

# **2nd Quarter of Fiscal Year Ending March 2026**

# **Financial Results**

**October 28, 2025**



# Financial Highlights

## Consolidated Financial Results

Net sales were **15,631 million yen** (an **increase of 17.8% YoY**), marking **a record high** for the first half of the year. Growth driven by GPU infrastructure services\*

- Net sales of GPU infrastructure services, now in its second year of service, increased 25.9% YoY to 2,820 million yen
- Recruitment of high-level personnel is progressing ahead of schedule in preparation for official Government Cloud certification. As planned, steady progress was made in building a foundation to strengthen the medium- to long-term competitiveness and revenue growth of GPUs and container-type data centers

(Note) From the fiscal year ending March 2026, the breakdown of the “GPU Cloud Service” will be reorganized (for details, see page 40)

## Consolidated Earning Forecast

We expect an **increase in the number of projects toward the fiscal year-end** through the expansion of services for generative AI to meet a diverse range of needs, the acquisition of new customer segments, and the strengthening of our sales framework through organizational restructuring. Our full-year earnings forecasts remain unchanged

- Second quarter largely in line with expectations
- To meet the diverse needs of large-scale clusters and inference applications, we launched the bare-metal GPU cloud service “Koukaryoku PHY B200 Plan” in August, as well as the cloud-based supercomputer “SAKURAONE” and “SAKURA AI Engine” platform for generative AI in September. Increased GPU profitability by providing high-value-added services
- Strengthening sales capabilities by building a co-creation ecosystem with partners, such as a customer-driven, cross-company development system and mutual resale of GPUs

**Record-high revenue** for the first half, with GPU infrastructure driving growth  
Costs were temporarily front-loaded due to strategic investments such as equipment and talent acquisition

- [Net sales]

  - Other services **increased 44.8%** YoY due to large government orders, GPU infrastructure services **increased 25.9%** YoY due to GPU investments in the current and previous fiscal years, and Cloud services **increased 10.2%** YoY, resulting in record-high net sales for the second quarter
- [Profit]

  - Investing in human resources in line with growth strategies such as developing cloud service functions and strengthening sales promotion (Increased the number of consolidated employees by 119 from the end of the previous fiscal year)
  - Increase in equipment-related expenses such as depreciation of GPU infrastructure services, the cost of services for sales regarding Other services, etc.

(Millions of yen)

| Item                                    | Q2 FY 3/25 | Q2 FY 3/26 | YoY     |            |
|-----------------------------------------|------------|------------|---------|------------|
|                                         | Amount     | Amount     | Change  | Change (%) |
| Net sales                               | 13,271     | 15,631     | 2,359   | 17.8       |
| Operating profit                        | 1,295      | (920)      | (2,216) | -          |
| Ordinary profit                         | 1,102      | (811)      | (1,913) | -          |
| Profit attributable to owners of parent | 710        | (626)      | (1,336) | -          |

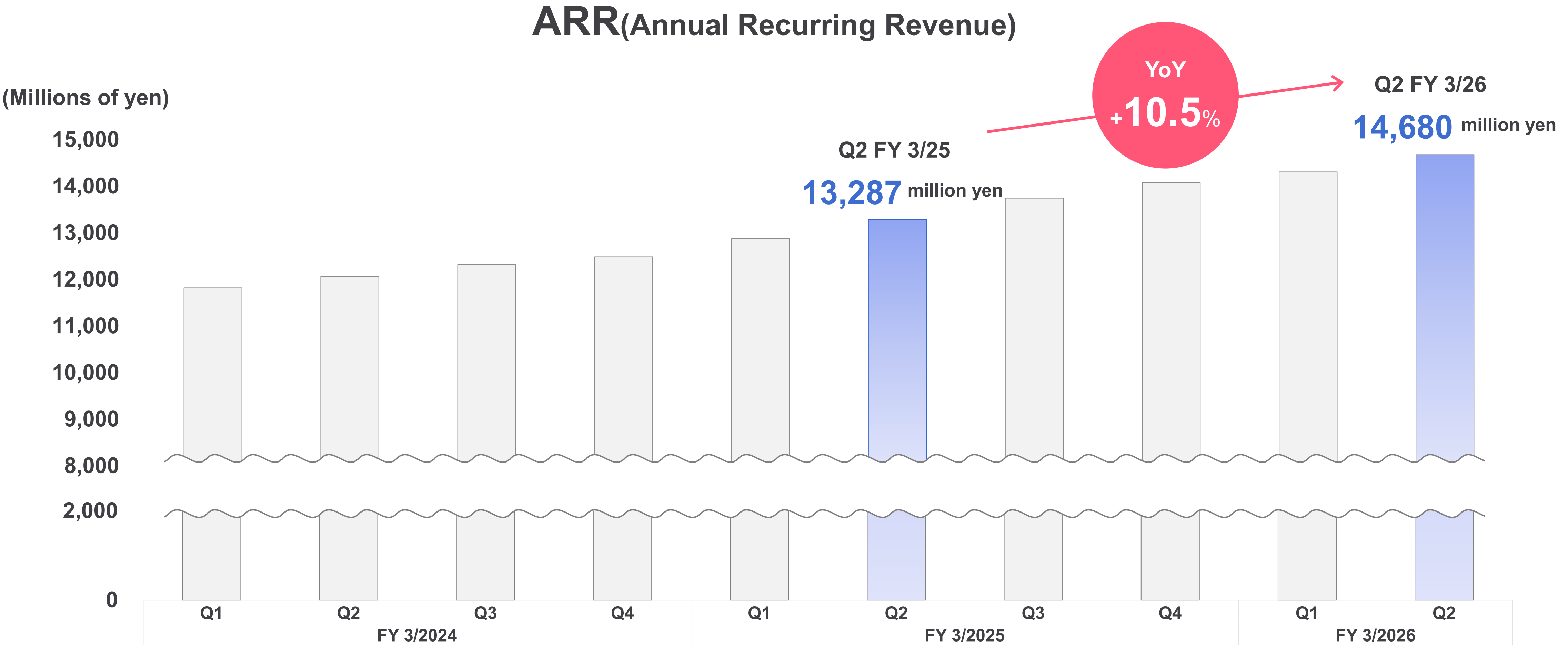
# Highlights of Consolidated Financial Results for Q2 FY 3/2026 (Compared to Earnings Forecasts)

We expect an **increase in the number of projects toward the fiscal year-end** through the expansion of services for generative AI to meet a diverse range of needs, the acquisition of new customer segments, and the strengthening of our sales framework through organizational restructuring. Our full-year earnings forecasts remain unchanged

- Net sales were generally within expectations, and **operating profit, ordinary profit, and profit exceeded expectations**
- In the “Other services” category, some large government orders were changed to record sales in the second half, but there is no change for the full year
- To meet the diverse needs of large-scale clusters and inference applications, we launched the bare-metal GPU cloud service “Koukaryoku PHY B200 Plan,” as well as the cloud-based supercomputer “SAKURAONE” and “SAKURA AI Engine” platform for generative AI.  
Improved profitability by expanding high-value-added cloud services
- Strengthening sales capabilities by building a co-creation ecosystem with partners, such as a customer-driven, cross-company development system and mutual resale of GPUs

| Item                                    | (Millions of yen)                            |                                     |        |            | FY 3/26<br>Full-year revised<br>forecast |
|-----------------------------------------|----------------------------------------------|-------------------------------------|--------|------------|------------------------------------------|
|                                         | FY 3/26<br>Q2 cumulative revised<br>forecast | FY 3/26<br>Q2 cumulative<br>results | Change | Change (%) |                                          |
| Net sales                               | 16,000                                       | 15,631                              | (368)  | (2.3)      | 36,500                                   |
| Operating profit                        | (1,150)                                      | (920)                               | 229    | 19.9       | 350                                      |
| Ordinary profit                         | (1,100)                                      | (811)                               | 288    | 26.2       | 400                                      |
| Profit attributable to owners of parent | (800)                                        | (626)                               | 173    | 21.7       | 200                                      |

ARR, representing recurring fee revenue, **increased 10.5% YoY**



\*The figures cover SAKURA internet’s SAKURA Cloud, SAKURA VPS, and SAKURA Web Hosting, reported on a non-consolidated basis. Although cloud services are billed on a pay-as-you-go basis, usage is converted into a flat-rate estimate to approximate fixed monthly charges

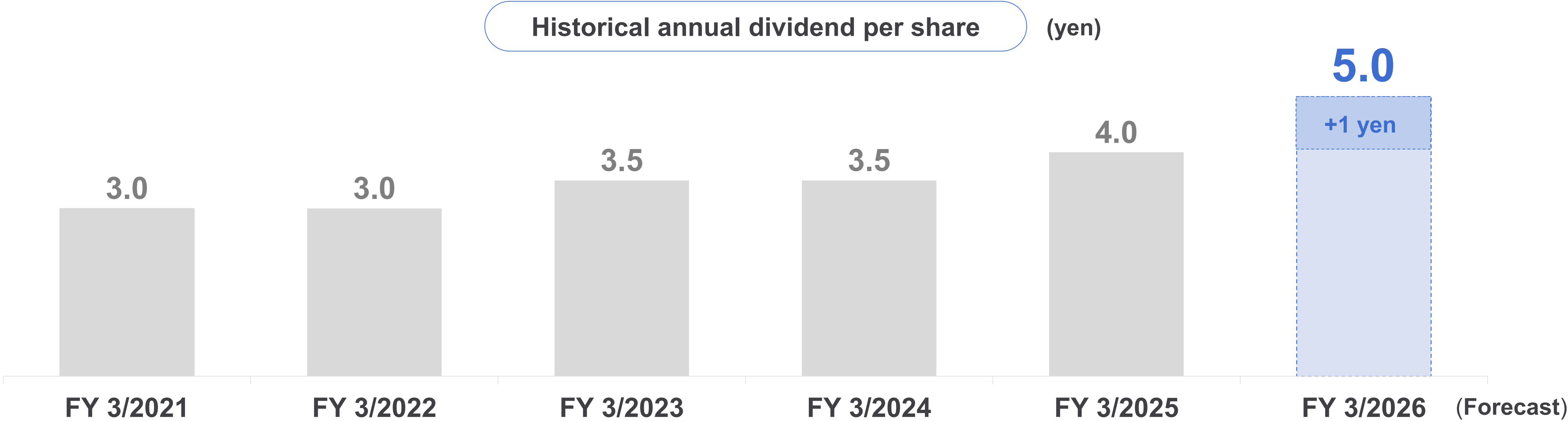
\*Annual Recurring Revenue (ARR) is calculated by taking the Monthly Recurring Revenue (MRR) at the end of each quarter, summing it, and multiplying by four. ARR is a forward-looking performance indicator and differs from net sales, which reflect actual recognized revenue

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Basic dividend policy

Our basic policy is to return profits to shareholders in accordance with the progress of our performance results, while maintaining a certain level of internal reserves in order to ensure sustainable growth and earning capacity

- Planned dividend for FY 3/2026: 5.00 yen per share



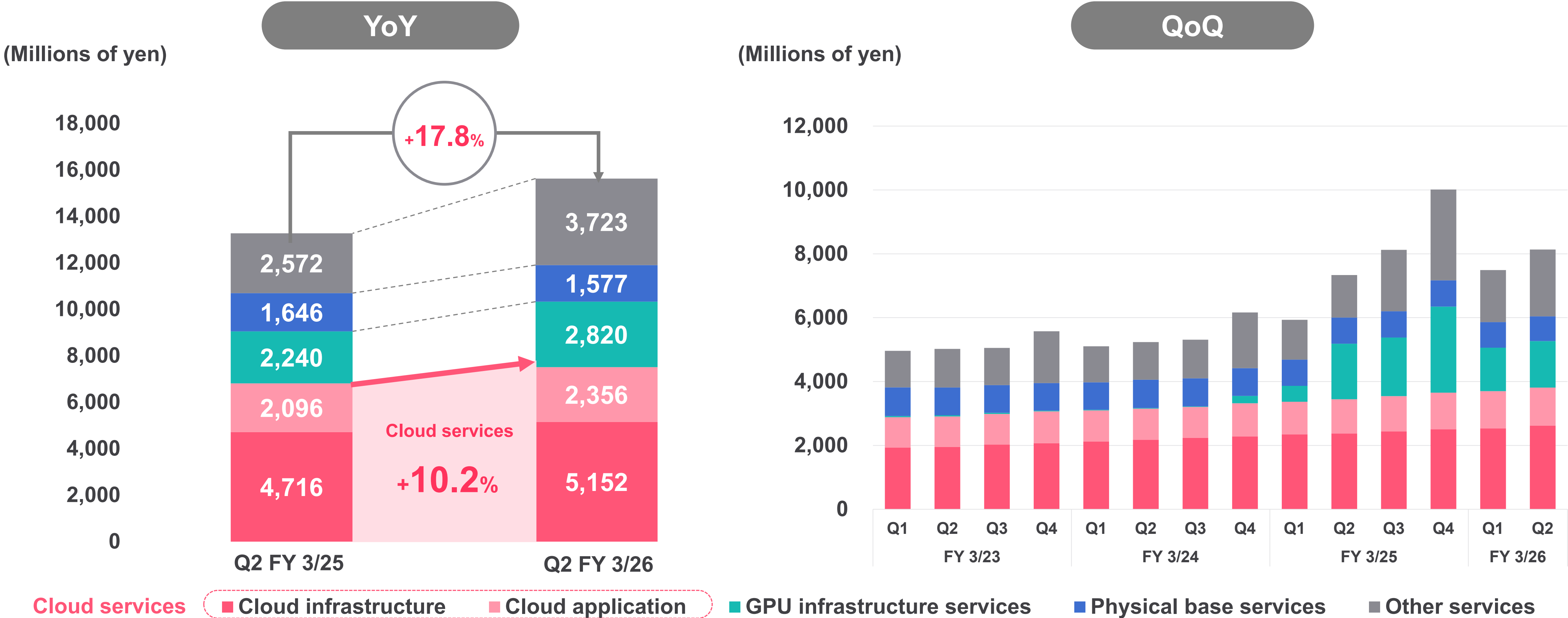
We understand that, as digitalization accelerates rapidly across society as a whole, the expansion of the AI infrastructure and cloud markets is an important phase for the Company that will lead to enhancing corporate value and shareholder interest over the medium to long term. Seizing this market expansion as an opportunity for the Company to make a big step, we are proceeding with large-scale investments in the AI and cloud fields while securing necessary capital as internal reserves in order to establish a leading position of first-mover advantage. At the same time, in terms of shareholder returns, we aim to maximize shareholder interest over the medium to long term by enhancing corporate value through sustainable growth and promoting comprehensive returns through stable dividends and other means

# Consolidated Financial Results for Q2 FY 3/2026

Other services **increased 44.8%** YoY due to large government orders, GPU infrastructure services **increased 25.9%**, and Cloud services **increased 10.2%**  
Temporary decrease in profit due to increase in personnel expenses and equipment-related expenses such as depreciation as a result of proactive investment

| Item                                    | Q2 FY 3/25 |                       | Q2 FY 3/26 |                       | YoY     |            |
|-----------------------------------------|------------|-----------------------|------------|-----------------------|---------|------------|
|                                         | Amount     | Sales composition (%) | Amount     | Sales composition (%) | Change  | Change (%) |
|                                         |            |                       |            |                       |         |            |
| Net sales                               | 13,271     | 100.0                 | 15,631     | 100.0                 | 2,359   | 17.8       |
| Cost of sales                           | 8,922      | 67.2                  | 12,482     | 79.9                  | 3,559   | 39.9       |
| Gross profit                            | 4,349      | 32.8                  | 3,148      | 20.1                  | (1,200) | (27.6)     |
| SG&A expenses                           | 3,053      | 23.0                  | 4,069      | 26.0                  | 1,016   | 33.3       |
| Operating profit                        | 1,295      | 9.8                   | (920)      | (5.9)                 | (2,216) | —          |
| Ordinary profit                         | 1,102      | 8.3                   | (811)      | (5.2)                 | (1,913) | —          |
| Profit attributable to owners of parent | 710        | 5.4                   | (626)      | (4.0)                 | (1,336) | —          |

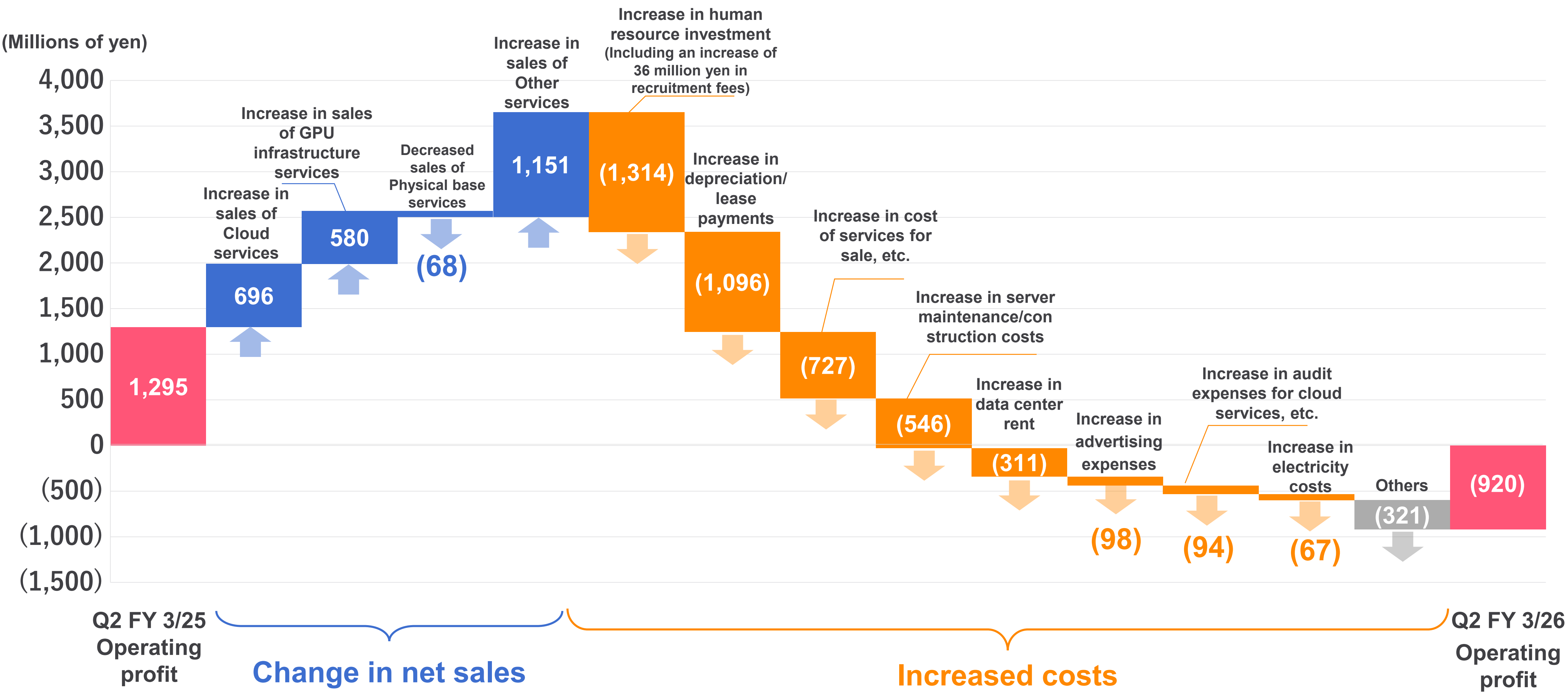
GPU infrastructure services **increased 580 million yen YoY**  
**Cloud services** demonstrated positive performance, with year-over-year **increases of +10.2%**, and  
Other services grew, driven by large-scale government orders



\*From FY 3/2026, consolidated service categories will undergo changes. Reclassified figures are also used in and before FY 3/2025

# Factors That Affected Consolidated Operating Profit for Q2 FY 3/2026 (YoY)

## Factors that affected operating profit



# Consolidated Balance Sheet

- **Current assets:** Decrease in cash and deposits due to payments for equipment investments related to generative AI services
- **Non-current assets:** Increase in property, plant and equipment resulting from investments in equipment for generative AI services
- **Liabilities:** Decrease in liabilities due to the above payments, along with an increase in lease liabilities and borrowings

(Millions of yen)

| Item                            | Previous year end (FY 3/25) | End of Q2 (FY 3/26) | Change          |
|---------------------------------|-----------------------------|---------------------|-----------------|
| <b>Current assets</b>           | <b>41,744</b>               | <b>19,694</b>       | <b>(22,049)</b> |
| <b>Non-current assets</b>       | <b>39,674</b>               | <b>60,565</b>       | <b>20,890</b>   |
| (Property, plant and equipment) | 33,469                      | 51,190              | 17,721          |
| (Intangible assets)             | 1,259                       | 1,565               | 305             |
| (Investments and other assets)  | 4,945                       | 7,808               | 2,863           |
| <b>Total assets</b>             | <b>81,419</b>               | <b>80,260</b>       | <b>(1,159)</b>  |

| Item                                    | Previous year end (FY 3/25) | End of Q2 (FY 3/26) | Change         |
|-----------------------------------------|-----------------------------|---------------------|----------------|
| <b>Current liabilities</b>              | <b>40,347</b>               | <b>34,194</b>       | <b>(6,152)</b> |
| <b>Non-current liabilities</b>          | <b>10,814</b>               | <b>16,453</b>       | <b>5,638</b>   |
| <b>Total liabilities</b>                | <b>51,162</b>               | <b>50,648</b>       | <b>(513)</b>   |
| <b>Net assets</b>                       | <b>30,257</b>               | <b>29,611</b>       | <b>(645)</b>   |
| (Including shareholders' equity)        | 29,931                      | 29,228              | (702)          |
| <b>Total liabilities and net assets</b> | <b>81,419</b>               | <b>80,260</b>       | <b>(1,159)</b> |

# Consolidated Statement of Cash Flows

- Cash flow from operating activities: Depreciation increased while profit before income taxes decreased
- Cash flow from investing activities: Increase in payment of liabilities related to equipment for generative AI services
- Cash flow from financing activities: Proceeds from issuance of shares carried out in the same period of the previous fiscal year

(Millions of yen)

| Item                                | Q2 FY 3/24 | Q2 FY 3/25 | Q2 FY 3/26 | YoY change |
|-------------------------------------|------------|------------|------------|------------|
| Cash flow from operating activities | 1,377      | 487        | 53         | (433)      |
| Cash flow from investing activities | (775)      | 317        | (22,485)   | (22,803)   |
| FCF                                 | 601        | 804        | (22,432)   | (23,236)   |
| Cash flow from financing activities | (927)      | 23,581     | 3,725      | (19,856)   |
| Increase in cash and equivalents    | (326)      | 24,385     | (18,705)   | (43,091)   |
| Cash and equivalents balance        | 4,483      | 29,648     | 10,783     | (18,865)   |

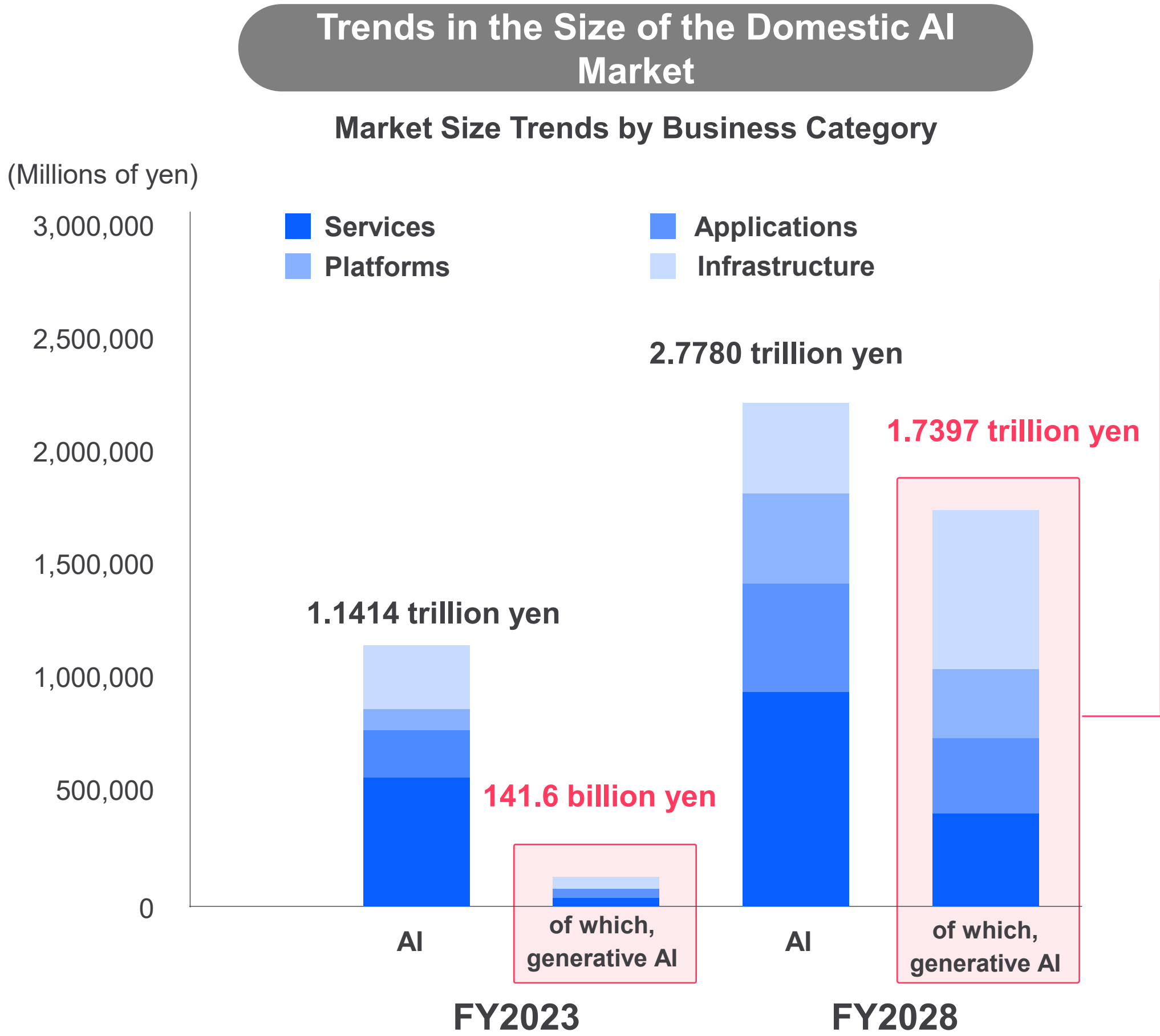
\*FCF = Cash flow from operating activities + Cash flow from investing activities

# Future Growth Strategy

## Future Growth Strategy

# 1. Generative AI Services

The generative AI market is **expected to see significant growth**, particularly in the **platform and infrastructure segments**, with the market projected to reach **1.7397 trillion yen by FY2028** (CAGR of 65.2% from FY2023 to FY2028)



**Generative AI is driving the growth of the AI market, with particularly high growth rates in the platform and infrastructure segments**

- Infrastructure that supports foundation models and AI applications is driving the market, and further expansion is expected
- With the transition to the utilization (inference) phase, the integration of foundation models into applications is expected to grow

Inference needs expanded rapidly earlier than expected. In response, **we quickly launched a diverse range of generative AI services** that had been prepared in advance, including our cloud-based in-house supercomputer and generative AI platform

| Use case                  | Assumptions for earnings forecast                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Changes in the business environment                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Training<br>(Development) | <ul style="list-style-type: none"><li>For large-scale training needs, we aim to establish a competitive advantage through early GPU procurement and early service delivery (over the next 2–3 years), positioning this as a short-term revenue driver</li><li>For medium- to small-scale training needs, we will expand our service lineup—such as by introducing time-based billing—to accommodate diverse use cases and build a foundation for mid-term growth by broadening the user base</li></ul> |  <b>Intensifying competition</b> | <p>As the user base expands, expectations are rising for high value-added services and the ability to meet increasingly diverse needs</p> <ul style="list-style-type: none"><li>As the user base continues to broaden, use cases are becoming more diverse and sophisticated. In turn, this is driving increased demand for high-performance and highly flexible infrastructure</li><li>The provision of GPU services is accelerating both domestically and internationally, with domestic support programs and aggressive pricing strategies by overseas players emerging in the market. As a result, it is becoming difficult to differentiate based on specifications or pricing alone</li></ul> |
| Inference<br>(Usage)      | For inference needs, we will establish a sustainable and stable revenue base in the future by providing platform services in line with the gradual expansion of utilization                                                                                                                                                                                                                                                                                                                            |  <b>Expanding needs</b>        | <p>As the utilization phase of generative AI enters full swing, inference needs are rapidly expanding, further increasing expectations and trust in domestic platforms</p> <ul style="list-style-type: none"><li>As the adoption of AI enters a full-scale phase, inference needs at the operational level are rapidly expanding. In particular, in segments with high demands for confidentiality and a preference for domestic solutions—such as local governments, finance, and healthcare—there is growing interest in platform services that enable secure and flexible operations on domestic infrastructure, as well as in the use of domestic LLMs.</li></ul>                               |

**Evolving into a delivery model that balances profitability and growth through high value-added generative AI infrastructure.**  
With a focus on maximizing results for the full fiscal year, we are steadily advancing key initiatives.  
By deepening our value proposition and strengthening both proposal and deployment capabilities, we aim to achieve sustainable growth

## Enhancing the value proposition of GPU resources

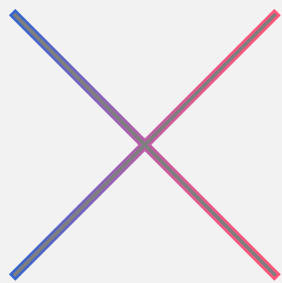
Leveraging our strengths as a domestic leading company, we are evolving into a highly profitable generative AI infrastructure service provider through competitive GPU resources and a flexible cloud platform

- **Improving profitability through high value-added services**

GPU resources are being redesigned into optimal services tailored to specific uses and objectives. Offerings such as SAKURAONE (cloud-based supercomputer), Koukaryoku PHY / VRT / DOK, and the SAKURA Gen AI PLATFORM are provided flexibly as user-friendly services. In addition, by offering end-to-end support from deployment to ongoing assistance we differentiate ourselves, enhance the value of our services, and drive increases in both unit price and LTV

- **Improving GPU resource utilization**

By transforming GPUs into supercomputer-like systems to achieve high utilization, and shifting our focus toward cloud-based services such as SAKURA Gen AI PLATFORM, we are transitioning to a revenue model that maximizes resource efficiency per server



## Enhancing sales capabilities

An integrated AI expert team that handles “build, sell, and support” strategically assists customers in leveraging generative AI

- **Establishing a company-wide integrated structure**

Under the leadership of the newly appointed Senior Executive Officer, we are building a structure where development, sales, and support work in unison. A company-wide project integrating “build,” “sell,” and “support” has been launched to maximize customer value and strengthen business execution capabilities

- **Establishment of a resale partner program**

We have introduced a new Reseller Partner Program and are fully scaling up deal acquisition through resale channels. We have already signed resale agreements for the Koukaryoku series with multiple companies, and plan to expand further. Through our partners, we aim to broaden sales channels to new industries and customer segments, driving revenue growth

We are concentrating resources on our strength **cloud-based services** to **maximize profitability** of our computing infrastructure by focusing on high-growth, high-profit areas

For training (development)

For inference (usage)

A high value-added service lineup that meets diverse needs

 高火力 Series

SAKURAONE  
(Supercomputer)

Koukaryoku  
PHY

Koukaryoku  
VRT

Koukaryoku  
DOK

SAKURA Gen  
AI PLATFORM



1

Strategy  
for training  
use cases

We are executing a differentiation strategy to meet large-scale and enterprise needs by offering our in-house supercomputer “SAKURAONE,” which ranks 49th in the world in processing performance, and the latest GPU “NVIDIA B200” at an early stage

2

Strategy  
for inference  
use cases

Leveraging our strengths in “domestic cloud × extensive support,” we have launched a highly flexible and open platform service. This initiative enhances profitability per computing infrastructure unit

\* Reposted from the FY2026 Q1 Financial Results Presentation.



We position **high-performance GPUs and our cloud-based in-house supercomputer** as key drivers of revenue growth, aiming to secure large-scale projects and improve GPU resource utilization

With high-performance GPUs and our in-house supercomputer as strengths, we are entering the enterprise market in earnest

- Launch of the “NVIDIA B200,” scheduled for August, and the cloud-based supercomputing system “SAKURAONE ”

We plan to offer the B200 ahead of competitors and sell our technically superior and highly flexible in-house supercomputer to enterprise customers

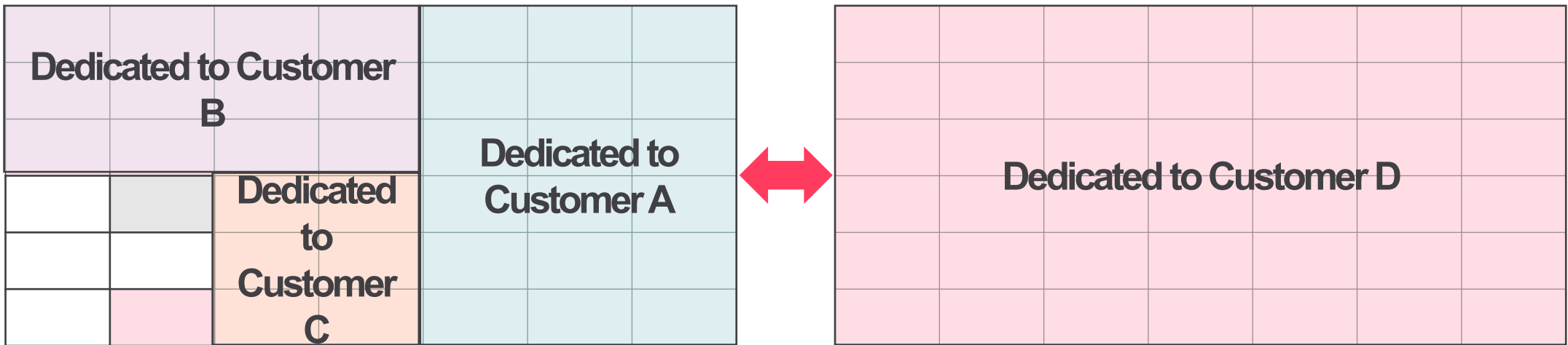
At the international conference and exhibition “ISC2025” held in Germany on June 10, 2025 (JST), we ranked 49th in the world in the TOP500 list for supercomputer performance



Strengths of “SAKURAONE ”

- Service strengths and value proposition
  - Easy to adopt with a ready-to-use managed model
  - Flexible scalability from small-scale to supercomputer-level
  - Extensive Japanese-language support by domestic engineers
  - Transparency and responsiveness in troubleshooting through in-house development and operations
- A structure of high utilization and high profitability
  - Partitioning enables both dedicated use and high utilization
  - Expandable based on use case, allowing for a wide range of deal sizes and significant upsell potential

Image of GPU server offerings



As before, dedicated use is available based on specific use cases

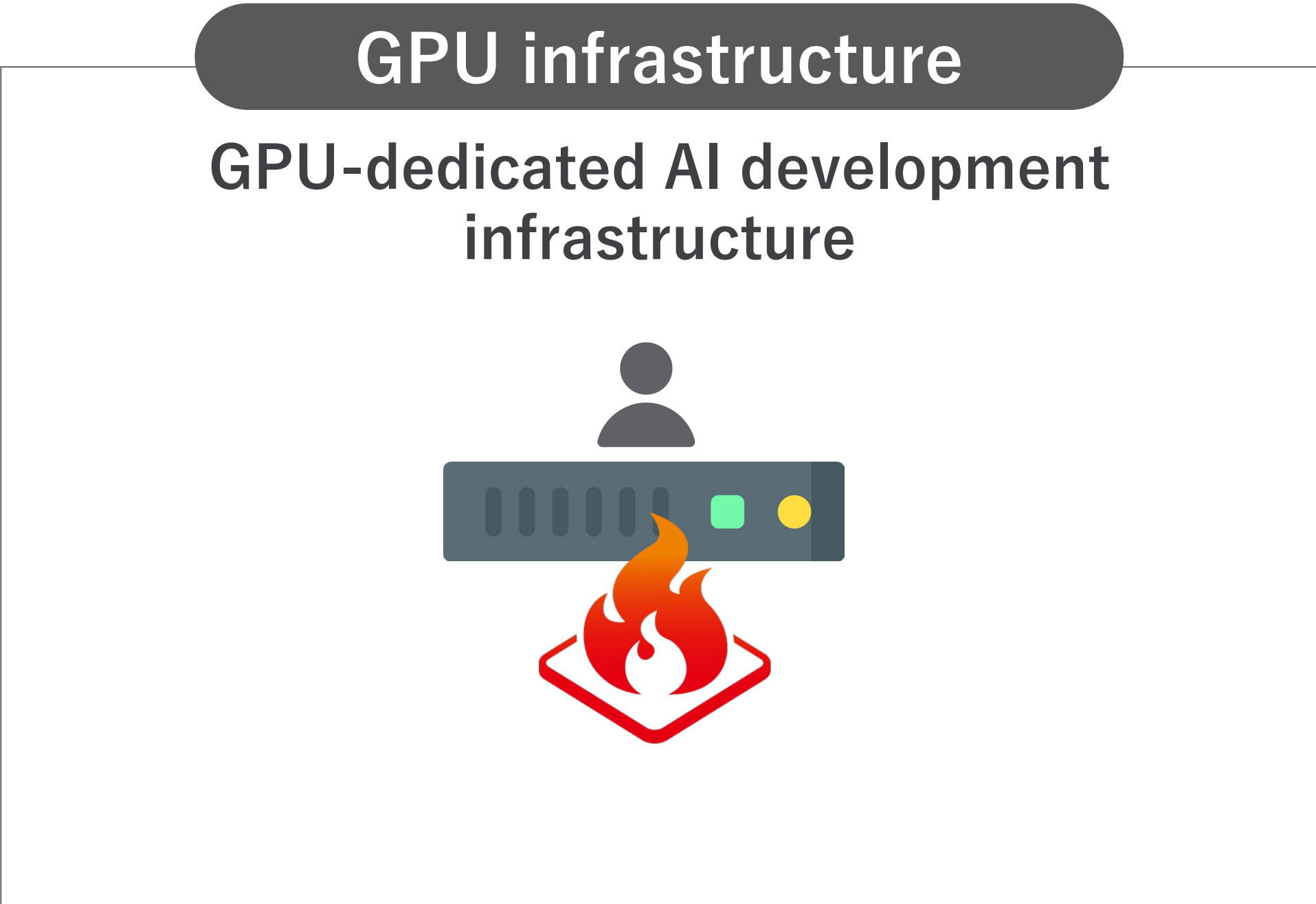
A single customer can use it as a supercomputer

\* Reposted from the FY2026 Q1 Financial Results Presentation.

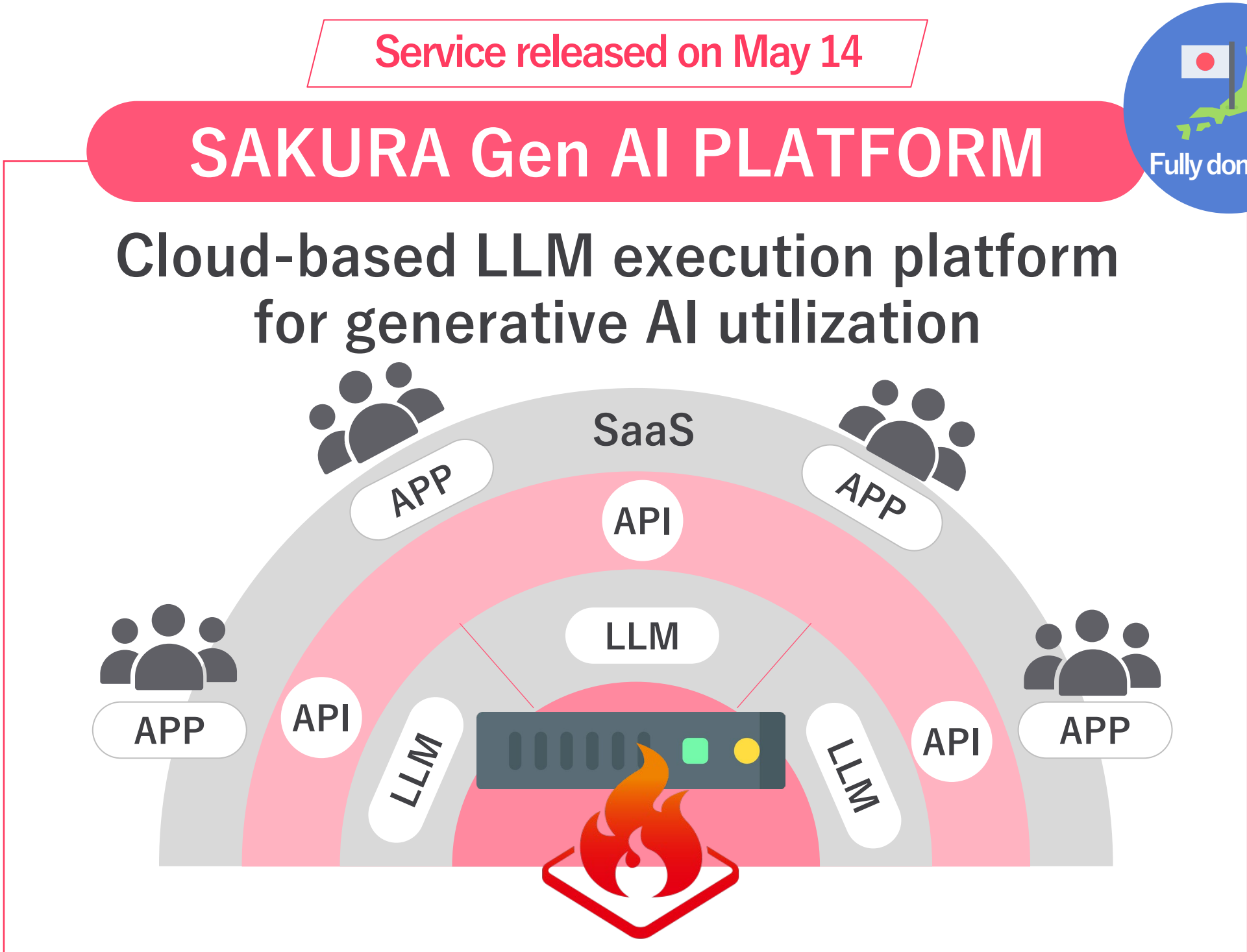
②  
Strategy for  
inference  
use cases

In response to growing inference demand, we provide a “ready-to-use” service that combines **full domestic delivery, confidentiality, responsiveness, and scalability**. By expanding the user base, we aim to improve profitability and build a sustainable revenue foundation, establishing our position as a **reliable, Japan-origin infrastructure platform**

Service released on May 14



|          |                        |
|----------|------------------------|
| Use case | Training (Development) |
| Billing  | Fixed pricing          |



|                       |
|-----------------------|
| Inference (Usage)     |
| Pay-as-you-go pricing |

③  
Awareness  
Enhancement  
Initiative

With **the official launch** of the VM-based GPU cloud service,  
we are **expanding recognition** as a domestic cloud service for generative AI

Shifting to purpose-specific service offerings by capitalizing on our GPU supply strength

- We are reallocating GPU resources from our previously exclusive, dedicated generative AI services to more general-purpose, cost-efficient, high value-added services
- By expanding service options based on performance, use case, and pricing, we aim to flexibly respond to the diversifying needs of the market

Full-scale efforts underway to boost awareness and promote usage

- In response to demand, we secured GPUs for the VM-based GPU cloud service “Koukaryoku VRT” which launched in beta in April. We are establishing a stable supply system and plan to release the official version by the end of July
- Alongside the official release, we will launch a campaign to raise awareness and promote usage

SAKURA internet

サービス サポート 企業情報 IR情報 会員ログイン

法人限定

生成AI全力応援キャンペーン  
～NVIDIA H100が100時間無料に～  
高火力 VRTを最大100時間無料で利用できるクーポンを今すぐゲットしよう。  
キャンペーンに応募する

キャンペーン詳細

|          |                                                                                                                                                                                                                                                                                                                                                   |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| キャンペーン内容 | 高火力 VRT NVIDIA H100を最大100時間無料（※1）で利用できるクーポンを法人のお客様限定でプレゼント                                                                                                                                                                                                                                                                                        |
| 対象サービス   | 高火力 VRT NVIDIA H100（※2）                                                                                                                                                                                                                                                                                                                           |
| 対象者・適用条件 | 応募期間内に専用の応募フォームからお申し込みいただき、かつ、新規でプロジェクトを作成いただいた法人のお客様                                                                                                                                                                                                                                                                                             |
| 応募期間     | 2025年7月28日（月）から2025年8月22日（金）まで                                                                                                                                                                                                                                                                                                                    |
| その他注意事項  | <ul style="list-style-type: none"><li>● 本キャンペーンによる割引適用期限は9月末までとなります。</li><li>● 応募いただいた内容を確認のうえ、順次メールでご案内いたします。また、内容に応じて最大10営業日ほどお時間をいただく場合があります。</li><li>● クーポンの提供には、さくらのクラウドの新規プロジェクトの作成が必要となります。担当者よりさくらインターネットの会員IDと適用対象となるさくらのクラウドのプロジェクトコードを確認させていただいたのち、クーポンをお渡しいたします。なお、応募いただいた場合でも、在庫状況又は当社サービス約款に基づく判断により、サービスをご提供できない場合があります。</li></ul> |

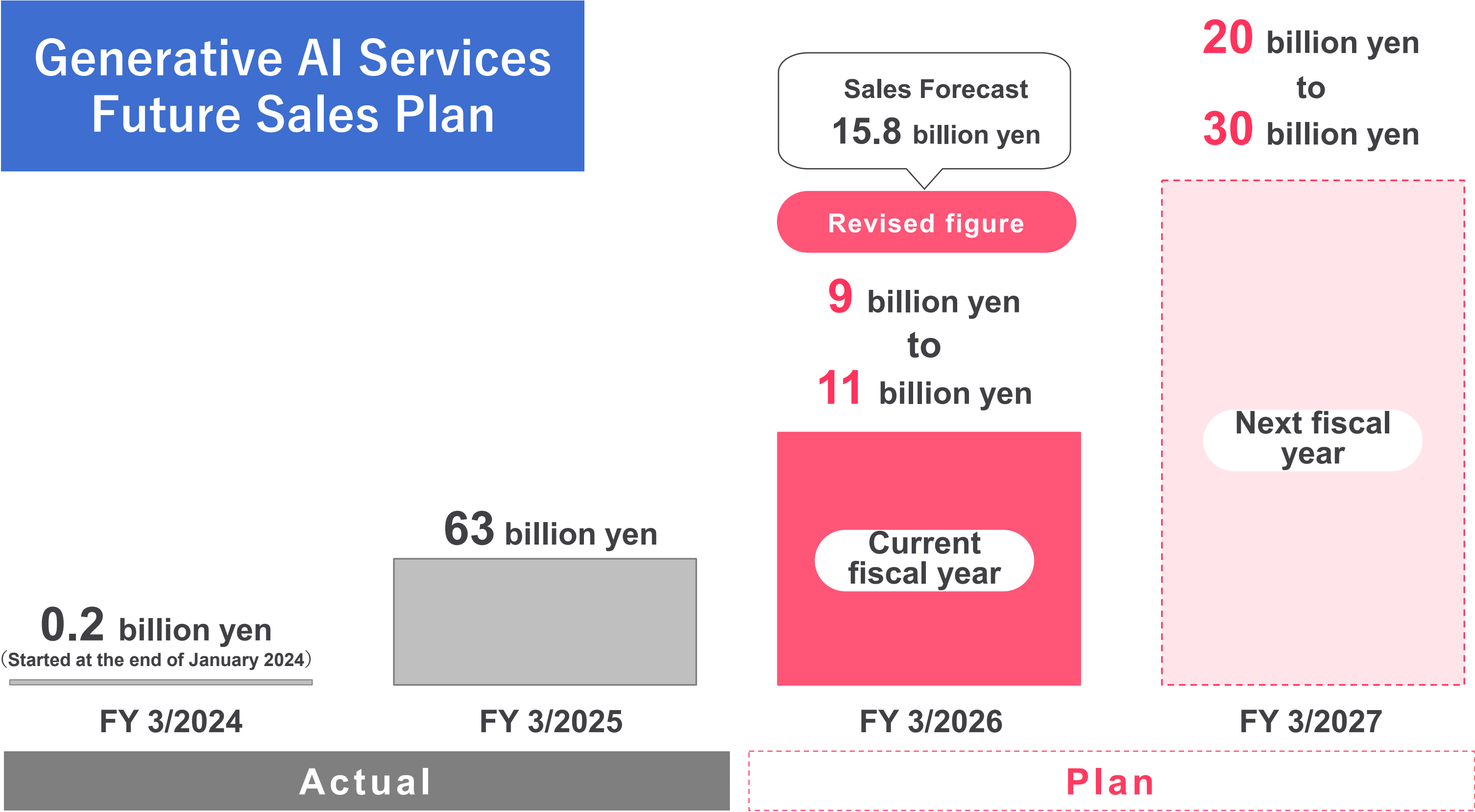
※1 250GB-SSDプランのご利用を前提に算出

※2 2025年7月31日正式版リリース

# Future AI strategies : Sales Plan

\* Reposted from the FY2026 Q1 Financial Results Presentation.

Reflecting changes in the business environment and strategic shifts, we have revised our sales plan for **the current fiscal year**.  
Meanwhile, for **the next fiscal year**, we have maintained our **previous assumptions**,  
anticipating accelerated growth through the rollout of key initiatives.



By refining our technology, infrastructure, and support systems, we aim to leap forward as a leading digital infrastructure company that drives the successful implementation of AI together with our customers.

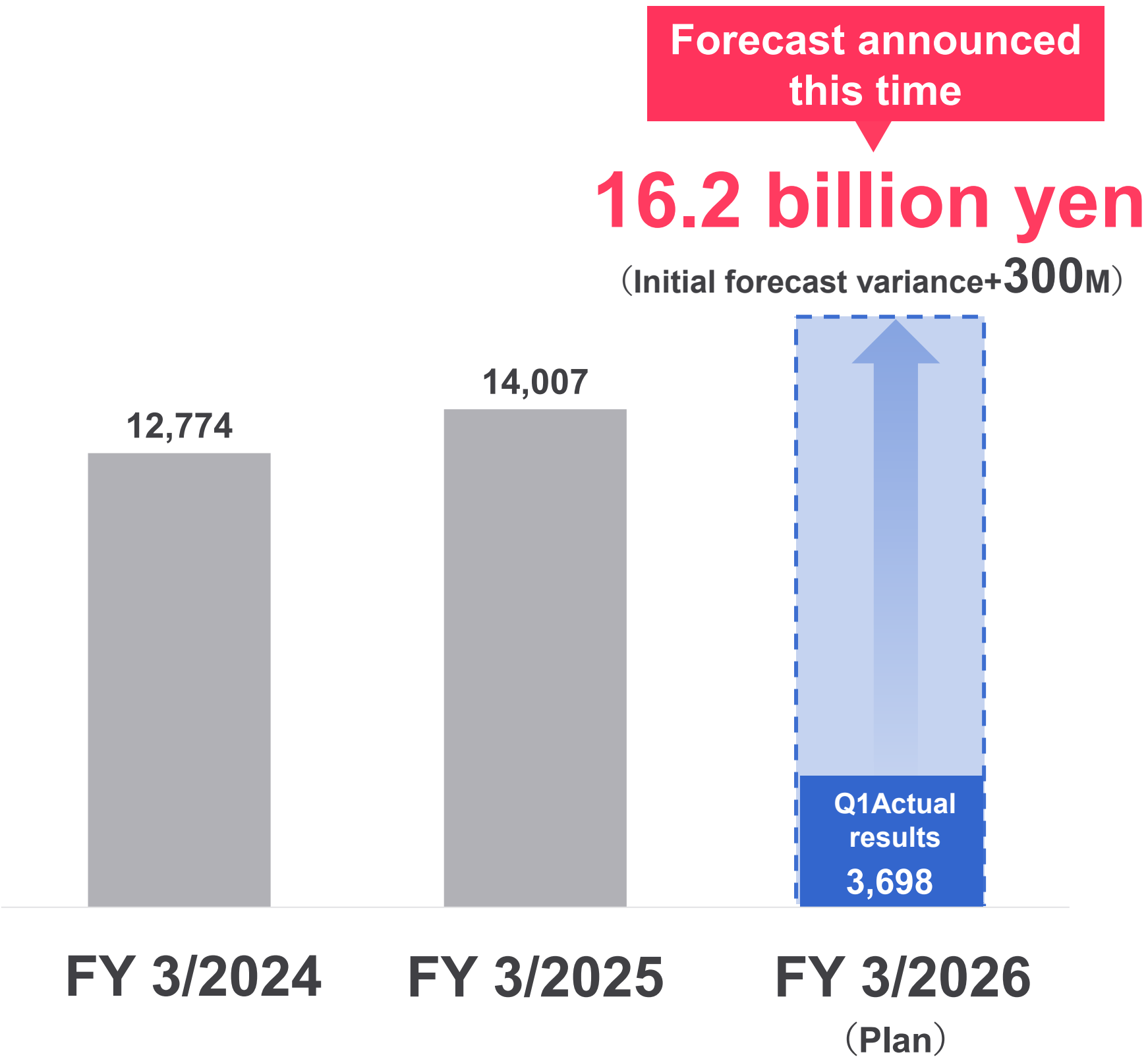
## Future Growth Strategy

# 2. Cloud services

Full-year forecast for Cloud services is expected to grow in line with the initial assumptions

Cloud service revenue trends

(Millions of yen)



Accelerating enhancement of the sales structure and development of service features  
Driving mid- to long-term business expansion

- For existing cloud services, we aim to expand revenue through issue-solving proposals rooted in customer understanding and hands-on support provided through collaboration between sales and engineering teams
- Feature development toward official Government Cloud certification by the end of March 2026 is progressing smoothly
- The cloud-based generative AI services “Koukaryoku VRT” and “Koukaryoku DOK” have been classified under cloud services starting this fiscal year. An upward revision of 300 million yen is expected compared to the initial forecast

By combining our “**strategic strengths**” with a “**co-creative ecosystem**”  
we aim to maximize growth through both customer value creation and market expansion

## Maximizing value for existing customers (Trust and Deepening)

- **Building an “empathy-driven” problem-solving framework through strategic proposals and technical support**  
Leveraging our strength in “vertical integration × in-house development,” our sales and engineering teams work together as one. By delivering high-precision proposals from the customer’s perspective and responsive technical support, we achieve both strong problem-solving capabilities and high reliability
- **Promoting a “relationship-deepening” expansion model through upselling and cross-selling**  
By providing technical knowledge, validation support, and continuous follow-up, we offer end-to-end assistance from the evaluation phase through to actual operations. Together with our customers, we enhance the outcomes of AI utilization while simultaneously generating ongoing opportunities for upselling and cross-selling, expanding value, and deepening relationships

## Approach to new customers (Opportunity Creation and Market Expansion)

- **Exploring new markets through partner collaboration**  
We complement and expand the expertise and value that are difficult to provide on our own through a co-creation network with partners. This enables high value-added approaches to untapped areas such as non-IT industries and the public sector
- **Generating “value-resonant” leads through issue-driven engagement**  
Focusing on customer changes and early signals, we design touchpoints that draw out their challenges and interests. By leveraging webinars and exhibitions as spaces to foster empathy, we are evolving into a co-creation-driven sales approach that reaches customer segments we had previously been unable to approach

From “selling” to “creating value together” — evolving into a solution-based sales approach that starts with the customer and generates future demand

Provide high value-added services that turn customers’  
“what you want to do” into “what you can do”

| <div>Not just “selling,” but solving issues starting from the customer’s perspective</div> <div><ul style="list-style-type: none"><li>Collaborative proposals with engineers and sales working together in a hands-on, co-creative approach</li><li>Proposals from a diverse range of partner companies</li></ul></div> | Direction                                                                                                                                               | Initiative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                         | <div></div> <div>Approach to new customers</div>                      | <ul style="list-style-type: none"><li><b>Expanding the partner network</b><br/>By collaborating with partner companies, we aim to expand our market share in non-IT general enterprises and the public sector. Through webinars, events, and joint exhibitions, we fully leverage a co-creation ecosystem to generate new market opportunities</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                         | <div></div> <div>Maximizing value for existing customers</div>      | <ul style="list-style-type: none"><li><b>Acquiring leads in direct response to market challenges</b><br/>As a concrete initiative, we conducted solution-oriented webinars and hands-on sessions for businesses facing changes to VMware licensing. Starting in August, we launched a campaign to promote cloud migration</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                         | <div></div> <div>Strengthening support for large-scale demand</div> | <ul style="list-style-type: none"><li><b>Customized proposals through visits to major customers</b><br/>We visit large-scale cloud customers to understand their needs and solve technical issues through in-depth interviews. Starting in November, we will enhance customer satisfaction and encourage greater usage through the launch of premium support and the provision of new features</li><li><b>Full-scale support for large-scale projects enabled by the launch of the Ishikari Zone 3</b><br/>With the launch of Ishikari Zone 3 in October, we are now capable of accommodating large-scale resources. Depending on customer needs, we can flexibly support the construction of dedicated private zones that combine our cloud with customer-owned equipment, as well as the setup of large-scale zones exclusively for a single client. By aligning technical and sales teams, we aim to overcome implementation barriers and secure major projects</li></ul> |

# Initiatives for Priority Measures

Practice of growth strategy



Strengthen infrastructure that underpins growth strategy

Expansion of service lineup

- Released a variety of services to meet the strong demand for generative AI
- Koukaryoku PHY B200 Plan (August)
  - SAKURA AI Engine (September)
  - SAKURAONE (September)

Providing services that can be trusted

- Preferred Networks, SAKURA internet, and NICT\* entered into a basic agreement to build an ecosystem for domestic generative AI (September)
- Concentrated our development resources and made steady progress toward being officially certified as a Government Cloud service provider at the end of March 2026

Expand sales channels

- Exhibited booths at nine exhibitions, expanding awareness and acquiring leads. As of October, the number of SAKURA Cloud sales partners increased to 63 companies.
- Visits to major customers and provision of Premium Support for SAKURA Cloud (scheduled for November)

Talent acquisition

Recruited 137 people (including those scheduled to join within the fiscal year).  
By combining the recruitment of excellent human resources and internal transfers, we are prioritizing the allocation of human resources in growth areas, accelerating the expansion of core businesses and strengthening the infrastructure that supports them

Strengthening framework

Strengthening our results-oriented management structure under the leadership of senior executive officers to steadily promote growth strategies. Accelerating internal collaboration to develop products based on customer feedback (Voice of Customer; VoC)

Extension of data centers

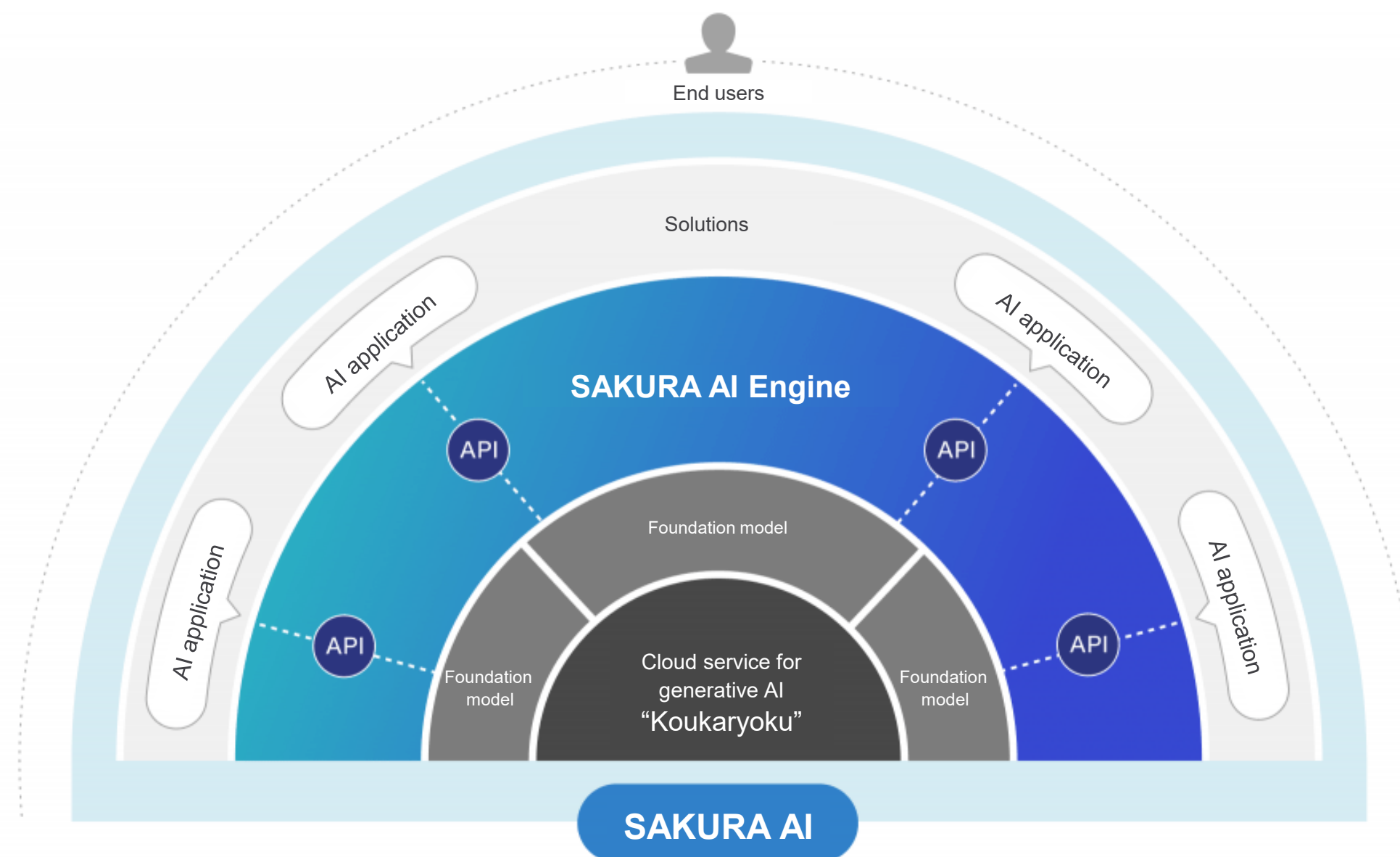
Installation of approximately 400 NVIDIA B200 GPUs in container-type data center (August). Construction is underway to provide phase 2 container-type data center services from January 2026

\*National Institute of Information and Communications Technology

Aiming to establish a unique position in Japan's generative AI infrastructure market  
Leveraging our strengths in **domestically contained services** to create new alternatives to overseas dependence

### SAKURA AI Engine

Leveraging the “Koukaryoku” generative AI cloud, we offer a fully managed platform with API-based access to multiple models and RAG, supporting seamless integration into customer services



### Details of initiatives

- **Continuing to release services for generative AI that address diverse needs such as large-scale clusters and inference usage**
  - August: “Koukaryoku PHY B200 Plan”
  - September: “SAKURA AI Engine,” “SAKURAONE H200 Plan”
  - October: “SAKURAONE B200 Plan”
- **Preferred Networks, SAKURA internet, and NICT entered into a basic agreement to build an ecosystem for domestic generative AI that is safe, secure, and in harmony with Japanese society (September)**
- **Providing a unique generative AI platform that offers a high level of reliability and security in business, and is compatible with Japanese legal systems and business practices**

Expanding brand awareness and customer contact through the active dissemination of information  
Increasing market share with a **Japan-originated cloud** that solves challenges from the customer's perspective

## Exhibition at trade shows



■ August 2025

“Local × Tech Tohoku”

An exhibition of the latest technologies supporting local revitalization and local government operations



■ September 2025

ECONOSEC JAPAN 2025

A conference and exhibition for economic security measures

## Event



Hosting numerous problem-solving webinars and seminars

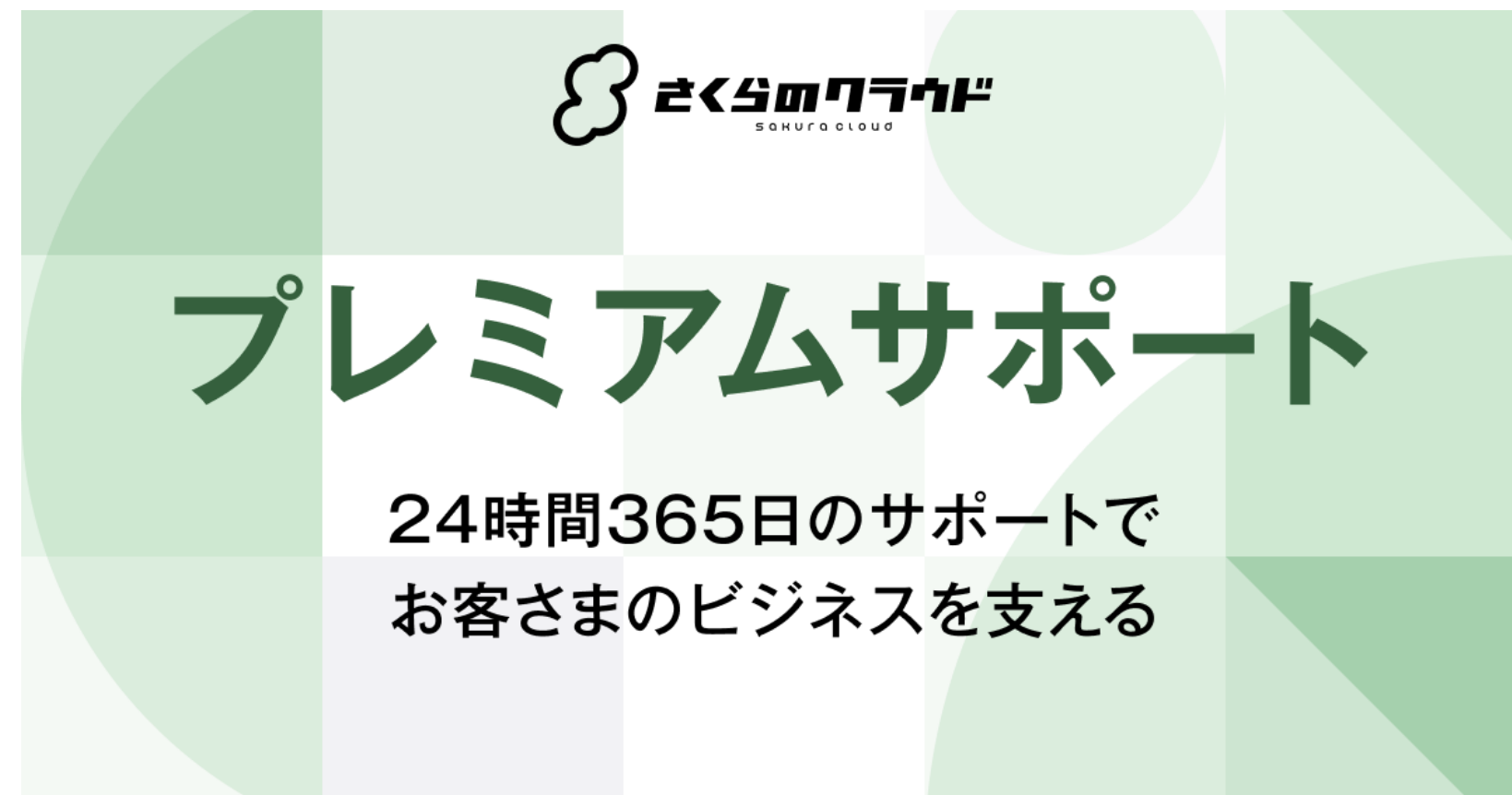
## Details of initiatives

- **Strengthening recognition and acquiring leads**
  - We are actively participating in exhibitions to acquire local government leads and co-creation partners. We are acquiring new customers through cloud switching campaigns and partnerships
- **A third zone was established in the Ishikari region. Launched a discount campaign to commemorate the opening**
  - Large-scale projects can now be accepted in Hokkaido. Providing flexible options while balancing disaster dispersion and environmental considerations
- **Development is on track for official Government Cloud certification at the end of March 2026. Establishing a foundation for growth in the public sector based on trust in domestic cloud services**

## Strengthening support and sales systems

### Maximizing LTV through a **customer-driven** value creation cycle

#### Start of Premium Support



- ✓ **Reception system**  
Dedicated contact point 24 hours a day, 365 days a year
- ✓ **Support offered**  
Specifications control panel operation instructions, troubleshooting, etc.

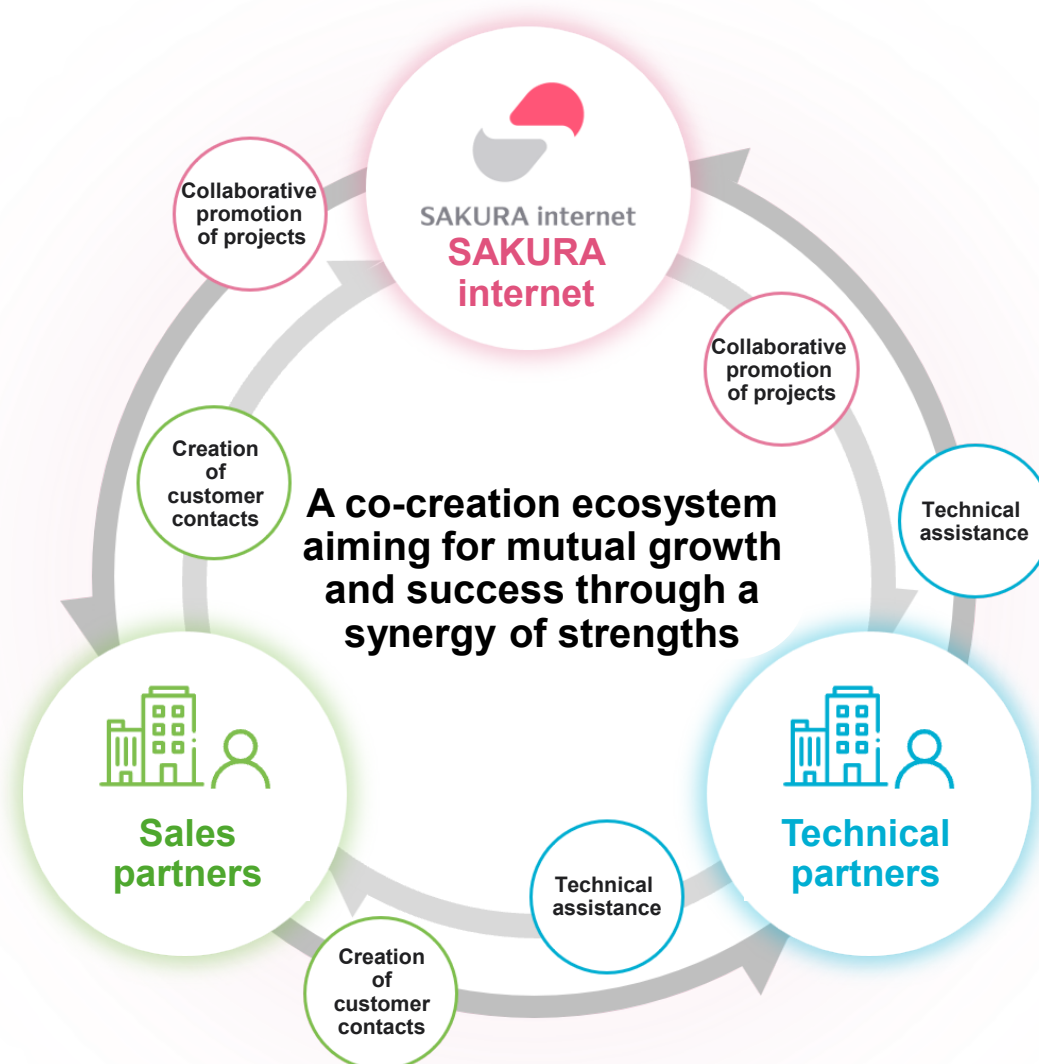
#### Details of initiatives

- **Expanding customer contact**  
Strengthening the sales structure and expanding dialogue with large customers to accurately grasp needs and issues. Building mechanisms to link VoC to product improvement and accelerate a customer-driven value creation cycle
- **Support in line with customer businesses started**  
Premium Support launching in November as a paid option service for SAKURA Cloud

# Working with partners to **acquire new customer segments** Strengthening the co-creation ecosystem to enhance the value provided and increase market share

## SAKURA Cloud

### Partner networks



- Increased to **63 sales partners** (number of companies listed on our website)
- Exploring and developing the rapidly changing IT market with partners through joint exhibitions and partner conferences to be held in November
- Expanding market share and customer value through joint creation with partners centered on “domestic cloud × new options”

## Generative AI Services

### Japan GPU alliance

KDDI, SAKURA internet, and Highreso established a Japan GPU alliance for the mutual resale of GPUs (October). Established a stable supply system for GPU computing resources in Japan, gained access to large-scale demand for GPUs, which would have been difficult for us to achieve on our own, and won projects

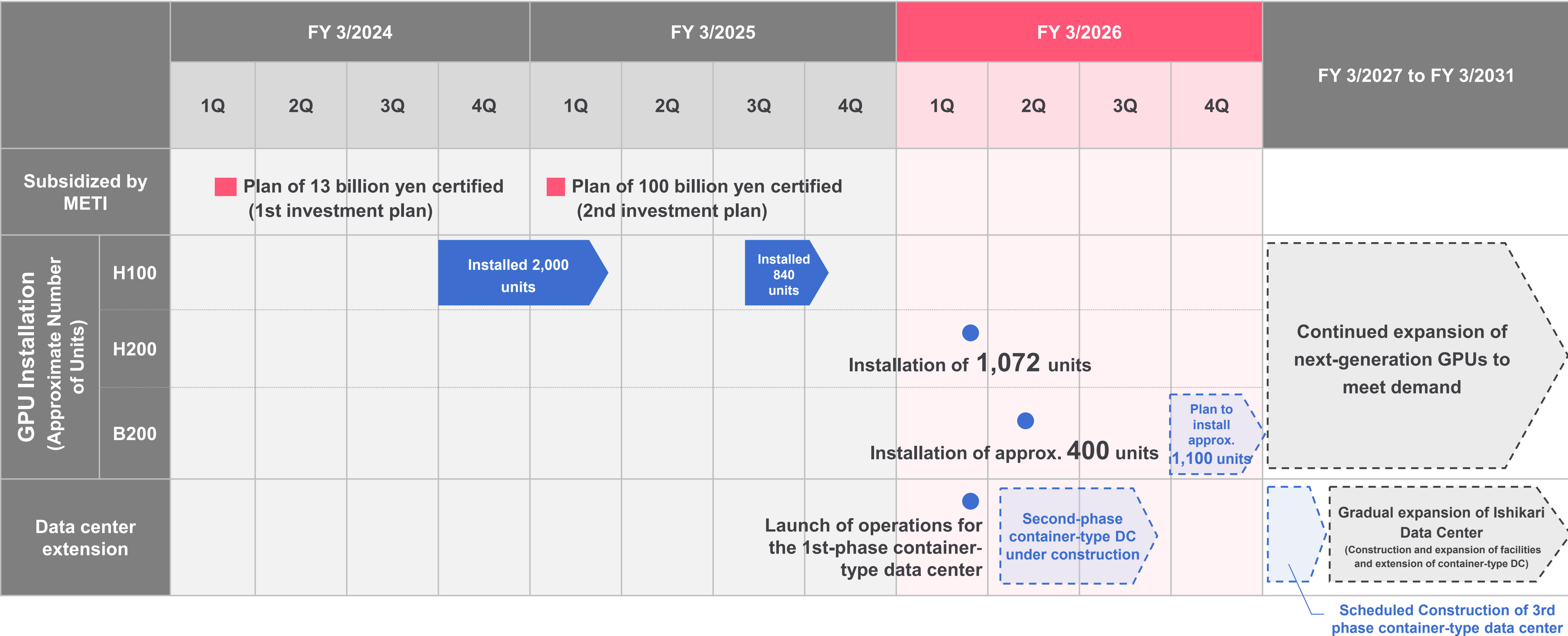
## SAKURA Web Hosting

### Agency system

The number of registered agents has exceeded 1,500, and the network has steadily expanded.

Moving forward, we will strengthen our web hosting customer base by expanding the benefits of the system

**Steady upfront investment** in anticipation of growth in the generative AI market  
 Continue strategic investments to enhance competitiveness while maximizing existing GPU resources



# Initiatives for ESG management

Strive to provide environmental and social contributions through its business activities to help build a digital-ready society, in pursuit of the corporate philosophy:  
turn “what you want to do” into “what you can do”

Topic

Launch of container-type data centers entirely powered by renewable energy for generative AI (June)

- Suppression of CO2 emissions
- Utilization of renewable energy
  - The Company's data centers have achieved net-zero CO2 emissions from electricity use by procuring non-fossil certificates. The Ishikari Data Center is also committed to utilizing renewable energy sources

Topic

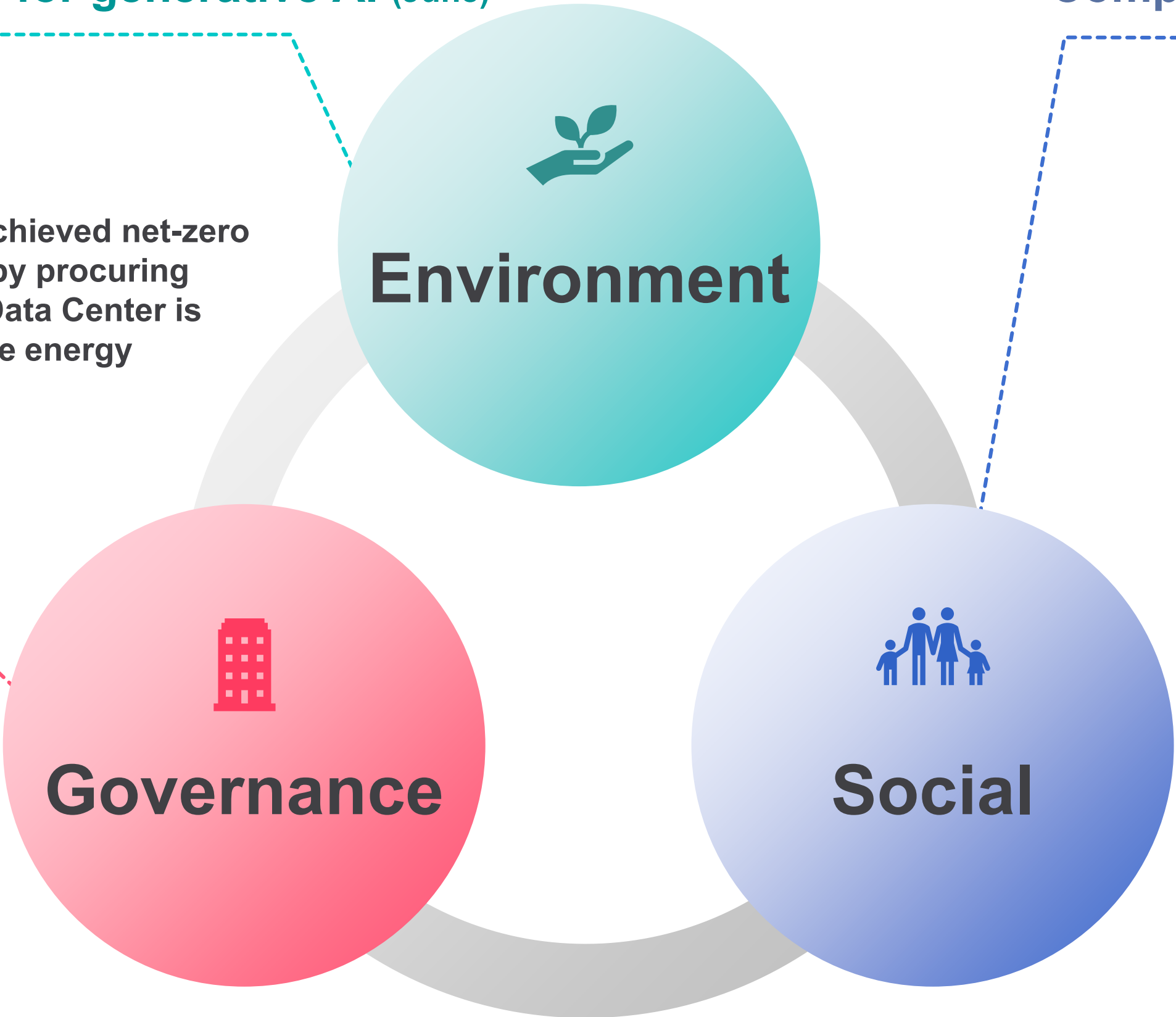
Percentage of women executives, including executive officers: 25.0% as of June 30, 2025

- Transparency of management
- Ensuring thorough compliance
- Risk management
- Maintain and improve information security

Topic

Selected for the first time as a “GPTW Certified Company” by Great Place To Work® Institute Japan

- Promotion of startup support
- Promotion of digital human resources development and provision of IT-driven solutions to social issues
- Local revitalization and creation of digital innovation
- Put human capital-oriented management into practice
  - Using generative AI services and carrying out training for managers



SAKURA Integrated Report 2025 Released

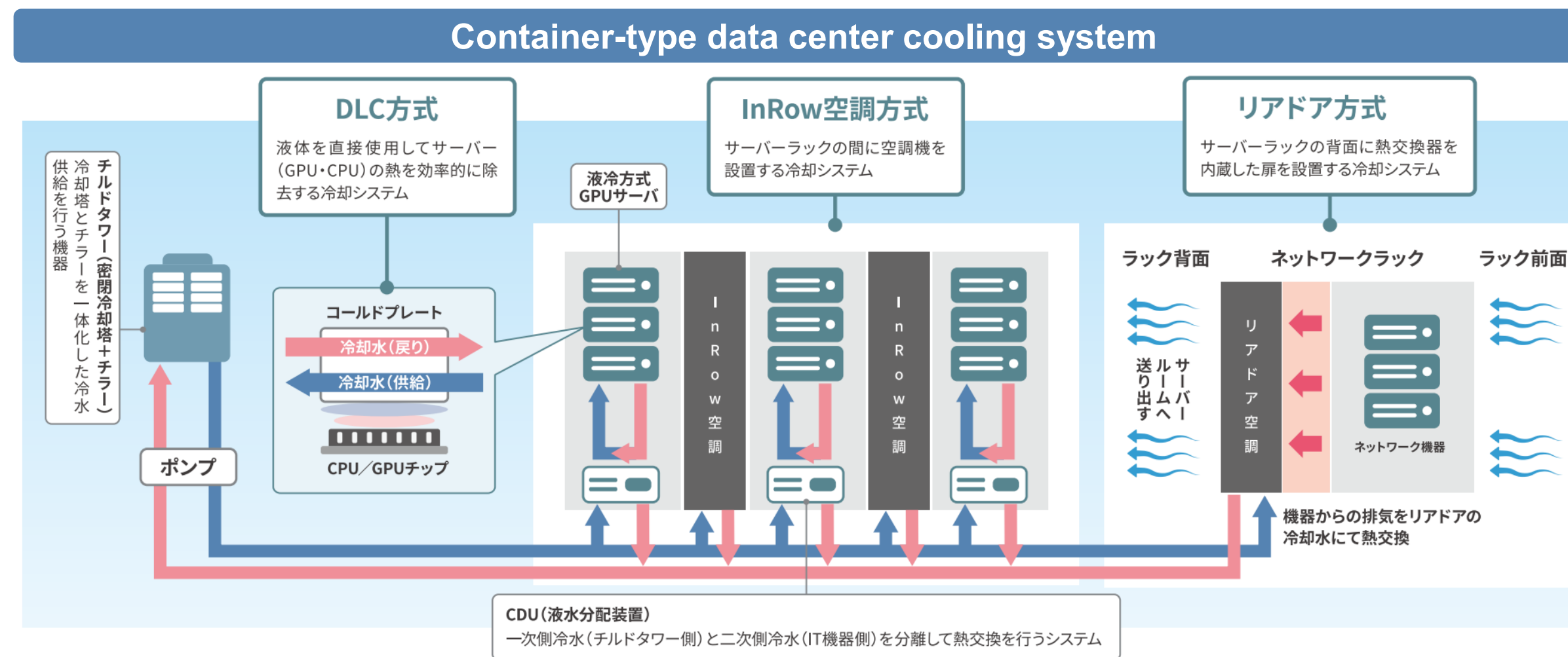
Introduction of our growth strategy and efforts to improve social value, focusing on investment areas such as human capital and GPUs

[SAKURA Report](#)



## Launch of container-type data centers entirely powered by renewable energy for generative AI (June)

- In order to address the challenge of balancing the expansion of computational resources and facilities arising in response to the growing demand for generative AI with environmental considerations, we have established a container-type data center with a direct liquid cooling (DLC) system within the Ishikari Data Center. This has reduced the environmental impact by improving cooling efficiency and reducing large-scale on-site construction



## Talk given at the Data Center Forum Results Presentation

(Changes in the data center environment and future outlook)

- At the Data Center Forum Results Presentation held in August 2025, Executive Officer Sawamura spoke on stage. He presented the latest trends and future outlook for data centers both in Japan and overseas, including a case study of our Ishikari Data Center, which achieved 100% renewable energy

## Initiatives for human capital-oriented management

### Using generative AI services and carrying out training for managers



#### Internal use of generative AI services

In an effort to improve operational efficiency and productivity, in addition to providing ChatGPT Enterprise to all employees, we are promoting the use of AI by making our own “SAKURA AI” API service available internally. Moving forward, we plan to roll out AI packages for non-engineers

AIの力を、すべての人に届ける

さくらのAI



#### People management training for managers

From October, we began holding “people management\* training” for managers and leaders with the aim of providing practical management skills that will enhance the performance of the entire team by allowing them to utilize the individual strengths of their team members

\*The ability to achieve organizational goals and improve results by respecting the abilities, individuality, and will of each member and improving the performance of the entire organization

## Promotion of digital human resources development and provision of IT-driven solutions to social issues

### Contributing to the creation of a new generation who are eager to take on challenges through the “KidsVenture” programming class



Established in 2016, it is operated by six IT companies, including SAKURA internet. It provides children with opportunities to experience the joy of creating and learning about PC assembly, robot control, and more

### “Learn From the Basics: Cloud Server Systems and Practices” is now available from CQ Publishing\*

This booklet covers the basic terminology and systems of cloud servers, focusing on our SAKURA Cloud service. We are supporting human resource development through learning, from beginners to those in education and training settings

\*Interface (CQ Publishing) October issue supplement



# appendix

# Data/Company Profile

Services that provide **bare-metal** GPUs are newly defined as “GPU infrastructure services.”  
Services that provide **cloud-based** GPUs are recorded under “Cloud services.”

| FY 3/2025              |                      |                                                                                           |
|------------------------|----------------------|-------------------------------------------------------------------------------------------|
| Cloud services         | Cloud infrastructure | -                                                                                         |
|                        | Cloud application    | -                                                                                         |
|                        | GPU cloud services   | <ul style="list-style-type: none"><li>Koukaryoku PHY</li><li>Koukaryoku DOK</li></ul>     |
| Physical base services |                      | <ul style="list-style-type: none"><li>Sakura dedicated server Koukaryoku Series</li></ul> |
| Other services         |                      | -                                                                                         |

| FY 3/2026              |                             |                                                                                                                                                     |
|------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Cloud services         | Cloud infrastructure        | <ul style="list-style-type: none"><li>Koukaryoku DOK</li><li>Koukaryoku VRT <span>NEW</span></li></ul>                                              |
|                        | Cloud application           | -                                                                                                                                                   |
|                        | GPU infrastructure services | <ul style="list-style-type: none"><li>Koukaryoku PHY</li><li>Sakura dedicated server Koukaryoku Series</li><li>SAKURAONE <span>NEW</span></li></ul> |
| Physical base services |                             | -                                                                                                                                                   |
| Other services         |                             | <ul style="list-style-type: none"><li>SAKURA AI <span>NEW</span></li></ul>                                                                          |

# Consolidated Net Sales by Service Category (QoQ Change)

(Millions of yen)

| Service category            | FY 3/25 |       |       |       | FY 3/26 |       | QoQ change |            |
|-----------------------------|---------|-------|-------|-------|---------|-------|------------|------------|
|                             | Q1      | Q2    | Q3    | Q4    | Q1      | Q2    | Change     | Change (%) |
| Cloud services              | 3,368   | 3,444 | 3,543 | 3,650 | 3,698   | 3,810 | 112        | 3.0        |
| Composition (%)             | 56.7    | 47.0  | 43.6  | 36.4  | 49.4    | 46.8  |            |            |
| Cloud infrastructure        | 2,346   | 2,370 | 2,436 | 2,506 | 2,529   | 2,623 | 94         | 3.7        |
| Cloud application           | 1,021   | 1,074 | 1,107 | 1,144 | 1,169   | 1,187 | 18         | 1.6        |
| GPU infrastructure services | 497     | 1,742 | 1,834 | 2,697 | 1,363   | 1,456 | 92         | 6.8        |
| Composition (%)             | 8.4     | 23.8  | 22.6  | 26.9  | 18.2    | 17.9  |            |            |
| Physical base services      | 825     | 820   | 825   | 822   | 802     | 775   | (26)       | (3.3)      |
| Composition (%)             | 13.9    | 11.2  | 10.2  | 8.2   | 10.7    | 9.5   |            |            |
| Other services              | 1,243   | 1,328 | 1,922 | 2,844 | 1,627   | 2,095 | 467        | 28.7       |
| Composition (%)             | 21.0    | 18.1  | 23.7  | 28.4  | 21.7    | 25.7  |            |            |

\* From FY3/2026, consolidated service categories will undergo changes. Reclassified figures are also used in FY3/2025

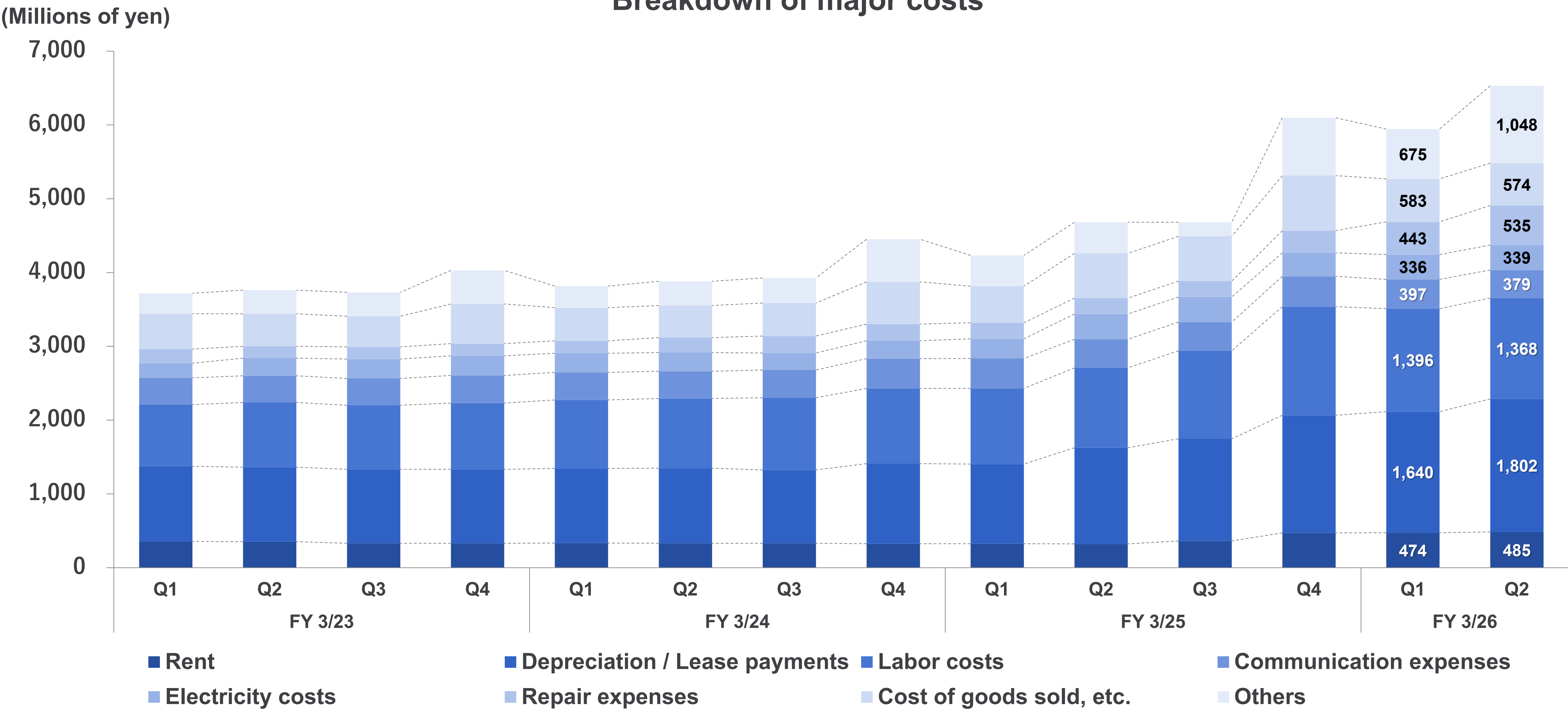
\* Reclassified the Koukaryoku PHY and Sakura's dedicated server Koukaryoku Series are reclassified as "GPU infrastructure services" and Koukaryoku DOK and VRT are reclassified as "Cloud infrastructure" (see page 40 for details)

# Consolidated Statement of Income (QoQ Change)

| Item                                    | FY 3/25 |       |       |        | FY 3/26 |       | QoQ change |            |
|-----------------------------------------|---------|-------|-------|--------|---------|-------|------------|------------|
|                                         | Q 1     | Q 2   | Q 3   | Q 4    | Q 1     | Q 2   | Change     | Change (%) |
|                                         |         |       |       |        |         |       |            |            |
| Net sales                               | 5,935   | 7,335 | 8,125 | 10,015 | 7,492   | 8,139 | 646        | 8.6        |
| Cost of sales                           | 4,236   | 4,685 | 5,159 | 6,100  | 5,948   | 6,534 | 585        | 9.9        |
| Gross profit                            | 1,698   | 2,650 | 2,966 | 3,914  | 1,543   | 1,604 | 60         | 3.9        |
| SG&A expenses                           | 1,467   | 1,586 | 1,676 | 2,354  | 2,001   | 2,068 | 67         | 3.4        |
| Operating profit                        | 231     | 1,064 | 1,289 | 1,560  | (457)   | (463) | (6)        | (1.4)      |
| Operating margin(%)                     | 3.9     | 14.5  | 15.9  | 15.6   | (6.1)   | (5.7) |            |            |
| Ordinary profit                         | 95      | 1,006 | 1,386 | 1,571  | (438)   | (373) | 64         | 14.8       |
| Profit attributable to owners of parent | 41      | 668   | 932   | 1,295  | (324)   | (302) | 21         | 6.8        |
| EBITDA                                  | 1,032   | 2,212 | 2,712 | 3,127  | 1,205   | 1,463 |            |            |

# Breakdown of Major Costs (Consolidated)

Breakdown of major costs



Investments for FY 3/2026

| (100 millions of yen)                     |                |                    |
|-------------------------------------------|----------------|--------------------|
| Description of investment                 | Full-year plan | Cumulative results |
| Data centers                              | 107            | 68                 |
| of which, a container-type data center    | 60             | 30                 |
| Servers and network equipment             | 290            | 206                |
| of which , Generative AI Services         | 228            | 181                |
| Others (systems and office-related, etc.) | 3              | 1                  |
| Total                                     | 401            | 277                |

\* Amounts are rounded down to the nearest 100 million yen.

\* Amount before applying reduction entry

Number of personnel in FY 3/2026

Increased by 119 from the previous year end

| [Number of persons hired] |                |           |
|---------------------------|----------------|-----------|
|                           | End of FY 3/25 | '26/ 3 Q2 |
| Number of employees*      | 997            | 1,116     |

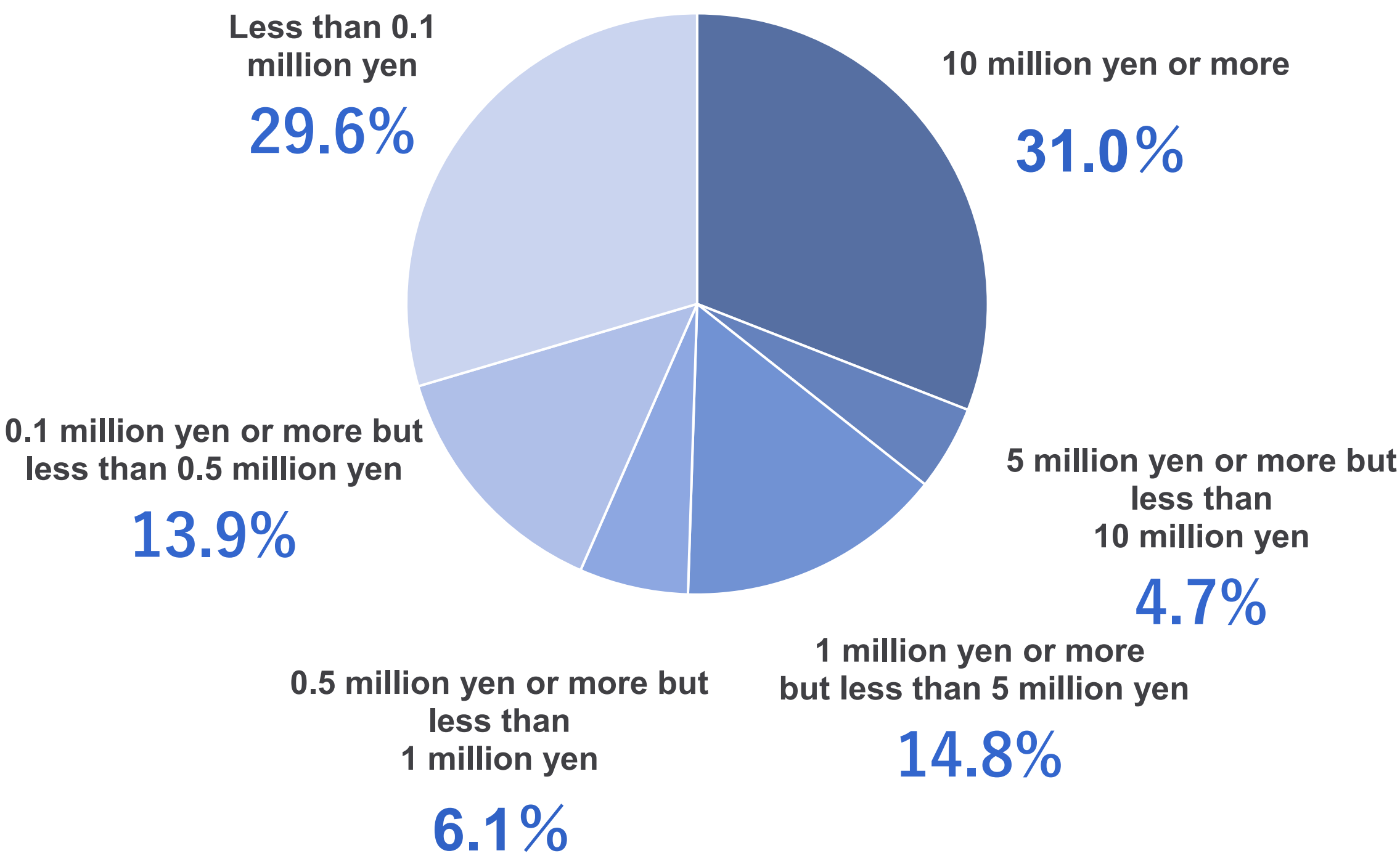
| Breakdown of changes | Change (persons) |
|----------------------|------------------|
| SAKURA internet      | +118             |
| Group companies      | +1               |
| Total                | +119             |

\* The figures exclude SAKURA internet employees seconded to other companies and include other companies' employees seconded to SAKURA internet.

A diverse customer base in terms of sales size, industries and attributes

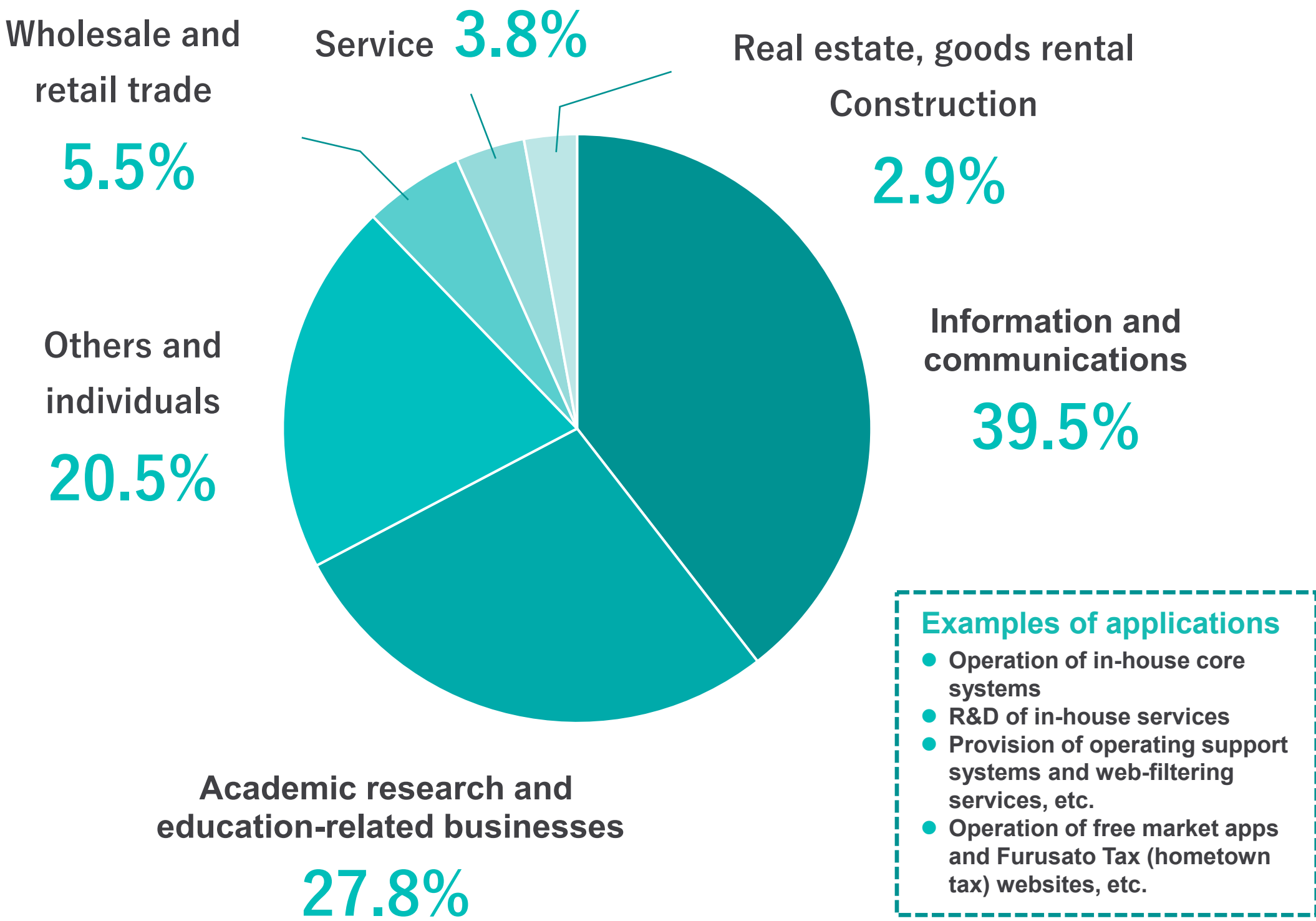
Breakdown by monthly fee

(Composition by sales)

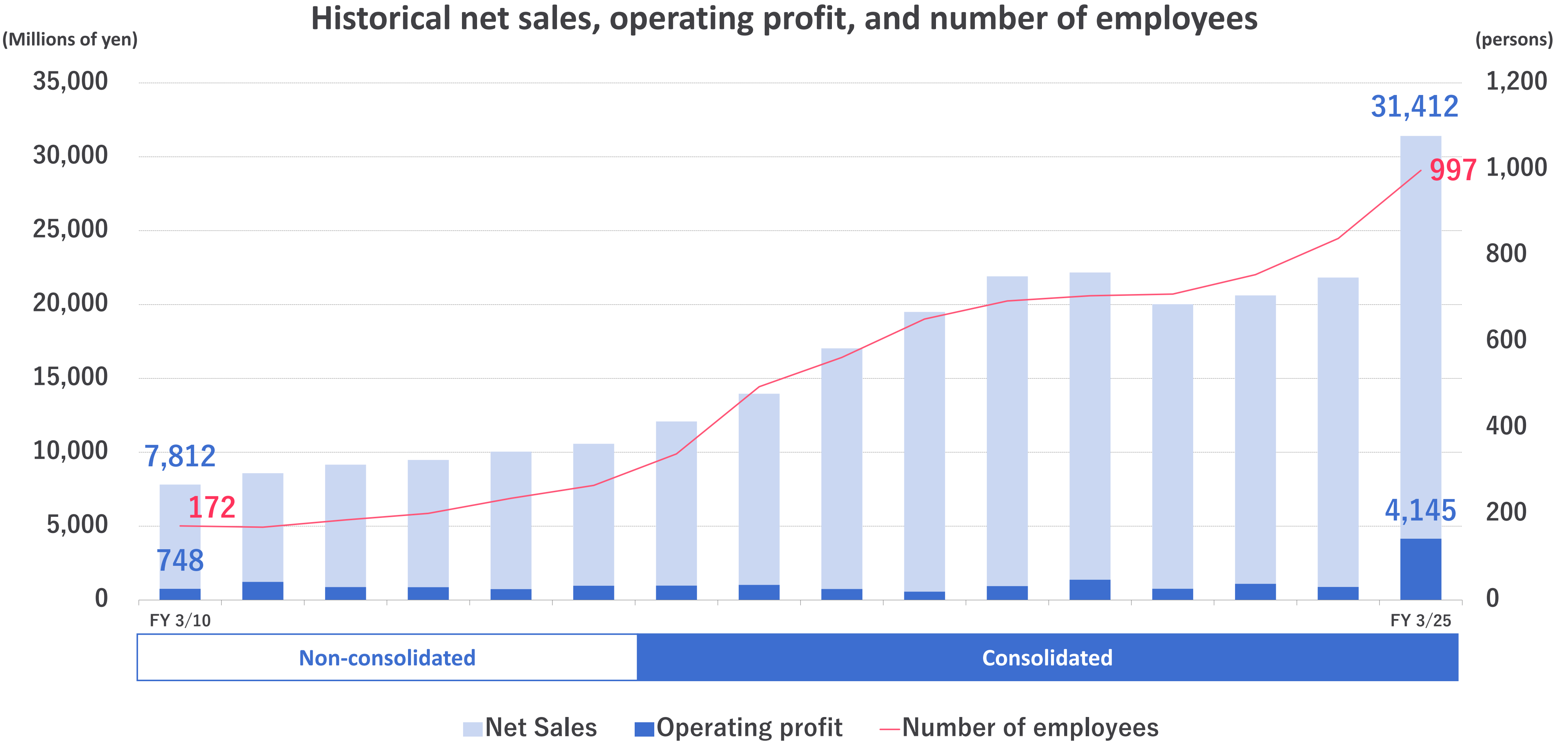


Customer composition

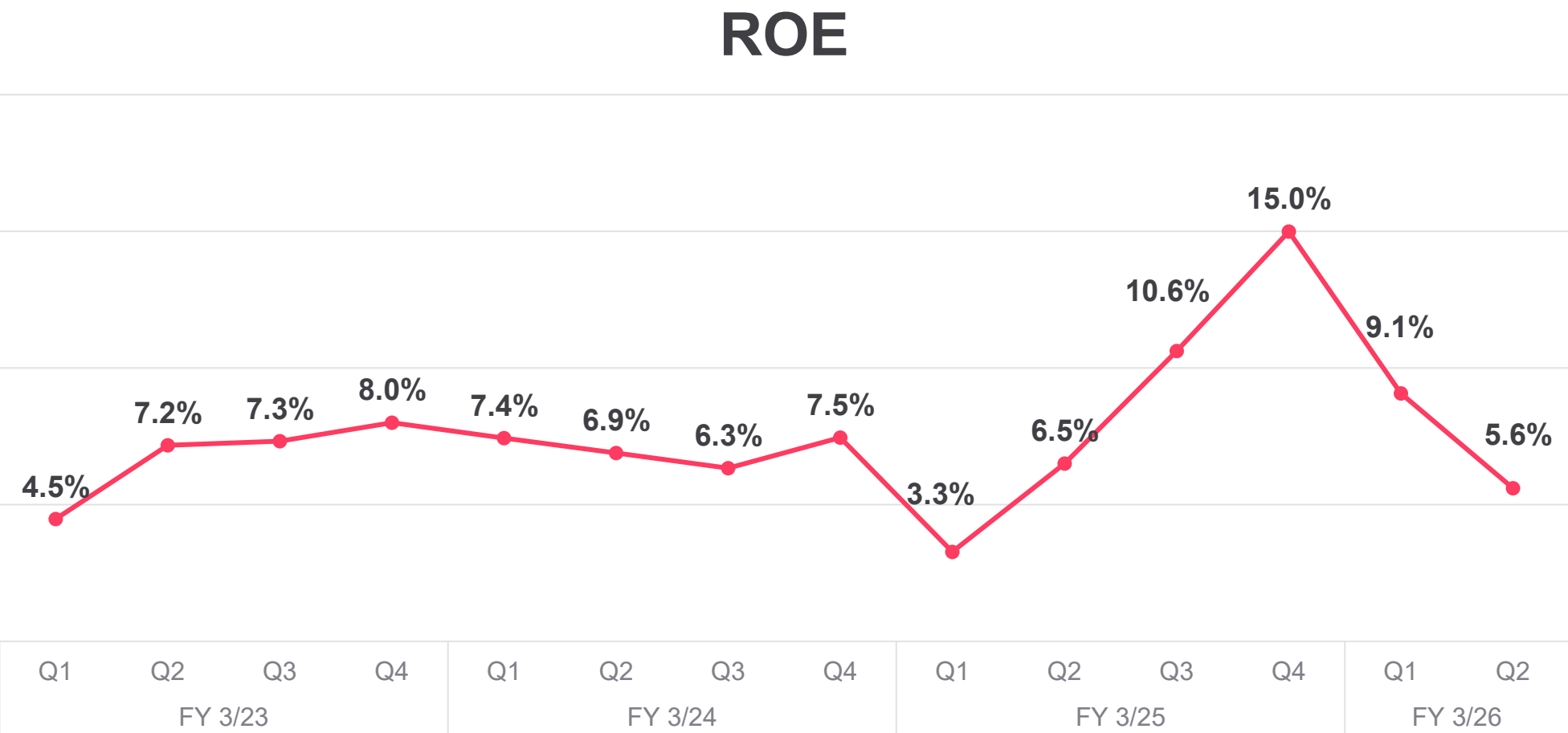
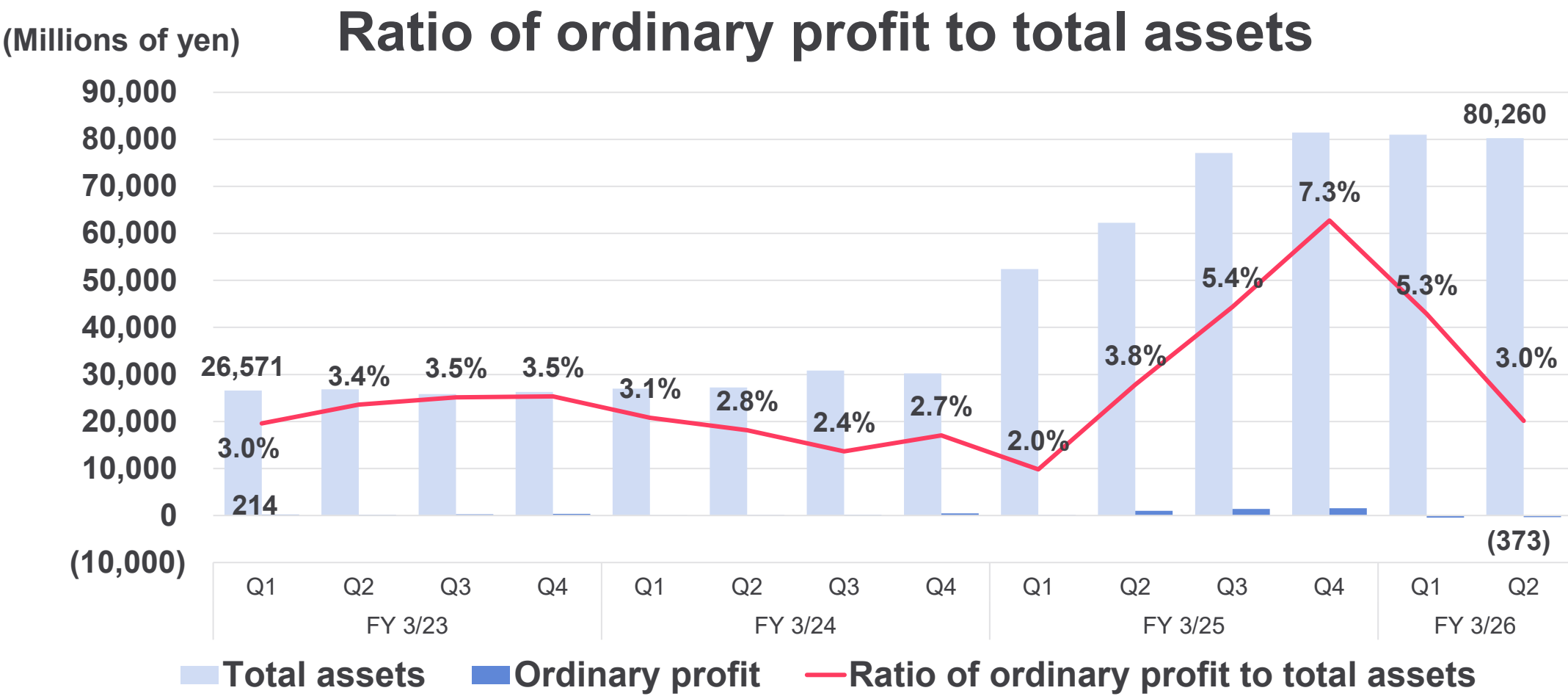
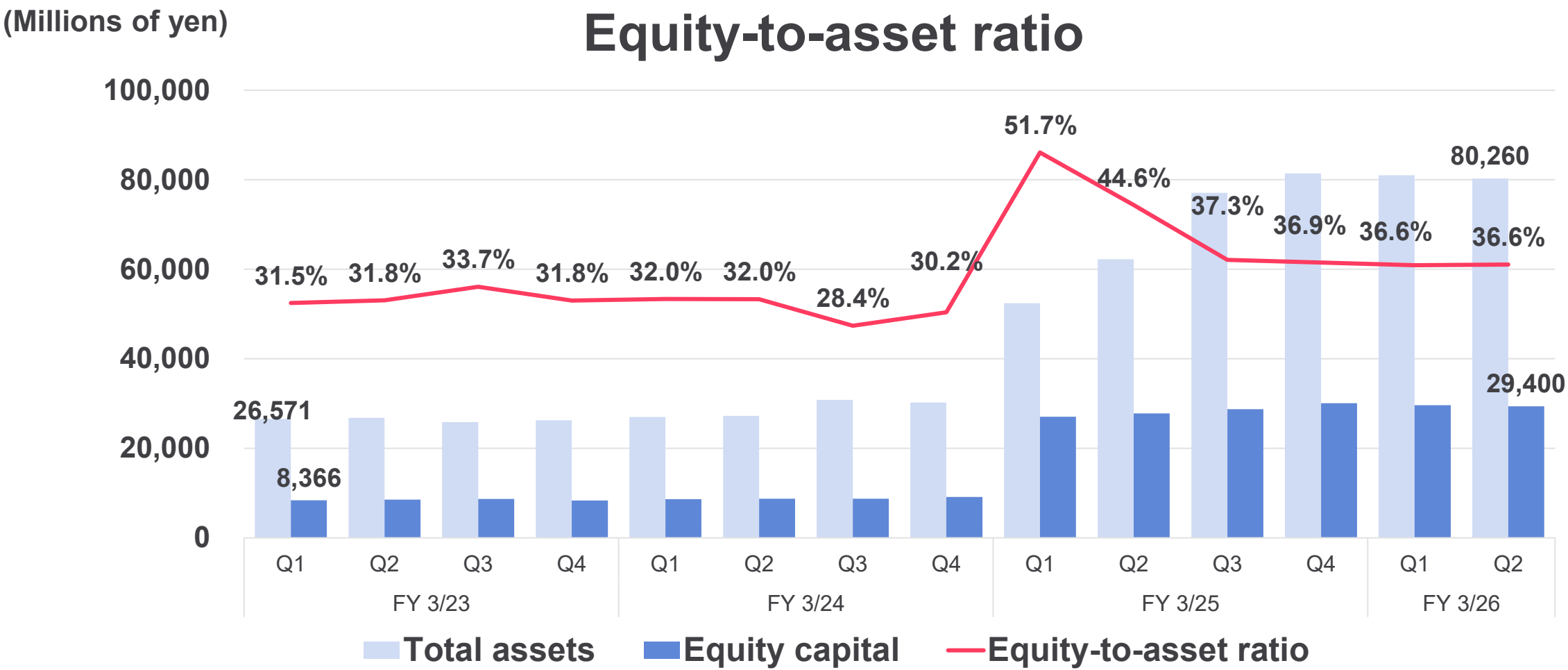
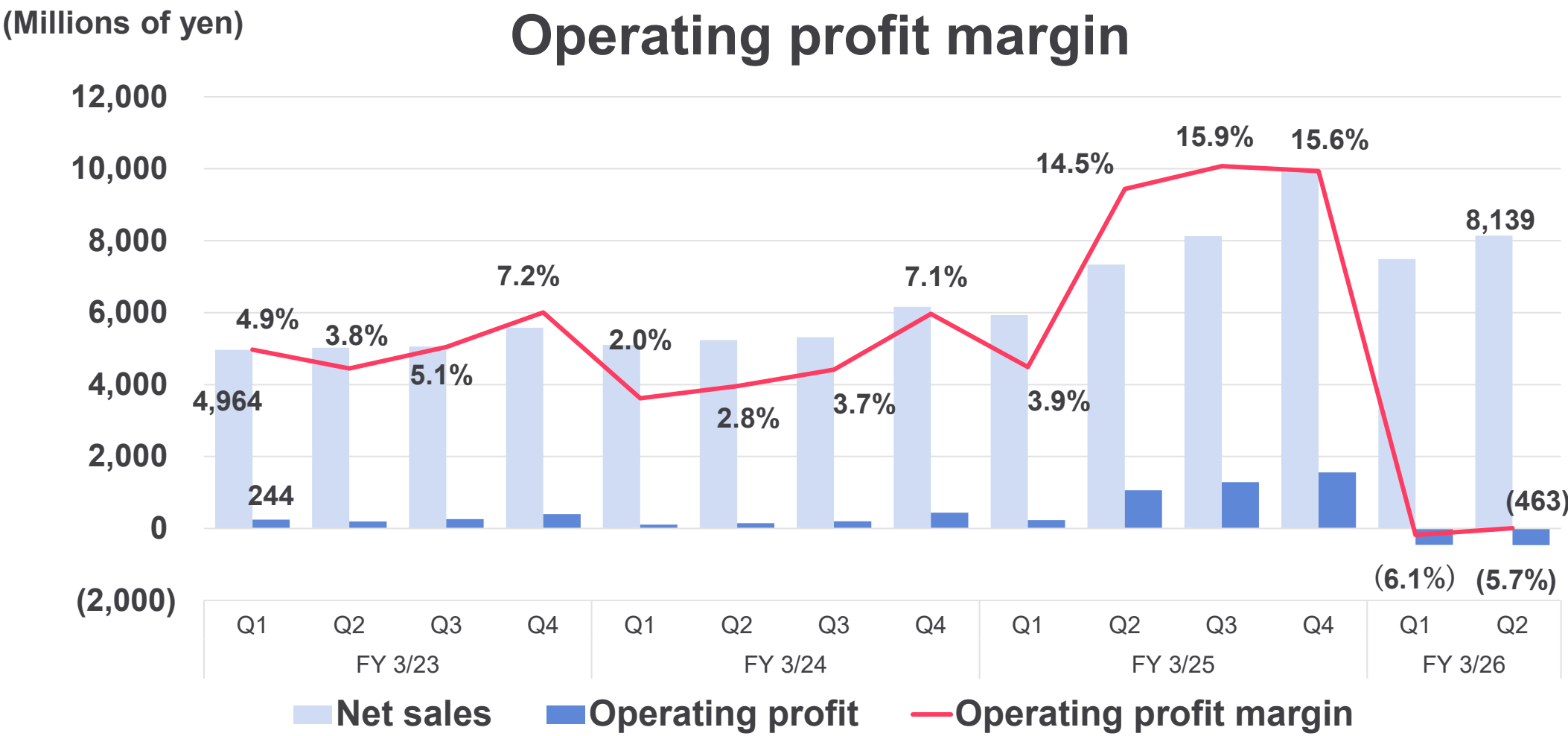
(Composition by sales)



\*The figures represent SAKURA internet on a non-consolidated basis.



\*The figures for FY 3/2015 or older are from non-consolidated financial results, and those for FY 3/2016 or later are from consolidated financial results.



\* Ratio of ordinary profit to total assets and ROE are calculated using profit figures from the trailing 12 months

History

- 1996

○

SAKURA internet was founded

Kunihiro Tanaka, founder & current CEO and President, founded Sakura internet as a school venture in December 1996 while in Maizuru Technical College.
- 1999

○

Establishment as a stock company / The first data center opened

Established as a stock company in August 1999. The first data center was opened in Chuo-ku, Osaka in October.
- 2005

○

Listed on TSE Mothers

Listed on TSE Mothers in October 2005
- 2011

○

Ishikari Data Center opened

Japan’s largest suburban mega data center opened in Ishikari, Hokkaido in November 2011.
- 2015

○

Changed to TSE 1st Section

The listing market changed to TSE 1st Section in November 2015.
- 2021

○

25th anniversary

25th anniversary in December 2021
- 2022

○

Changed to TSE Prime Market

Changed to TSE Prime Market, a newly established market category of Tokyo Stock Exchange.
- 2023

○

Conditional government cloud certification

We were selected as the first Japanese government cloud provider on the condition that technical requirements are met by the end of March 2026

Company Profile

|                      |                                                                                                               |
|----------------------|---------------------------------------------------------------------------------------------------------------|
| Trade name           | SAKURA internet Inc.                                                                                          |
| Head office location | 6-38 Ofukacho, Kita-ku, Osaka City, Osaka                                                                     |
| Date of foundation   | December 23, 1996<br>(The company was established on August 17, 1999)                                         |
| Date of listing      | October 12, 2005 (TSE Mothers)<br>November 27, 2015<br>(Transferred to TSE 1st Section (currently TSE Prime)) |
| Share capital        | 11,283,160,000yen                                                                                             |
| Number of employees  | 1,116 (consolidated)                                                                                          |

(Note: as of September 30, 2025)



## ■ IR Contact

IR information inquiry form

<https://www.sakura.ad.jp/corporate/ir/contact/>

The earnings forecasts and other information contained in this document are based on our company's judgment at the time of preparing the document and we do not guarantee the accuracy of such information. Please note that the results may differ from the forecasts in this document due to various factors.