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October 28, 2026

Summary of Financial Results for the Second Quarter Ended September 30, 2026 (Interim Period) (Consolidated)

Company name: SAKURA internet Inc.
Listing: Tokyo Stock Exchange
Securities code: 3778
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Scheduled date to file semiannual report: November 12, 2026
Scheduled date to commence dividend payment: December 14, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to the nearest million, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2026 (Interim Period: from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (YTD)

(%: Change from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026 (interim period)	22,827	46.0	2,963	—	3,013	—	1,903	—
September 30, 2025 (interim period)	15,631	17.8	(920)	—	(811)	—	(626)	—

Note: Comprehensive income Six months ended September 30, 2026 (interim period) ¥1,775 million [-%]
Six months ended September 30, 2025 (interim period) ¥(569) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026 (interim period)	47.55	—
September 30, 2025 (interim period)	(15.66)	—

(2) Consolidated financial conditions

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Six months ended September 30, 2026 (interim period)	87,976	31,968	36.1
Fiscal year ended March 31, 2026	82,451	30,329	36.5

Reference: Equity capital Six months ended September 30, 2026 (interim period) ¥31,738 million
Fiscal year ended March 31, 2026 ¥30,101 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	5.00	5.00
Fiscal year ending March 31, 2027	-	2.50			
Fiscal year ending March 31, 2027 (forecast)			-	5.50	8.00

Notes: 1 Revisions to the most recently announced dividend forecast: Yes
2 Breakdown of dividend for 2nd quarter-end of fiscal year ending March 31, 2027
Commemorative dividend 2.50 yen

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(%: Change from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	46,600	32.0	4,100	—	3,900	—	2,550	—	63.68

Note: Revisions to the most recently announced earnings forecasts: Yes

*** Notes:**

(1) Material changes in the scope of consolidation during the period: None
Newly included: - Number of companies (company name) —
Excluded: - Number of companies (company name) —

(2) Application of accounting methods specific to the preparation of interim consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

Six months ended September 30, 2026 (interim period)	41,890,700 shares
Fiscal year ended March 31, 2026	41,890,700 shares

(ii) Number of treasury shares at the end of the period

Six months ended September 30, 2026 (interim period)	1,840,867 shares
Fiscal year ended March 31, 2026	1,866,039 shares

(iii) Average number of shares of common stock during the six months

Six months ended September 30, 2026 (interim period)	40,036,057 shares
Six months ended September 30, 2025 (interim period)	40,011,006 shares

Note: The Company has introduced Stock Benefit Trust (J-ESOP). The shares of the Company's stock held by the Stock Benefit Trust are included in treasury shares which are deducted when calculating the number of treasury shares at year-end and the average number of shares during the period.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.
* Proper use of earnings forecasts, and other special matters

1. These forward-looking statements, including forecasts, in this material are based on data currently available to management and certain assumptions that management believes are reasonable, and are not intended as a guarantee that the Company will achieve these targets. The actual results may differ materially from those projected herein, depending on various factors. For the conditions underlying earnings forecasts and notes on using earnings forecasts, please refer to “(3) Explanation of consolidated earnings forecasts and other forward-looking information” in “1. Qualitative Information on Interim Financial Results” on page 3 of the attached document.
2. The Company plans to hold a financial results briefing for institutional investors and securities analysts on Wednesday, October 28, 2026. Information on the briefing and the audio of the presentation, together with the presentation materials used on the day, will be posted on the Company's website promptly after the briefing.

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1. Qualitative Information on Interim Financial Results

(1) Explanation of operating results

During the six months ended September 30, 2026, the Japanese economy was on a gradual recovery trend, supported by improvements in the employment and income environment and the effects of various policies. However, the economic outlook remained uncertain due to factors including geopolitical risks stemming from instability in the Middle East, the trends in resource and energy prices, and the impact of financial and capital market fluctuations.

In our industry, the business environment remained challenging due to soaring raw material prices and rising labor costs. In the Group's core cloud and Internet infrastructure market, although cloud migration for open systems has passed its peak, demand for legacy system modernization is strong. In addition, investment in Generative AI is expected to increase further, and the market is expected to continue growing.

In these circumstances, the Group aims to support customers in achieving their goals by providing one-stop services for cloud and internet infrastructure within the Group, covering system integration, development, service provision, maintenance, operation, and customer support. In addition to its broad existing customer base, the Company is working to acquire new customers, driven by factors such as its official selection for the Government Cloud and the expansion of Generative AI services. Going forward, the Company will continue to focus on achieving customer success for both existing and new customers, while promoting the expansion of cloud services, which are expected to deliver high growth.

Net sales totaled 22,827,458 thousand yen (up 46.0% YoY), primarily driven by the strong performance of GPU infrastructure services, supported by the high utilization of GPUs invested in during the previous fiscal year and improved unit prices.

Operating profit was 2,963,025 thousand yen (compared with an operating loss of 920,815 thousand yen in the same period of the previous fiscal year). This was due to higher net sales, despite increases mainly in depreciation from GPU-related investments, server maintenance expenses, and human resources-related expenses for strengthening cloud service function development and sales promotion in the previous fiscal year.

Ordinary profit was 3,013,964 thousand yen (an ordinary loss of 811,762 thousand yen in the same period of the previous fiscal year) mainly due to the increase in operating profit.

Profit attributable to owners of parent was 1,903,843 thousand yen (a loss attributable to owners of parent of 626,763 thousand yen in the same period of the previous fiscal year) mainly due to the increase in ordinary profit and the recognition of a deferred income tax benefit, among other factors.

Net sales by service category are as follows:

(i) Cloud services

Net sales of cloud services were 8,071,880 thousand yen (up 7.5% YoY) mainly because SAKURA Cloud and SAKURA Web Hosting continued to perform favorably.

(ii) GPU infrastructure services

Net sales of GPU infrastructure services were 10,124,431 thousand yen (up 258.9% YoY), driven by the continued use of "SAKURAONE," a bare-metal Generative AI service, for a large project secured in the previous fiscal year and orders received for new projects.

(iii) Physical base services

Net sales of physical base services were 1,363,069 thousand yen (down 13.6% YoY), mainly due to a decline in the use of the housing service and the exclusive server service.

(iv) Other services

Net sales of other services were 3,268,077 thousand yen (down 12.3% YoY) mainly due to the securing of a large-scale project in the same period of the previous fiscal year.

(2) Explanation of financial condition

Assets, liabilities and net assets at the end of the six months ended September 30, 2026, and the factors affecting them are as follows:

(i) Assets

Total assets at the end of the six months ended September 30, 2026, increased 5,525,196 thousand yen (up 6.7%) from the end of the fiscal year ended March 31, 2026, to 87,976,272 thousand yen. This was mainly due to an increase in property, plant and equipment, which was attributed to service infrastructure enhancements, including the expansion of the Ishikari Data Center, and an increase in cash and deposits to cover these payments.

(ii) Liabilities

Total liabilities at the end of the six months ended September 30, 2026, increased 3,885,435 thousand yen (up 7.5%) from the end of the fiscal year ended March 31, 2026, to 56,007,357 thousand yen. The increase was mainly attributable to an increase in lease liabilities due to service infrastructure enhancements, including the expansion of the Ishikari Data Center.

(iii) Net assets

Total net assets at the end of the six months ended September 30, 2026, grew 1,639,760 thousand yen (up 5.4%) from the end of the fiscal year ended March 31, 2026, to 31,968,915 thousand yen. This was mainly due to an increase in retained earnings associated with the recording of profit attributable to owners of parent.

(3) Explanation of consolidated earnings forecasts and other forward-looking information

As the results for the six months ended September 30, 2026 exceeded the forecast revised in July 2026, the Company has revised its consolidated earnings forecast for the full fiscal year accordingly.

For details of revisions to the earnings forecast, please refer to the “Notice Regarding Differences between Consolidated Earnings Forecasts and Actual Results for the Six Months Ended September 30, 2026, and Revision of Full-Year Consolidated Earnings Forecasts” announced today.

In addition, the Company has decided to pay a commemorative dividend for the 30th anniversary of its founding as an expression of gratitude to its shareholders. For details, please refer to the “Notice Regarding Dividend of Surplus (Commemorative Dividend for the 30th Anniversary of the Company's Founding)” announced today.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim consolidated balance sheets

(Thousands of yen)

	Fiscal year ended March 31, 2026 (as of March 31, 2026)	Six months ended September 30, 2026 (as of September 30, 2026)
Assets		
Current assets		
Cash and deposits	15,391,081	19,424,963
Notes and accounts receivable-trade, and contract assets	4,813,239	4,991,425
Merchandise and finished goods	408,039	44,192
Work in process	59,243	31,145
Supplies	554,600	455,916
Other	5,051,385	4,724,907
Allowance for doubtful accounts	(22,274)	(21,826)
Total current assets	26,255,316	29,650,725
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,862,442	11,798,956
Tools, furniture and fixtures, net	17,950,309	15,176,709
Leased assets, net	13,097,016	17,642,443
Other, net	5,812,735	3,679,012
Total property, plant and equipment	46,722,502	48,297,121
Intangible assets		
Other	2,018,177	1,963,839
Total intangible assets	2,018,177	1,963,839
Investments and other assets		
Other	7,460,084	8,069,470
Allowance for doubtful accounts	(5,004)	(4,884)
Total investments and other assets	7,455,080	8,064,586
Total non-current assets	56,195,760	58,325,547
Total assets	82,451,076	87,976,272

(Thousands of yen)

	Fiscal year ended March 31, 2026 (as of March 31, 2026)	Six months ended September 30, 2026 (as of September 30, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	1,245,523	620,460
Short-term borrowings	10,687,000	8,136,000
Current portion of long-term borrowings	4,796,832	5,338,588
Income taxes payable	546,193	1,525,234
Advances received	8,658,592	8,705,008
Asset retirement obligations	—	41,385
Provision for bonuses	772,410	757,588
Provision for bonuses for directors (and other officers)	36,800	—
Other	7,111,581	7,412,555
Total current liabilities	33,854,933	32,536,822
Non-current liabilities		
Long-term borrowings	5,777,396	6,448,828
Lease liabilities	11,464,636	15,974,649
Asset retirement obligations	833,995	816,944
Provision for share awards	84,053	102,260
Provision for retirement benefits for directors (and other officers)	70,780	88,072
Retirement benefit liabilities	33,050	34,850
Other	3,076	4,930
Total non-current liabilities	18,266,988	23,470,535
Total liabilities	52,121,922	56,007,357
Net assets		
Shareholders' equity		
Share capital	11,283,167	11,283,167
Capital surplus	10,649,910	10,707,682
Retained earnings	9,232,622	10,935,134
Treasury shares	(1,093,229)	(1,078,577)
Total shareholders' equity	30,072,470	31,847,406
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,625	13,655
Foreign currency translation adjustment	13,893	13,221
Deferred gains or losses on hedges	289	(135,823)
Total accumulated other comprehensive income	28,808	(108,946)
Non-controlling interests	227,875	230,454
Total net assets	30,329,154	31,968,915
Total liabilities and net assets	82,451,076	87,976,272

(2) Interim consolidated statement of income and interim consolidated statement of comprehensive income

Interim consolidated statement of income

(Thousands of yen)

	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Net sales	15,631,162	22,827,458
Cost of sales	12,482,343	15,514,627
Gross profit	3,148,818	7,312,831
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	1,775	(521)
Salaries and allowances	1,295,234	1,528,749
Provision for bonuses	287,284	309,318
Provision for retirement benefits for directors (and other officers)	15,248	17,292
Retirement benefit expenses	1,500	1,800
Commission expenses	811,862	710,915
Other	1,656,727	1,782,251
Total selling, general and administrative expenses	4,069,633	4,349,806
Operating profit (loss)	(920,815)	2,963,025
Non-operating income		
Interest income	25,102	33,958
Share of profit of entities accounted for using equity method	40,356	57,273
Subsidy income	262,961	350,873
Other	44,580	57,101
Total non-operating income	373,000	499,207
Non-operating expenses		
Interest expenses	234,043	418,744
Other	29,903	29,524
Total non-operating expenses	263,947	448,269
Ordinary profit (loss)	(811,762)	3,013,964
Extraordinary income		
Gain on sale of non-current assets	—	4,098
Gain on sale of investment securities	—	1,249
Income from national subsidies	6,283,839	2,499,304
Total extraordinary income	6,283,839	2,504,652
Extraordinary losses		
Loss on sale of non-current assets	875	334
Loss on retirement of non-current assets	13,755	124,019
Loss on the tax-purpose reduction entry of non-current assets	6,283,839	2,499,304
Other	—	86,973
Total extraordinary losses	6,298,471	2,710,631
Profit (loss) before income taxes	(826,393)	2,807,985
Income taxes - current	19,187	1,379,674
Income taxes - deferred	(228,300)	(484,811)
Total income taxes	(209,113)	894,863
Profit (loss)	(617,280)	1,913,122
Profit attributable to non-controlling interests	9,482	9,278
Profit (loss) attributable to owners of parent	(626,763)	1,903,843

Interim consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)
Profit (loss)	(617,280)	1,913,122
Other comprehensive income		
Valuation difference on available-for-sale securities	43,053	(5)
Deferred gains or losses on hedges	5,216	(136,113)
Foreign currency translation adjustment	(122)	(671)
Share of other comprehensive income of entities accounted for using equity method	(384)	(964)
Total other comprehensive income	47,763	(137,754)
Comprehensive income	(569,516)	1,775,367
(Breakdown)		
Comprehensive income attributable to owners of parent	(578,999)	1,766,089
Comprehensive income attributable to non-controlling interests	9,482	9,278

(3) Notes to interim consolidated financial statements

(Notes on the assumption of going concern)

There are no applicable matters to be reported.

(Notes on significant changes in the amount of shareholders' equity)

Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

There are no applicable matters to be reported.