

July 4, 2025

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 Change in Use of Proceeds from the 20th Series of Stock Acquisition Rights (with Adjustable Exercise Price) Allotted to a Third Party

Datasection Inc. at the Board of Directors meeting held today, to partially revise the intended use of proceeds and the scheduled expenditure period as previously disclosed in the announcement dated February 18, 2025, titled “Notice Regarding the Issuance of the 20th Series of Stock Acquisition Rights (with Adjustable Exercise Price) through a Third-Party Allotment” (hereinafter referred to as the “Initial Disclosure”). Details are provided below.

1. Reason for the Change

In the Initial Disclosure, we had planned to allocate JPY 709 million indirectly as capital contributions either to a joint venture company involved in the operation of AI data centers or to the DSAI Fund, as part of the working capital for our planned AI data center projects. However, as announced today in the “Notice Regarding the Acquisition of Fixed Assets (GPU Servers Equipped with NVIDIA B200)”, we have decided to proceed with the first AI data center project in Osaka by directly acquiring the equipment for the AI data center ourselves. Accordingly, the previously planned JPY 709 million will now be reallocated directly toward the acquisition of peripheral equipment for the GPU servers, instead of indirect investment in a joint venture or fund.

Going forward, depending on the progress of each AI data center project, capital contributions to the initially planned joint venture company for AI data center operations or to the DSAI Fund may still become necessary. In such cases, we intend to adopt the most appropriate financing method available at that time. However, no specific plan has been determined at this stage.

In the Initial Disclosure, we had planned to allocate JPY 1 billion from March to June 2025 for the development and implementation of the DS Cloud Stack, specifically for “TAIZA” * our platform designed to enable efficient operation of AI data centers, which was launched in March 2025. However, in light of the overall progress of the AI data center projects, we have decided defer part of the additional functionality development for “TAIZA” to be completed by December 2025.

* “TAIZA” is our proprietary optimization algorithm for operating large-scale GPU clusters tailored to AI workloads.

2. Details of the Change

The revised sections are underlined for clarity.

(Before the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
(i) Development and implementation of the DS Cloud Stack	1,000	March 2025 – <u>June 2025</u>
(ii) <u>Capital contribution to joint ventures related to AI data center operations and the DSAI Fund</u>	709	<u>April 2025 – March 2026</u>
(iii) Working capital (e.g., recruitment expenses, personnel costs, cash reserves)	700	April 2025 – March 2027
(iv) Loan Repayment	600	March 2025 – February 2026

(After the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
(i) Development and implementation of the DS Cloud Stack	1,000	March 2025 – <u>December 2025</u>
(ii) <u>Acquisition of AI data center-related equipment</u>	709	<u>July 2025</u> – <u>August 2025</u>
(iii) Working capital (e.g., recruitment expenses, personnel costs, cash reserves)	700	April 2025 – March 2027
(iv) Loan Repayment	600	March 2025 – February 2026

3. Future Prospect

The impact of this matter on our financial results for the fiscal year ending March 2026 is currently under review. Should any matters arise that require disclosure, we will make an announcement promptly.