



Presentation Materials on the Establishment of an AI Data Center in Australia

Datasection Inc.

October 6, 2025

Securities Code: 3905

- Plans to construct a new AI data center in Sydney, New South Wales (hereinafter, the “Data Center”).
- Through NowNaw Japan Co., Ltd., our business partner, Datasection has, on October 3, 2025, indirectly executed a large-scale service agreement for the use of this AI Data Center with one of the world’s largest cloud service providers (hereinafter, the “Customer”).
- Under this agreement, Datasection will provide the Customer with usage capacity comprising 1,250 GPU servers equipped with 10,000 NVIDIA B200 units.
- In line with future expansions of the Data Center’s power supply capacity, additional usage by the Customer is anticipated.

■ Details of the Order

Content of the Order	Service agreement for the use of AI data center services
Contract Value	USD 266 million per year The contract term is three years, with an option for a two-year extension at the Company’s discretion. (Total of USD 800 million for three years; USD 1,334 million for five years) *
Scheduled Timing of Revenue Recognition	Revenue to be recognized on a pro rata basis over the contract period, commencing in February or March 2026.

Note*: Converted at the closing exchange rate of JPY 147.90 to USD 1.00 as of the end of September 2025, the amounts are JPY 39,485 million per year (JPY 118,457 million for three years; JPY 197,428 million for five years).

Reposted: Presentation Materials on Financing through the Issuance of the 23rd Series of Stock Acquisition Rights

Overview of the Current Financing Scheme

Financing through the Issuance of
Stock Acquisition Rights

- Issuance of the **23rd Series of Stock Acquisition Rights (with Fixed Exercise Price) (Hereinafter, the “Stock Acquisition Rights”)**
- Taking into consideration the lending stance of financial institutions, the Company’s financial position, future business development, and the external environment, we have determined that this is the best option at present. This scheme expands our equity capital while minimizing the impact on existing shareholders’ interests, based on a comprehensive assessment.

Issuance of the 23rd Series of Share Acquisition Rights (with Fixed Exercise Price)

Planned Allottee	First Plus Financial Holdings Pte. Ltd. (hereinafter, "FPF")
Allotment Date	October 17, 2025
Issue Price	Total: JPY 809,600,000 (JPY 1,840 per Stock Acquisition Right)
Number of Shares Potentially Issuable through the Allotment	44,000,000 shares (100 shares per Stock Acquisition Right)
Dilution Ratio*	199.07%
Exercise Price**	JPY 1,250
Total Amount of Funds to be Raised	JPY 55,809,600,000 (Breakdown) JPY 809,600,000 • Proceeds from issuance of Stock Acquisition Rights: JPY 809,600,000 • Proceeds from exercise of Stock Acquisition Rights: JPY 55,000,000,000
Nature and Value of Assets to be Contributed as Capital	Nature and Value of Assets to be Contributed as Capital upon Exercise of the Stock Acquisition Rights: • Cash; or • The aggregate amount of loan principal claims and related interest claims held by FPF against the Company under the revolving credit facility agreement dated August 4, 2025 (maximum facility amount: USD 35,000,000)
Exercise Period	October 20, 2025 to October 19, 2026
Use of Proceeds	Capital Investment and working capital, etc, for the AI Data Center business
Conditions Precedent to Issuance	At the Extraordinary General Meeting of Shareholders scheduled to be held on October 17, 2025, (1) Approval of the amendment to the Articles of Incorporation to increase the total number of authorised shares; and (2) Special resolution approval of the issuance of the Stock Acquisition Rights.
Other Matters	• In the event that the Planned Allottee transfers the Stock Acquisition Rights with the prior approval of the Company's Board of Directors, the transferee shall assume all rights and obligations of the Planned Allottee. • If the Planned Allottee's ownership ratio of the Company's common shares exceeds 33% of the total issued shares of the Company, the prior consent of the Company shall be required. • If the cumulative number of exercised Stock Acquisition Rights exceeds 220,000, prior consent of the Company shall be required until either (i) a user contract with a customer for an AI data center project of the same type as the first AI Data Center project, or (ii) a purchase agreement for GPU servers has been executed, and such fact has been promptly disclosed through TDnet of the Tokyo Stock Exchange.

* As of August 29, 2025, the ratio of potential dilution represents 199.07% against the Company's total issued common shares of 22,103,051, and 200.30% against the total number of voting rights (219,674). Figures are rounded to the third decimal place.

** Represents a 53.11% discount to the closing share price (JPY 2,666) on the trading day immediately prior to the date of the issuance resolution.

- Taking into account both the advantages and disadvantages in a comprehensive manner, we have determined that this represents the best option at the present time.

Advantages

- **Fixed Exercise Price and Number of Underlying Shares**
 - Unlike MSCBs or MS warrants, both the exercise price and the number of underlying shares are fixed.
 - There is no risk of dilution exceeding the initial estimate.
- **Acquisition Clause**
 - At any time, with 30 trading days' prior notice, the Company may acquire all or part of the remaining rights at the same price as the issue price.
 - This ensures flexibility in capital policy and, when the market price exceeds the exercise price, allows for the indirect promotion of exercise.
- **Transfer Restrictions**
 - The Stock Acquisition Rights may not be transferred from the allottee to a third party without the prior approval of the Company's Board of Directors.
- **Exercise Restrictions**
 - If the cumulative number of exercised Stock Acquisition Rights exceeds 220,000, prior approval of the Company is required until either (i) a user contract with a customer for an AI data center project of the same type as the first AI Data Center project, or (ii) a purchase agreement for GPU servers has been executed, and such fact has been promptly disclosed through TDnet of the Tokyo Stock Exchange.
 - If the allottee's ownership ratio of the Company's common shares exceeds 33% of the Company's total issued shares, the prior approval of the Company is required.

Disadvantages

- **Limitation on Access to a Broad Investor Base**
 - There are inherent limitations in raising funds from an unspecified number of new investors.
- **Non-exercise of Rights**
 - Depending on post-issuance share price levels, some or all the rights may remain unexercised, resulting in funds raised falling short of the Company's initial expectations.
- **Restrictions on Issuance of Equity Securities**
 - Except for (i) Stock Acquisition Rights or restricted stock compensation plans for directors and employees of the Company and its affiliates, and (ii) share issuances related to business partnerships with other companies, the Company may not issue shares, Stock Acquisition Rights, or securities convertible into or granting rights to acquire such instruments, from the date of execution of the third-party allotment agreement until six months thereafter, without the prior written consent of the Planned Allottee.
- **Put Option**
 - (i) If, one month prior to the expiry of the exercise period, the Planned Allottee still holds unexercised rights; or (ii) if trading of the Company's shares on the Tokyo Stock Exchange is suspended for a period of five or more consecutive trading days, the Planned Allottee may at any time thereafter request the Company to repurchase all or part of the unexercised rights.
- **Significant Dilution of Existing Shares**
 - Full exercise of the rights would result in substantial dilution of existing shares.

- **Exercise Price: JPY 1,250**

- Represents a discount of:
 - 54.03% against the simple average closing price on the TSE over the one-month period immediately prior to the business day before the resolution date for this issuance (JPY 2,719)
 - 54.58% against the simple average closing price over the three-month period (JPY 2,752)
 - 33.37% against the simple average closing price over the six-month period (JPY 1,876)
 - 11.79% against the simple average closing price over the one-year period (JPY 1,417)
- The Company's share price traded around JPY 1,000 – 1,300 in October 2024, declining to JPY 619 by December 2024.
- Thereafter, the share price surged from late May 2025, reaching a high of JPY 4,320 on July 11, 2025, before falling back to JPY 2,217 as of August 29, 2025, showing considerable volatility, particularly over the most recent six-month period.
- Taking into account these share price movements and discussions with the Planned Allottee, the exercise price was set at a 53.11% discount to the closing price on the business day prior to the issuance resolution (JPY 2,666).

- **Paid-in Amount per Stock Acquisition Right: JPY 1,840**

- To ensure fairness, the paid-in amount was determined in consultation with the Planned Allottee, with reference to the valuation (JPY 1,840) calculated by Akasaka International Accounting Co., Ltd., an independent third-party valuation institution.

- **Number of Shares to be Issued and Scale of Dilution:**

44,000,000 shares / 199.07% (200.03% of total voting rights)

- The allocation of the proceeds from this financing to the uses described below is expected to contribute to the enhancement of corporate value and shareholder value over the medium to long term.
- Even taking dilution into account, the issuance is considered reasonable as it is expected to generate sufficient benefits for existing shareholders.
- As disclosed in the “Notice Regarding the Disclosure of Earnings Forecast” dated July 16, 2025, revenues from the first project have already been incorporated, while revenues from the second and subsequent projects have not yet been reflected.
- The Company’s common shares have maintained a certain level of liquidity, with an average daily trading volume of 2,686,684 shares over the past six months.*

- **Approval by Special Resolution at the Extraordinary General Meeting of Shareholders (scheduled for October 17, 2025):**

- The issuance of the Stock Acquisition Rights can only be implemented with shareholder approval by special resolution at the Extraordinary General Meeting, in order to confirm the intention of existing shareholders.

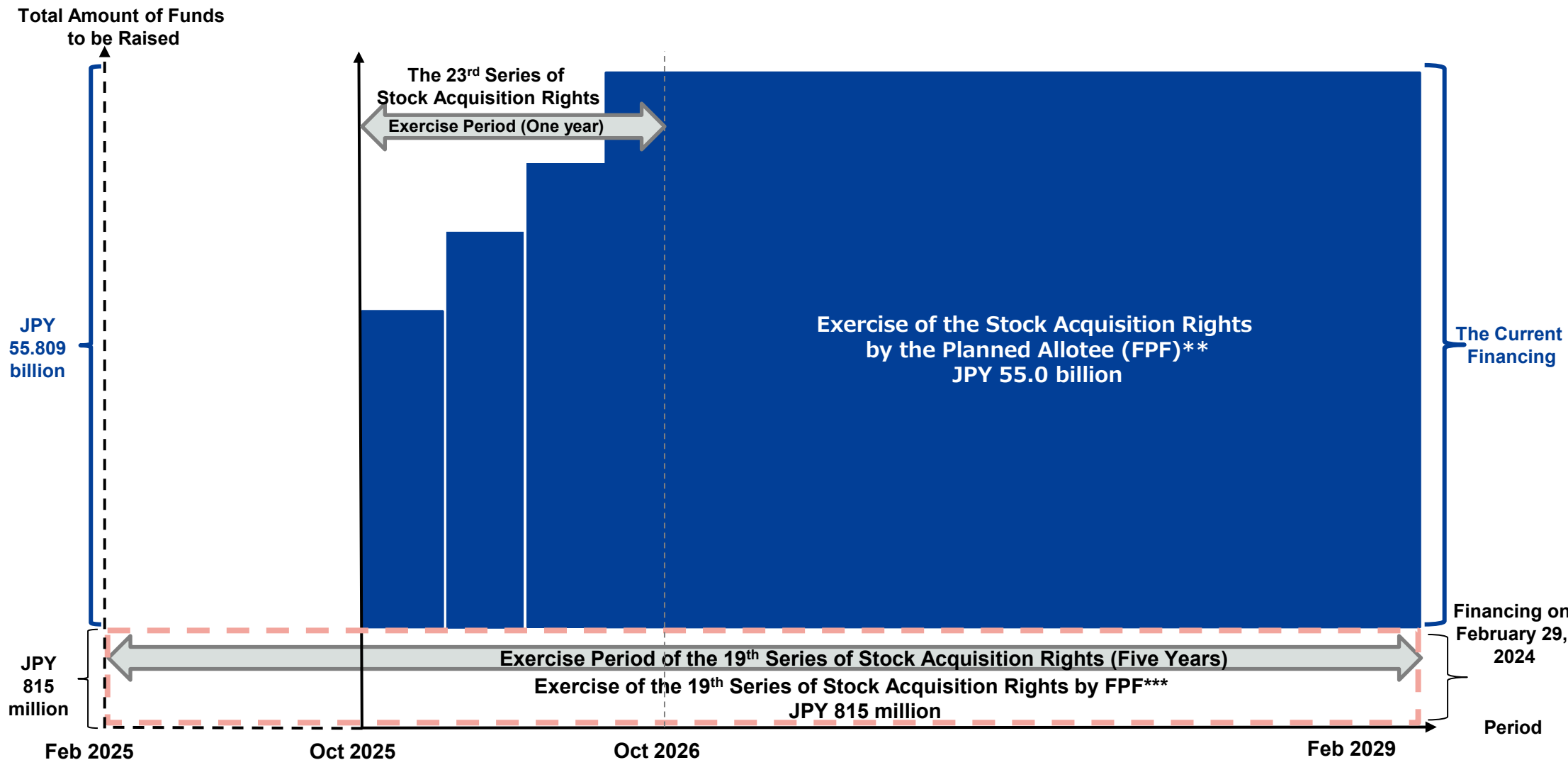
* The total number of the Company’s common shares underlying the Stock Acquisition Rights and the unexercised 19th Series of Stock Acquisition Rights is 45,488,000 shares.

- The scale of the projects is large relative to that of the Company's business, creating urgent funding needs.
- Securing these business opportunities is expected to contribute to enhancing the Company's corporate value and shareholder value over the medium to long term.
- **Purpose and Rationale for the Offering**
 - The probability of securing a large-scale pipeline project in Australia (the second project), with a business scale roughly double that of the first project and targeted for launch within this fiscal year, has increased significantly.
 - Compared with the current size of the Company Group, each project represents a large-scale business opportunity, and the required investment amount is substantial (the estimated total initial investment for the first project is approximately JPY 43,193 million).
 - Taking into account the status of discussions with financial institutions and other potential lenders for the first project, the Company has determined that this is the appropriate timing to raise funds for both the first and second projects.

Indicative Timeline of this Financing

Financing through the Issuance of
Stock Acquisition Rights

- Planned Fundraising Amount for this Financing: JPY 55.0 billion*



* The total amount from the exercise of the Stock Acquisition Rights before deduction of estimated issuance expenses (JPY 230 million). The total issue price (JPY 809.6 million) is offset against the loan principal claims and related interest claims held by FPF against the Company, and is therefore not included in the total amount.

** Depending on post-issuance share price levels, some or all the rights may remain unexercised.

*** As of September 16, 2025, no 19th Series Stock Acquisition Rights have been exercised; however, **advance payment corresponding to the full exercise price for all 14,880 rights has been made. Once the review under Article 27 of the Foreign Exchange and Foreign Trade Act is completed, all corresponding shares are scheduled to be issued.**

- The Specific use of funds and the expected timing of disbursement for JPY 54,770 million, excluding estimated issuance expenses, are as follows:

Capital expenditures and working capital, etc. for the AI data center business

- Amount: JPY 54,770 million
- Planned expenditure period: October 2025 – December 2026
- Overview:
 - Capital expenditures for a complete set of GPU servers and related / peripheral equipment for Project No. 1 and Project No. 2; working capital such as personnel expenses and outsourcing costs; and security deposits, rent, and utility expenses associated with data center site usage.
 - For Project No. 2, which is planned at approximately twice the scale of Project No. 1, the required investment amount is expected to be approximately double that of Project No. 1.

(*) Note: In the event that the actual proceeds from the issuance fall short of the initially planned amount at the time of issuance, the shortfall is expected to be covered through other means such as the use of internal funds or financing from financial institutions.

- Compared with the H100, which is already being deployed in Japan, the B200 delivers three times the training performance and fifteen times the inference performance.*
- Utilization of 5,000 B200 units by customers is expected to generate annual revenues of approximately JPY 19.7 billion, project profit of JPY 5.0 billion, and project EBITDA of JPY 13.5 billion over multiple years.
- In response to strong global demand, we plan to pursue multiple projects in parallel, both domestically and internationally, within this fiscal year, thereby establishing an overwhelming competitive advantage in the industry.
- Looking ahead, we will also promote large-scale deployments of the GB200, with the aim of building an AI super-cluster.

Project in progress:

- Project A: 5,000 B200 units (First project, already reflected in the current fiscal year forecast)
 - Project B: 10,000 B200 units (Second project)
 - Project C: 20,000 - 40,000 B200 units
 - Project D: 70,000 GB200 units (equivalent to 1,000 racks)
 - Project E: 100,000 GB200 units (equivalent to 1,500 racks)
 - Project F: . . .
- We aim to achieve operating profit in the scale of several tens of billions of yen at an early stage.

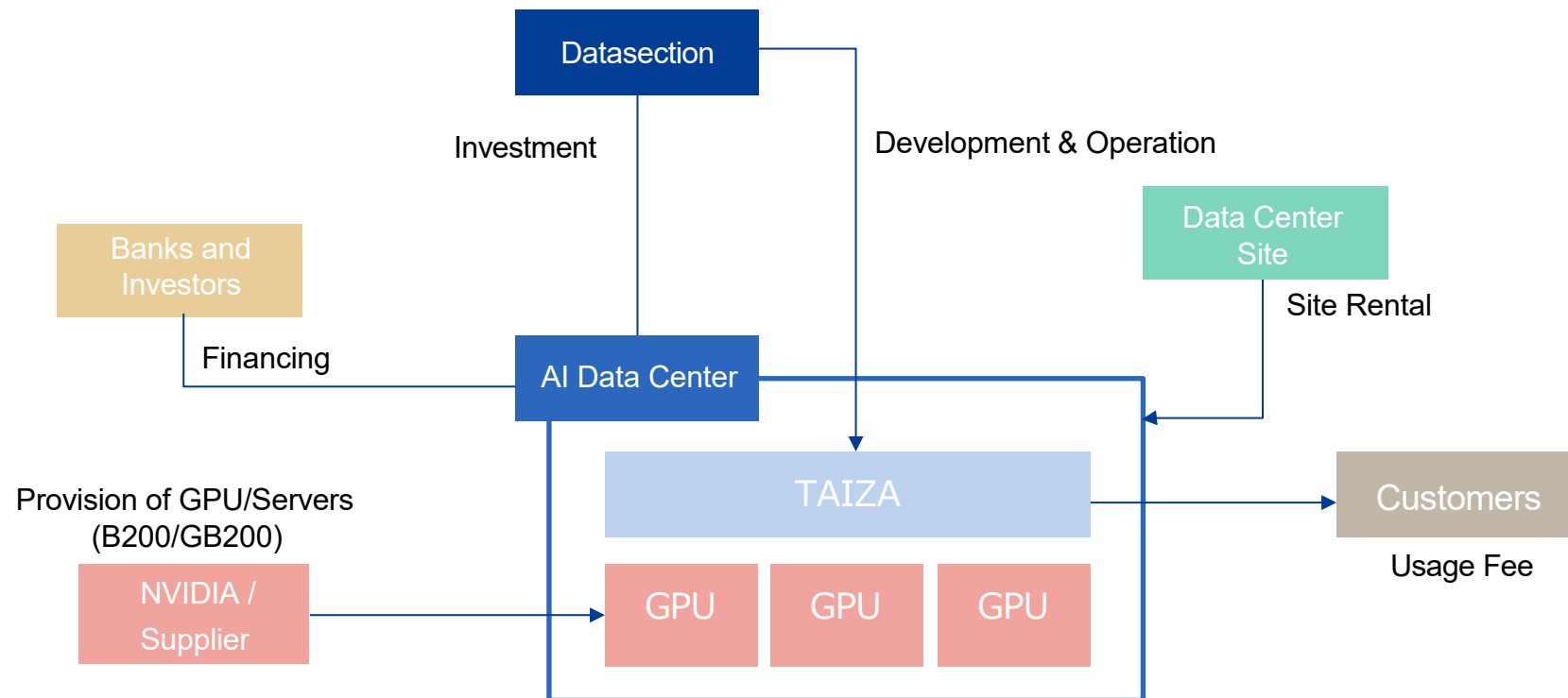
* Source: NVIDIA website, "NVIDIA DGX B200" product page

【Example of the First AI Data Center Project】

AI Business Structure / A: Direct Investment Model

Financing through the Issuance of
Stock Acquisition Rights

- The First AI data center project, which is included in the current fiscal year forecast (FY ending Marh 2026), is expected to adopt a Direct Investment Model.
- The revenue to be recorded by the Company will be in the form of TAIZA usage fees.
- At the same time, by securing the construction costs of the AI data center independently, through partial upfront payments from customers and / or project financing, the Company will be able to maximize revenue. Compared with the Fund Investment Model, which relies on external funding, the Direct Investment Model enables greater revenue maximization for the Company. Accordingly, the first project adopts the following structure under the Direct Investment Model.
- Going forward, the Company will flexibly consider the appropriate AI business structure in line with customer requirements, project characteristics, project scale, and potential partners.



- Against the backdrop of rising global demand for GPUs, competition for GPU acquisition has intensified significantly. Japanese companies, however, have lagged behind in this race, and the domestic development of AI infrastructure has yet to deliver the expected results. Within this environment, our first AI data center project will deploy 5,000 units of NVIDIA's next-generation GPU architecture "Blackwell" (B200), establishing one of the largest and highest-performing AI data centers in both Japan and Asia at this stage.
- Compared with the H100, which is already being deployed in Japan, the B200 delivers three times the training performance and fifteen times the inference performance. *
- In the current fiscal year, we will actively pursue the deployment of both B200 and GB200. Due to various project factors, however, our Company is uniquely positioned among Japanese firms to realize the construction of a large-scale cluster. Through our supplier partnership strategy, we have secured procurement capacity for 5,000 B200 units, which represents an overwhelming capability unmatched by other domestic companies.
- The operation of large-scale clusters is further enabled by "TAIZA", which continues to drive our industry advantage. Having undergone testing by global clients, TAIZA has received highly favorable evaluations.

By building world-class AI infrastructure in Japan under a unique geopolitical environment, we aim to reduce the nation's digital trade deficit and drive economic growth across all sectors.

* Source: NVIDIA website, "NVIDIA DGX B200" product page

Datasection Inc.

ir@datasection.co.jp
+81 50-3649-4858

8F Gotanda PLACE Bldg., 1-3-8 Nishigotanda,
Shinagawa-ku, Tokyo 141-0031

<https://www.datasection.co.jp/en>

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- This document has been prepared by the Company for the purpose of providing investors with an understanding of the current status of the Company for their reference.
- The contents contained herein are prepared based on generally recognized economic, social and other conditions as well as certain assumptions that we have judged to be reasonable, but may be subject to change without notice due to changes in the business environment or other reasons.
- The materials and information provided in this document include so-called "forward-looking statements." They are based on current estimates, forecasts, and assumptions that involve risks and entail uncertainties that could cause results to differ materially from those in the statements.
- These risks and uncertainties include general industry and market conditions, and general domestic and global economic conditions such as interest rate and currency exchange fluctuations.
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