

July 16, 2025

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

Notice Regarding Changes in Use of Proceeds from Third-Party Allotment of New Shares and the 19th and 20th Stock Acquisition Rights

Datasection Inc. hereby announces that, at the meeting of the board of directors held today, it has resolved to partially revise the intended use of proceeds and the expected expenditure period related to the new shares issued through a third-party allotment on February 29, 2024 (hereinafter referred to as the “New Shares”), the 19th stock acquisition rights with fixed exercise price (*1), and the 20th stock acquisition rights with a price adjustment clause (*2) issued on March 6, 2025, as outlined below.

(*1) Refers to the press releases dated January 26, 2024, titled “Notice on Issuance of New Shares and 19th Share Acquisition Rights (Fixed Exercise Price type) by Third-Party Allotment and Changes in Major Shareholders and the Largest Shareholders” and February 13, 2024, titled “Notice on Changes in Payment Due Date and Exercise Period, etc., for Issuance of New Shares and 19th Share Acquisition Rights by Third-Party Allotment”.

(*2) Refers to the press releases dated February 18, 2025, titled “Notice Concerning Issuance of the 20th Series of Stock Acquisition Rights (with a clause to revise the exercise price) through Third-Party Allotment” and July 4, 2025, titled “Notice Regarding Change in Use of Proceeds from the 20th Series of Stock Acquisition Rights (with Adjustable Exercise Price) Allotted to a Third Party”.

1. Reason for the Change

As disclosed in the press release dated July 4, 2025, titled “Notice Regarding the Acquisition of Fixed Assets (GPU Servers Equipped with NVIDIA B200)” (hereinafter referred to as the “Fixed Asset Acquisition Disclosure”), the Company has decided to proceed with the AI data center project in Osaka prefecture, our first large-scale project, by directly acquiring the equipment for the AI data center.

Additionally, the total amount raised through the exercise of the 20th stock acquisition rights exceeded the originally anticipated JPY 3,009 million, reaching JPY 4,657 million. In light of this, the funds initially intended for M&A and capital/business alliances from the issuance of the new shares and the exercise of the 19th stock acquisition rights, along with the surplus funds from the 20th stock acquisition rights, will now be allocated to the acquisition costs of the GPU server package (hereinafter referred to as “the GPU Server Package”).

Should the 19th stock acquisition rights not be exercised before the final payment for the GPU

Server Package is due, the funds raised from the exercise of those rights will instead be allocated toward the acquisition of GPU servers for the second and subsequent project. Furthermore, although the Fixed Asset Acquisition Disclosure indicated that the acquisition cost of the GPU Server Package would be funded by customer prepayments and borrowings, the portion initially expected to be covered by borrowings will be reduced accordingly.

Depending on the progress of future AI data center projects, if funding is required for purposes originally planned, such as M&A activities, capital and business alliances, investments in joint ventures related to AI data center operations, or contributions to the DSAI Fund, the Company will adopt the most appropriate financing method at that time. The specific approach has not been determined as of now.

2. Details of the Changes

(Revised sections are underlined below)

(1) Newly Issued Shares

(Before the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
Funds and expenses related to M&A and capital/business alliances	<u>669</u>	March 2024 to <u>March 2026</u> (some deals are already under concrete consideration, and decisions are expected to be made during this period.)

(After the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
Funds and expenses related to M&A and capital/business alliances	<u>383</u>	March 2024 to <u>June 2025</u>
<u>Acquisition cost of the complete GPU server package</u>	<u>286</u>	<u>July 2025</u>

(2) 19th Series of Stock Acquisition Rights

(Before the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
<u>Funds and expenses related to M&A and capital/business alliances</u>	816	<u>March 2024</u> to March 2029

(After the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
<u>Acquisition cost of the complete GPU server package</u>	816	<u>July 2025</u> to March 2029

(3) 20th Series of Stock Acquisition Rights
(Before the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
(i) Development and construction funds for the DS Cloud Stack	1,000	March 2025 to December 2025
(ii) Funds for the acquisition of AI data center-related equipment	709	<u>July 2025</u> <u>to August 2025</u>
(iii) Working capital including recruitment costs, personnel expenses, and cash reserves	700	April 2025 to March 2027
(iv) Repayment of borrowings	600	March 2025 to February 2026

(After the Change)

Specific Use of Proceeds	Amount (JPY million)	Scheduled Disbursement Period
(i) Development and construction funds for the DS Cloud Stack	1,000	March 2025 To December 2025
(ii) Funds for the acquisition of AI data center-related equipment	709	<u>July 2025</u>
(iii) <u>Acquisition funds for a complete set of GPU servers</u>	<u>1,648</u>	<u>July 2025</u>
(iv) Working capital including recruitment costs, personnel expenses, and cash reserves	700	April 2025 to March 2027
(v) Repayment of borrowings	600	March 2025 to February 2026

3. Future Prospect

The impact of this matter on the Company's financial results for the fiscal year ending March 31, 2026, has already been reflected in the "Notice Regarding the Disclosure of Earnings Forecast" announced today.