DATA SECTION

14 August 2026

Company name:	Datasection Inc.
Representative:	Norihiko Ishihara President and Representative Director, Executive Officer and CEO (Securities code: 3905, TSE Growth)
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Notice Regarding Progress of Previously Disclosed Matter: Large-Scale Order

As announced in the "Notice Regarding Large-Scale Order" dated 10 July 2025, Datasection Inc. (the "Company"), through its business alliance partner NowNaw Japan Co., Ltd. ("NNJ"), indirectly entered into a large-scale utilisation agreement with a customer that is one of the world's largest cloud service providers (the "Customer") for GPU servers for AI applications at an AI data centre scheduled to be established in Japan, and has been proceeding with the project.

In parallel, as announced in the "Notice Regarding Progress of Previously Disclosed Matter: Large-Scale Order" dated 1 December 2025, following a request from the Customer for the early provision of additional GPU server capacity, the Company decided to utilise AI infrastructure, including GPU servers, owned by a leading overseas company engaged in the AI infrastructure business (the "Partner"). Accordingly, on 16 September 2025, the Company, through NNJ, entered into an AI Data Centre Service Utilisation Agreement with the Customer (the "Service Agreement") and commenced providing the service. Subsequently, as announced in the "Notice Regarding Change to Previously Disclosed Matter: Large-Scale Order" dated 6 January 2026, the utilisation fee was increased and the contract term was extended.

With respect to the additional order under the Service Agreement, after taking various circumstances into consideration, the Company has decided to withdraw from the project involving the Partner. The Company has agreed to terminate the Service Agreement retroactively effective 1 April 2026 and to receive JPY 5,578 million from NNJ as a project structuring and referral fee (USD 35 million converted at an exchange rate of JPY 159.39 to USD 1, excluding consumption tax and other applicable taxes), and today entered into an agreement to this effect with NNJ.

The amount of the fee was determined through negotiations between the parties based on the estimated gross profit for the remaining 18-month contract period relating to the additional order. The Company considers the amount of the fee to be reasonable, taking into account, among other factors, the degree of the Company's contribution to the structuring and realisation of the project and the contractual risks borne by NNJ in relation to the Customer.

The Company has also entered into AI Data Centre Service Utilisation Agreements with the Customer, through NNJ, for its first domestic project and its first Australian project using the Company's own GPU resources. These agreements are not subject to the termination described above.

1. Details of the Terminated Service Agreement

Order Details	AI Data Centre Service Utilisation Agreement
Order Value	The average monthly amount from January through March 2026 was approximately USD 33.2 million (Note). (The available capacity may be expanded, in which case the amount will increase in proportion to the additional capacity provided.)
Contract Term	15 September 2025 to 14 September 2027 (with an automatic renewal provision)

Note: Converted at the closing exchange rate of JPY 160.72 to USD 1 as of the end of July 2026, the monthly amount is approximately JPY 5,335 million.

2. Overview of the Counterparties

(1) NowNaw Japan Co., Ltd.

① Name	NowNaw Japan Co., Ltd.	
② Address	11F, 4-3-5 Hatchobori, Chuo-ku, Tokyo	
③ Title and Name of Representative	Yuki Azuma, Representative Director	
④ Business Activities	• Development and operation of cloud computing platforms and related infrastructure • Provision of cloud-based services, including IaaS, PaaS and SaaS solutions • System integration and custom development for enterprise cloud migration • Development and management of cloud-native applications and microservices • Operation and maintenance of secure, scalable and highly available cloud environments	
⑤ Share Capital	JPY 10 million	
⑥ Date of Establishment	25 October 2022	
⑦ Major Shareholder	Yuki Azuma 90%	
⑧ Relationship with the Listed Company	Capital Relationship	None applicable.

	Personnel Relationship	None applicable.
	Business Relationship	The Company and NNJ have entered into a memorandum of understanding concerning a business alliance aimed at collaboration between the two companies, including the matter described herein. In addition, the Company and NNJ have entered into a joint development agreement under which the Company has commissioned NNJ to develop “TAIZA”, the Company’s proprietary algorithm system designed to optimise the operation of large-scale GPU clusters. The Company and NNJ have also entered into multiple AI Data Centre Service Utilisation Agreements under which NNJ acts as an agent. Furthermore, the Company has outsourced to NNJ certain operation and maintenance services relating to AI data centres operated by the Company.
	Related Party Status	None applicable.
⑨ Financial Condition and Operating Results	Not disclosed due to confidentiality obligations.	

(2) The Customer

At the request of the Customer and due to confidentiality obligations, information concerning the Customer is not disclosed.

With respect to its business relationship with the Customer, the Company has indirectly entered into AI Data Centre Service Utilisation Agreements with the Customer through NNJ for the Company’s first domestic data centre and first Australian data centre, respectively, and had also entered into the Service Agreement.

There are no capital or personnel relationships between the Company and the Customer, nor does the Customer constitute a related party of the Company.

(3) The Partner

At the request of the Partner and due to confidentiality obligations, information concerning the Partner is not disclosed.

With respect to the relationship between the Company and the Partner, the Company had entered into an agreement solely for the purchase of utilisation capacity for AI infrastructure, including GPU servers, relating to the additional order, through Inno Japan Co., Ltd. (located in Chuo-ku, Tokyo; Representative Director: Yuki Azuma), a company established by NNJ.

There are no capital or personnel relationships between the Company and the Partner, nor does the Partner constitute a related party of the Company.

3. Outlook

The Company had incorporated revenue of JPY 79,864 million relating to the additional order into its consolidated earnings forecast for the fiscal year ending 31 March 2027. As a result of the matter described above, however, the amount for the cumulative first quarter of the fiscal year will be limited to the project structuring and referral fee of JPY 5,578 million (USD 35 million converted at an exchange rate of JPY 159.39 to USD 1).

In addition, with respect to the three AI data centre projects in Japan, Australia and Thailand, which had been expected to commence operations in stages from July 2026, the expected timing for the commencement of full-scale operations has been delayed.

On the other hand, the Company is planning to secure multiple orders from other large-scale prospective projects in its pipeline and, at present, believes that these will be sufficient to offset the impact described above. Accordingly, there is no change to the consolidated earnings forecast for the fiscal year ending 31 March 2027 announced on 15 May 2026.

Should it become necessary to revise the earnings forecast as a result of future progress in the above AI data centre projects or other large-scale prospective projects in the pipeline, the Company will promptly disclose such revision.