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Press release

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Listing: Tokyo Stock Exchange
Securities code: 3778
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Notice of Contract Conclusion for “Safety Verification and Demonstration Toward Social Implementation of a Japanese Medical-Specialized LLM”

SAKURA internet Inc. hereby announces that it has concluded a contract today with the New Energy and Industrial Technology Development Organization (hereinafter “NEDO”) for the project titled “Safety Verification and Demonstration for the Social Implementation of a Japanese Medical-Specialized Large Language Model (LLM).”

1. Contract Summary

Total contract amount: Approximately JPY 4.5 billion

- GPU Cloud Services: Approx. JPY 2.0 billion
- Other Services: Approx. JPY 2.5 billion

Scheduled completion date: March 2026 (tentative)

2. Future Outlook

Of the total contract value, approximately JPY 2.0 billion relates to GPU cloud computing resources directly provided by the Company. This amount has already been factored into the consolidated earnings forecast for the fiscal year ending March 2026, as announced on April 28, 2025.

On the other hand, the remaining approximately JPY 2.5 billion corresponds to jointly implemented R&D activities, which were initially planned to be accounted for under "agent transactions" and thus excluded from revenue. However, following a detailed review, the Company has determined that it is appropriate to recognize these re-subcontracted transactions as "principal transactions." As a result, an additional JPY2.5 billion in "Other Services" revenue is expected to be reflected in the FY2026 consolidated earnings.

It should be noted that this change pertains solely to the accounting treatment of revenue recognition, and the impact on profit is expected to be minimal. Therefore, no revision to the current earnings forecast is planned at this time.

(Reference) Consolidated Financial Forecast (Announced on April 28, 2025) and Actual Results for the Previous Fiscal Year"

(Unit: Million Yen)

	Consolidated Net sales	Consolidated Operating Profit	Consolidated Ordinary Profit	Profit attributable to owners of parent
Earnings Forecast (FY ending March 2026)	40,400	3,800	3,400	2,400
Actual Results (FY ended March 2025)	31,412	4,145	4,060	2,937

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