceeding, That of Hyperscalers, and Has Been Officially Launched.

4. Source of Competitive Advantage

March 31, 2025

The first cloud-based infrastructure software enabling efficient, flexible, and user-friendly inference using open-source AI models, including cross-model output verification and refinement. Phased testing led by customers has also been conducted.



October 7, 2024

Entered into a basic agreement for an EPC (Engineering, Procurement and Construction) business partnership with SSI, a company with extensive experience and expertise in data center design and construction, covering the design, procurement, construction, and operation of AI data centers.

Management Commentary

“ We have entered into a basic agreement with SSI, a company with extensive experience and expertise in data center design and construction, with the aim of establishing ourselves ad a leading company in the design, construction, and operation of AI data centers. Through this partnership, we will deliver innovative solutions, set the standard for next-generation AI data centers, and realize the provision of more sustainable and efficient services.

“ Under this basic agreement, SSI will serve as our EPC contractor, jointly undertaking the design, procurement, construction, and operation of AI data center in Japan and overseas. SSI will also be responsible for post-construction operation and maintenance, as well as the formation, financing, and execution of new AI data center projects.

1	Name	Shinetsu Science Industry	
2	Location	R-DEPOT 3F N-West 610-12 , Ooazaminami NaganoNishigo-cho, Nagano-shi, Nagano-ken	
3	Representatives	Kotaro Kosaka, Chairman	
		Goro Sasaka, President and CEO	
4	Business Activities	Data center design and construction	
5	Capital	JPY 999 million	
6	Date of Establishment	December 28, 2015	
7	Major Shareholders and Shareholding Ratios	not disclosed due to confidentiality obligations with SSI	
8	Relationship with listed companies	Capital Relationships	No applicable items
		Personnel Relationships	No applicable items
		Transaction Relationships	No applicable items
		Status Regarding Related Parties	No applicable items
9	Management Performance and Financial Status	not disclosed due to confidentiality obligations with SSI	

Reference: SSI

3 Entered Into a Basic Agreement for a Capital Alliance with CUDO, with the Aim of Making it a Subsidiary

4. Source of Competitive Advantage

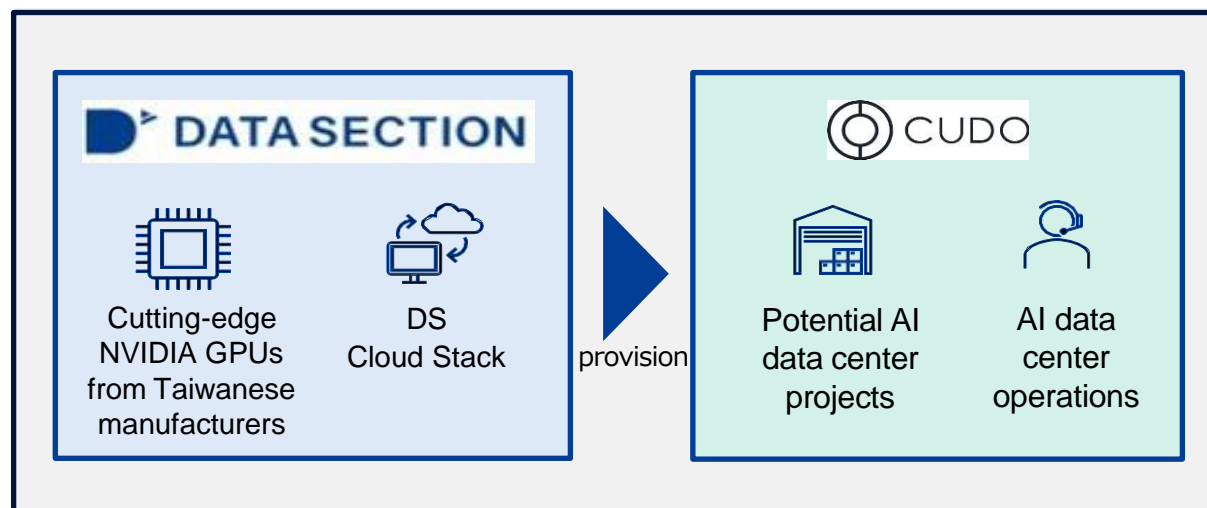
February 6 / June 2, 2025

Entered into a business alliance agreement with CUDO Ventures (“CUDO”), an NVIDIA-certified AI partner (NVIDIA Cloud Partner, “NCP”), for AI data center business. In addition, the two parties have reached a basic agreement on a capital alliance (making CUDO a subsidiary) and established a joint venture (subsidiary) to promote collaborative projects. This partnership enables the securement of NVIDIA’s cutting-edge GPUs and the accelerated delivery of our DS Cloud Stack.

Overview of CUDO

- Based in the United Kingdom
- Recognized as an NVIDIA Cloud Partner (NCP), CUDO Ventures possesses advanced technical expertise in AI cloud stack and Data center infrastructure.
- Operates and manages thousands of NVIDIA GPUs across the United States, Middle East & Africa, Europe, and Asia, offering GPU-as-a-Service (GPUaaS), storage, networking, and managed services for AI workloads.
- Since being certified as an NCP in May 2024, the company has accelerated the expansion of its AI data center operations.

Details of the Alliance



- The partnership with CUDO enables us to secure all critical components necessary for launching AI data center operations ahead of schedule.
- CUDO’s potential projects will gain early access to cutting-edge NVIDIA GPUs and our DS Cloud Stack, enabling rapid deployment and enhanced performance from the outset

Reference: CUDO

March 10, 2025

Mr. Juan Manuel (Juancho) Irigaray, who brings over 20 years of leadership experience in the cloud and data center sector, particularly in large-scale infrastructure, cloud services and major AI initiatives, has been appointed as an advisor. Mr. Juancho has held executive positions at several leading global companies.

■ Mr. Juancho joins our group

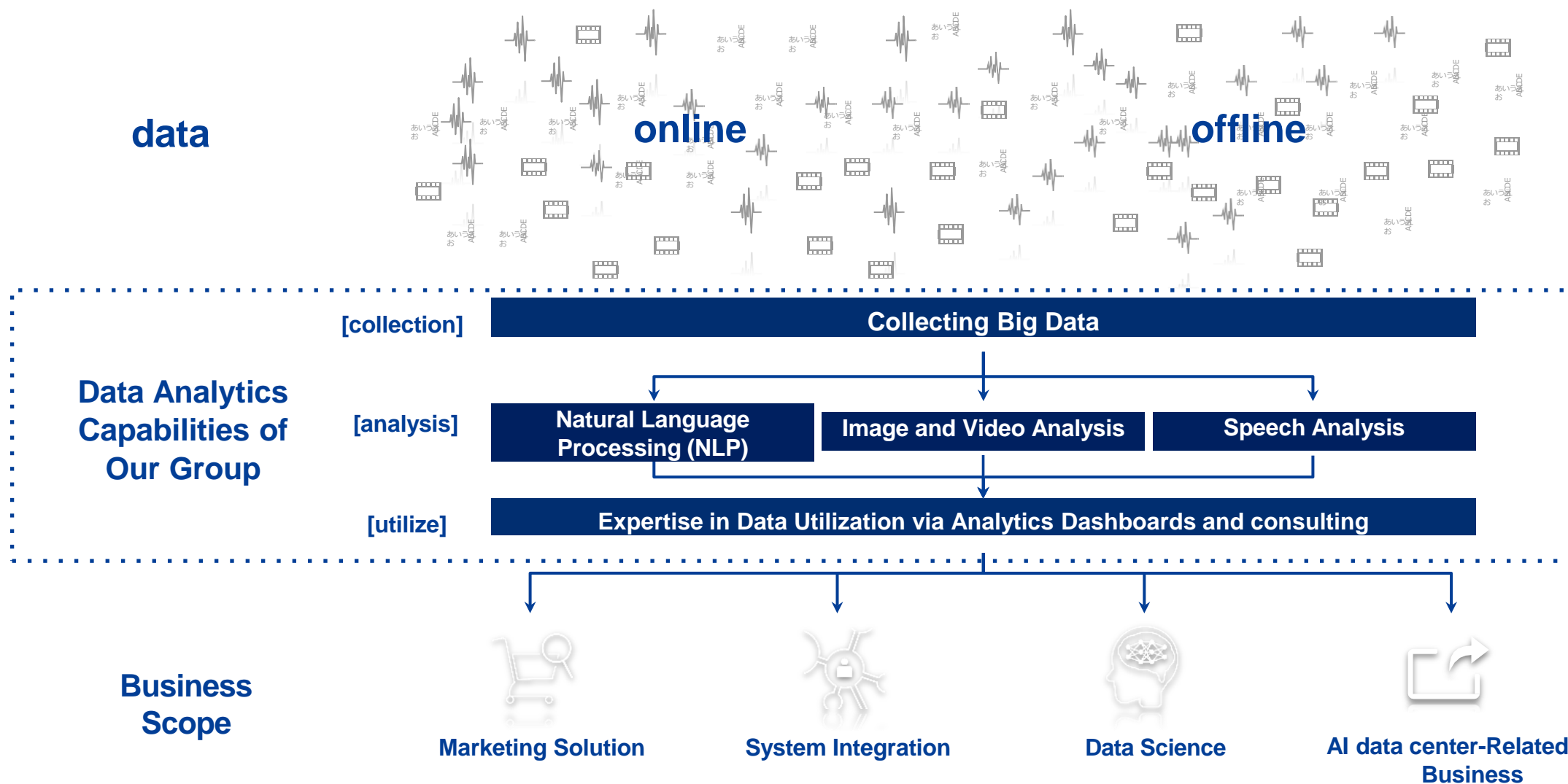
- His appointment will further accelerate our Group's initiatives to expand and grow the AI data center business globally, with a particular focus on Europe.
- Mr. Juancho has held C-level strategic roles at leading companies such as Microsoft, Amazon Web Services, and Equinix, where he had led multi-million-dollar projects.
- Recognized as a thought leader in the industry, Mr. Juancho has spoken as a cloud expert at international conferences including AWS re:Invent, KubeCon, and the MoneyLIVE Digital Conference.

■ Background of Mr. Juancho

- Microsoft:
Served as country engineering lead for Azure expansion and head of Microsoft Cloud for government agencies in multiple countries.
- Amazon Web Services, Spain and Denmark:
Led the partner management solutions architect team in Spain and served as head of the enterprise segment in Denmark.
- Equinix, EMEA:
Director of professional services and global solutions architecture.
- CloudMas, CTO & Co-Founder:
Led cloud technology and business development teams, spearheading AWS market expansion and achieving recognition as the first AWS premier partner in Spain.

Core Technology “Large-Scale Data Analytic Technology”

Amid the exponential growth of data, the ability to identify, collect, and analyze mission-critical information has become essential. Our state-of-the-art analytics technology converts vast datasets into actionable insights, enabling the development of proprietary products and services.



Knowledge accumulated through specialization in specific industries

Retail Industry

- AI solutions deployed across 9,000 stores worldwide
- Product portfolio covering everything from large commercial complexes to small retail shops
- Tailored data acquisition methods and utilization proposals based on business format
- Extensive expertise in selecting and operating IoT devices
- DX (Digital Transformation) driven by both SaaS and system development capabilities



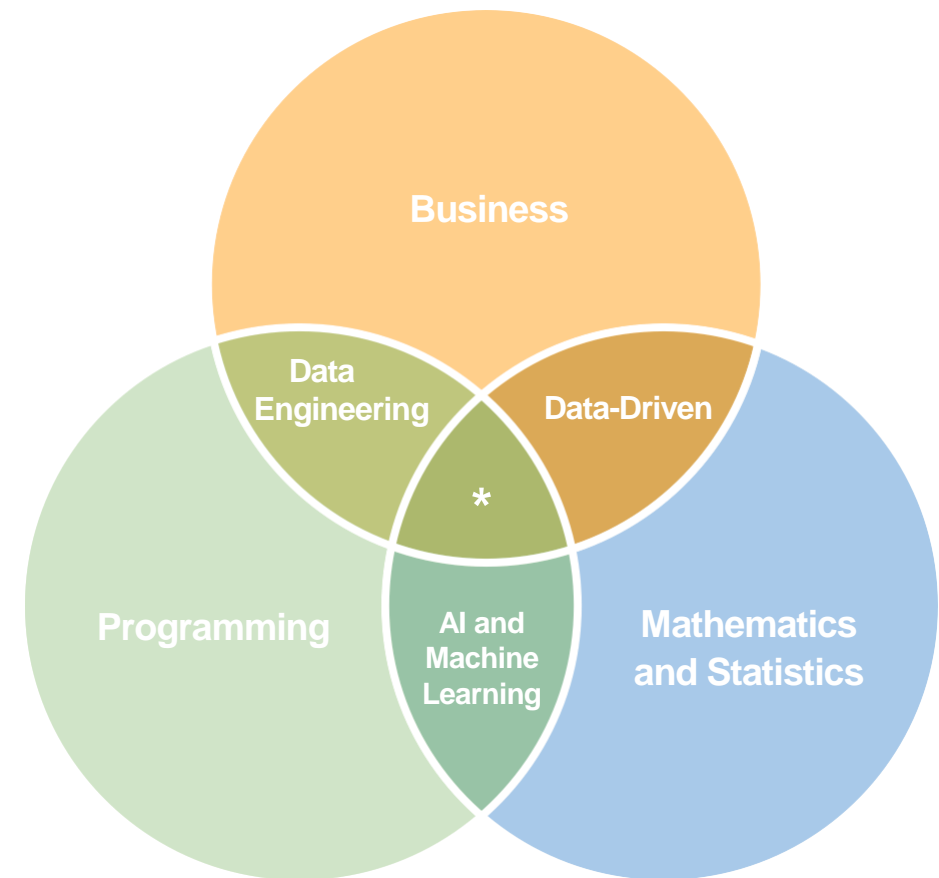
Financial Industry

- Design and construction of system infrastructure compliant with PCI DSS
- MSP services, application development, and maintenance in accordance with the same standards
- Support for CDP (Customer Data Platform) construction, data analysis and utilization
- 23 years of experience in large-scale financial system infrastructure projects



“Data Science” An essential Pillar of Data-Driven Management

- ❖ End-to-End support from POC to In-House development
- ❖ Extensive expertise in prediction, analysis, and optimization
- ❖ Comprehensive services for data infrastructure and dashboard development
- ❖ Scalable, fault-tolerant BI infrastructure and streamlined system integration
- ❖ Providing ongoing, partner-style support in the maintenance and operations phase



***Data Science Overview**

Driving Innovation through Data and AI End-to-End Support from Concept to Development and Operations



Ad-Hoc development across Web applications (Front-End and Bank-End), Mobile development, Image processing, Natural Language Processing, and Data Analytics

Advanced System Integration Services Designed for Your Success

Flexible Solutions for Your Needs

We understand that every business is unique. That's why our system integration services are designed to flex and adapt, covering everything from initial proposals and implementation to ongoing maintenance, so you get exactly what works for you.

Expert Technology at Your Service

Whether it is web crawling, data analysis, or AI and algorithm development, our proven track record in these advanced areas means you can count on innovative solutions and insights that deliver real results.

Strategic Support to Reach Your Goals

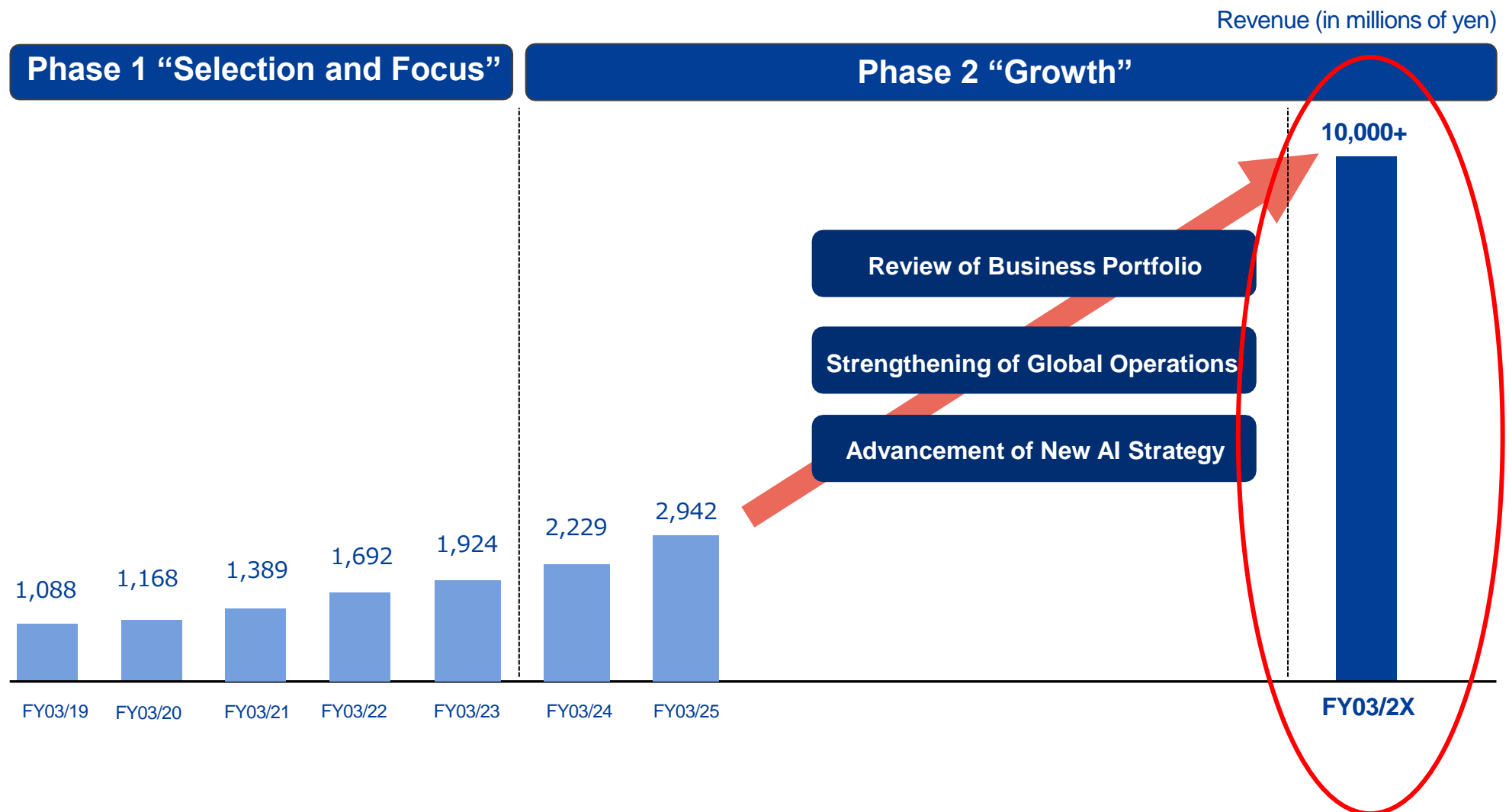
We take the time to understand your specific business goals and craft strategies that help you achieve them. Our comprehensive approach ensures your business challenges are met with the right solutions, every time.

Long-Term Value for Your Business

Through open communication and a true partnership, we help you build a foundation for lasting success. Our mission is to accelerate your growth and prepare your business for the future with the latest technology and expertise.

5. Business Plan

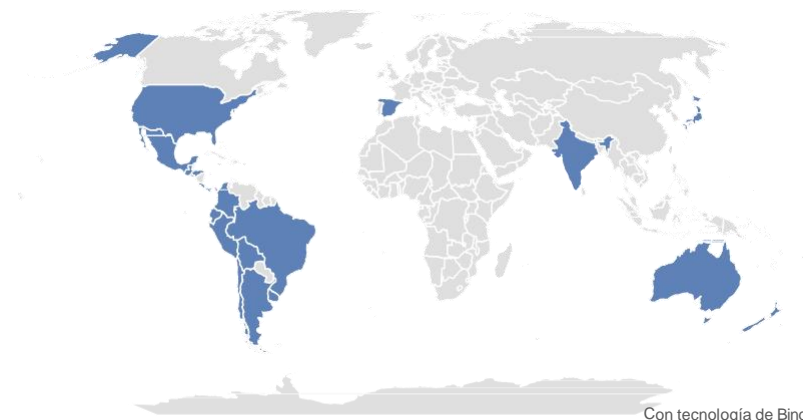
From “Selection and Focus” to the “Growth” Phase Advancing Our New AI Strategy



Driven by a powerful global presence and an original business plan, we strive to lead the AI industry

- The Company was listed on the Tokyo Stock Exchange in 2014. We provide analytics services derived from big data, leveraging text analysis and AI development technologies, and have recently **launched a new business in AI Data center operations**.
- As part of our new AI cloud stack, we have developed “TAIZA”, an algorithm designed to maximize the efficiency of GPU-based AI capabilities, and aim to further enhance its functions and expand its availability.
- To secure comprehensive technological capabilities in the AI industry and the resources necessary to address geopolitical needs, we are building **a robust partnership network spanning the entire value chain, from upstream production processes to downstream distribution**. Leveraging this network, we aim to resolve production bottlenecks at upstream manufacturing stages and address the current global shortage of GPUs.
- We are placing strategic emphasis on AI Data center operations, expanding our focus beyond Japan and Asia to actively target Western markets.
- **We are driving the development and operation of next-generation AI data centers worldwide, with a strategic focus on Asia and Europe.**

Global Expansion of Our Business



With a solid business foundation, we have expanded the reach of our proprietary products to over 20 countries worldwide,

including Japan, India, Australia, New Zealand, Chile, Colombia, Peru, Argentina, Ecuador, Bolivia, Brazil, Uruguay, Panama, Guatemala, Honduras, El Salvador, Costa Rica, Spain, Mexico, and the United States...

- Driving AI data center development in Asia, Europe, and the United States, backed by region-specific management teams with strong networks and execution capabilities.
- Our audit and supervisory committee includes members with deep expertise and proven success in the global high-tech sector.

Previous Structure		New Structure	
Representative Director, President, and CEO	Norihiko Ishihara	Chairman and Director	Pablo Casado Blanco
Representative Director, Vice President, CFO and COO	Shinichi Iwata	Representative Director, President, and CEO	Norihiko Ishihara
Director	Christian Cafatti	Director	John Ellis Bush Jr.
Director	Daisuke Katano	Director, Audit and Supervisory Committee Member	Shigeyuki Tsuchida
Outside Director	Yuki Uchiyama	Outside Director, Audit and Supervisory Committee Member	Tsuyoshi Hirayama
Outside Director	Koki Sakata	Outside Director, Audit and Supervisory Committee Member	German Alcayde Fort
Full-Time Auditor (External)	Akira Tashiro	Senior Advisor	H.E. Anders Fogh Rasmussen
External Auditor	Daisuke Yokoyama		
External Auditor	Izumi Nishio		

- The AI data center business is finally launching marking the start of a new growth phase.
- Given the significant revenue scale of each AI data center project and its potential impact on performance, we are not disclosing an earnings forecast at this time.
- We are currently in contract negotiations for one key project in Japan involving 5,000 NVIDIA B200 unites (equivalent to 625 servers), along with multiple other projects scheduled to launch within the current fiscal year. Once the details of each project are finalized and it becomes possible to calculate appropriate and reasonable figures, we will disclose and update our earnings forecast accordingly.
- In addition to the above, negotiations are also underway for another project of similar scale. Several other large-scale projects, both domestic and international, are in progress (see next page for details).

(in millions of yen)	FY2025 Ended March Results	Earning Forecast for FY2026 Ending March		
		Amount	Variance (Amount)	Variance (%)
Revenue	2,942	undisclosed		
Operating Profit	▲ 496			
Adjusted EBITDA*	▲ 169			
Ordinary Profit	▲ 613			
Profit Attributable to Owners of the Parent	▲ 654			

*Adjusted EBITDA: Operating Income + Depreciation + Amortization of Intangible Assets + Share-Based Compensation Expense + M&A-Related Expenses

Amid strong global demand, we are advancing multiple domestic and international projects in parallel within the fiscal year, aiming to establish overwhelming competitive advantages in the industry by the end of this team. Looking ahead, we plan to accelerate the large-scale deployment of GB200 unites and work toward building an AI supercluster.

- Project A: 5,000 B200 units (contract negotiations in progress)
- Project B: 5,000 B200 units (contract negotiations in progress)
- Project C: Scale of 20,000 – 40,000 B200 units
- Project D: Approx. 1,000 racks of GB200 (70,000 units)
- Project E: Approx. 1,500 racks of GB200 (100,000 units)
- Project F: ▪ ▪

- Additional projects currently under development

(Reference Information)

Sakura Internet Inc.: High-Power PHY, a service that provides an entire physical server equipped with NVIDIA GPUs.

NVIDIA H100 Tensor Core GPU x 8, Three-year committed usage fee: JPY 2,436,896/month

Equivalent to JPY 304,612/month per H100 unit¹

Compared to the H100, which is already being deployed in Japan, the B200 delivers approximately 3 x the training performance and 15 x the inference performance².

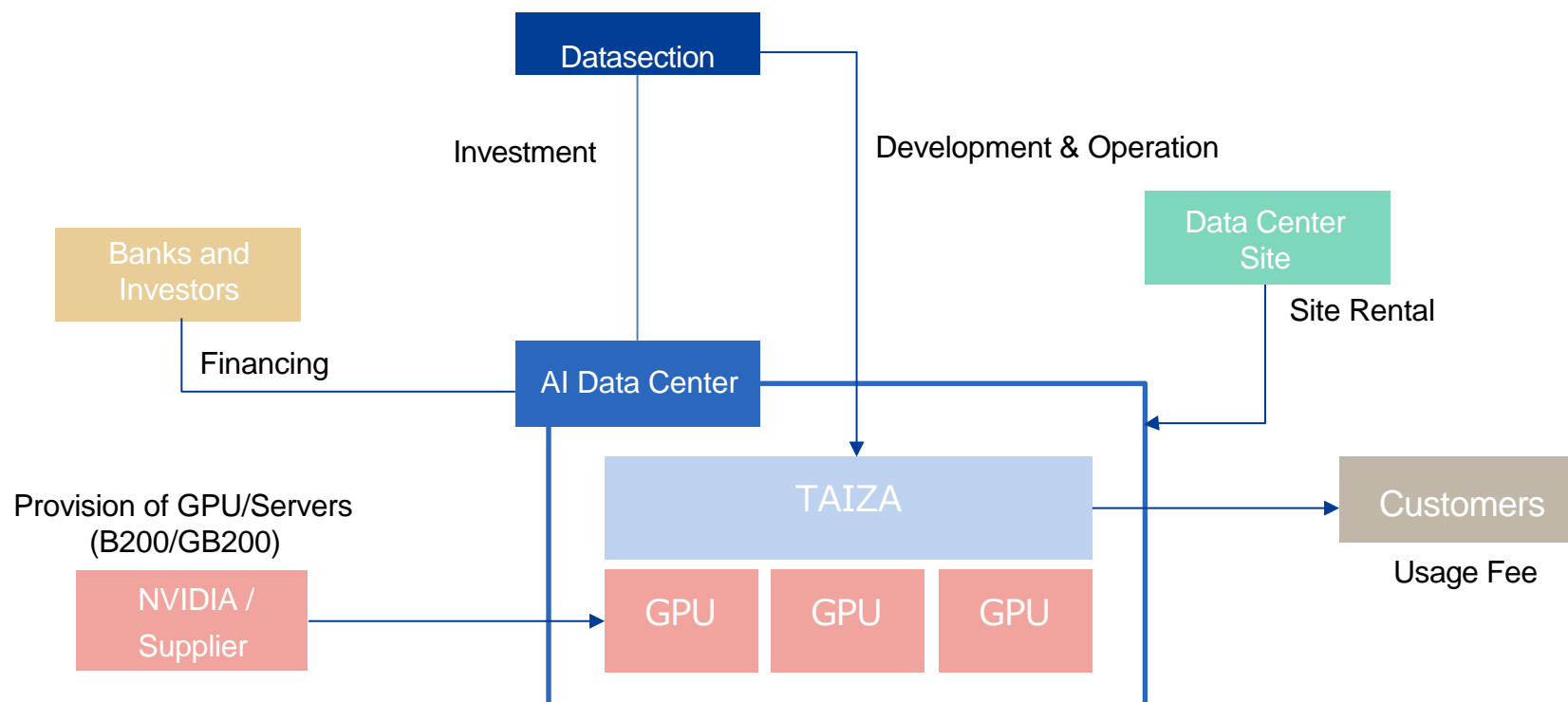
¹Reference: Sakura Internet Inc. *Sakura High-Power GPU Cloud* (company website)

²Reference: NVIDIA Corporation *NVIDIA DGX B200* (official website)

[Example of First AI Data Center Project]

Business Structure / A: Direct Investment Model

- The first AI data center project to be included in this fiscal year's (FY2026) forecast is planned as a "Direct Investment Model".
- The revenue to be recorded by the Company will consist of TAIZA usage fees.
- By securing the necessary AI data center construction cost in-house, through measures such as partial upfront payments from customers and project-related financing, we aim to maximize revenue. This approach enables greater profitability for the company compared to the "Fund Investment Model", which relies on external capital. For this reason, the first project will adopt the Direct Investment Model as outlined in the following structure.
- Going forward, we will flexibly consider AI business structures based on customer needs, project characteristics, scale, and partnership arrangements.



- Total funds raised from March to June 2025: JPY 1,364 million

i. Development and Construction Funds for the DS Cloud Stack

- Amount: JPY 1,000 million ***of which JPY 478 million was allocated between March and June 2025. The expenditure and allocation period is scheduled to be extended.**
- Planned expenditure period: March – June 2025
- Overview:
 - Development and construction costs for the DS Cloud Stack, an algorithm designed to optimize the operation of large-scale GPU clusters for AI applications.
 - Jointly developed in collaboration with external partner NNJ*, with a portion of the funds allocated to outsourcing costs paid to the Company.
 - Costs incurred within our Group will be allocated under item (iii).

ii. Investment in AI data Center Joint Ventures and in the DSAI Fund

- Amount: JPY 709 million - **unallocated**
- Planned expenditure period: April 2025 – March 2026
- Overview:
 - Equity investment in joint ventures related to AI data center operations; or
 - Formation of the DSAI Fund, in which the Company will act as GP or Co-GP, with a global investment focus on AI infrastructure such as AI Data centers, and equity investment in the said fund.

iii. Others (Recruitment costs, personnel expenses, working capital (including cash reserves), and loan repayments)

- Amount: JPY 700 million (Recruitment costs, personnel expenses, and working capital such as cash reserves) - **JPY 480 million allocated between March and June 2025**
JPY 600 million (Loan repayments) - **JPY 484 million allocated between March and June 2025**
- Planned expenditure period: April 2025 – March 2027 (Recruitment costs, personnel expenses, and working capital such as cash reserves), March 2025 – February 2026 (Loan repayments)
- Overview:
 - Recruitment costs, personnel expenses and working capital (including cash reserves) for engineers and corporate staff responsible for the Group's AI Data center and AI cloud business on a global scale.
 - Loan repayments to improve financial soundness (including JPY 384 million borrowed from Hayate).

* NowNaw Japan Co., Ltd. Head office: Chuo-ku, Tokyo, Representative: Reika Omi, hereinafter referred to as "NNJ"

- With global demand for GPUs surging, competition to secure supply has intensified further. Japanese companies, however, have fallen behind in the race to acquire GPUs, and the development of domestic AI infrastructure has yet to deliver the expected results. Against this backdrop, our first AI data center will be equipped with 5,000 units of NVIDIA's next-generation GPU architecture "Blackwell" (B200), making it the largest AI data center in terms of performance not only in Japan but also in Asia at the current stage.
- Compared with the H100, which is already being deployed in Japan, the B200 delivers three times the training performance and 15 times the inference performance*.
- This fiscal year, we will actively advance the deployment of both B200 and GB200 units. Due to various factors that shape each project, however, we believe we are the only Japanese company capable of building such large-scale clusters. Our partnership strategy with suppliers gives us unrivaled procurement capability among domestic companies, enabling us to secure 5,000 B200 units.
- "TAIZA", our proprietary system that enables the operation of large-scale clusters, will further strengthen our competitive edge in the industry. "TAIZA" has undergone testing by global clients and has received highly positive evaluations.

Amid unique geopolitical conditions we are building world-class AI infrastructure in Japan to narrow the digital trade deficit and accelerate economic growth across industries.

* Reference: NVIDIA official website – Product page for "NVIDIA DGX B200"

6. Risk Factors

	Likelihood of Occurrence	Impact on the Company	Nature of the Risk and Countermeasures
Business Investment	Moderate	<ul style="list-style-type: none"> Growth slowdown Impact on business plans and development 	<ul style="list-style-type: none"> The Group actively invests in and acquires businesses that have synergies with our existing operations. If, however, our future investment targets, subsidiaries, or newly planned businesses do not progress as scheduled and their financial condition deteriorates, this could adversely affect the Group's business performance. [Countermeasures] In selecting investment targets and new businesses, the Group conducts detailed due diligence, including an assessment of their financial condition, in addition to evaluating potential business synergies. Following investment execution, we work to mitigate risks by dispatching management personnel and implementing long-term post-merger integration (PMI) initiatives.
Foreign Exchange Risk	Moderate	<ul style="list-style-type: none"> Impact on Financial position and business performance from Yen conversion 	<ul style="list-style-type: none"> As the Group's overseas subsidiaries prepare their financial statements in their local currencies, these are translated into yen when preparing the consolidated financial statements. Fluctuations in exchange rates at the time of yen translation due to changes in foreign exchange rates may affect the Group's financial position and business performance. In addition, if foreign currency-denominated transactions increase in the future and there is a significant divergence between the initially assumed exchange rate and the prevailing market rate, the Group's operations and performance could be impacted. [Countermeasures] To facilitate the growth of overseas subsidiaries as part of the Group, transactions between the parent company and overseas subsidiaries will, in principle, be settled in local currencies. Furthermore, as transaction volumes increase in the future, the parent company will take the lead in implementing appropriate risk control measures, including considering the introduction of foreign exchange risk hedging method.
Geopolitical Risk	Low	<ul style="list-style-type: none"> Growth slowdown Impact on business plans 	<ul style="list-style-type: none"> The Group's retail marketing business currently operates in more than 20 countries worldwide, and plans to further expand its global presence. However, geopolitical risks on a global scale could slow growth and adversely affect the Group's business performance. [Countermeasures] As the Group continues to pursue growth on a global basis and entry into new markets, we will carefully evaluate the potential geopolitical risks in each region, including existing locations, and build a well-balanced business portfolio accordingly.
Talent Acquisition	Moderate	<ul style="list-style-type: none"> Organizational slowdown and growth deceleration Decline in service quality 	<ul style="list-style-type: none"> The Group is relatively small in terms of personnel, and its internal structure is only commensurate with its size. While our proprietary technologies enable us to lead the market, further business expansion will require the retention and expansion of engineers who can inherit and further develop these technologies. If we are unable to retain, secure, and develop such talent, or if officers or employees unexpectedly resign or retire, it may become difficult to maintain the high service standards for which the Group is known. This could slow organizational activities, constrain business expansion, and adversely affect the Group's business performance. [Countermeasures] The Group regards strengthening its human resources as one of its highest management priorities, and actively conducts both new graduate and mid-career recruitment. In addition, to further enhance retention, we are introducing incentive programs, upgrading evaluation systems, and implementing mechanisms to increase employee engagement. We will continue to improve our human resources systems to ensure the sustainable growth of the Group.

As of the date of this disclosure, the matters described herein are those determined by the Company and do not cover all risks that may arise in the future. For risks other than those stated in this section, please also refer to the "Business and Other Risks" section of the Securities Report in addition to this document.

7. Appendix

Results for the FY2025 ended March 31, 2025

Consolidated Financial highlights (compared to Forecast)

- In AI data center business, we initially envisioned a “Fund Investment Model” that would generate revenue from GP fees. However, we prioritized projects under the more profitable “Direct Investment Model.”
- For Direct Investment projects, we had expected to record test-run revenue exceeding the initially anticipated GP fees. However, as a result of negotiations with customers, revenue recognition will commence from the operational start of the projects, leading to a temporary squeeze on earnings due to upfront investments in the new business.
- That said, this will position us to achieve the launch of more profitable direct investment projects in the fiscal year ending March 2026.

(in millions of yen)	Results – FY2025 ended March 31, 2025	Forecast – FY2025 ended March 31, 2025		Variance in Actual Results	
		Initial Forecast	Revised Forecast as of August 14	Amount	%
Revenues	2,942	2,650	3,312	▲ 370	▲ 11.2%
Operating profit	▲ 496	80	342	▲ 838	—
Adjusted EBITDA	▲ 169	425	725	▲ 894	—
Ordinary profit	▲ 613	55	317	▲ 930	—
Profit attributable to owners of parent	▲ 654	17	217	▲ 881	—

- Focused on both strengthening existing business operations and building new AI data center-related businesses.
- In the existing business, steady order trends across all domestic business segments, combined with the contribution from MSS Inc., which became a wholly owned subsidiary as of July 1, resulted in a revenue increase of 32.0% year on year.

(in millions of yen)	Results – FY2025 ended March 31, 2025	YoY	
		Results	Variance
Revenues	2,942	2,229	+713
Operating profit	▲ 496	▲ 216	▲ 279
(Operating profit excluding New Business-Related expenses)	▲ 119	▲ 216	+96
Adjusted EBITDA*	▲ 169	47	▲ 216
(Adjusted EBITDA excluding New Business-Related expenses)	206	47	+159
Ordinary profit	▲ 613	▲ 235	▲ 378
Net income attributable to owners of the parent	▲ 654	▲ 1,251	+597

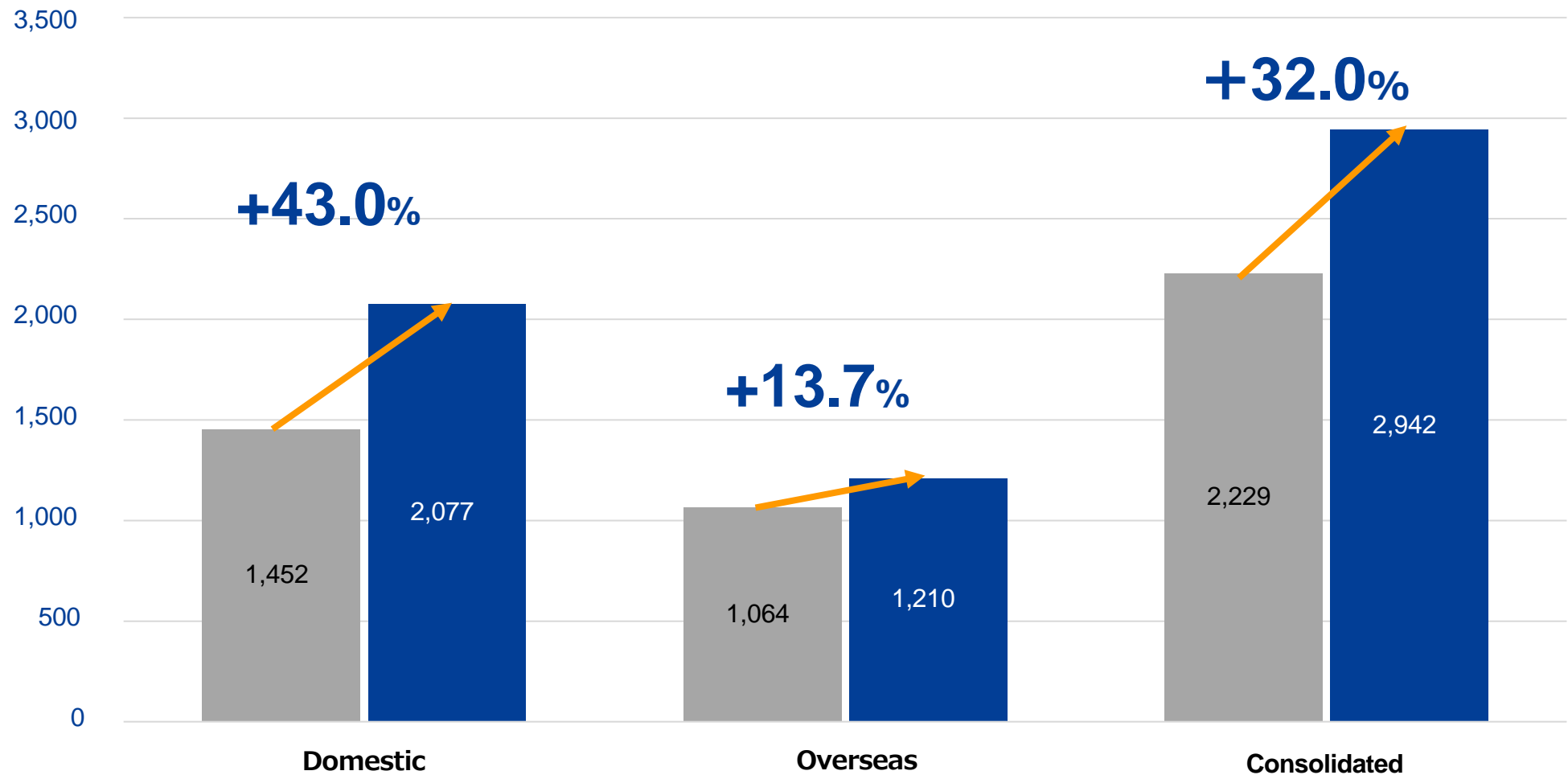
*Adjusted EBITDA: Operating Income + Depreciation + Amortization of Intangible Assets + Share-Based Compensation Expense + M&A-Related Expenses

- Sustained growth in domestic and overseas markets
- Domestic business driving growth as planned in portfolio transformation

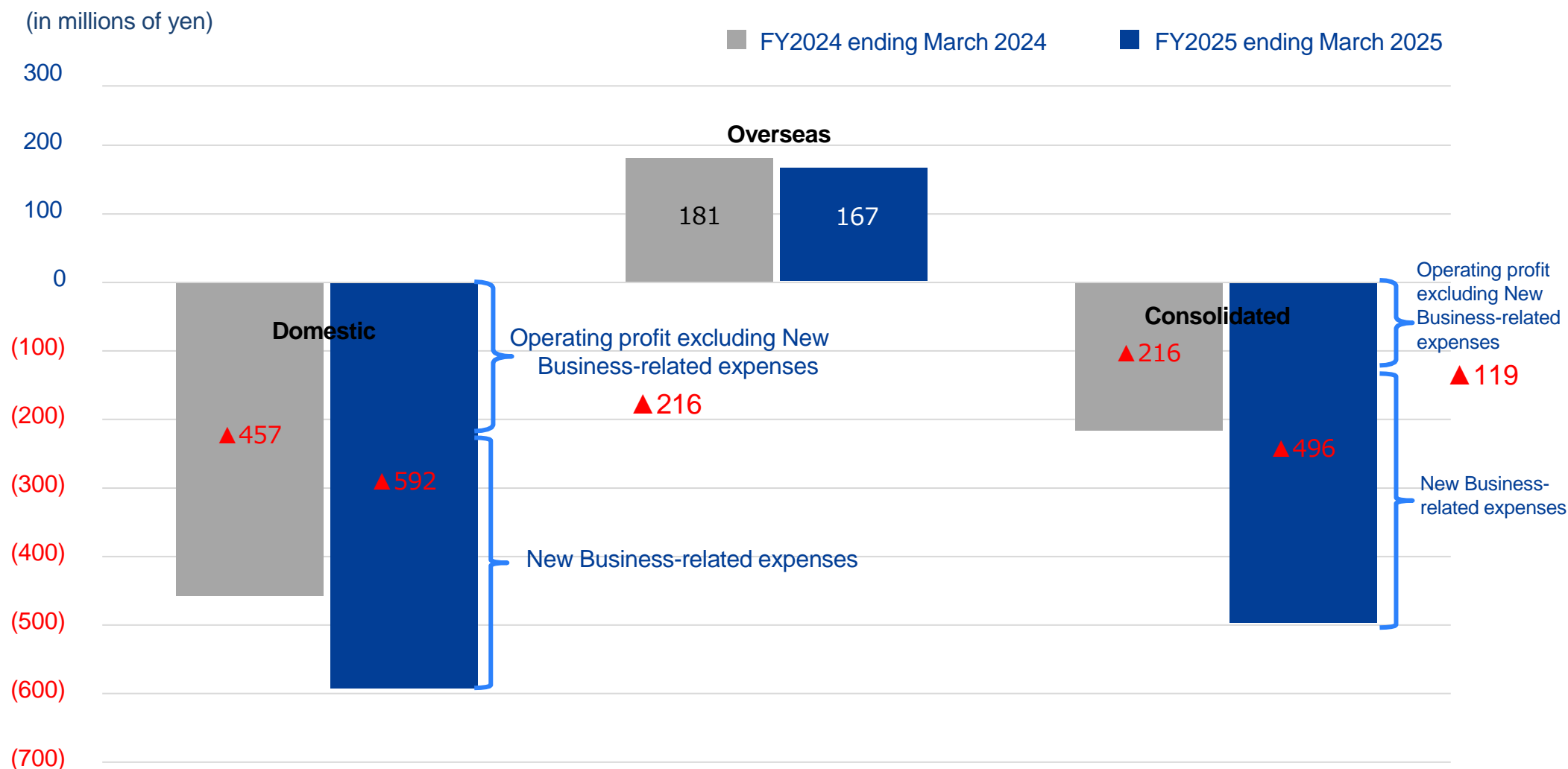
(in millions of yen)

■ FY2024 ending March 2024

■ FY2025 ending March 2025



- In the AI data center business, priority was given to “Direct Investment” projects, which offer higher profitability than the “Fund Investment” model initially factored into the earnings forecast. As a result, no fund management fee (“GP fees”) were recorded for FY2025 ending March 2025.
- In overseas operations, profit declined due to amortization expenses related to past software development; however, results remained within the planned range.

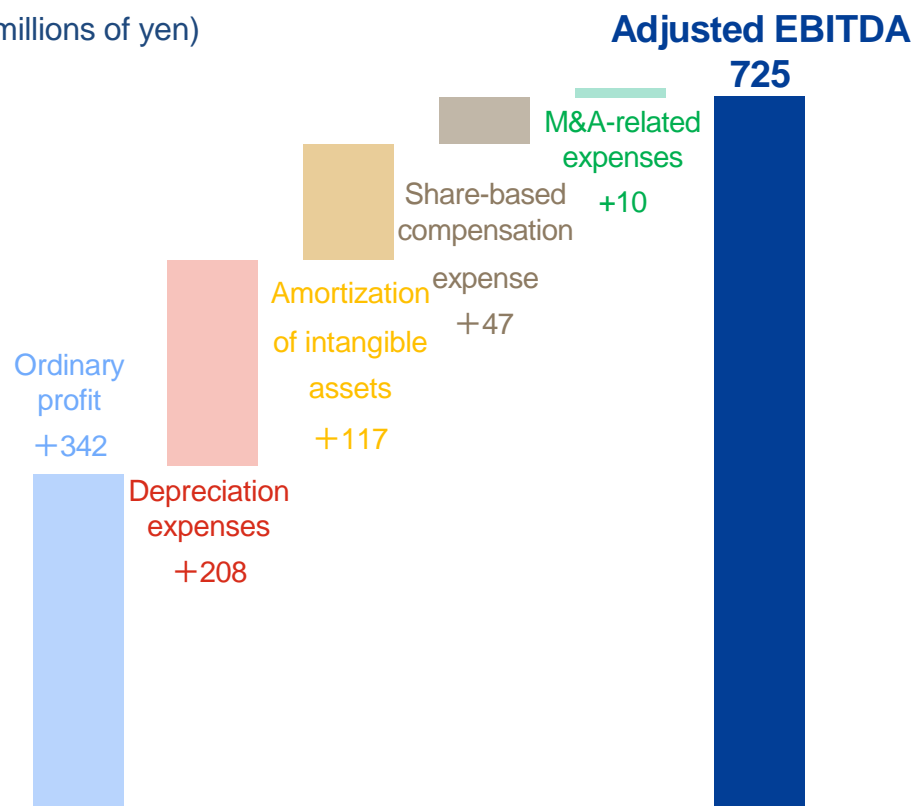


- Adjusted EBITDA*, reflecting underlying cash flow-generating capacity, posted a full-year deficit (detailed below).

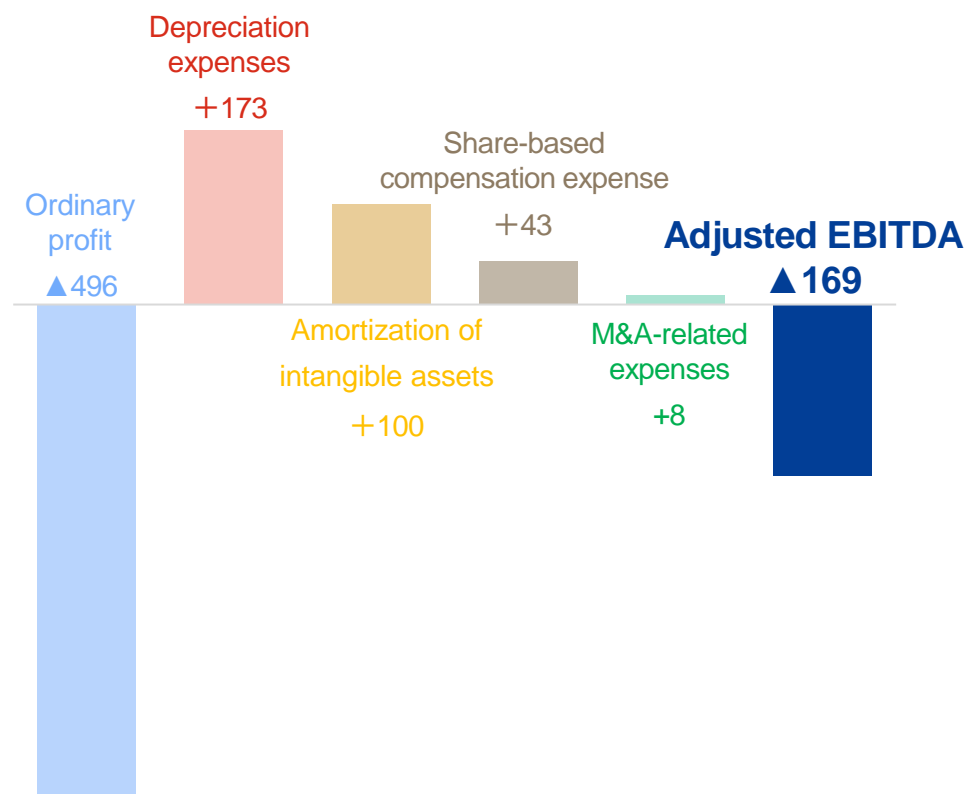
***Adjusted EBITDA = Operating Income + Depreciation + Amortization of Intangible Assets + Share-Based Compensation Expense + M&A-Related Expenses**

<Upwardly revised plan for FY2025 ending March 2025>

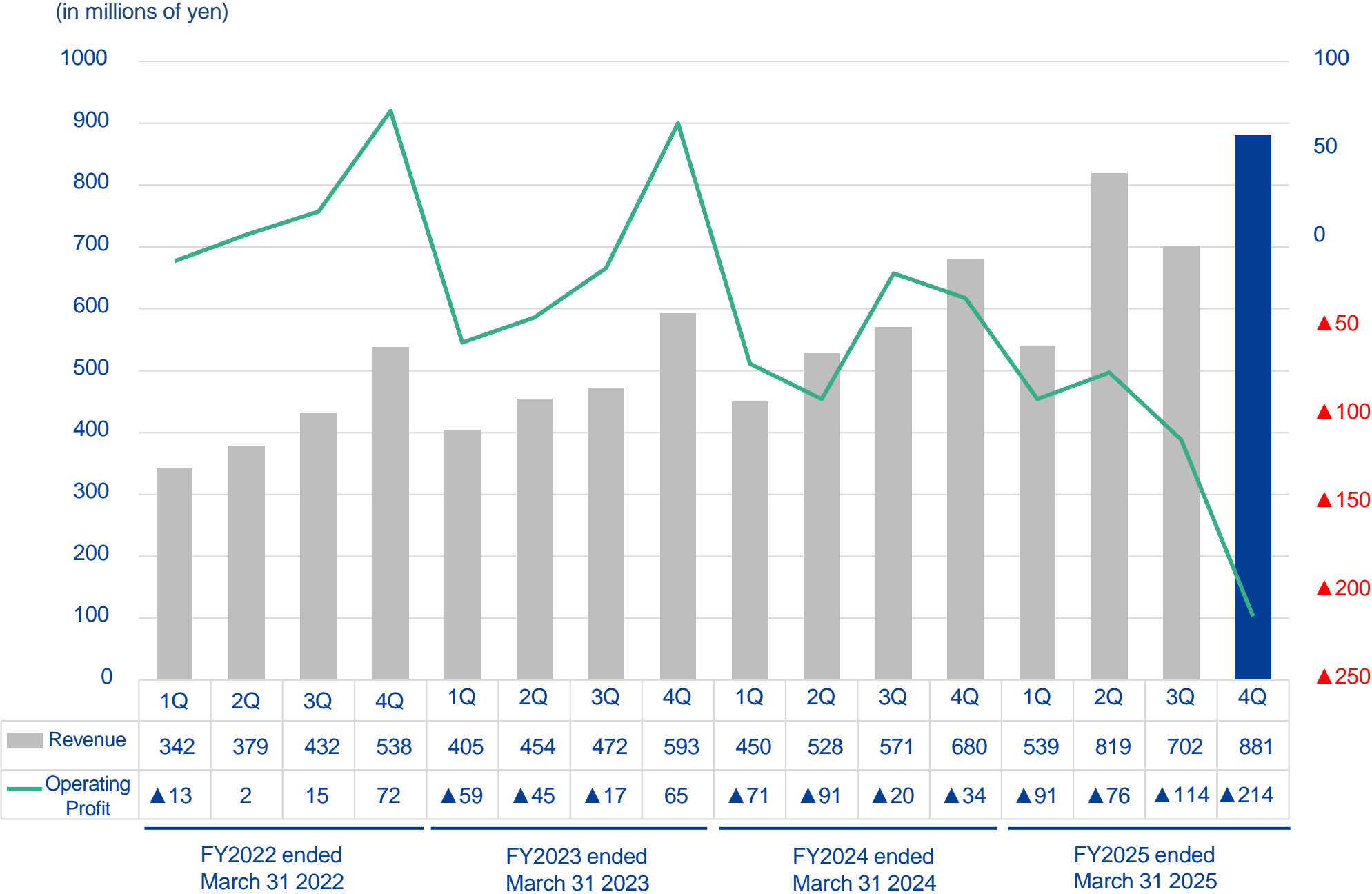
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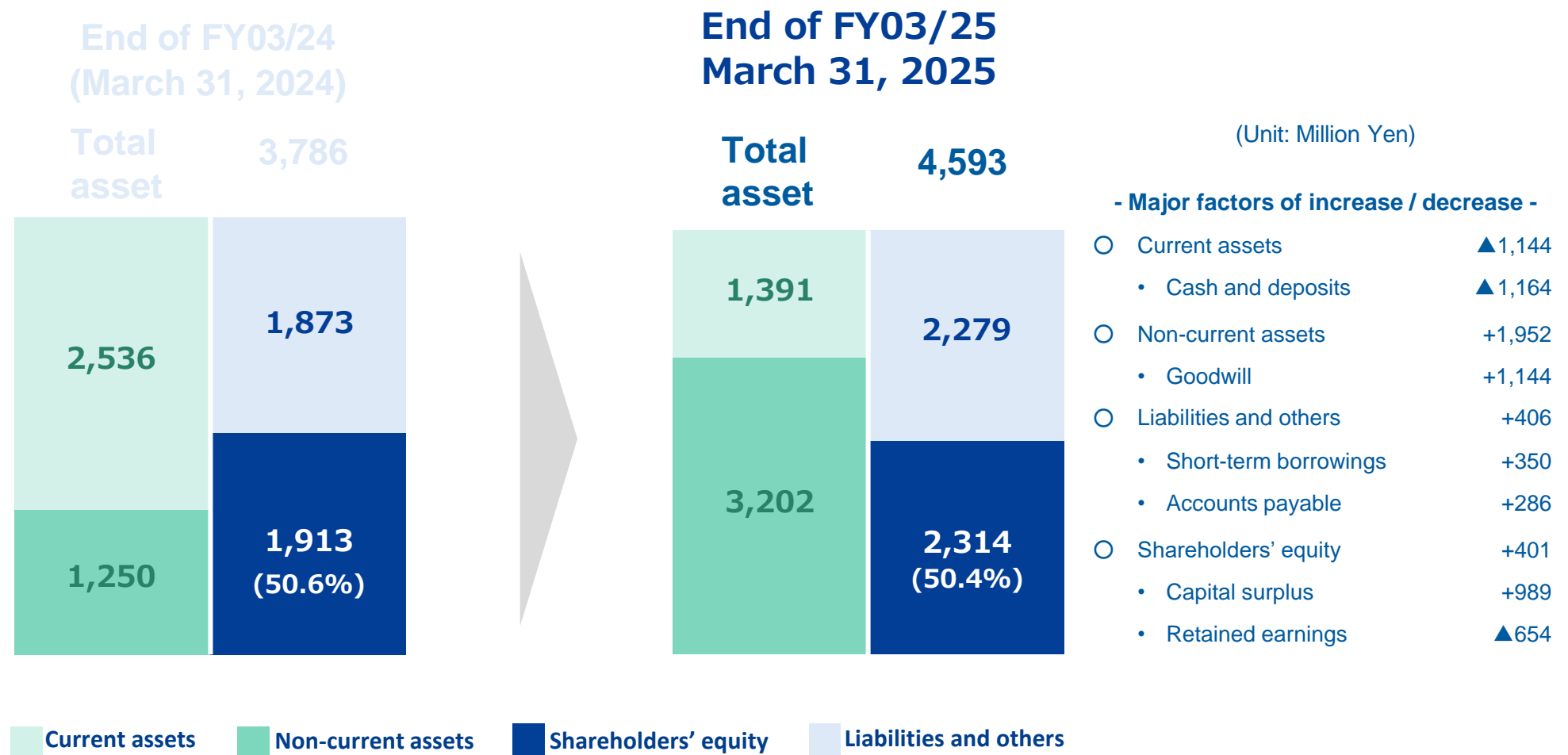
<Results for FY2025 ending March 2025>



Quarterly Revenue and Operating Profit Trends (Consolidated)



- Total assets increased following the recognition of goodwill from the acquisition of MSS Inc. on July 1, 2024
(Consolidated BS: end of Q1 / Consolidated PL: start of Q2)

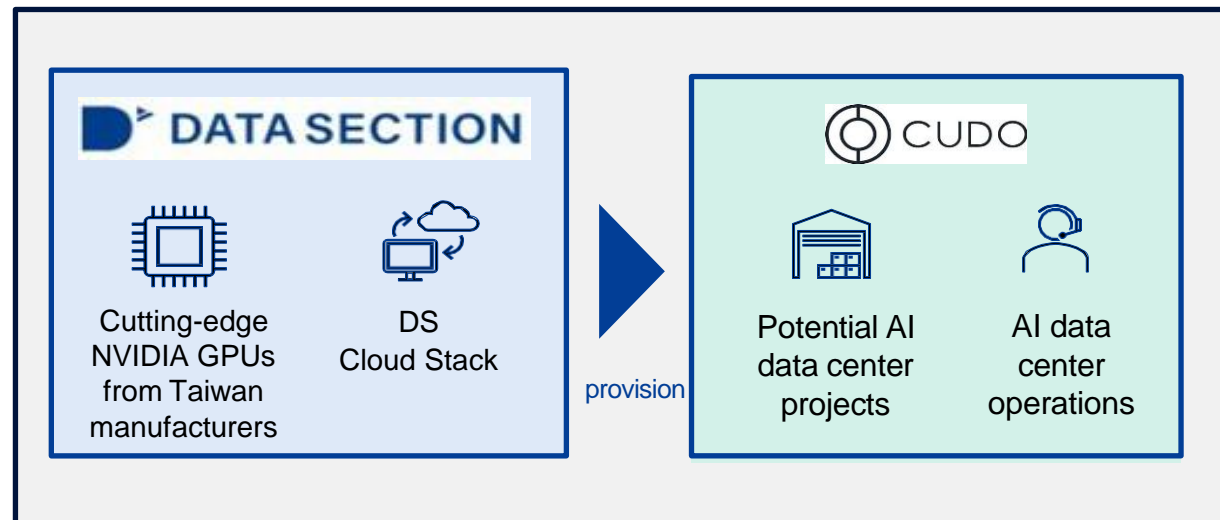


- Entered into a business alliance agreement with CUDO Ventures (“CUDO”), an NVIDIA-certified AI partner (NVIDIA Cloud Partner, “NCP”), for AI data center operations, and are currently in discussions regarding a capital alliance between the two parties.
- This partnership enables the securement of NVIDIA’s cutting-edge GPUs and the accelerated delivery of our DS Cloud Stack.

Overview of CUDO

- Based in the United Kingdom
- Recognized as an NVIDIA Cloud Partner (NCP), CUDO Ventures possesses advanced technical expertise in AI cloud stack and Data center infrastructure.
- Operates and manages thousands of NVIDIA GPUs across the United States, Middle East & Africa, Europe, and Asia, offering GPU-as-a-Service (GPUaaS), storage, networking, and managed services for AI workloads.
- Since being certified as an NCP in May 2024, the company has accelerated the expansion of its AI data center operations.

Details of the Alliance



- The partnership with CUDO enables us to secure all critical components necessary for launching AI data center operations ahead of schedule.
- CUDO’s potential projects will gain early access to cutting-edge NVIDIA GPUs and our DS Cloud Stack, enabling rapid deployment and enhanced performance from the outset

- **Developing an AI cloud stack for hyperscaler-grade operation of large-scale cluster.**
- **Conducted phased customer testing and proceeded to an official launch at the end of March (from March 31).**
- **The name of DS’s proprietary cloud stack has been finalized as “TAIZA”.**

■ DS Cloud Stack Name
"TAIZA"

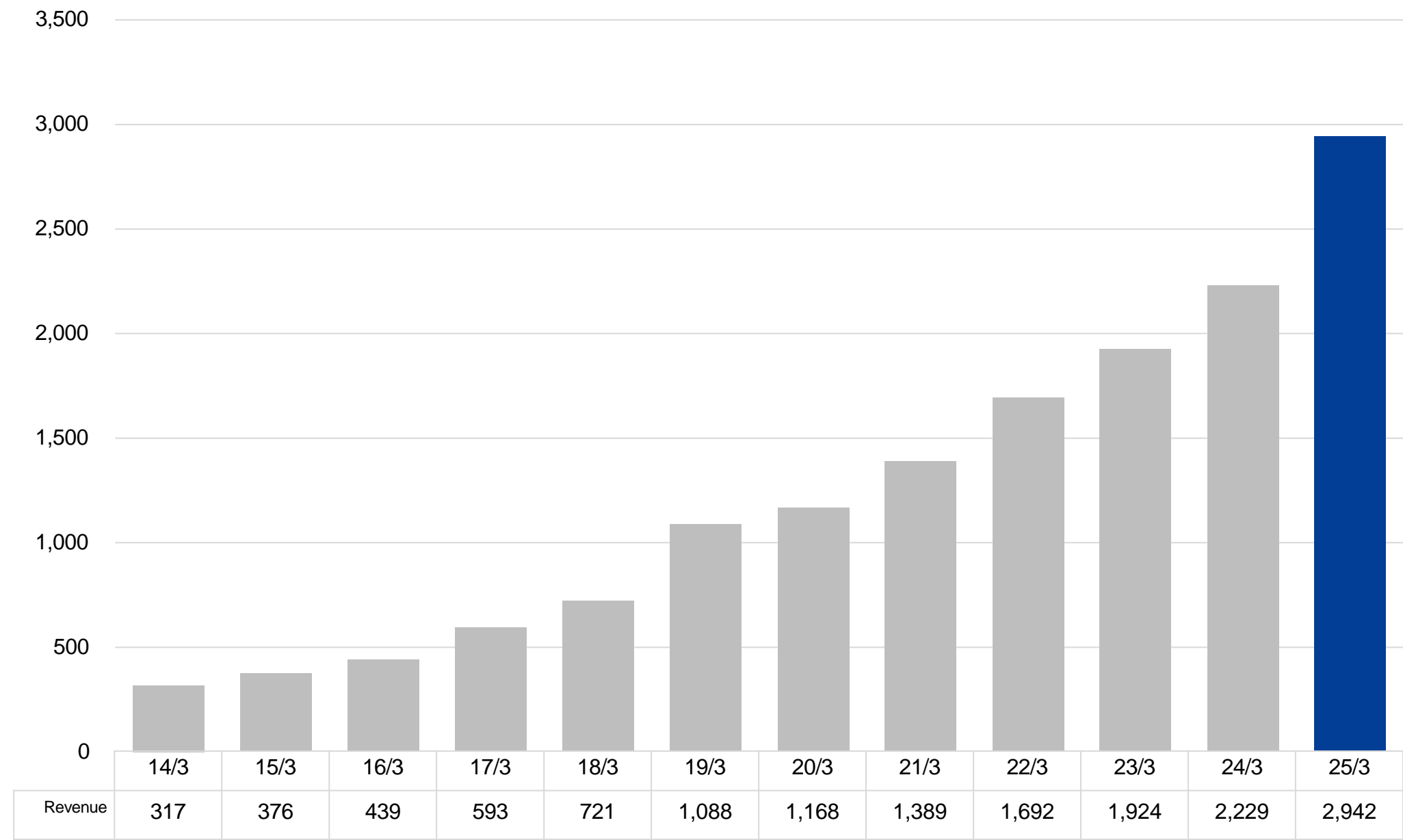
■ Key Functions

- Optimization algorithms for operating large-scale GPU clusters for AI
- Inference via API integration with various AI models
- Operation on private cloud environments, among others

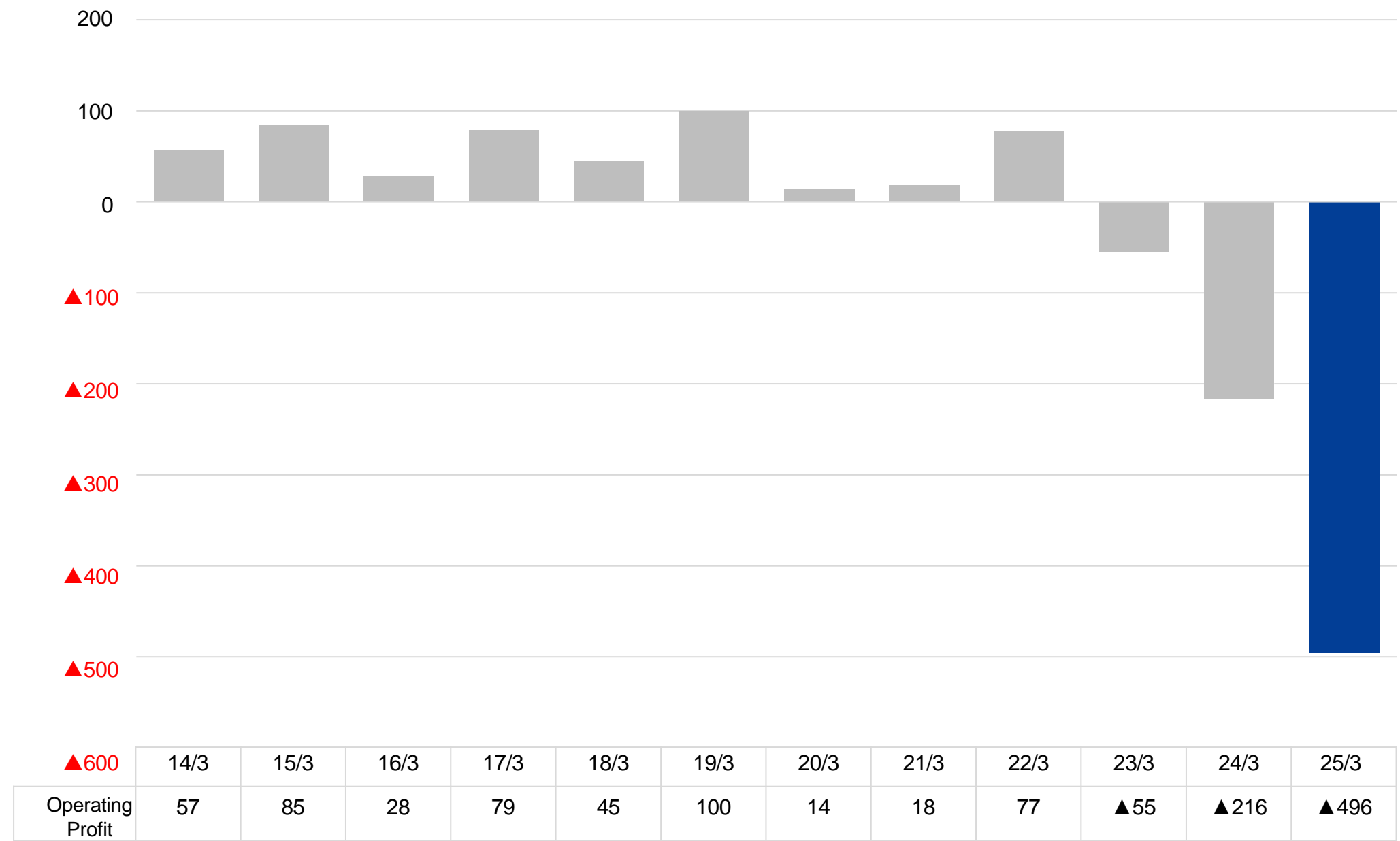
Until the previous fiscal year, the cumulative number of stores implementing “FollowUp” and the number of cameras installed had been set as the primary KPIs. In light of the progress of the new AI data center-related business, we plan to revise the KPIs to align with changes in the sales and profit composition across all group businesses.

Financial Performance Highlights

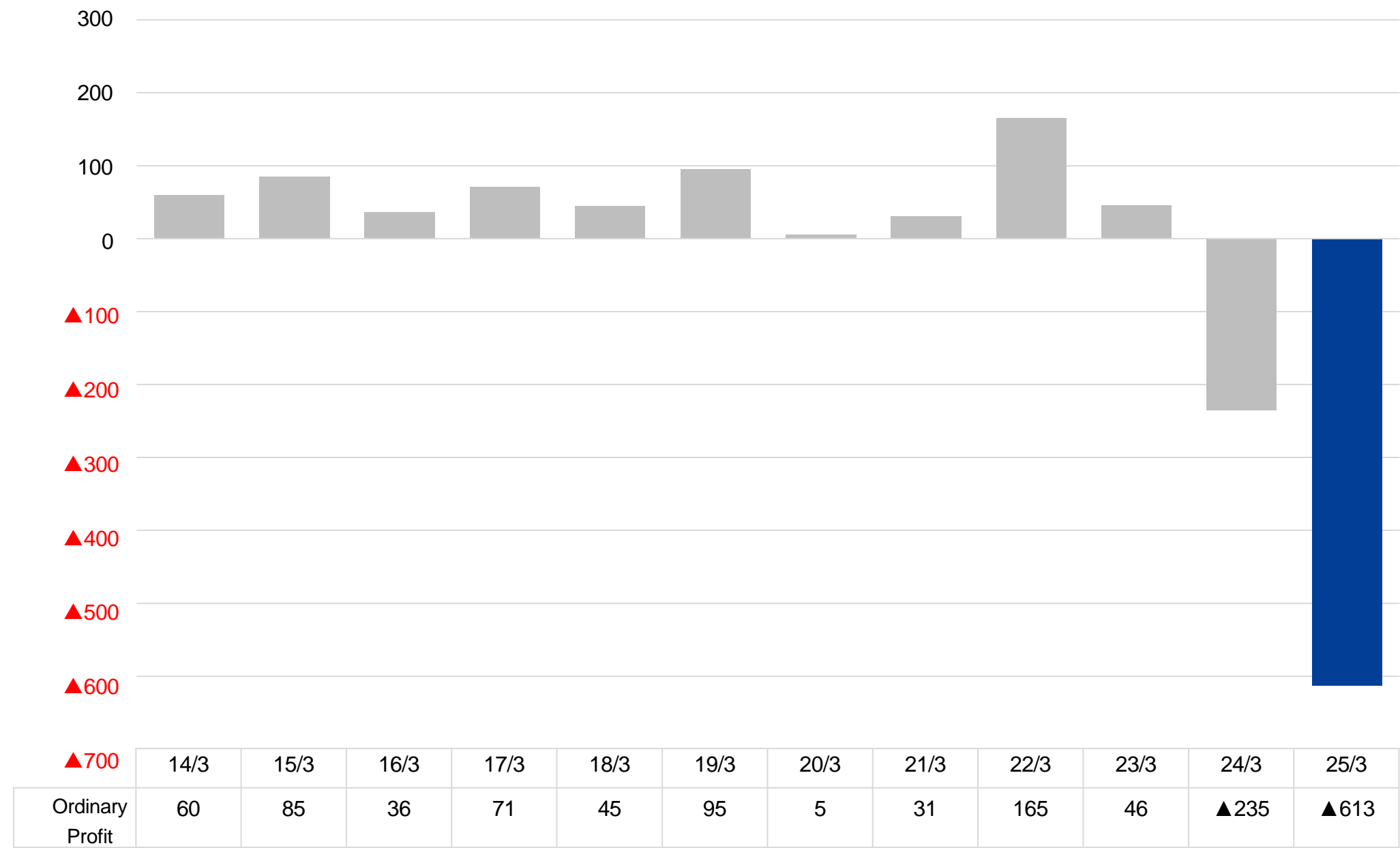
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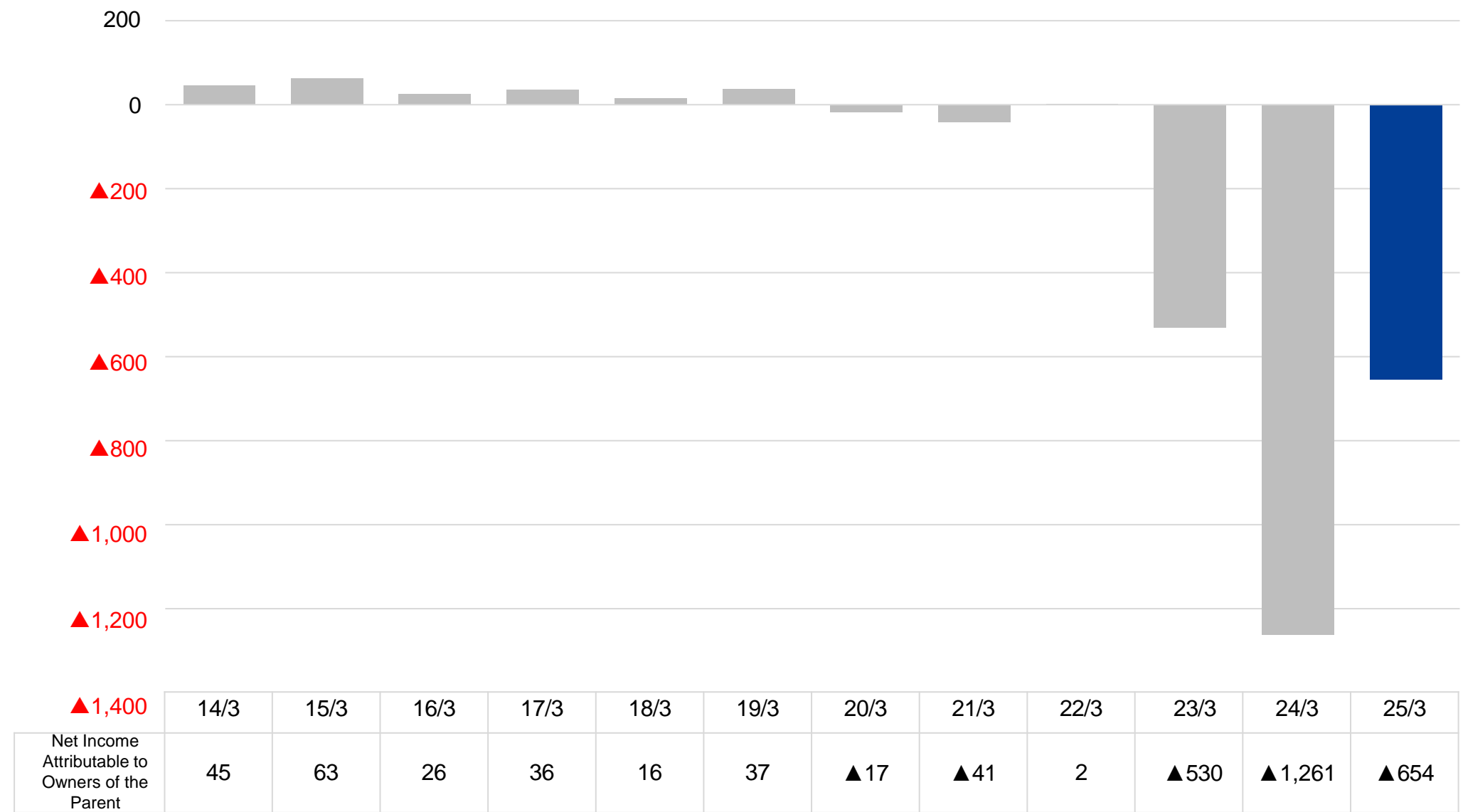
(in millions of yen)



(in millions of yen)



(in millions of yen)



Cautions

- This document has been prepared by the Company for the purpose of providing investors with a better understanding of the Company's current situation, and is intended solely as reference material.
- The contents herein are based on generally recognized economic and social conditions, as well as on certain assumptions that the Company deems reasonable; however, they are subject to change without prior notice due to changes in the business environment and other factors.
- The materials and information provided in this presentation contain so-called "forward-looking statements." These are based on current expectations, forecasts, and assumptions involving risks, and therefore include uncertainties that could cause actual results to differ materially from those described herein.
- Such risks and uncertainties include, but are not limited to, general industry and market conditions, interest rates, currency exchange rate fluctuations, and other domestic and international economic conditions.
- The forward-looking statements regarding business performance presented above are based on information currently available and represent the judgments of the Company's management. They contain risks and uncertainties, and are not intended as a guarantee of achievement. Accordingly, investors are advised not to place undue reliance solely on these forward-looking statements when making investment decisions.
- Regarding future "Business Plans and Matters Concerning Growth Potential," the Company plans to make disclosures by late June each year.

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