May 15, 2025

Company name: Datasection Inc.
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(Securities code: 3905, TSE Growth)
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Notice Regarding Difference Between Consolidated Earnings Forecasts and Actual Results for the Fiscal Year Ended March 31, 2025

Datasection Inc. (hereinafter, the "Company") hereby announces that there are differences between the consolidated earnings forecasts for the fiscal year ended March 31, 2025 announced on August 14, 2024 and the actual results released today. The details are as follows.

1. Differences between consolidated earnings forecasts and actual results for the fiscal year ended March 31, 2025 (April 1, 2024 - March 31, 2025)

	Net sales	Operating profit	Adjusted EBITDA	Ordinary profit	Profit (loss) attributable to owners of parent	Basic earnings per share
Previous forecast (A) (Announced on August 14, 2024)	millions of yen 3,312	millions of yen 342	millions of yen 725	millions of yen 317	millions of yen 217	yen 12.26
Actual results (B)	2,942	(496)	(169)	(613)	(654)	(37.40)
Change (B-A)	(370)	(838)	(894)	(930)	(871)	
Change (%)	(11.2)	-	-	-	-	
(Reference) Results for the previous fiscal year FY2024	2,229	(216)	47	(235)	(1,261)	(84.07)

2. Reasons for the differences

(1) Net sales

In the new AI data center business, the Company had initially envisioned a fund investment type business, which was expected to generate revenues from fund GP fees, but decided to give priority to more profitable direct investment type projects. Although we had expected to record test revenues from the use of the AI data center in this direct investment type project that exceeded our initial expectations, as a result of negotiations with the client, the Company decided to record revenues from the time of actual launch of operation of the AI data center. As a result, the previous forecast of 362 million yen in AI data center business sales from fund GP fees was reduced to zero, resulting in net sales of 2,942 million yen, 370 million yen below the previous forecast.

(2) Profits

The Company previously forecast gross profit from the AI data center business of 362 million yen, but this turned out to be zero. In addition, selling, general and administrative expenses, which were estimated at 1,132 million yen in the previous forecast, increased by 616 million yen to 1,748 million yen.

The main components of selling, general and administrative expenses are payroll and allowances of 619 million yen, outsourcing expenses of 243 million yen, remuneration for directors (and other officers) of 179 million yen, fee expenses of 164 million yen, amortization of goodwill of 96 million yen, and travel and transportation expenses of 65 million yen. Compared with the previous forecast, expenses for the establishment and promotion of the global AI data center business foundation increased, including payroll and allowances for professional personnel, outsourcing expenses, fee expenses paid to experts, and travel and transportation expenses for overseas business trips. Remuneration for directors (and other officers) also increased due to the transition of management structure.

As a result, operating loss was 496 million yen, 838 million yen below the previous forecast, adjusted EBITDA was minus 169 million yen, 894 million yen below the previous forecast, and ordinary loss was

613 million yen, 930 million yen below the previous forecast, mainly due to foreign exchange losses of 88 million yen. Loss attributable to owners of parent was 654 million yen, 871 million yen below the previous forecast, mainly due to impairment losses of 33 million yen.