2nd Quarter of Fiscal Year Ending March 2027

Financial Results

October 28, 2026

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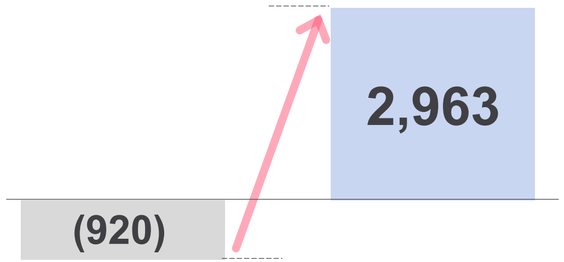
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Q2 Consolidated Results
(YoY)

Both net sales and operating profit reached record highs for Q2

- Net sales: **¥22,827 million** (up **¥7,196 million YoY**)
- Operating profit: **¥2,963 million** (an operating loss of ¥920 million in the same period of the previous fiscal year)

(Millions of yen)



Operating profit (YoY) **+¥3,883 million**

Consolidated Earnings Forecasts
(Full Year)

Upward revision to earnings forecasts

- The results for the first half of the fiscal year exceeded the revised forecast announced in July, as GPUs maintain utilization close to full capacity, unit prices improved, and sales at group companies increased
- Net sales in the second half are expected to exceed those in the first half, driven mainly by GPU infrastructure services.
  Investments for future growth and specific expenses for the current fiscal year are concentrated in the second half
- Limited impact of unauthorized access incident on business performance
- Payment of a 30th anniversary commemorative dividend of 2.5 yen per share (dividend record date: September 30, 2026)

(Millions of yen)

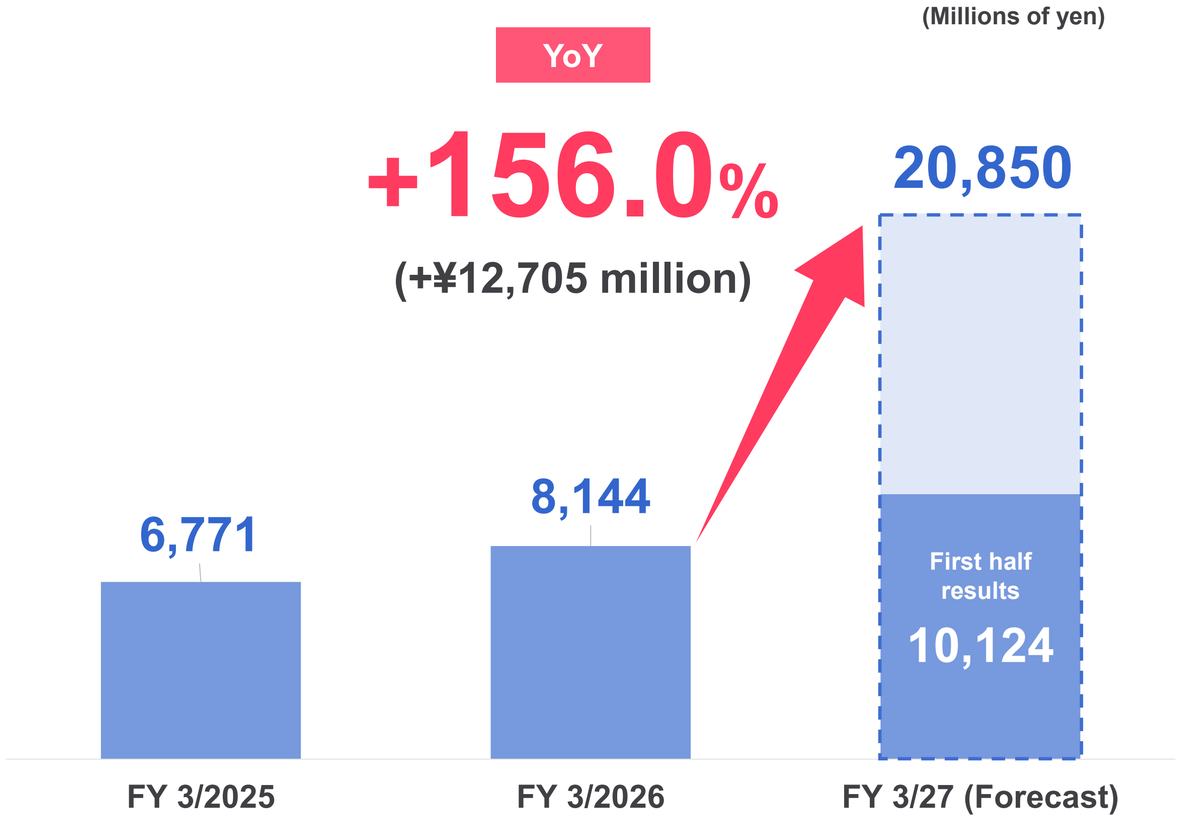
Net sales	46,600(+1,100)
Operating profit	4,100(+1,600)
Ordinary profit	3,900(+1,600)
Profit attributable to owners of parent	2,550(+1,050)

( ) compared with the previous forecast

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Net sales for the fiscal year ending March 2027 are expected to reach ¥20,850 million due to a significant increase in GPU utilization rates

Trend in net sales of GPU infrastructure services



Steadily capture strong demand and accelerate growth through financially disciplined investment

1 Robust sales pipeline

Amid strong demand for GPUs, we built a robust sales pipeline by strengthening our sales capabilities without relying solely on specific large customers. Delivery of existing GPUs to the next customer as soon as the contract ends

2 Growth investments that maintain financial soundness

Utilizing a variety of financing methods to pursue growth investments while maintaining a balance with financial soundness

3 Early depreciation of GPU assets

Early depreciation of GPU servers over 3 years. Reducing risks associated with technological advancements and asset obsolescence at an early stage (depreciation will be completed in stages from January 2027)

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Topic (2) Unauthorized Access Incident

Recognizing information security as an important management issue and pursuing ongoing initiatives to strengthen security from both a systems and organizational perspective

8/17 — First report

Announcement of unauthorized access to certain environments

8/19 — Second report

Announcement of investigation status

Confirmation of access to sales management system during investigation

9/10 — Third report

Announcement of investigation results and recurrence prevention measures

Now

Continued verification of the effectiveness of countermeasures

Scope

- Part of SAKURA Web Hosting environment and sales management system (membership information)
- No impact identified on SAKURA Cloud environment that meets Government Cloud requirements

Limited impact on business performance

- The impact of service cancellations, changes in customer inflows, and additional investments and expenses resulting from this matter on the business results for the fiscal year ending March 2027 is limited

Strengthening of security measures

- Steadily strengthen authentication, access management, and monitoring systems
- We will continue to monitor the impact and verify and improve the effectiveness of security measures

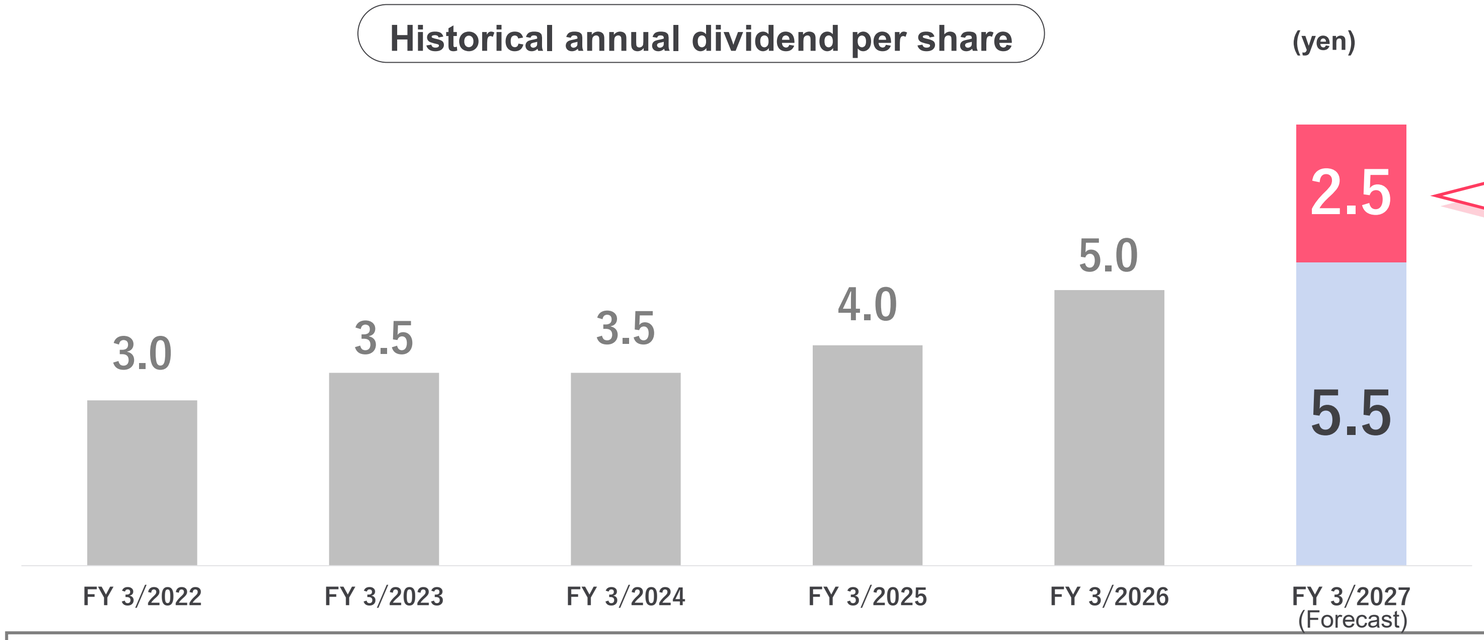
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30th Anniversary Commemorative Dividend

Basic dividend policy

Our dividend policy is to return profits to shareholders in accordance with business performance, while maintaining a certain level of internal reserves in order to ensure sustainable growth and profitability

- **Planned dividend for FY 3/2027:**
  8.00 yen per share （30th Anniversary Commemorative Dividend：2.50 yen＋Year-end Dividend：5.50 yen）



SAKURA internet 30th Anniversary

With Gratitude to Our Shareholders

30th Anniversary Commemorative Dividend*

*Dividend Record Date: 2026/9/30

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 value 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 first-mover advantage. At the same time, in terms of shareholder returns, we aim to maximize shareholder value over the medium to long term by enhancing corporate value through sustainable growth and promoting comprehensive returns through stable dividends and other means.

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Consolidated Financial Results for Q2 FY 3/2027

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Kept GPUs at close to full utilization and improved unit prices
Both net sales and operating profit reached record highs for Q2

Sales

- In addition to strengthening our sales capabilities and offering proposals to key customers, NVIDIA H100/H200/B200 GPUs maintained high utilization rates
- GPU infrastructure services drove sales growth due to improved unit prices

Profit

- Higher sales driven by high GPU utilization offset higher costs, mainly due to depreciation

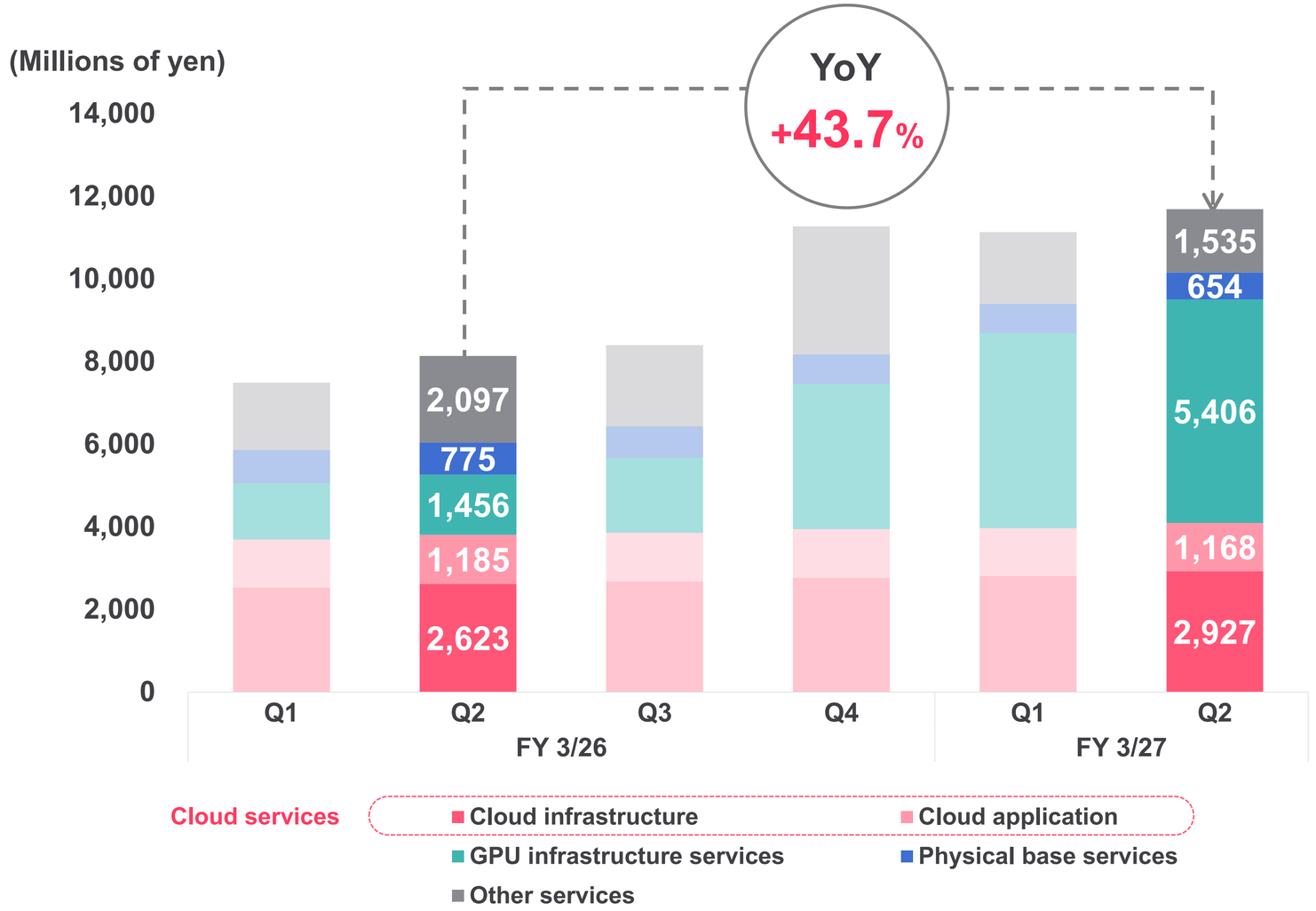
(Millions of yen)

Item	Q2 FY 3/26 Amount	Q2 FY 3/27 Amount	YoY Change	YoY Change (%)
Net sales	15,631	22,827	7,196	46.0
Operating profit	(920)	2,963	3,883	-
Ordinary profit	(811)	3,013	3,825	-
Profit attributable to owners of parent	(626)	1,903	2,530	-

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Consolidated Net Sales by Service Category (YoY)

GPU infrastructure services grew significantly, up ¥3,949 million YoY
Cloud infrastructure services achieved double-digit YoY growth



GPU infrastructure services

YoY **+271.1%**

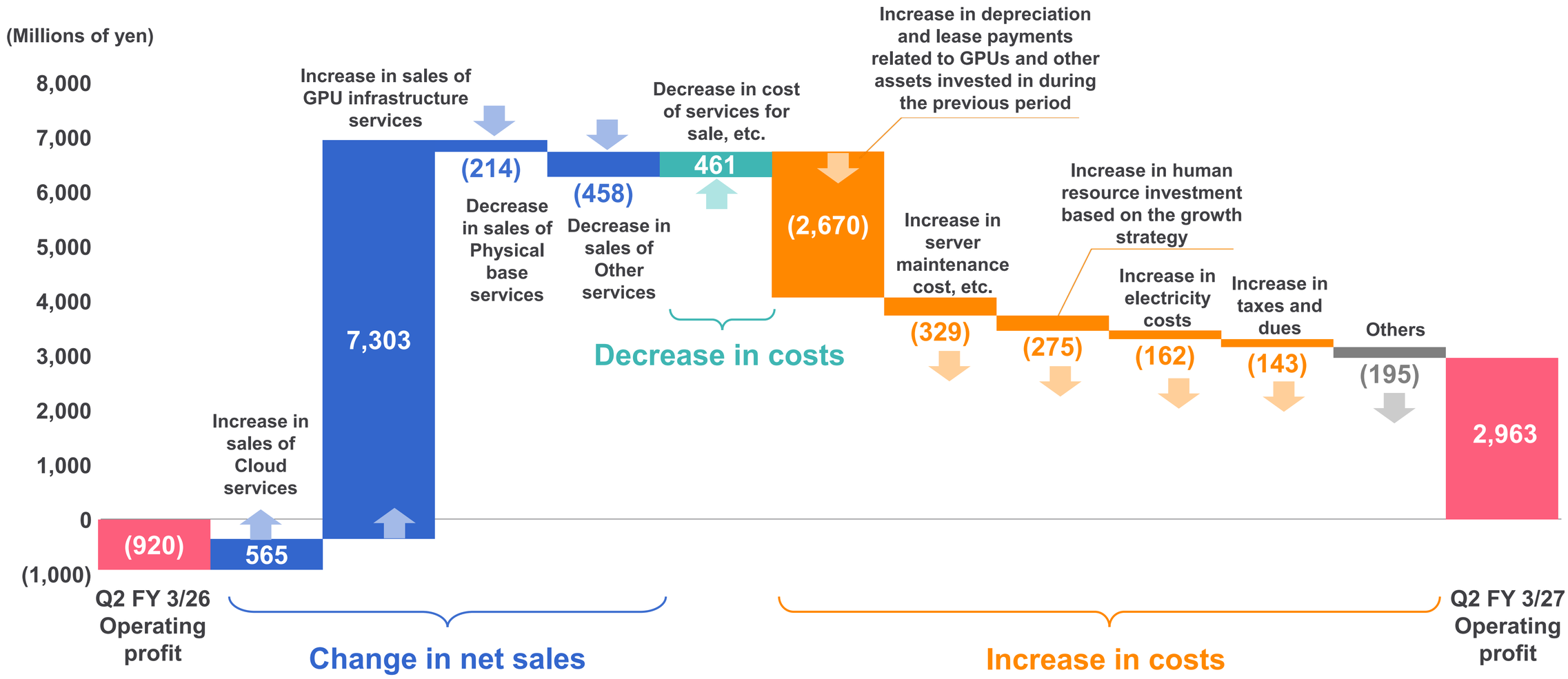
Cloud infrastructure

YoY **+11.6%**

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Factors That Affected Consolidated Operating Profit for Q2 FY 3/2027 (YoY)

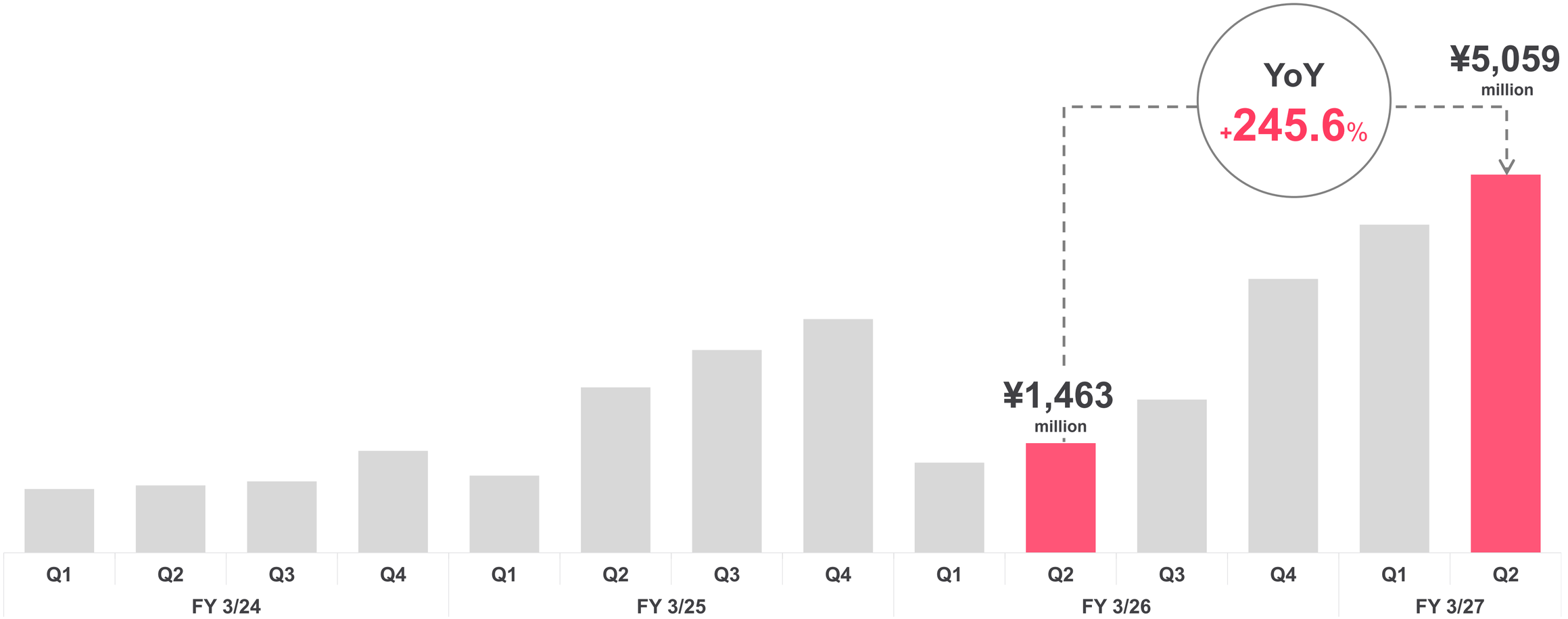
Factors that affected operating profit



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EBITDA (YoY)

Record high EBITDA of ¥5,059 million; improved cash generation to support future growth investments



*EBITDA is calculated by adding depreciation and interest expense to ordinary profit.

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Revision of Earnings Forecast

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Earnings Forecasts for FY 3/2027

Upward revision of full-year earnings forecast

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Sales

Results exceeded the forecast announced in July due to higher GPU utilization and improved unit prices

- GPU infrastructure services: Due to strong demand and the strengthening of sales capabilities, GPU utilization rates are expected to remain close to full capacity. In addition, improvements in unit pricing will also be achieved
- Other services: Expect to secure large-scale projects by group companies

Profit

Operating profit forecast was revised upward by approximately 60% while taking into account growth investments in the second half

Profit growth is expected to be driven by strong sales of GPU infrastructure services. In the first half of the fiscal year, some recruitment activities and advertising and event-related measures were reviewed as a result of prioritizing responses to customers following the unauthorized access incident. In the second half of the fiscal year, we will step up growth investments and strengthen our business foundation while assessing the effectiveness of these investments. Taking these factors into account, we forecast full-year operating profit of ¥4,100 million, ¥1,600 million higher than the forecast announced in July

(Millions of yen)

	Announced in July Revised forecast	Announced this time Full-year forecast	Change	Change (%)	First half results	Second half forecast
Net sales	45,500	46,600	1,100	2.4	22,827	23,772
Operating profit	2,500	4,100	1,600	64.0	2,963	1,136
Ordinary profit	2,300	3,900	1,600	69.6	3,013	886
Profit attributable to owners of parent	1,500	2,550	1,050	70.0	1,903	646

YoY Net sales +32.0% | Operating profit turned positive: from ¥(403) million to ¥4,100 million

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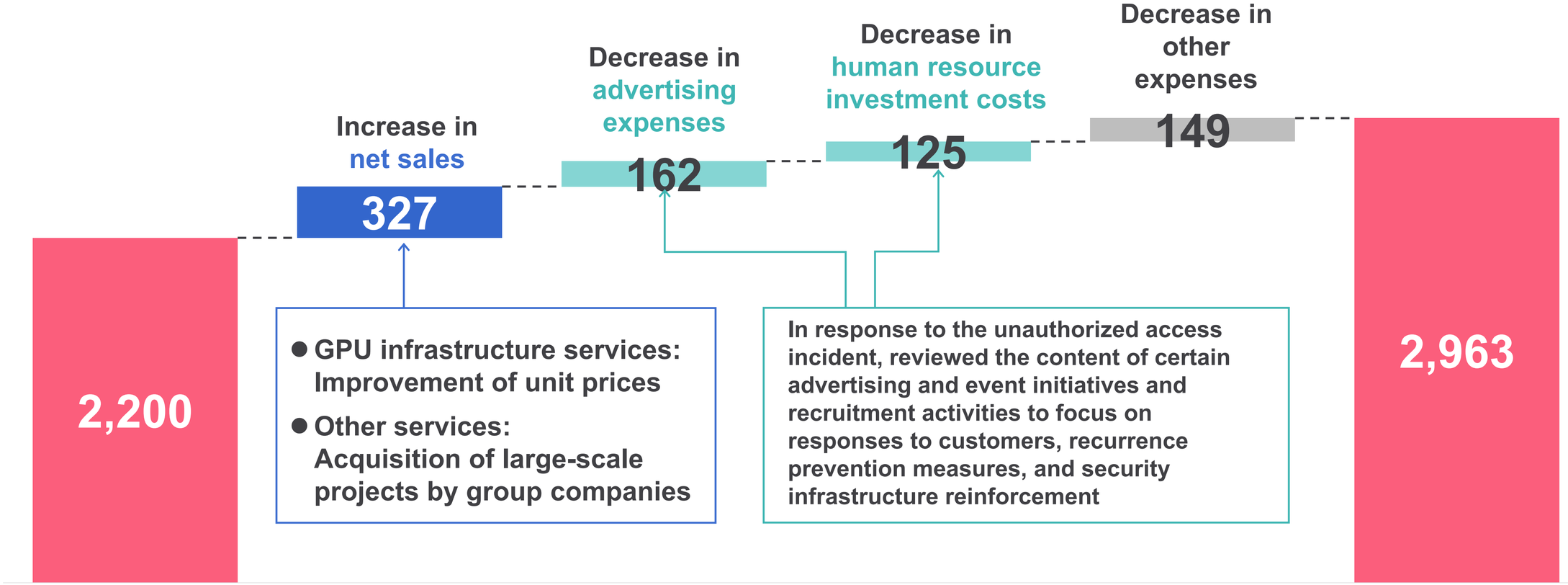
Earnings Forecasts for FY 3/2027: Difference Between Consolidated Earnings Forecast and Actual Results

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Operating profit exceeded the revised forecast due to higher sales resulting from improved GPU unit pricing and lower expenses in some areas

Operating profit for the first half | Factors behind differences from the revised forecast

(Millions of yen)

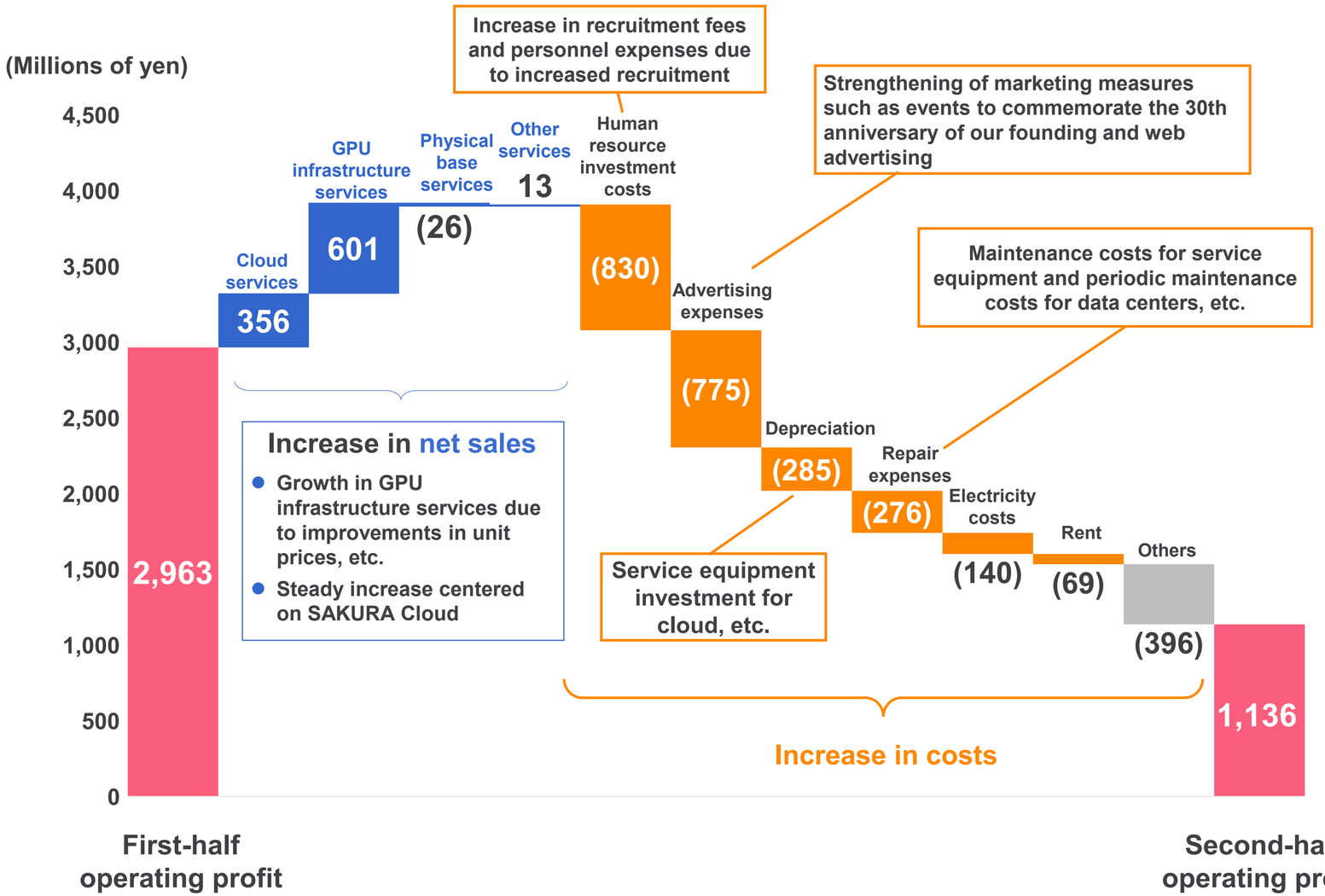


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Earnings Forecasts for FY 3/2027:
Factors Behind the Difference Between First-Half Operating Profit and Second-Half Forecast

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In the second half, sales are expected to increase, driven mainly by GPU infrastructure services, and growth investments and specific expenses for the current fiscal year will be concentrated in this period



Main expense items concentrated in the second half

Growth investments

- Strengthening of recruitment (approximately 70 hires planned for the second half) *12 hired during the first half
- Implementation of marketing measures such as events and web advertising
- DC maintenance costs and equipment investment for cloud and other services

One-time costs

Human resource investment costs specific to the current fiscal year and initiatives related to the 30th anniversary

Full-year operating profit forecast

¥4,100 million

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Q2 FY 3/2027
Review and Outlook

Accelerated project creation and partner co-creation, and steadily strengthened human resources and the service base for cloud and AI growth

Practice of growth strategy

Cloud services

- Strengthened sales activities with the goal of creating examples of Government Cloud projects
- Collaborated and built relationships with partners in the areas of technology, sales, and operations, and expanded the partner ecosystem

AI services

- Strengthened sales capabilities to secure pipelines and maintained high GPU utilization
  - Sakana AI K.K.'s GENIAC Phase 4 Project adopted "Koukaryoku PHY" (July)
- Expanded the application areas and increased the value provided by building a domestic generative AI ecosystem

Strengthen infrastructure that underpins growth strategy

Human capital

- Specialized talent acquired through growth investments made to date led Government Cloud support and the advancement of cloud infrastructure and database technologies
- Strengthened systems in AI and security areas and contributed to building a foundation to support business growth

Technology and service infrastructure

- Strengthen infrastructure to support stable service provision and business expansion
- Proceed with preparations to add new GPUs in response to AI demand trends

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Expansion of partner ecosystem base from sales to co-creation

Policy for the current fiscal year

Approach to new customers

Opportunity creation and area expansion

- Create project opportunities through a partner co-creation ecosystem
- Build a track record of Government Cloud implementation and expand into other areas
- Leverage our track record and expertise to expand into the enterprise market

Maximization of value for existing customers

Trust and deepening

- Provide proposals and technical support tailored to customer needs
- Expand the scope of service utilization
- Deepen relationships through continuous value delivery

Current initiatives

Partner strategy has evolved from expanding sales channels to building a co-creation ecosystem spanning proposals, development, and operations. The partner framework was revamped in June 2026 to diversify sales channels and partner evaluation metrics, with plans to further enhance domestic cloud proposal capabilities together with external partners.

Number of partners

80 companies

*As of October 21

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Securing pipelines by strengthening sales capabilities (continued high GPU utilization) and expanding application areas and increasing value provided by building a domestic generative AI ecosystem

Policy for the current fiscal year

Expansion of supply capacity

Invest in next-generation GPUs and DCs and expand computing resources

Maximization of utilization rate

Maintain high utilization of existing GPUs, optimize allocation of computing resources, and strengthen sales capabilities

Improvement of value provided

Support a wide range of use cases from learning to inference

Current initiatives

Launch of SAKURA AI Engine Private Edition, a generative AI platform for enterprises (October)



Host generative AI models in a dedicated GPU environment, providing comprehensive support from API access to inference infrastructure monitoring and operations

Preferred Networks, Inc. and National Institute of Information and Communications Technology (NICT) have begun efforts to continuously evaluate and improve generative AI (October)

Preferred Networks, Inc. and National Institute of Information and Communications Technology (NICT) have begun efforts to continuously evaluate and improve generative AI. As the first initiative, PFN's generative AI foundation model PLaMo 3.0 Prime has been fully implemented in SAKURA AI Engine since August 4, 2026, creating a secure and fully domestic generative AI platform.

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Reinvest Profits and Cash Generated into the Next Phase of Growth

Becoming a service of choice

Strengthen service competitiveness

- Upgrade the functionality, quality, and operational infrastructure of our domestic cloud services
- Expand and enhance the value of services for generative AI
- Improve service quality, including security and operational stability
- Enhance support for domestic business and regulatory requirements and improve support quality

+

Expanding access to growth markets

Strengthen and expand sales channels

- Strengthen the partner ecosystem and strategic alliances
- Strengthen project development and proposal capabilities in the public and enterprise sectors
- Strengthen sales and marketing capabilities
- Implement a data-driven sales strategy leveraging AI

Human resources

Recruit and develop high-level and specialized talent in development, sales, marketing, and other areas

Digital infrastructure

Strategic investment in next-generation GPUs, data centers, and cloud infrastructure

Shared infrastructure that underpins growth

Accelerate Growth through Enhanced Value and an Expanded Customer Base

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Of the ¥113.0 billion investment plan for GPU infrastructure for generative AI, ¥52.1 billion will be invested

Actual and Planned Investments for Generative AI Services

Actual Investments (FY 3/2024 to FY 3/2026)

Service Launch Timing	Amount	Contents
2024/1	3.4 billion yen	Procurement of H100, etc.
2024/6	8.1 billion yen	Procurement of H100, etc.
2024/12	5.0 billion yen	Procurement of H100, etc.
2025/4	0.2 billion yen	Procurement of H100, etc.
2025/6	7.9 billion yen	Procurement of H200, etc.
	3.0 billion yen	Containerized DC First Phase, etc.
2025/8	5.3 billion yen	Procurement of B200, etc.
2026/2	13.5 billion yen	Procurement of B200, etc.
	4.8 billion yen	Containerized DC Second Phase, etc.
FY 3/2026	0.7 billion yen	Others (e.g., air conditioning upgrades for H100)
Investment amount: 52.1 billion yen		

*Amounts are rounded down to the nearest 100 million yen

Investment plan for FY 3/2027 and beyond

Implementation period	Amount	Contents
FY 3/2027	4.4 billion yen	Generator building, etc.
	26.0 billion yen	Rubin, etc.
Under consideration	6.5 billion yen	Containerized DC Third Phase, etc.

*Please refer to page 42 for our investment plan for the fiscal year ending March 2027.

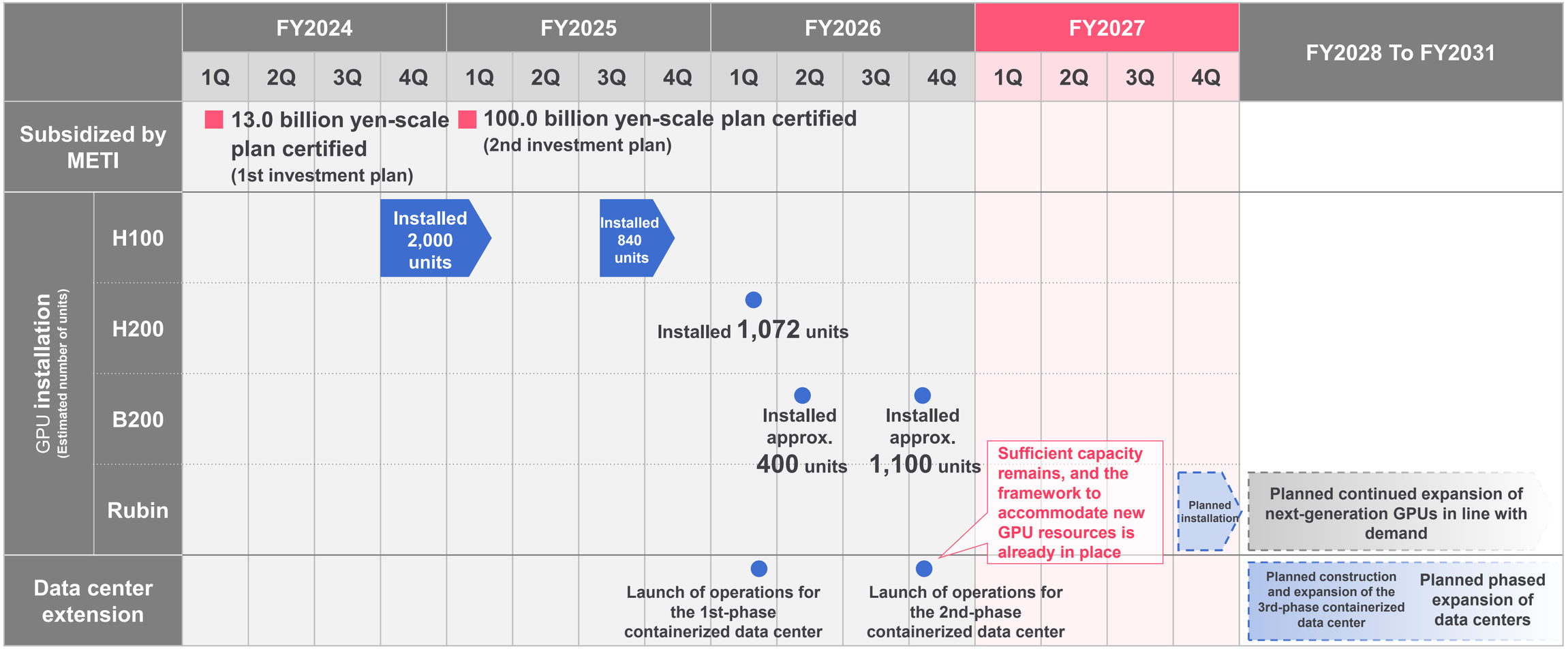


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Strengthening of Infrastructure that Underpins Growth Strategy: Investment in Generative AI Services (2)

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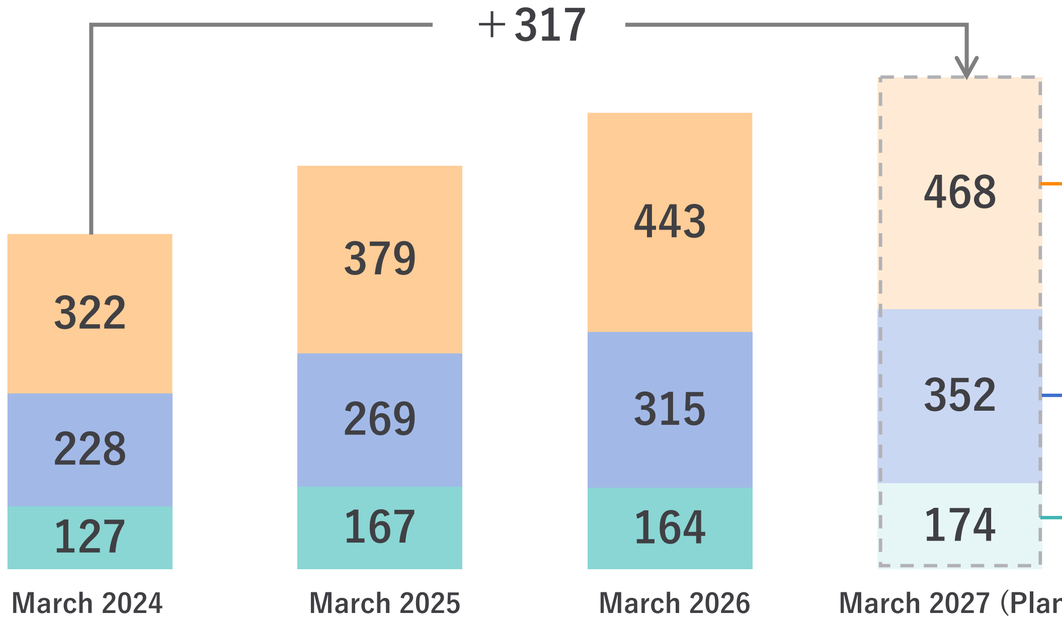
Capitalizing on rapidly expanding demand for AI computing to achieve sustainable growth and strengthen our earnings base



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Building an organizational foundation to support sustainable growth through investment in human resources in growth areas

Number of Personnel (Non-consolidated)*



Talent for “Building”

Service Planning, Development, and Operations (Engineers, etc.)

+45%

Talent for “Sales”

Sales, Support, Marketing, and Strategy

+54%

Talent for “Supporting”

Management and Corporate

+37%

Examples of Initiatives by High-level Talent

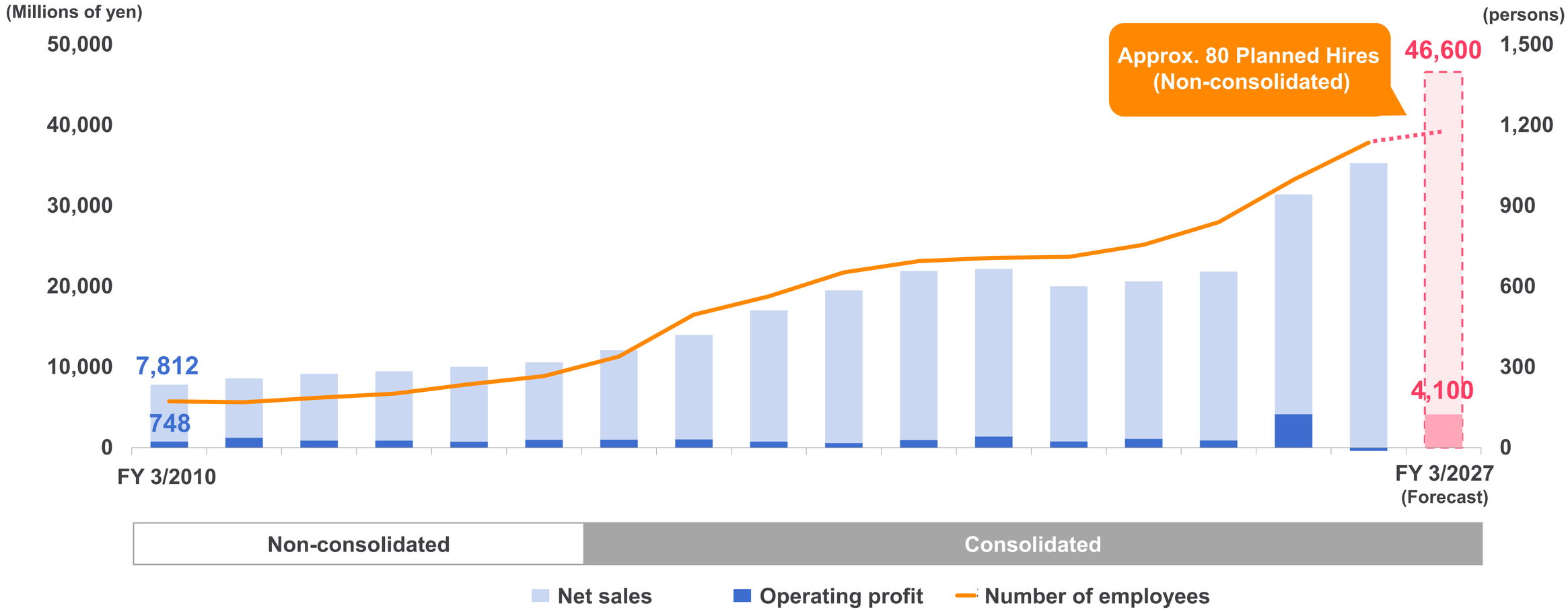
Service Development	Advanced cloud infrastructure and database technologies. Strengthened organizational capabilities in AI and security and drove organizational transformation.
Sales	Built an enterprise sales foundation and led the acquisition of large-scale projects. Contributed to sales growth in generative AI services.
Planning and Marketing	Advanced growth strategies in collaboration with Sales and Service Development.

*Personnel figures are before adjustments for secondments and other factors.

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【Reference】Historical Annual Results

Historical net sales, operating profit, and number of employees



*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

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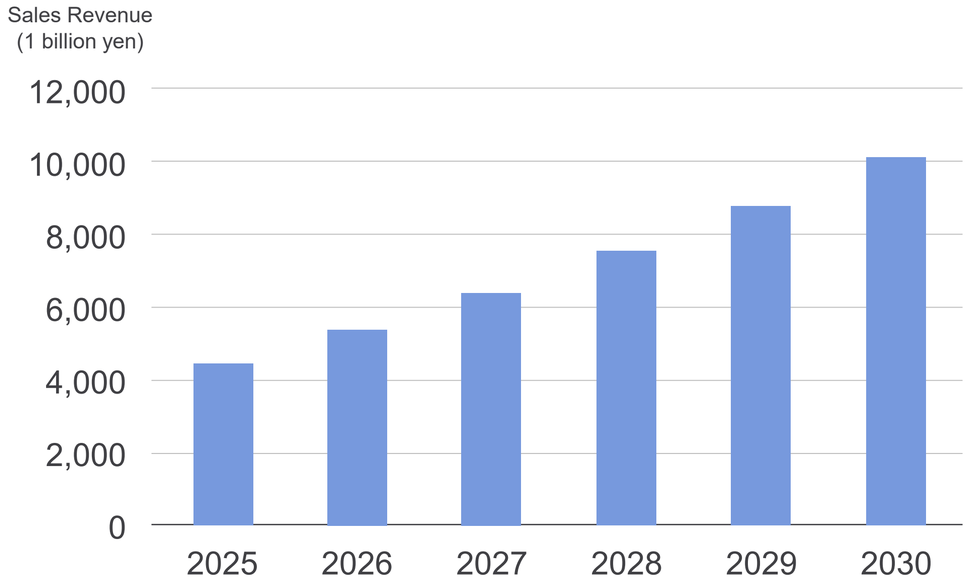
Q2 FY 3/2027
Review and Outlook

Medium- to Long-term Management Policy

The public cloud market remains solid, driven by cloud migration and expanding AI investment
The AI systems market continues to post high growth, driven by the rapid advancement of AI agents

Japanese Public Cloud Market Forecast

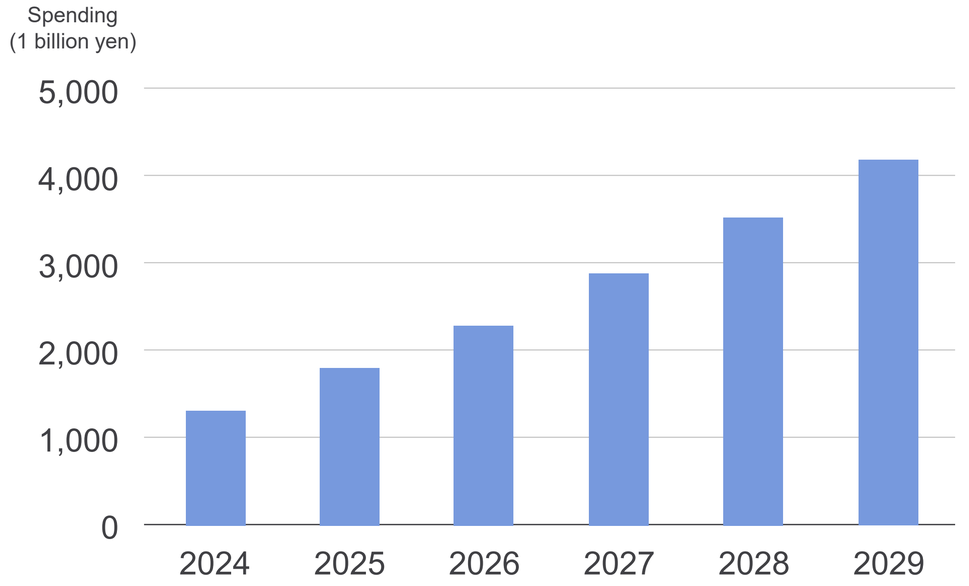
2025-2030 CAGR: 17.6%



Source: IDC Japan March 2026
Japan Public Cloud Service Market Forecast, 2026-2030(Doc #JPJ53498826)

Japanese AI Systems Market Forecast

2024-2029 CAGR: 25.6%



Source: IDC Japan April 2025
Japan AI Systems Market Forecast, 2025–2029 (Doc #JPJ52153625)

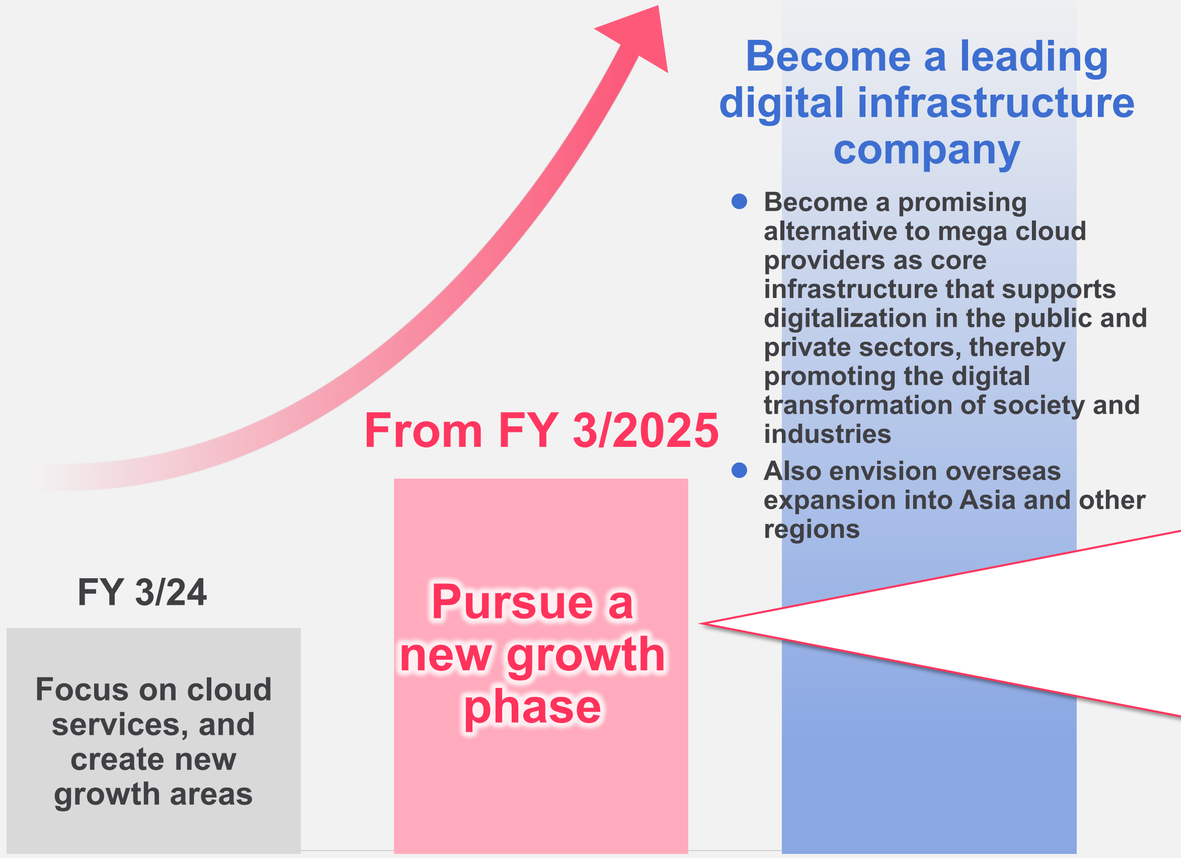
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Medium- to Long-Term Management Policy [Focus on Core Business]

*Reprinted from the Financial Results for FY2026 March

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Further focus on core businesses by concentrating resources to strengthen operations and drive growth
Shift to a new growth trajectory through deepening cloud business and expanding into growth fields



Focus on Core Business: Priority Measures

Expand earnings through the provision of GPU infrastructure for AI

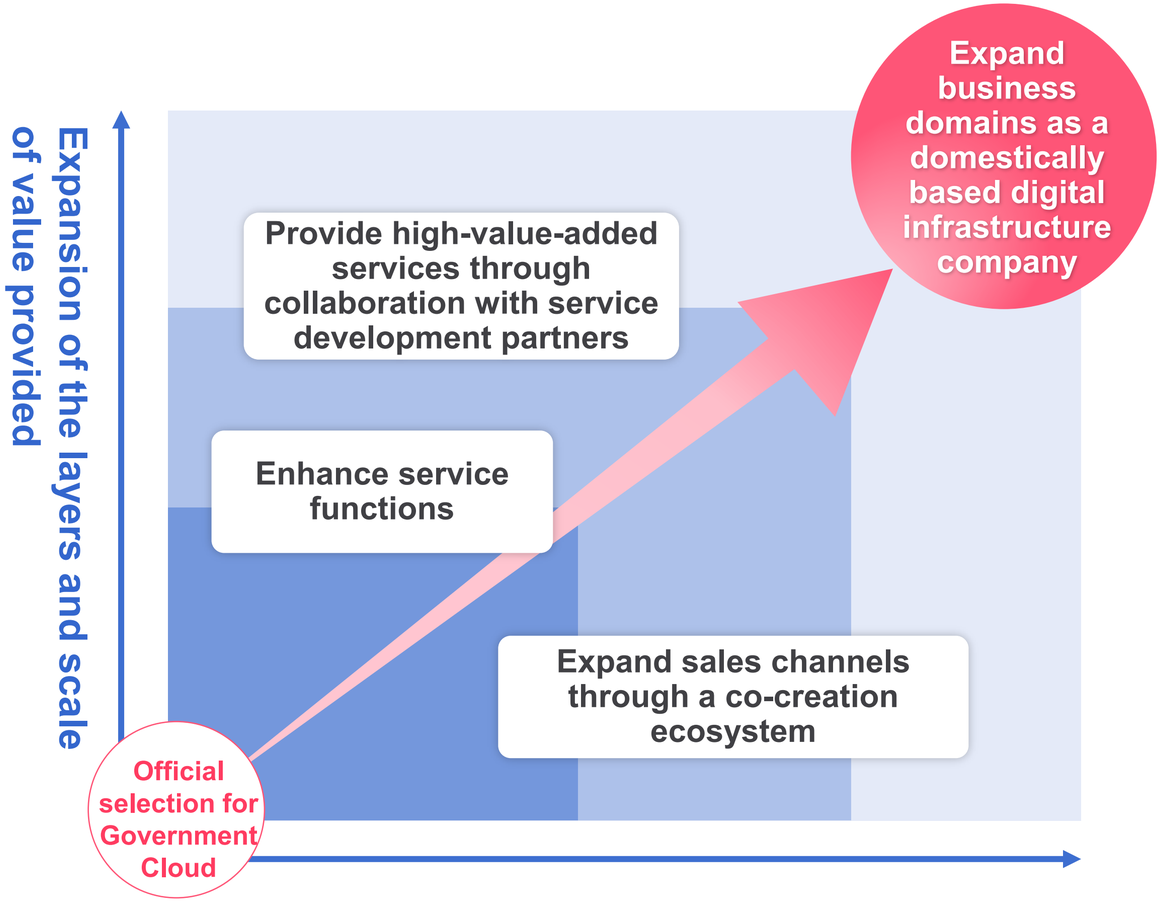
- Capture robust demand as early and fully as possible to secure a first-mover advantage in the Japanese AI platform market
- Maximize the use of proprietary assets, including data center resources and expertise/talent in AI infrastructure provision, to expand business in growth areas
  Further accumulate knowledge and expertise to create the next growth driver

Accelerate enhancement of cloud services

- Enhancing presence and expanding market opportunities through being officially selected as the first domestic company for the Government Cloud, and strengthening service capabilities to fully meet functional requirements
- Strengthen sales expansion by increasing and developing partners through the qualification program and the partner system

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Positioning official selection for Government Cloud as a new starting point, the Company aims to expand share in a broad range of markets previously unreachable on its own by strengthening the co-creation ecosystem



Expand the co-creation ecosystem

Strengthen the partner strategy

Promote acquisition of new customer segments through collaboration with partners

- ✓ SAKURA Web Hosting agency system
- ✓ SAKURA partner networks
- ✓ Japan GPU alliance

Promote alliances

Collaboration aimed at expanding domestic AI infrastructure options and addressing government and sovereign domains

- ✓ Signed a basic agreement with Japan Business Systems, Inc. on activities to promote the digitalization of administrative systems (March)
- ✓ Started discussions with Mitsubishi Research Institute, Inc. on collaboration in digital government and sovereign areas (April)
- ✓ Started collaboration with Microsoft Japan Co., Ltd. to expand domestic AI infrastructure options (April)

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Initiatives for ESG Management

Initiatives for the Group's ESG Management

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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

Participated in the establishment of the Ishikari Data Center Consortium to promote the development of the data center industry and regional co-creation (July)

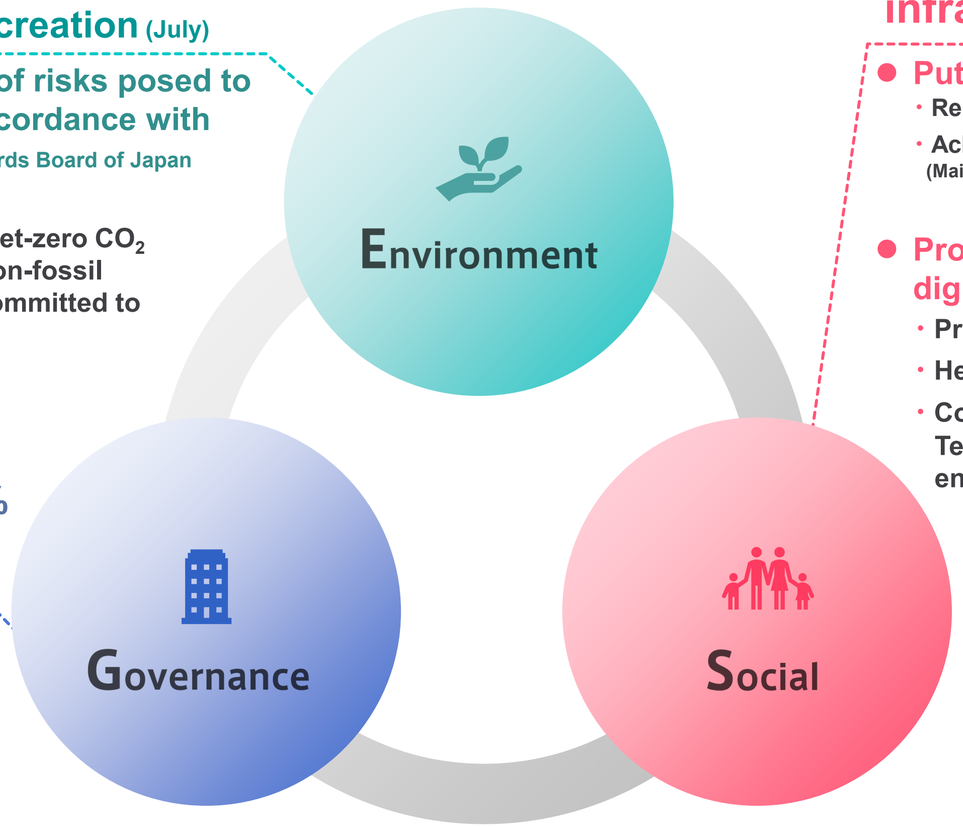
- Conducting analysis and assessment of risks posed to the Company by climate change, in accordance with SSBJ* Standards *SSBJ: Sustainability Standards Board of Japan
- Utilization of renewable energy
  - The Company's data centers have achieved net-zero CO_2 emissions from electricity use by procuring non-fossil certificates. The Ishikari Data Center is also committed to utilizing renewable energy sources

Topic

Percentage of female executives, including executive officers: 33.3%

(as of September 30, 2026)

- Transparency of management
- Ensuring thorough compliance
- Risk management
- Maintaining and improving information security



Topic

Expanded the "learning infrastructure" for cloud and AI talent

- Putting human capital management into practice
  - Renewal of guiding principles
  - Achieving Both a Supportive Workplace and Job Satisfaction (Maintain a high parental leave utilization rate: 90% for male and 100% for female)
- Providing educational opportunities in the digital field
  - Providing educational opportunities to learn about cloud
  - Held the first SAKURA AI Certificate Exam (September)
  - Concluded a basic agreement with National Institute of Technology, Tokyo College to foster next-generation engineers (July)

Released SAKURA Integrated Report 2026

Introduced growth strategies centered on domestic cloud computing and AI, and initiatives aimed at sustainably enhancing corporate value

SAKURA Report



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Conducting analysis and assessment of risks posed to the Company by climate change, in accordance with SSBJ Standards

The Company is preparing to appropriately disclose the impact of risks and opportunities associated with climate change on its business activities and business results in accordance with SSBJ* Standards. As part of these initiatives, we conducted analysis and assessment of risks posed to the Company by climate change

*SSBJ: Sustainability Standards Board of Japan

Medium- and long-term financial impacts of climate change

Climate-related Risk Classification	Type	Driver	Business impact	Risk
Transition risk (2°C scenario)	Policie and regulation	Tighter regulation of GHG emissions	● Higher operating costs	Low
			● Write-offs, impairment, and early retirement of existing assets due to policies and regulations	Low
	Technical	● Replacement of existing products with low-carbon technologies	● Upfront costs of transitioning to low-carbon technologies	Low
		● Adding low-carbon options to existing products and services	● Upfront R&D spending on new and alternative technologies	Low
	Market	● Changes in consumer behavior	● Lower demand for products and services as consumer preferences change	Low
			● Declining value of services with weaker environmental performance as customers become more environmentally conscious	
		● Tighter power supply as demand for digital infrastructure grows	● Higher investment required to secure power and higher electricity costs	Medium
Physicalrisk (4°C scenario)	Chronic/acute	Higher raw material and logistics costs due to conflicts, disasters, and other factors	Higher service equipment and electricity costs	Medium

TOPICS

Participated in the establishment of the Ishikari Data Center Consortium (Ishikari DCC) (July)

Promoted the development of the data center industry utilizing renewable energy and regional co-creation

Participated in the establishment of the Ishikari Data Center Consortium (Ishikari DCC), which is a collaborative effort among data center operators, power and telecommunications infrastructure operators, and others in the Ishikari Bay New Port area, where renewable energy sources are concentrated. We will work to resolve issues and enhance value across industries, such as strengthening shared infrastructure, improving competitiveness, preventing disasters, developing human resources, and fostering regional collaboration. We will share the knowledge gained through the operation of the Ishikari Data Center and contribute to the sustainable growth of the region and the data center industry, as well as to strengthening the domestic digital infrastructure



▲Executive Officer Maeda (fourth from the left) of the Company at the announcement of the consortium's establishment

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Expanding the “learning infrastructure” for cloud and AI talent

Contributing to the expansion of the digital talent base and the enhancement of Japan's digital competitiveness through a “learning infrastructure” that enables people to experience, learn about, and use cloud services and AI

Certification system supporting learning from fundamentals to practical use

さくらのクラウド検定

Basic

<Basic and introductory level>
Learning cloud fundamentals systematically

Cumulative number of examinees
2,037 persons

Advanced

<Practical level>
Certification of practical skills required for design and implementation (above the Basic level)

Cumulative number of examinees
108 persons

さくらのAI検定

Learning from AI fundamentals to practical use of domestic AI services

Number of examinees
(First administration in September 2026)
133 persons

Providing learning opportunities for society



SAKURA Cloud Certificate Lab

A learning support program that provides free access to the learning environment for one month



Student ambassador system

Opportunities to put learning into practice through free cloud environments and mentorship

Expanding “Experience ➡ Learn ➡ Put into Practice” to society through collaboration with technical colleges, etc.

Practical education through the KOSEN support project

- We have formed a comprehensive partnership with the National Institute of Technology (KOSEN), and conducted educational support activities to promote more practical “hands-on learning” (FY 2025 results: 111 classes at 32 schools)
- Provided visiting lectures by employee lecturers, support for computing resources for learning, and on-site training at data centers

Collaboration with National Institute of Technology, Tokyo College

In July 2026, a basic agreement was concluded to promote the development of next-generation engineers using domestic clouds and AI

From learning to real-world deployment

Provided computing resources for the 37th Technical College Programming Contest in Kagawa (Takamatsu) and sponsored industry-academia collaboration in infrastructure

さくらのVPS
(Landing page renewal)

さくらのクラウド
(Distributed as a programming contest model)

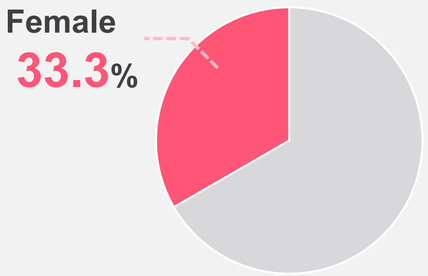
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Aiming to strengthen management functions and further reform business and operations by expanding the management and high-level talent base

Strengthening management functions

Appointment of Directors paved the way for the external recruitment of management personnel with advanced expertise in areas such as finance and marketing, thereby strengthening management functions in a manner that would have been difficult to achieve through our past practices. As a result, it has improved the quality and speed of decision-making and strengthened the management foundation that supports business growth

Percentage of female executives*, including executive officers



*Directors, Corporate Auditors, and Executive Officers

Composition and number of Officers as of September 30, 2026

Leveraging knowledge gained through hiring highly specialized talent into organizational growth

As we accelerate investments in growth areas, we will strengthen the recruitment of personnel with advanced expertise and abundant experience in growth areas such as cloud and AI, enterprise sales, and business strategy. We share knowledge and experience cultivated externally across existing organizations and personnel, leveraging individual expertise to drive transformation in our business, technology, and organization

Business growth
- Continued acquisition of large-scale projects
- Strengthening the public and enterprise areas
- Acquisition of future growth opportunities

Technology base
- Government Cloud support
- Advancement of cloud and AI infrastructure
- Improving database quality and functionality

Organizational change
- Linking business strategy and management
- Building a cross-functional structure
- Toward an organization where specialized talent plays an active role

Transforming individual expertise into organizational capabilities to support medium- to long-term business growth

CASE 1 Advancing management practices through business expansion and organizational reform

He engaged in new business development, business operations, and management at several companies in the IT and internet fields. He has served as a director and COO, president and representative director, executive officer and CEO of domestic operations at a major IT company. He also has experience in overseeing overseas operations. He has extensive executive experience leading business expansion and organizational change, and currently oversees the Company's business strategy, data strategy, and marketing



Hirohisa Tamonoki
Director
(Joined in February 2026)

CASE 2 Strengthening management foundation by leveraging knowledge of financial and capital markets

She worked in global markets for approximately 15 years at a foreign financial institution. Later, she oversaw finance and IR at operating companies and pursued growth strategies including capital policy and M&A financing. She has served as an outside director at several companies and as a director and CFO at a startup. In addition to her knowledge of capital markets and governance, she has promoted diversity and worked to create organizations where diverse human resources can play an active role



Lei-Isabelle Nakao
Executive Officer in charge of Financial Strategy and Investor Relations
(Joined in September 2026)

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People as the source of value for society and our customers

~Achieving both a supportive workplace and job satisfaction, while creating a virtuous cycle in which employees and customers learn, grow, and succeed together~

CS Achieving Customer Success

Grow together

ES Achieving Employee Success

New value creation for customers	Diverse talent pool adaptable to change	Exceptional talent for long-term success



Creating a Culture of Knowledge Sharing and Professional Development



Physical and Mental Well-Being



Empowering Diverse Talent



Fostering a Culture That Creates New Value Through Challenge and Leadership



Flexible Workstyles

The Five Pillars Guiding Talent to Growth and Success

01	Customer Focus	02	Experiment, Fail fast	03	Seek Root Cause	04	Be a Builder	05	Raise the Bar
06	Right Decision	07	Integrity	08	Dare to Guide	09	Ownership	10	Deliver Results

10 Principles We Value guiding principles

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appendix

Data and Company Profile

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Consolidated Statement of Income (YoY Change)

(Millions of yen)

Item	Q2 FY 3/26		Q2 FY 3/27		YoY	
	Amount	Sales composition (%)	Amount	Sales composition (%)	Change	Change (%)
Net sales	15,631	100.0	22,827	100.0	7,196	46.0
Cost of sales	12,482	79.9	15,514	68.0	3,032	24.3
Gross profit	3,148	20.1	7,312	32.0	4,164	132.2
SG&A expenses	4,069	26.0	4,349	19.1	280	6.9
Operating profit	(920)	(5.9)	2,963	13.0	3,883	-
Ordinary profit	(811)	(5.2)	3,013	13.2	3,825	-
Profit attributable to owners of parent	(626)	(4.0)	1,903	8.3	2,530	-

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Consolidated Statement of Income (QoQ Change)

(Millions of yen)

Item	FY 3/26				FY 3/27		QoQ	
	Q1	Q2	Q3	Q4	Q1	Q2	Change	Change (%)
Net sales	7,492	8,139	8,393	11,277	11,134	11,692	558	5.0
Cost of sales	5,948	6,534	6,504	8,358	7,713	7,801	88	1.1
Gross profit	1,543	1,604	1,889	2,918	3,421	3,891	470	13.7
SG&A expenses	2,001	2,068	2,085	2,204	2,190	2,159	(31)	(1.4)
Operating profit	(457)	(463)	(196)	713	1,230	1,732	501	40.8
Operating margin (%)	(6.1)	(5.7)	(2.3)	6.3	11.1	14.8		
Ordinary profit	(438)	(373)	12	905	1,258	1,755	497	39.6
Profit attributable to owners of parent	(324)	(302)	75	767	855	1,047	191	22.4
EBITDA	1,205	1,463	2,049	3,664	4,389	5,059		

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Consolidated Net Sales by Service Category (QoQ Change)

(Millions of yen)

Service category	FY 3/26 Q1	FY 3/26 Q2	FY 3/26 Q3	FY 3/26 Q4	FY 3/27 Q1	FY 3/27 Q2	QoQ Change	QoQ Change (%)
Cloud services	**3,697**	**3,809**	**3,862**	**3,950**	**3,975**	**4,096**	**121**	**3.1**
Composition (%)	49.4	46.8	46.0	35.0	35.7	35.0		
Cloud infrastructure	2,529	2,623	2,678	2,769	2,810	2,927	117	4.2
Cloud application	1,167	1,185	1,184	1,181	1,164	1,168	4	0.3
GPU infrastructure services	**1,363**	**1,456**	**1,818**	**3,505**	**4,718**	**5,406**	**688**	**14.6**
Composition (%)	18.2	17.9	21.7	31.1	42.4	46.2		
Physical base services	**802**	**775**	**754**	**724**	**708**	**654**	**(54)**	**(7.6)**
Composition (%)	10.7	9.5	9.0	6.4	6.4	5.6		
Other services	**1,629**	**2,097**	**1,958**	**3,096**	**1,732**	**1,535**	**(197)**	**(11.4)**
Composition (%)	21.7	25.8	23.3	27.5	15.6	13.1		

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Consolidated Balance Sheet (Change vs. FY-end)

- Current assets: Increase in cash and deposits, among others, to prepare for payment of debt related to infrastructure expansion in Ishikari DC
- Non-current assets: Increase in property, plant and equipment due to infrastructure expansion in Ishikari DC
- Liabilities: Increase in long-term lease liabilities due to acquisition of leased assets

(Millions of yen)

Item	Previous year-end (FY 3/26)	End of Q2 (FY 3/27)	Change
Current assets	26,255	29,650	3,395
Non-current assets	56,195	58,325	2,129
(Property, plant and equipment)	46,722	48,297	1,574
(Intangible assets)	2,018	1,963	(54)
(Investments and other assets)	7,455	8,064	609
Total assets	82,451	87,976	5,525

Item	Previous year-end (FY 3/26)	End of Q2 (FY 3/27)	Change
Current liabilities	33,854	32,536	(1,318)
Non-current liabilities	18,266	23,470	5,203
Total liabilities	52,121	56,007	3,885
Net assets	30,329	31,968	1,639
(Including shareholders' equity)	30,072	31,847	1,774
Total liabilities and net assets	82,451	87,976	5,525

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Consolidated Statement of Cash Flows

- Cash flow from operating activities: Depreciation and profit before income taxes increased while trade receivables decreased
- Cash flow from investing activities: In the same period of the previous year, payments were made for liabilities related to equipment for generative AI services
- Cash flow from financing activities: Repayments increased while proceeds from borrowings decreased

(Millions of yen)

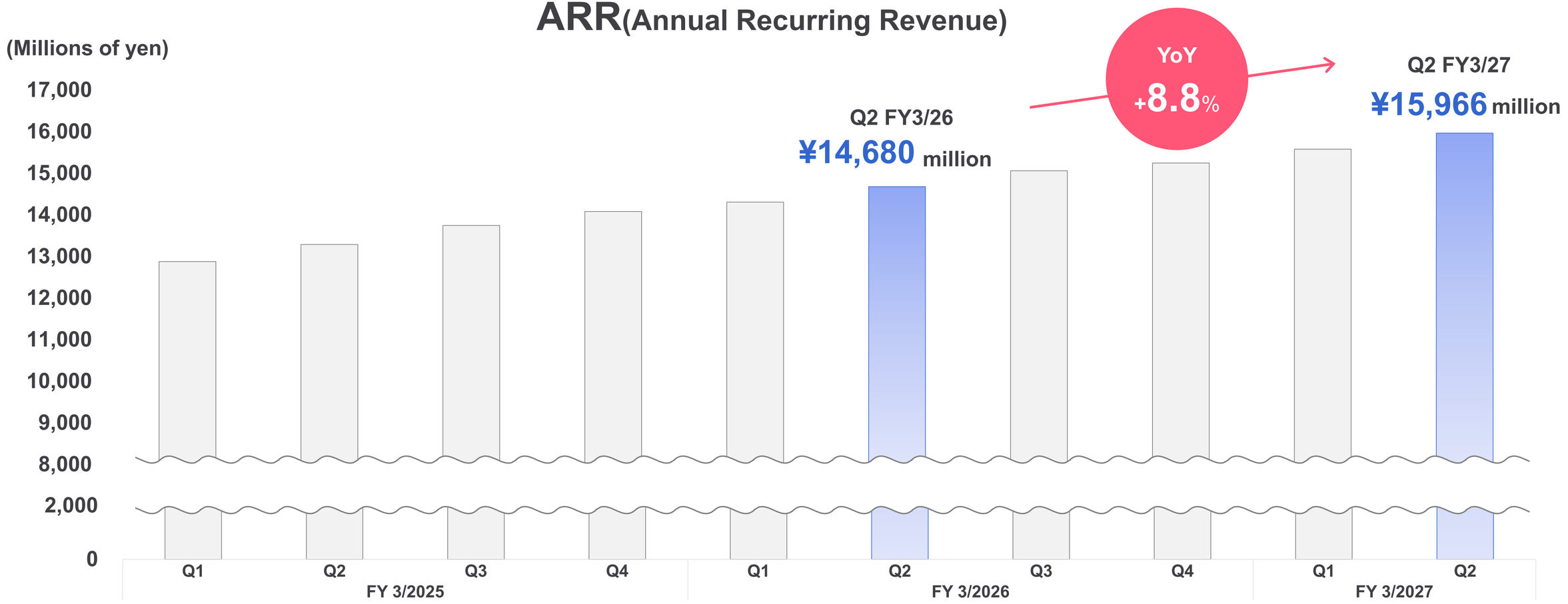
Item	Q2 FY 3/25	Q2 FY 3/26	Q2 FY 3/27	YoY change
Cash flow from operating activities	487	53	10,840	10,786
Cash flow from investing activities	317	(22,485)	(4,715)	17,770
FCF	804	(22,432)	6,124	28,556
Cash flow from financing activities	23,581	3,725	(1,318)	(5,043)
Increase in cash and equivalents	24,385	(18,705)	4,805	23,511
Cash and equivalents balance	29,648	10,783	19,428	8,644

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

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ARR, representing recurring revenue, increased 8.8% YoY

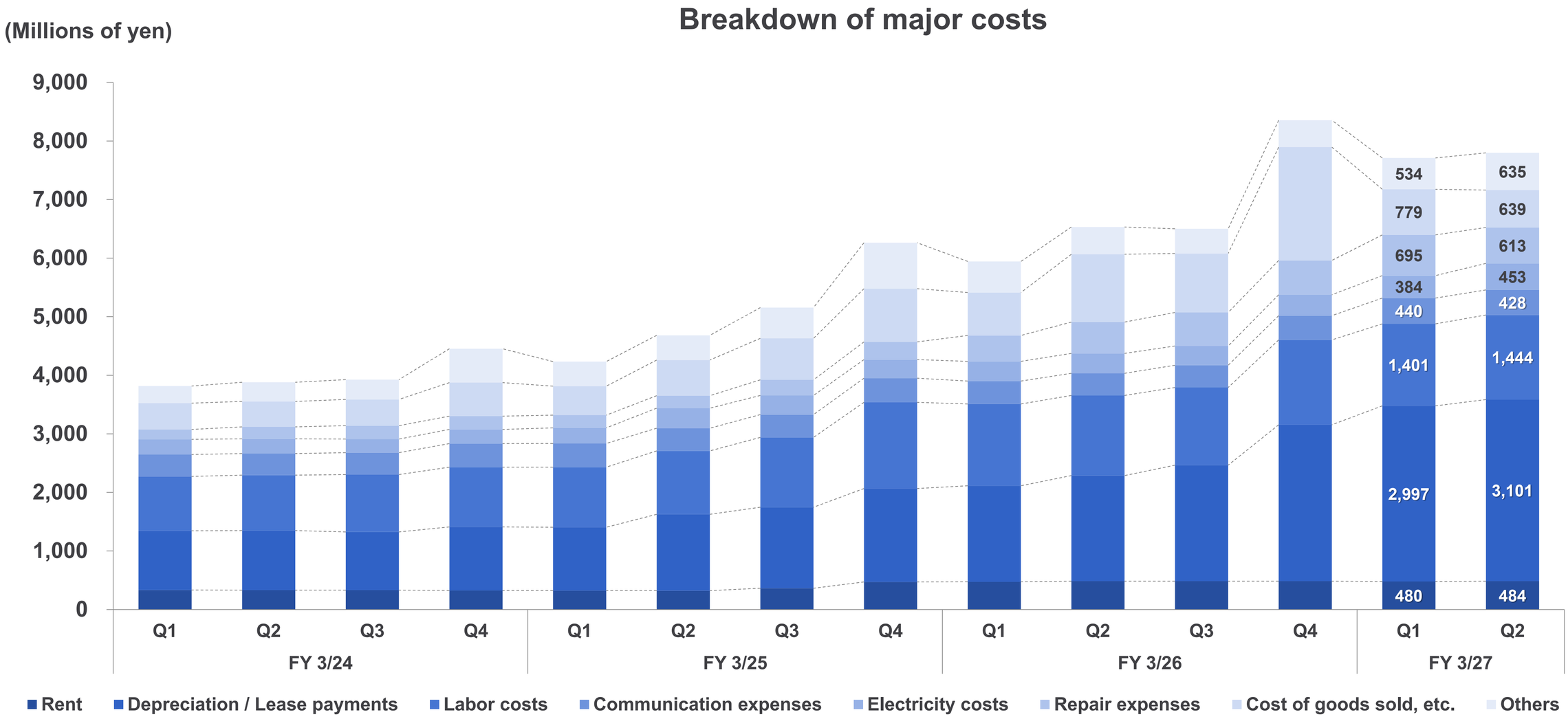
ARR(Annual Recurring Revenue)



* 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
* Calculation method for ARR (Annual Recurring Revenue): add up MRR (Monthly Recurring Revenue) of each month of the quarter and multiply it by four (a metric different from net sales)

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Breakdown of Major Costs (Consolidated)



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Investments in FY3/2027

(100 millions of yen)

Description of investment	FY3/2027 full-year plan	FY3/2027 cumulative result
Data centers	87	80
of which, generator buildings for containerized data centers	44	36
Servers and network equipment	105	17
of which, Cloud services	63	10
Others (systems, office-related, etc.)	6	1
Total	198	99

- Amounts are rounded down to the nearest 100 million yen. Amount before applying tax purpose reduction entry.
- FY 3/2027 full-year plan does not include the 26 billion yen investment in Rubin GPUs, which was approved in July 2026.

Number of personnel in FY3/2027

(9) from previous fiscal year-end

	End of Mar. 26	End of Sep. 26
Number of employees*	1,135	1,126

■ Breakdown of changes

	Change (persons)
SAKURA internet	+12
Group companies	(21)
Total	(9)

* The number of employees excludes those seconded to other companies from SAKURA internet and includes those seconded to SAKURA internet from other companies.
* The decrease in headcount at group companies is primarily due to the exclusion of Tellus Inc. from the consolidation.

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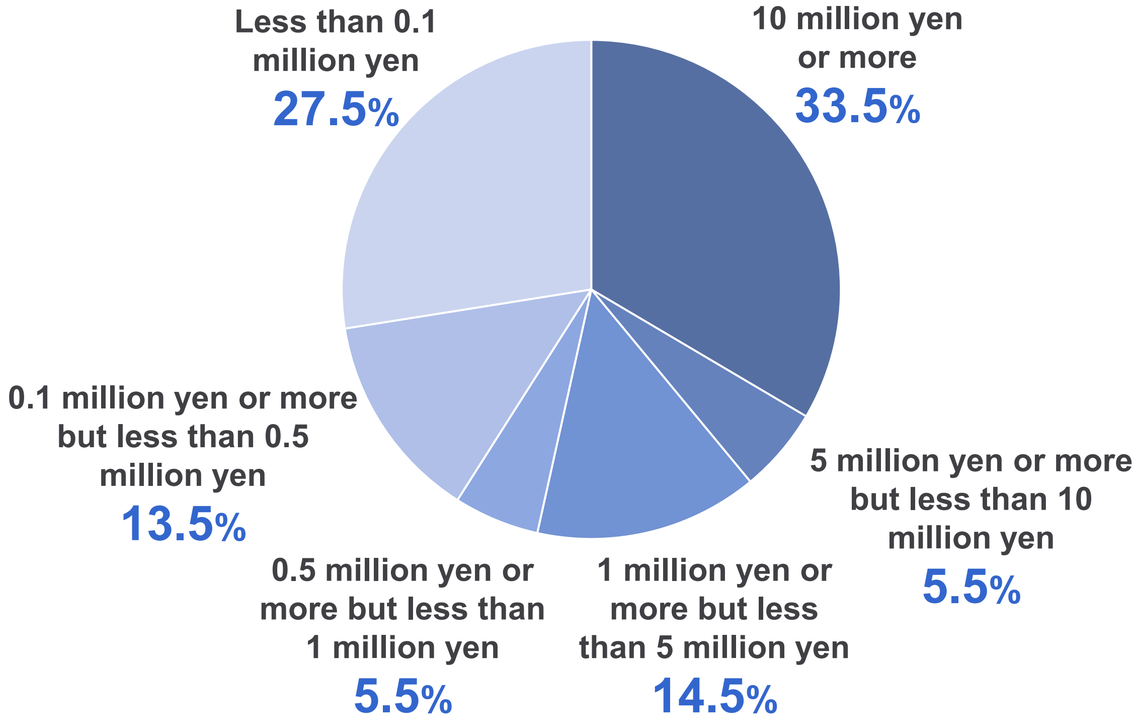
Composition of Customers (FY 3/2026)

*Reprinted from the Financial Results for FY2026 March

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

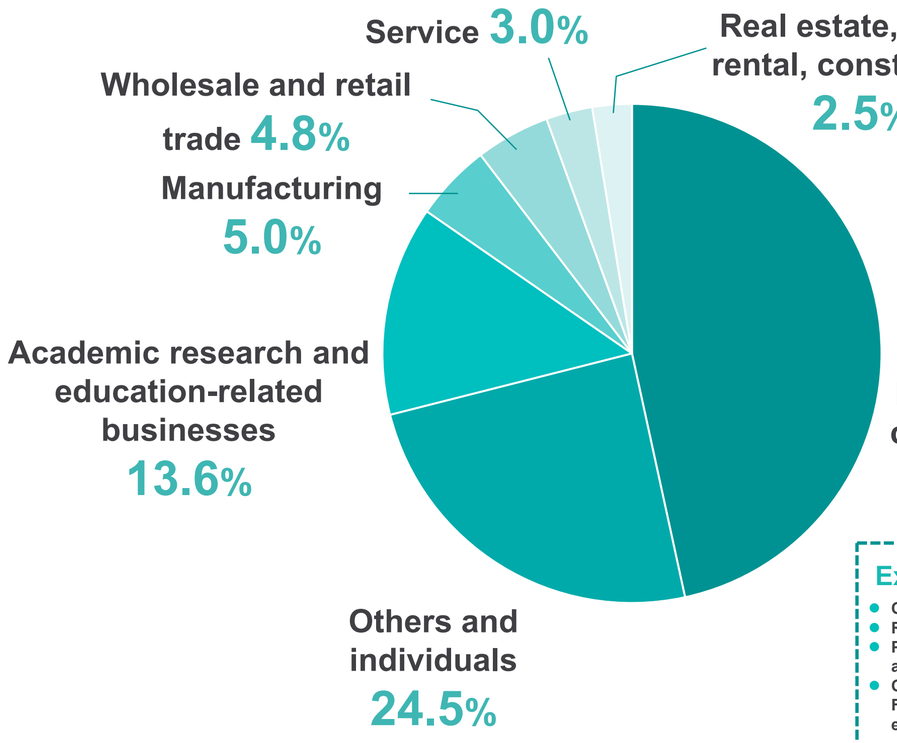
Breakdown by monthly fee

(Composition by sales)



Customer composition

(Composition by sales)



Examples of applications

- Operation of in-house core systems
- R&D of in-house services
- Provision of operating support systems and web-filtering services, etc.
- Operation of free market apps and Furusato Tax (hometown tax) websites, etc.

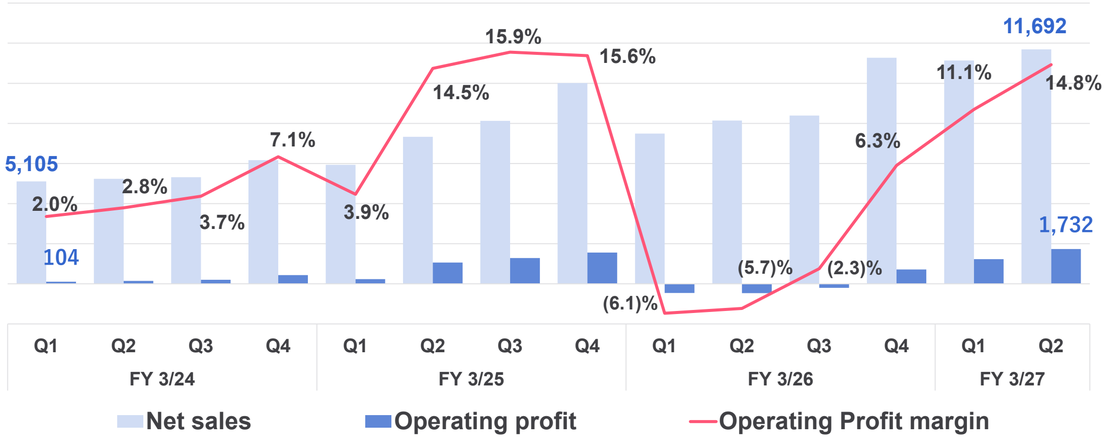
*The figures represent SAKURA internet on a non-consolidated basis

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Consolidated Financial Indicators

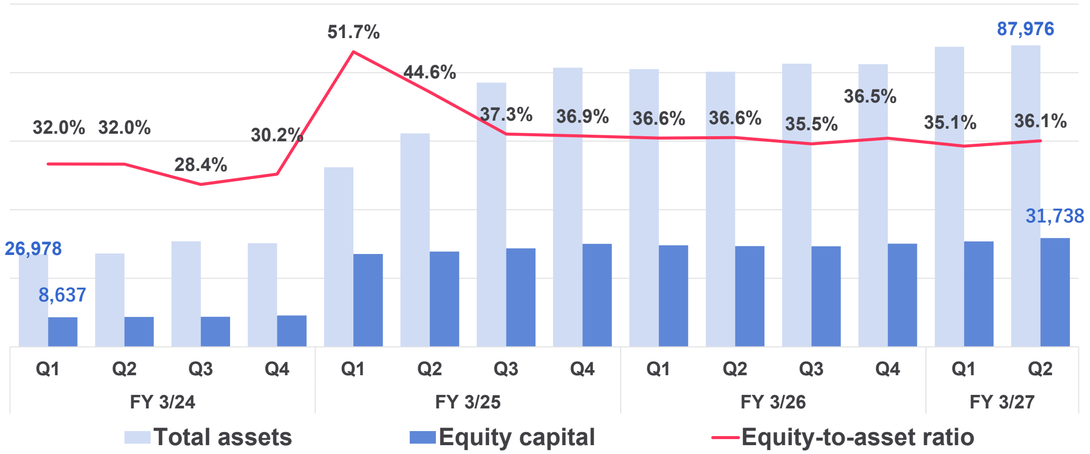
Operating Profit margin

(Millions of yen)



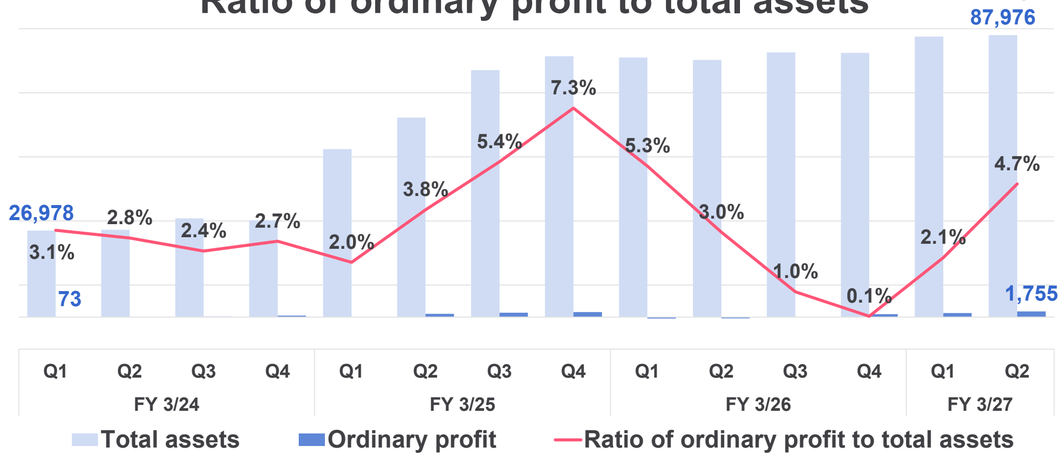
Equity-to-asset ratio

(Millions of yen)

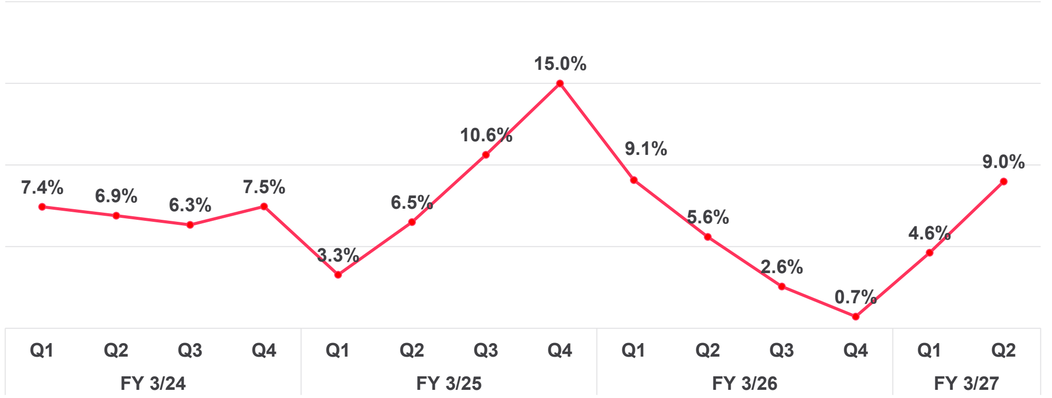


Ratio of ordinary profit to total assets

(Millions of yen)



ROE



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

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Business Sites



SAKURA
innobase Okinawa
さくらイノーベース沖縄

Communication and training Hub

SAKURA innobase Okinawa

Key site for DX platform

Ishikari Data Center



Home of the DX business

Tokyo Office

Startup Support Hub

Fukuoka Branch

Hub for Creating innovation

Osaka Headquarters

Blooming Camp

“Blooming Camp,” an open innovation facility where people can freely gather and connect, was established. In preparation for its launch, pre-launch events are being held across the Osaka area in collaboration with nearby innovation facilities to promote innovation in Osaka and the wider Kansai region

At JAM BASE, GRAND GREEN OSAKA



▲Event (Connect Area)

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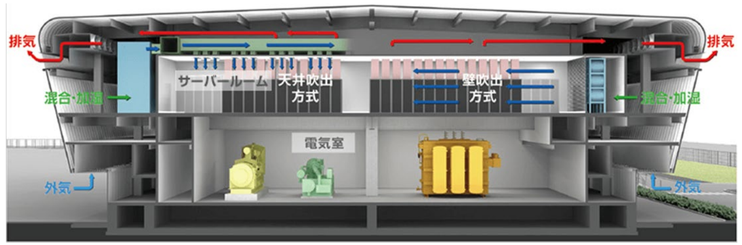
Overview of Ishikari Data Center

Reducing environmental impact while meeting the growing demand for digital infrastructure in the AI era. Ishikari Data Center, which is indispensable for the Company's operations, pursues highly efficient operations with cooling technology that takes advantage of Hokkaido's cold climate and continues to evolve as the foundation of domestic AI infrastructure that supports the development of a sustainable society and data sovereignty

Buildings 1 and 2: Direct outdoor-air cooling system



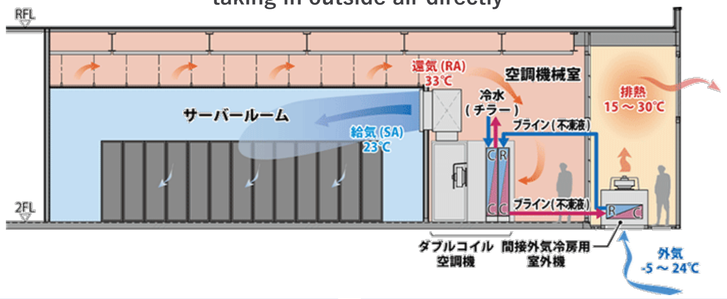
Direct intake of cold outdoor air from Hokkaido to cool servers
Modular design for flexible expansion



Building 3: Indirect outdoor-air cooling system



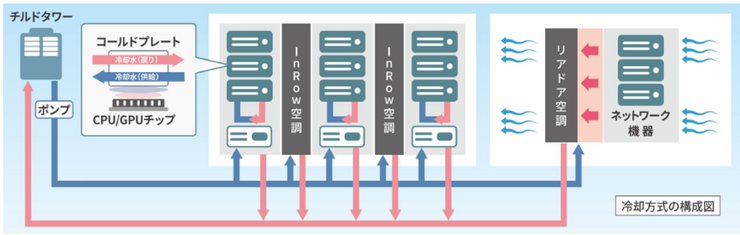
Reflecting operational knowledge of Buildings 1 and 2
Cooling the refrigerant with outside air, utilizing cold energy without taking in outside air directly



Container-type: Direct liquid cooling system (DLC system)



Efficient cooling of high-heat GPU servers using cooling water
Supports higher density and faster, more flexible capacity expansion



Scalable and resilient design

- Approximately 1.1 times the size of the Tokyo Dome (site area: approximately 51,000㎡), enabling rapid expansion in response to demand
- Located in an area with low earthquake and tsunami risk, with operations drawing on experience gained during the approximately 60-hour Hokkaido-wide power outage caused by the 2018 Hokkaido Eastern Iburi Earthquake

Operates on 100% renewable energy

As part of our decarbonization efforts, the Ishikari Data Center switched to renewable energy sources, mainly hydroelectric power, in June 2023, thereby reducing annual carbon dioxide (CO_2) emissions to zero

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Company Profile

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 — **Incorporation as a stock company / The first data center opened**

Incorporated 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 market listing 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

2026 — **Selected as the first domestic Government Cloud service provider** (first domestic provider)

After conditional selection in November 2023, "SAKURA Cloud" was officially selected in March 2026 as the first domestically operated Government Cloud service provider in Japan

Company Profile	
Trade name	SAKURA internet Inc.
Head office location	6-38 Ofukacho, Kita-ku, Osaka City, Osaka
Date of foundation	December 23, 1996 (Incorporated on August 17, 1999)
Date of listing	October 12, 2005 (TSE Mothers) November 27, 2015 (Market change to TSE 1st Section (now Prime Market))
Share capital	11,283,160,000 yen
Number of employees	1,126 (consolidated)

(* As of the end of September 2026)

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SAKURA internet

■IR Contact

IR information inquiry form
https://www.sakura.ad.jp/corporate/ir/contact/

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