

August 4, 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

(Correction: Revision of Numerical Data)
Notice Regarding Partial Correction of the “Summary of Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2025 (Japanese GAAP)”

Datasection Inc. hereby announces that certain items in the “Summary of Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2025 (Japanese GAAP),” which was disclosed on February 14, 2025, require correction, as detailed below. In addition, as there are revisions to numerical data, we are also providing the corrected figures.

1. Reason for the Correction

On July 1, 2024, the Company executed a share exchange whereby the Company became the wholly owing parent company and MSS Inc. became the wholly owned subsidiary. In the “Summary of Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2025,” the amount of capital increase resulting from this share exchange was incorrectly presented – half of the amount was recorded as capital stock, whereas the entire amount should have been recorded as capital surplus. Accordingly, we are issuing this correction.

2. Details of the Correction

(Underlined portions indicate the corrections.)

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1. Qualitative information on quarterly financial results
- (2) Explanation of financial position

[Before Correction]

(Excerpt)

(Net Assets)

Net assets at the end of the third quarter of the current fiscal year increased by 572 million yen (up 28.9% from the end of the previous fiscal year) to 2,555 million yen. This is mainly because share capital increased by 479 million yen and capital surplus increased by 478 million yen as a result of the issuance of common shares associated with the acquisition of MMS (through a share swap) in the first quarter of the current fiscal year and because

foreign currency translation adjustment increased by 33 million yen after converting overseas subsidiaries' financial statements into yen, despite a decrease in retained earnings of 414 million yen resulting from the posting of loss attributable to owners of parent.

[After Correction]

(Excerpt)

(Net Assets)

As of the end of the third quarter of the consolidated fiscal year under review, net assets increased by JPY 572 million compared to the end of the previous fiscal year, representing a 28.9% increase, to a total of JPY 2,555 million.

This was primarily due to a decrease of 414 million yen in retained earning resulting from a quarterly net loss attributable to owners of the parent, while capital surplus increased by 957 million yen as a result of the issuance of common shares associated with the acquisition (share exchange) of MSS Inc., and foreign currency translation adjustments increased by 33 million yen due to the translation of overseas subsidiaries' financial statements.

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2. Quarterly consolidated financial statements and primary notes

(1) Quarterly consolidated balance sheets

[Before Correction]

(Unit: thousands of yen)

	Previous fiscal year (March 31, 2024)	Third quarter of FY2025 (December 31, 2024)
Assets		
Current assets		
Cash and deposits	1,690,432	544,190
Notes and accounts receivable - trade, and contract assets	646,601	727,550
Merchandise and finished goods	62,462	58,464
Work in process	-	18,139
Income taxes refund receivable	70,958	53,922
Other	65,912	49,625
Total current assets	2,536,366	1,451,893
Non-current assets		
Property, plant and equipment	383,698	398,993
Intangible assets		
Goodwill	174,048	1,348,670
Software	450,731	473,567
Software in progress	-	452,749
Other	20,095	17,898
Total intangible assets	644,875	2,292,885
Investments and other assets	221,307	231,305
Total non-current assets	1,249,882	2,923,184
Total assets	3,786,248	4,375,077
Liabilities		

Current liabilities		
Short-term borrowings	600,000	704,981
Current portion of long-term borrowings	258,276	208,998
Accounts payable - other	205,421	289,935
Accrued expenses	87,621	90,307
Income taxes payable	94,270	63,444
Accrued consumption taxes	22,688	30,387
Provision for bonuses	19,159	9,056
Other	31,683	27,834
Total current liabilities	1,319,121	1,424,945
Non-current liabilities		
Long-term borrowings	379,830	265,579
Asset retirement obligations	11,807	9,000
Retirement benefit liability	-	23,424
Deferred tax liabilities	2,551	1,682
Other	90,313	95,237
Total non-current liabilities	484,502	394,923
Total liabilities	1,803,624	1,819,868
Net assets		
Shareholders' equity		
Share capital	1,868,479	2,347,686
Capital surplus	1,577,970	2,055,998
Retained earnings	(1,541,545)	(1,956,031)
Treasury shares	(3)	(3)
Total shareholders' equity	1,904,900	2,447,649
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,876	3,907
Foreign currency translation adjustment	3,404	36,576
Total accumulated other comprehensive income	9,281	40,483
Share acquisition rights	39,237	50,215
Non-controlling interests	29,206	16,860
Total net assets	1,982,624	2,555,209
Total liabilities and net assets	3,786,248	4,375,077

[After Correction]

(Unit: thousands of yen)

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Total net assets	1,982,624	2,555,209
Total liabilities and net assets	3,786,248	4,375,077

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(3) Notes to quarterly consolidated financial statements

(Notes in the event of significant changes in shareholders' equity)

[Before Correction]

At a Board of Directors meeting held on June 3, 2024, the Company resolved to conduct a share exchange to make the Company the wholly owning parent of MSS Inc. and MSS Inc. a wholly owned subsidiary, effective July 1, 2024. As a result, share capital increased by

479,207 thousand yen and capital surplus by 479,207 thousand yen. Mainly due to these increases, capital stock and capital surplus amounted to 2,347,686 thousand yen and 2,055,998 thousand yen, respectively, at the end of the third quarter of the current fiscal year.

[After Correction]

At a Board of Directors meeting held on June 3, 2024, the Company resolved to conduct a share exchange to make the Company the wholly owning parent of MSS Inc. and MSS Inc. a wholly owned subsidiary, effective July 1, 2024. As a result, capital surplus increased by 958,415 thousand yen. Mainly due to these increases, capital surplus totaled 2,535,205 thousand yen, as of the end of the third quarter of the current fiscal year.