

August 14, 2024

Company name	Datasection Inc.
Representative	Norihiko Ishihara, President, CEO (Code No. 3905, TSE Growth)
Contact	Shinichi Iwata, Vice President, CFO and COO TEL. +81 50-3649-4858

Notice Regarding Revision (Upward) of Full-Year Consolidated Earnings Forecast

Datasection Inc. (hereinafter referred to as the "Company") has revised its consolidated earnings forecast for the fiscal year ending March 31, 2025 (April 1, 2024 - March 31, 2025), initially announced on May 15, 2024, in light of recent business performance trends. Details are provided below.

1. Revision of Full-Year Consolidated Earnings Forecast Figures for Fiscal Year Ending March 2025 (April 1, 2024 - March 31, 2025)

	Net Sales	Operating Profit	Adjusted EBITDA	Ordinary Profit	Net Profit Attributable to Owners of Parent	Net Income per Share
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Yen)
Previous Forecast (A)	2,650	80	425	55	17	0.99
Revised Forecast (B)	3,312	342	725	317	217	12.26
Difference (B-A)	662	262	300	262	200	11.36
Change (%)	25.0	327.5	70.6	476.3	1,176.5	1,138.4
(Reference) Results for the Previous Fiscal Year						
FY March 2024	2,229	(216)	47	(235)	(1,261)	(84.07)

2. Reasons for Revision of Earnings Forecast

As disclosed in the announcement titled "Notice of Basic Agreement Among Four Companies for the Construction of an AI Data Center," dated June 3, 2024, the Company is advancing the commercialization of new businesses, such as AI data centers, while restructuring its business portfolio within existing operations. Following financial restructuring during the fiscal year ended March 2024, the Company is now transitioning rapidly into a growth phase.

The Company's new strategies, which include operating AI data centers, promoting AI cloud services,

and initiatives related to the "AI Infrastructure Global Investment Fund," are progressing as disclosed in the announcements titled "Notice Regarding the Establishment of a Subsidiary" and "Announcement of the Establishment of the 'DS AI Infrastructure Global Investment Fund' (Tentative Name)" dated August 7, 2024. These strategies have resulted in a significant projected increase in net sales, as detailed below:

DS AI Infrastructure Global Investment Fund (Tentative Name):

Progress in the preparation for the establishment of the fund is expected to enable the fund's operations to commence within the fiscal year ending March 2025. Consequently, the Company anticipates recognizing General Partner (GP) fees of 362 million yen in net sales for the fiscal year.

Full Consolidation of MSS Inc.:

As disclosed in the announcement titled "Notice Regarding Completion of Full Acquisition of MSS Inc. through Stock Purchase and Stock Exchange (Disclosure Progress)" dated July 1, 2024, the Company has evaluated the performance impact of consolidating MSS Inc. as a subsidiary. This evaluation indicates an additional increase of 300 million yen in net sales compared to the initial forecast.

As a result, consolidated net sales are now projected to increase by 662 million yen to 3,312 million yen compared to the previous forecast. This projected increase in net sales is expected to result in significant upward revisions in consolidated operating profit, adjusted EBITDA, consolidated ordinary profit, and net profit attributable to owners of the parent, exceeding the full-year consolidated earnings forecast for the fiscal year ending March 2025 announced on May 15, 2024.

(Note) The above forecasts are based on information available as of the date of this announcement. Actual results may differ from these forecast figures due to various factors.

End of document