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January 30, 2026

Summary of Financial Results for the Third Quarter Ended December 31, 2025 (Consolidated)

Company name: SAKURA internet Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 3778
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 Scheduled date to commence dividend payment: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025, to December 31, 2025)

(1) Consolidated operating results (YTD) (%: Changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2025	24,024	12.3	(1,117)	-	(799)	-	(551)	-
Nine months ended December 31, 2024	21,397	36.6	2,585	476.3	2,488	678.3	1,642	440.2

Note: Comprehensive income Nine months ended December 31, 2025 ¥ (606) million [-%]
 Nine months ended December 31, 2024 ¥1,583 million [314.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	(13.77)	-
Nine months ended December 31, 2024	42.40	-

(2) Consolidated financial conditions

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Nine months ended December 31, 2025	82,618	29,575	35.5
Fiscal year ended March 31, 2025	81,419	30,257	36.9

Reference: Shareholders' equity Nine months ended December 31, 2025 ¥29,357 million
 Fiscal year ended March 31, 2025 ¥30,055 million

2. Cash dividends

	Cash dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	4.00	4.00
Fiscal year ending March 31, 2026	-	0.00	-		
Fiscal year ending March 31, 2026 (forecast)				5.00	5.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated forecast for the fiscal year ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	36,500	16.2	350	(91.6)	400	(90.1)	200	(93.2)	5.00

Note: Revisions to the most recently announced earnings forecast: None

* Notes:

(1) Material changes in subsidiaries during this period: None

Newly included: - company

Excluded: - company

(2) Application of accounting methods specific to the preparation of quarterly 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)

Nine months ended December 31, 2025	41,890,700 shares
Fiscal year ended March 31, 2025	41,890,700 shares

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

Nine months ended December 31, 2025	1,867,539 shares
Fiscal year ended March 31, 2025	1,889,458 shares

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

Nine months ended December 31, 2025	40,014,941 shares
Nine months ended December 31, 2024	38,734,550 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 period.

* Review by a certified public accountant or auditing firm of the attached quarterly consolidated financial statements: None

* 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"

2. The financial results materials were posted on the Company's website on Friday, January 30, 2026.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of operating results

During the nine months ended December 31, 2025, the Japanese economy was expected to continue its gradual recovery, supported by improvements in the employment and income environment and the effects of various policies. However, the risk of economic conditions worsening has been heightening due to the impact of the U.S. trade policy, the effect of ongoing inflation on personal consumption, and other factors. Furthermore, continued attention must be paid to the impact of financial and capital market volatility, etc.

The cloud and internet infrastructure market is expected to see increased investment in the utilization of generative AI, cloud migration, and digital business amid growing momentum related to generative AI. We anticipate that investment will continue to expand, driven by growing expectations for domestic public clouds.

In these circumstances, the Group aims to support the realization of what customers “want to do” by providing the Group’s one-stop services from system integration and development to provision, maintenance, operation and customer support, etc., for cloud internet infrastructure services. With the main goal of realizing the success of more than 480,000 existing customers and potential customers, the Company focuses on expanding Cloud services that have high growth potential in the future.

Net sales were 24,024,567 thousand yen (up 12.3% year on year), bolstered by an increase in GPU infrastructure services sales due to active GPU investment initiated in the previous fiscal year, steady growth in Cloud services sales, and increased revenue from newly acquired projects in Other services.

Operating loss was 1,117,480 thousand yen (operating profit of 2,585,417 thousand yen in the same period of the previous fiscal year). This was primarily due to the steady progress of investments in human resources to strengthen the development of cloud service functions and sales promotion, as well as increases in depreciation from GPU-related investments, server maintenance expenses, data center rents, and the cost of sales for Other services.

Ordinary loss was 799, 588 thousand yen (ordinary profit of 2,488,466 thousand yen in the same period of the previous fiscal year). Although the Company recognized subsidy income from Cloud Programs as non-operating income, this was offset by the recording of an operating loss and other factors.

Loss attributable to owners of parent was 551,025 thousand yen (profit attributable to owners of parent of 1,642,271 thousand yen in the same period of the previous fiscal year) mainly due to the posting of an ordinary loss.

Net sales by service category are as follows: Effective from the three months ended June 30, 2025, the name of the “GPU cloud services” category was changed to “GPU Infrastructure services” in order to provide a clearer representation of our business activities. In addition, certain services previously included in Physical Base services were reclassified under GPU Infrastructure services, while some services previously included in GPU cloud services were transferred to Cloud services. The year-on-year figures below have been restated for comparison, reflecting this change in naming/categorization.

(i) Cloud services

Net sales of Cloud services were 11,372,412 thousand yen (up 9.8% year on year) mainly because SAKURA Cloud and SAKURA Web Hosting continued to perform favorably.

(ii) GPU infrastructure services

Net sales of GPU infrastructure services were 4,638,938 thousand yen (up 13.9% year on year), mainly due to active GPU investment from the previous fiscal year.

(iii) Physical base services

Net sales of Physical base services were 2,332,363 thousand yen (down 5.6% year on year), 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 5,680,853 thousand yen (up 26.4% year on year) mainly due to the receipt of large-scale government and public sector projects.

(2) Explanation of financial condition

Assets, liabilities and net assets at the end of the nine months ended December 31, 2025, and the factors affecting them are as follows:

(i) Assets

Total assets at the end of the nine months ended December 31, 2025 increased 1,199,393 thousand yen (up 1.5%) from the end of the fiscal year ended March 31, 2025, to 82,618,864 thousand yen. This was mainly due to an increase in property, plant and equipment, including service equipment related to Generative AI services and containerized data centers.

(ii) Liabilities

Total liabilities at the end of the nine months ended December 31, 2025, increased 1,881,707 thousand yen (up 3.7%) from the end of the fiscal year ended March 31, 2025, to 53,043,797 thousand yen. This was mainly due to an increase in lease liabilities related to the expansion of the Ishikari Data Center and service-related equipment, as well as an increase in borrowings for the procurement of equipment related to Generative AI services.

(iii) Net assets

Total net assets at the end of the nine months ended December 31, 2025, decreased 682,314 thousand yen (down 2.3%) from the end of the fiscal year ended March 31, 2025, to 29,575,067 thousand yen. This was mainly due to a decrease in retained earnings associated with the recording of loss attributable to owners of parent.

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

Regarding the full-year consolidated earnings forecast, the expansion of Generative AI services and the strengthening of the sales structure through organizational restructuring have been successful, leading to the acquisition of several large-scale projects. Furthermore, we expect a revenue contribution in the fourth quarter from the approximately 1,100 newly installed B200 GPUs that will begin to be provided to major Japanese companies from February. In light of these factors, the Company has decided to maintain the full-year consolidated earnings forecasts announced in the "Notice Regarding Revision of Earnings Forecasts" dated July 28, 2025.

Note: If a revision of the earnings forecasts is considered necessary in accordance with future business developments, the Company will announce it immediately.

2. Consolidated Quarterly Financial Statements and Major Notes

(1) Consolidated quarterly balance sheets

	(Thousands of yen)	
	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Nine months ended December 31, 2025 (as of December 31, 2025)
Assets		
Current assets		
Cash and deposits	29,489,223	12,242,841
Notes and accounts receivable—trade, and contract assets	7,577,863	3,209,464
Merchandise and finished goods	30,845	461,792
Work in process	33,278	37,509
Supplies	468,449	523,094
Other	4,161,356	5,636,488
Allowance for doubtful accounts	(16,423)	(21,892)
Total current assets	41,744,592	22,089,296
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,282,028	8,816,782
Tools, furniture and fixtures, net	16,456,644	26,662,788
Leased assets, net	7,727,951	12,185,318
Other, net	3,002,921	3,549,686
Total property, plant and equipment	33,469,545	51,214,577
Intangible assets		
Other	1,259,893	1,831,062
Total Intangible assets	1,259,893	1,831,062
Investments and other assets		
Other	4,950,770	7,489,100
Allowance for doubtful accounts	(5,332)	(5,172)
Total investments and other assets	4,945,438	7,483,928
Total non-current assets	39,674,878	60,529,567
Total assets	81,419,470	82,618,864

	(Thousands of yen)	
	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Nine months ended December 31, 2025 (as of December 31, 2025)
Liabilities		
Current liabilities		
Accounts payable–trade	1,675,464	816,725
Short-term borrowings	9,261,668	8,255,000
Current portion of long-term borrowings	2,649,408	5,323,383
Income taxes payable	1,511,659	104,460
Advances received	6,147,881	6,588,892
Provision for bonuses	663,426	367,872
Provision for bonuses for directors (and other officers)	53,235	—
Other	18,384,747	13,343,426
Total current liabilities	40,347,490	34,799,760
Non-current liabilities		
Long-term borrowings	3,154,471	6,553,073
Lease liabilities	6,654,972	10,666,303
Asset retirement obligations	828,955	833,521
Provision for share awards	90,515	86,771
Provision for retirement benefits for directors (and other officers)	50,638	68,333
Retirement benefit liability	30,000	32,250
Other	5,046	3,782
Total non-current liabilities	10,814,598	18,244,036
Total liabilities	51,162,089	53,043,797
Net assets		
Shareholders' equity		
Share capital	11,283,167	11,283,167
Capital surplus	10,577,023	10,649,910
Retained earnings	9,177,688	8,465,573
Treasury shares	(1,106,853)	(1,094,048)
Total shareholders' equity	29,931,026	29,304,602
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,597	32,906
Foreign currency translation adjustment	11,643	13,397
Deferred gains or losses on hedges	11	6,900
Total accumulated other comprehensive income	124,253	53,204
Non-controlling interests	202,102	217,259
Total net assets	30,257,381	29,575,067
Total liabilities and net assets	81,419,470	82,618,864

(2) Consolidated quarterly statement of income and consolidated quarterly statement of comprehensive income

Consolidated quarterly statement of income

Nine months ended December 31, 2025

	(Thousands of yen)	
	Nine months ended December 31, 2024 (From April 1, 2024, to December 31, 2024)	Nine months ended December 31, 2025 (From April 1, 2025, to December 31, 2025)
Net sales	21,397,057	24,024,567
Cost of sales	14,081,549	18,986,657
Gross profit	7,315,507	5,037,910
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	1,661	5,393
Salaries and allowances	1,575,035	2,221,098
Provision for bonuses	111,587	157,693
Provision for retirement benefits for directors (and other officers)	—	17,694
Retirement benefit expenses	—	2,250
Commission expenses	1,024,306	1,197,327
Other	2,017,499	2,553,934
Total selling, general and administrative expenses	4,730,090	6,155,390
Operating profit (loss)	2,585,417	(1,117,480)
Non-operating income		
Interest income	2,807	34,645
Share of profit of entities accounted for using equity method	19,571	58,585
Reversal of allowance for doubtful accounts	493	—
Subsidy income	96,948	522,166
Other	85,001	84,784
Total non-operating income	204,822	700,182
Non-operating expenses		
Share issuance costs	109,528	—
Interest expenses	177,470	377,125
Other	14,774	5,164
Total non-operating expenses	301,773	382,290
Ordinary profit (loss)	2,488,466	(799,588)
Extraordinary income		
Gain on sale of non-current assets	347	60
Gain on sale of investment securities	—	137,386
National subsidies	5,332,444	6,283,839
Total extraordinary income	5,332,791	6,421,286
Extraordinary losses		
Loss on sale of non-current assets	—	2,080
Loss on retirement of non-current assets	9,492	13,724
Loss on valuation of investment securities	29,999	—
Loss on tax purpose reduction entry of non-current assets	5,331,971	6,283,839
Total extraordinary losses	5,371,463	6,299,645
Profit (loss) before income taxes	2,449,793	(677,947)
Income taxes - current	931,981	40,703
Income taxes - deferred	(126,510)	(182,783)
Total income taxes	805,471	(142,079)
Profit (loss)	1,644,322	(535,867)
Profit (loss) attributable to non-controlling interests	2,050	15,157
Profit (loss) attributable to owners of parent	1,642,271	(551,025)

Consolidated quarterly statement of comprehensive income

Nine months ended December 31, 2025

	(Thousands of yen)	
	Nine months ended December 31, 2024 (From April 1, 2024, to December 31, 2024)	Nine months ended December 31, 2025 (From April 1, 2025, to December 31, 2025)
Profit (loss)	1,644,322	(535,867)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(72,574)	(82,232)
Deferred gains or losses on hedges	6,922	6,888
Foreign currency translation adjustment	1,852	1,753
Share of other comprehensive income of entities accounted for using equity method	2,613	2,542
Total other comprehensive income	(61,185)	(71,048)
Comprehensive income	1,583,136	(606,916)
(Breakdown)		
Comprehensive income attributable to owners of parent	1,581,086	(622,074)
Comprehensive income attributable to non-controlling interests	2,050	15,157

(3) Notes to consolidated quarterly 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)

Nine months ended December 31, 2025 (from April 1, 2025, to December 31, 2025)

There are no applicable matters to be reported.

(Notes on segment information, etc.)

[Segment information]

Information on the Group's business segments has been omitted because the Group is comprised of a single reportable segment engaged in the internet infrastructure business.

(Notes to consolidated statement of cash flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the nine months ended December 31, 2025. Depreciation (including amortization of intangible assets) for the nine months ended December 31, 2025, is as follows.

	Nine months ended December 31, 2024 (From April 1, 2024, to December 31, 2024)	Nine months ended December 31, 2025 (From April 1, 2025, to December 31, 2025)
Depreciation	3,291,665 thousand yen	5,141,406 thousand yen