

3rd Quarter of Fiscal Year Ending March 2026

Financial Results

January 30, 2026



Financial Highlights

Consolidated Financial Results

Net sales were 24,024 million yen (an increase of 12.3% YoY), marking a record high for Q3 Growth driven by focus areas of Cloud services and GPU infrastructure services.*

* From the fiscal year ending March 2026, the breakdown of the “GPU Cloud Service” will be reorganized (for details, see page 24)

Consolidated Earnings Forecast

Acquisition of several large projects thanks to the expansion of Generative AI services and the strengthening of sales framework through organizational restructuring
We expect a further increase in the number of projects toward the end of the fiscal year, and we expect that the total number of projects for the full fiscal year will reach approximately as planned

Topics

- In addition to approximately 400 existing B200 GPUs, **approximately 1,100 new GPUs are scheduled to be available** for major Japanese companies (February)
- Feature development is **on track** for official Government Cloud certification by the end of March 2026
Acquisition of the highest level “A” rating in the unified qualifications for all government ministries and agencies* enables participation in even larger bidding projects
- Launched “**SAKURA AI Solution**,” a complete domestic generative AI support service (October 2025)

* Qualifications for participants in general competition (designated competition) related to the manufacture, sale, etc. of goods specified by each ministry and agency based on uniform standards

**Achieved record-high net sales in Q3 due to growth in the cloud business, a focus area
Costs were temporarily front-loaded due to strategic investments such as equipment and
talent acquisition**

[Net sales] ● GPU infrastructure services increased **13.9%** YoY due to aggressive investment in GPUs in the previous fiscal year
● Cloud services grew steadily at **9.8%** YoY
● Other services increased **26.4%** YoY due to orders for large-scale government and public sector projects

[Profit] ● Investing in human resources in line with growth strategies such as developing Cloud service features and strengthening sales promotion (Increased the number of consolidated employees by 141 from the end of the previous fiscal year)
● GPU-related depreciation (procurement of computational resources, data center construction, etc.) and cost of sales for Other services increased

(Millions of yen)

| Item | Q3 FY 3/25 | Q3 FY 3/26 | YoY | |
|---|------------|------------|---------|------------|
| | Amount | Amount | Change | Change (%) |
| Net sales | 21,397 | 24,024 | 2,627 | 12.3 |
| Operating profit | 2,585 | (1,117) | (3,702) | - |
| Ordinary profit | 2,488 | (799) | (3,288) | - |
| Profit attributable to owners of parent | 1,642 | (551) | (2,193) | - |

Acquisition of several large projects thanks to the expansion of Generative AI services and the strengthening of sales framework through organizational restructuring

We expect a further increase in the number of projects toward the end of the fiscal year, and we expect that the total number of projects for the full fiscal year will reach approximately as planned

Cloud services

In addition to accumulating stable revenue through customer retention, we expect to see an increase in projects through partners in Q4

GPU infrastructure services

Strengthening of the sales framework and establishment of structures through collaboration with partners that have been underway since the first half of the fiscal year started full-scale operation in Q3. Approximately 1,100 newly installed B200 GPUs are scheduled to be available to major Japanese companies in February, and are expected to contribute to sales in Q4

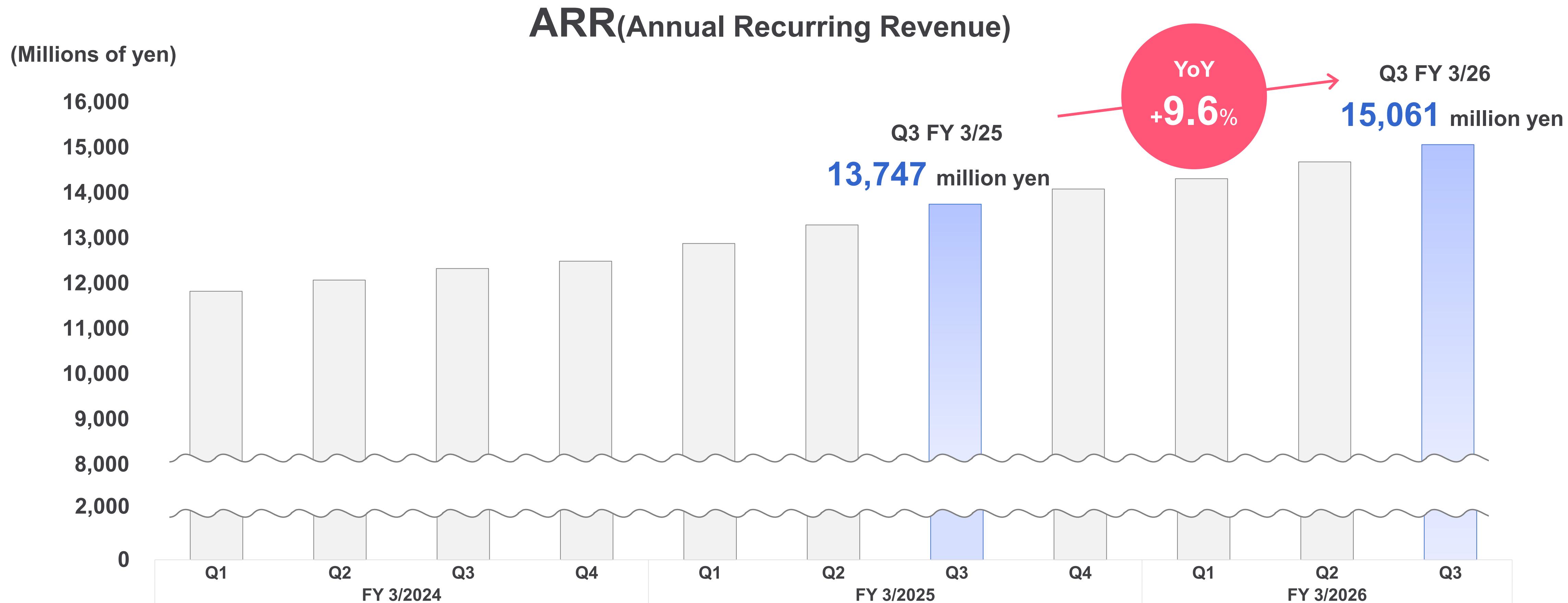
Other services

Net sales are expected to be higher than the full-year revised forecast due to the fact that sales of large-scale government and public sector projects will be concentrated in Q4 and that the expected intra-group transactions did not occur (impact on profit is limited)

(Millions of yen)

| Item | FY 3/26 Q3 cumulative results | FY 3/26 Full-year revised forecast | Progress (%) |
|--|----------------------------------|---------------------------------------|--------------|
| Net sales | 24,024 | 36,500 | 65.8 |
| Operating profit | (1,117) | 350 | - |
| Ordinary profit | (799) | 400 | - |
| Profit attributable to owners of parent | (551) | 200 | - |

ARR, representing recurring fee revenue, **increased 9.6% YoY**



* The figures cover SAKURA internet's cloud services, VPS, and web hosting services, 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

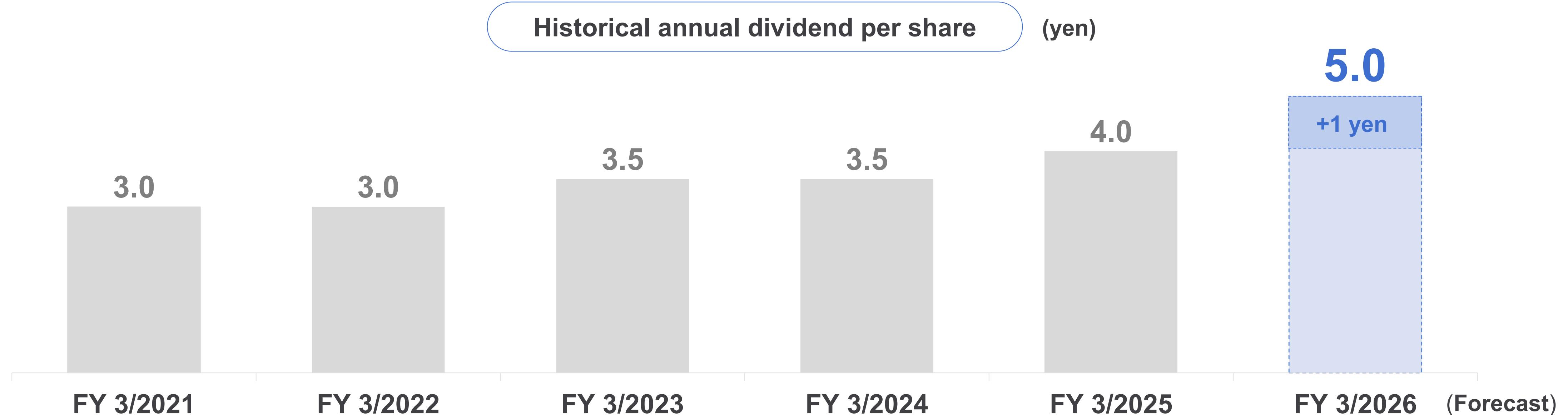
* Beginning Q1 of the fiscal year ending March 2026, the calculation method for ARR (annual recurring revenue) has been changed to the sum of the MRR (monthly recurring revenue) for each month of the quarter and then multiplied by 4 (an indicator that differs from net sales)

Due to changes in calculation method, calculations have been retroactively done for the fiscal year ended March 2025 and earlier

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 Q3 FY 3/2026

Summary of Consolidated Financial Results for Q3 FY 3/2026

Focus areas of GPU infrastructure services and Cloud services are doing well

Net sales increased 12.3% YoY, driven by higher orders for large-scale government and public sector projects under Other services

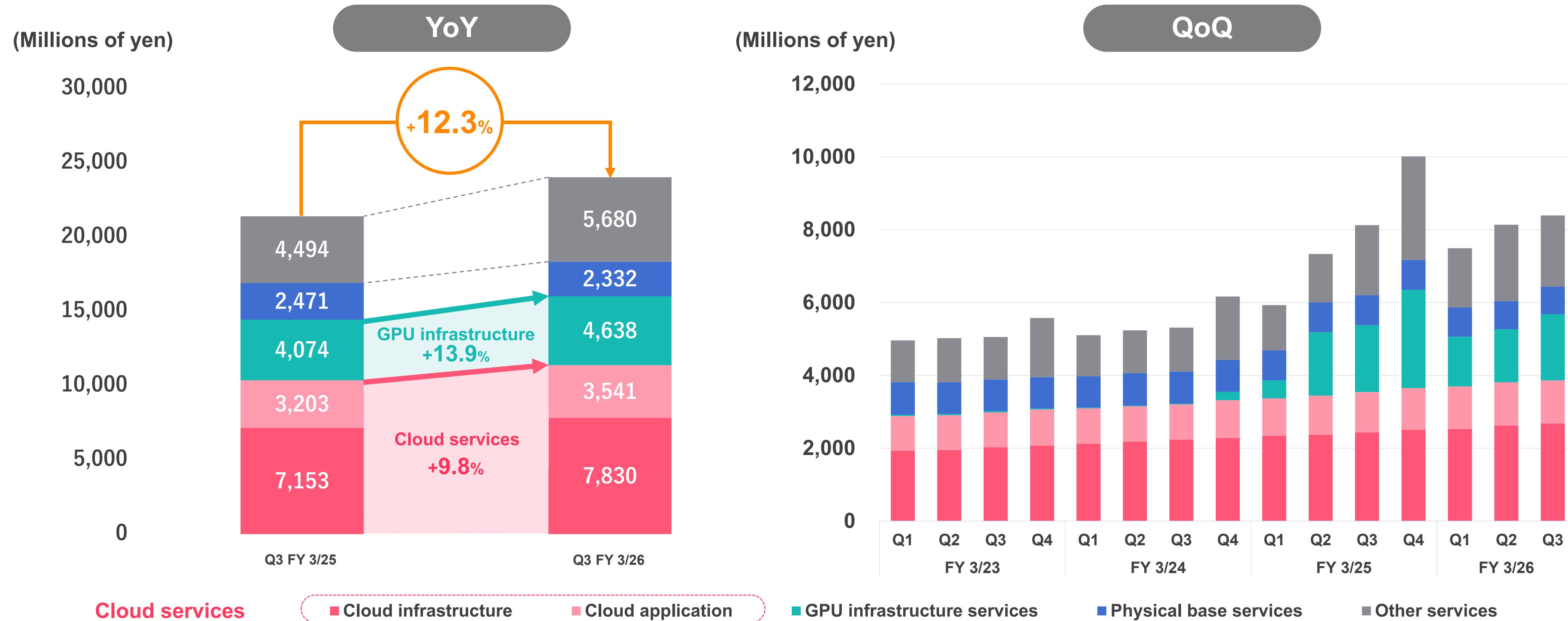
Temporary decrease in profit due to increase in personnel expenses and equipment-related expenses such as depreciation as a result of proactive investment

(Millions of yen)

| Item | Q3 FY 3/25 | | Q3 FY 3/26 | | YoY | |
|--|---------------|-----------------------|---------------|-----------------------|----------------|-------------|
| | Amount | Sales composition (%) | Amount | Sales composition (%) | Change | Change (%) |
| Net sales | 21,397 | 100.0 | 24,024 | 100.0 | 2,627 | 12.3 |
| Cost of sales | 14,081 | 65.8 | 18,986 | 79.0 | 4,905 | 34.8 |
| Gross profit | 7,315 | 34.2 | 5,037 | 21.0 | (2,277) | (31.1) |
| SG&A expenses | 4,730 | 22.1 | 6,155 | 25.6 | 1,425 | 30.1 |
| Operating profit | 2,585 | 12.1 | (1,117) | (4.7) | (3,702) | - |
| Ordinary profit | 2,488 | 11.6 | (799) | (3.3) | (3,288) | - |
| Profit attributable to owners of parent | 1,642 | 7.7 | (551) | (2.3) | (2,193) | - |

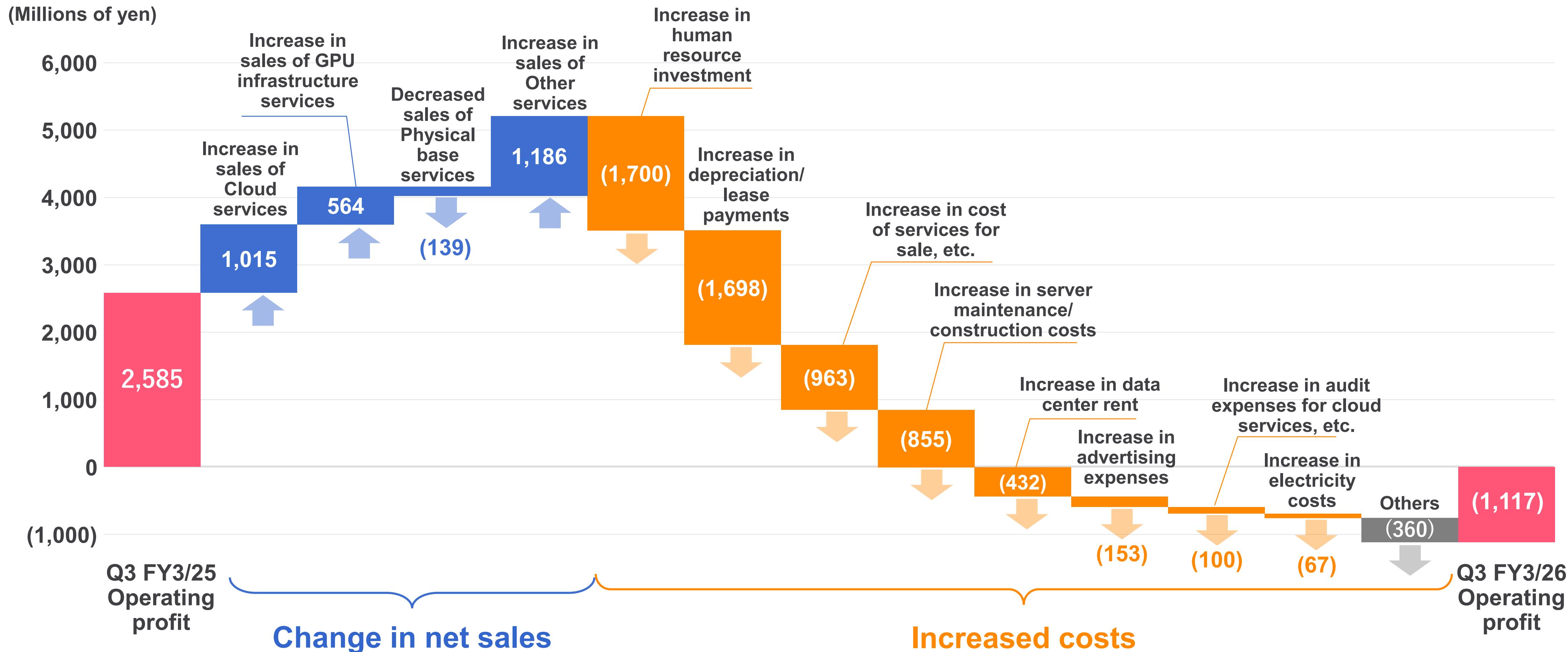
* Non-operating income includes subsidy income of 522 million yen from Cloud Programs (compared to 96 million yen in the same period of the previous fiscal year)

GPU infrastructure services **increased 13.9%**, Cloud services **increased 9.8%**, and Other services **increased 26.4%** YoY due to orders for large-scale government and public sector projects



* From FY3/2026, consolidated service categories will undergo changes. Reclassified figures are also used in and before FY 3/2025

Factors that affected operating profit



- **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 Q3 (FY3/26) | Change | |
| Current assets | 41,744 | 22,089 | (19,655) | |
| Non-current assets | 39,674 | 60,529 | 20,854 | |
| (Property, plant and equipment) | 33,469 | 51,214 | 17,745 | |
| (Intangible assets) | 1,259 | 1,831 | 571 | |
| (Investments and other assets) | 4,945 | 7,483 | 2,538 | |
| Total assets | 81,419 | 82,618 | 1,199 | |
| | | | | |
| Current liabilities | | 40,347 | 34,799 | (5,547) |
| Non-current liabilities | | 10,814 | 18,244 | 7,429 |
| Total liabilities | | 51,162 | 53,043 | 1,881 |
| Net assets | | 30,257 | 29,575 | (682) |
| (Including shareholders' equity) | | 29,931 | 29,304 | (626) |
| Total liabilities and net assets | 81,419 | 82,618 | 1,199 | |

Initiatives for Priority Measures

Practice of growth strategy



Strengthen infrastructure that underpins growth strategy

Providing services that can be trusted

- On track to meet feature requirements for official government cloud certification by the end of March 2026
- Obtained the highest level “A” rating in the unified qualifications for all government ministries and agencies
- Enhanced the convenience and operability of “SAKURA Cloud” and began providing Premium Support (November 2025)

Expansion of AI service lineup

The following services began in October 2025

- “SAKURA AI Solution”
- Our own “SAKURAONE” super computer equipped with NVIDIA B200 GPUs

Expansion of market penetration and awareness through collaboration

- As of December, the number of “SAKURA Cloud” sales partners increased to 70 companies. Strengthening the partner ecosystem by hosting conferences
- SAKURA AI Conference 2025 held for the first time to expand awareness through collaboration with customers and developers

Talent acquisition

Recruited 143 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

Establishing a results-oriented management structure under the leadership of senior executive officers to steadily promote growth strategies. Establishing a product development system based on customer feedback (VoC) and contributing to customer success

Extension of data centers

Construction of the 2nd phase a containerized data center completed.
In addition to approximately 400 existing B200 GPUs, approximately 1,100 new GPUs are scheduled to be available for major Japanese companies (February)

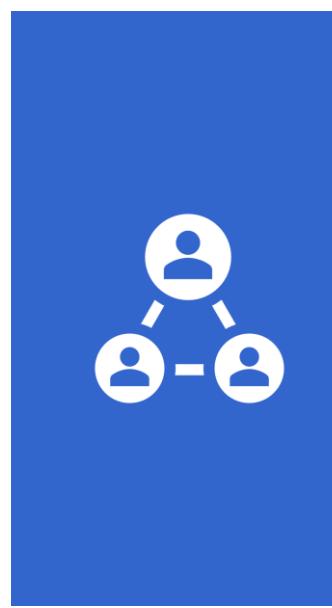
Enhancing customer value through co-creation with partners and a strengthened ecosystem

SAKURA Partner Conference 2025

Held information exchange and group discussions to share strategies for partner system and market development for future business growth. Strengthened cooperation through the formation of a common understanding

Event overview

- Approximately 180 partners attended
- More than half of the partners enrolled in the program are at the decision-making level (general managers and above), and awareness and understanding of the program are growing



Key participants

Management, managers, promoters, players, etc. at sales and technical partners

Date: November 19, 2025



(Speaker: Kunihiro Tanaka, President and Chief Executive Officer)

▲ Presentation at the conference



(Speaker: Takayuki Takahashi, Senior Executive Officer)



Pioneering the AI era through co-creation with customers, developers, and partners

SAKURA AI Conference 2025

Sharing our vision of society through SAKURA AI, a business platform for generative AI, and creating a forum that will be the “first step in co-creation” to shape the future together with a diverse range of participants, including AI experts and startups



(Speaker: Kunihiro Tanaka, President and Chief Executive Officer)

▲ Presentation at the conference



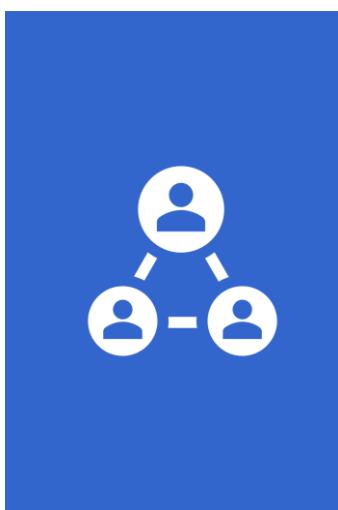
(Speaker: Senior Director of the AI Business Solutions Office Toshikazu Sumi)



Event overview

- Recorded over 300 visitors
- Successfully publicized to Gen Z, who are highly literate in the field of AI and are expected to lead the field in the future.

This is contributing to raising company awareness and brand value

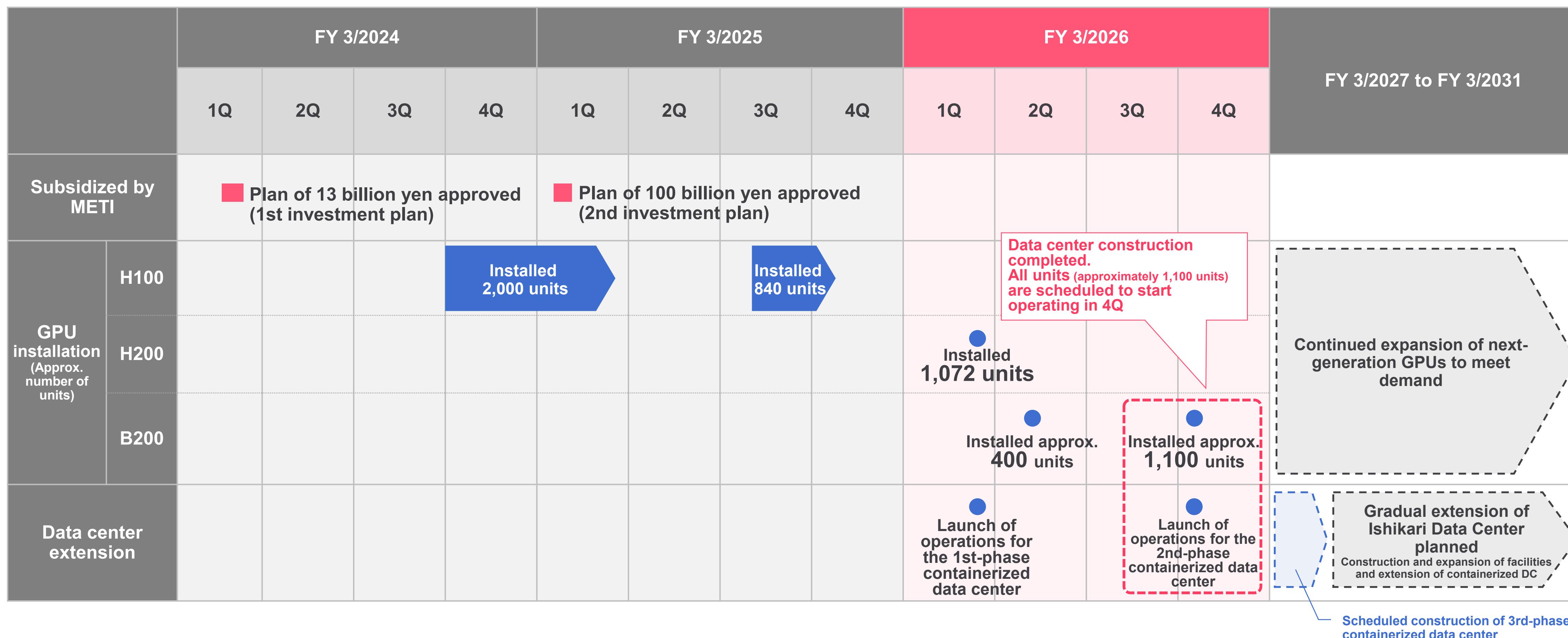


Key participants

Anyone working for a generative AI startup or interested in generative AI

Date: December 11, 2025

Targeting the growing demand for generative AI, we are promoting planned and phased **upfront investment** to provide approximately 1,100 B200 GPUs to large customers from Q3 2024. We expect high utilization in the next fiscal year and beyond.



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

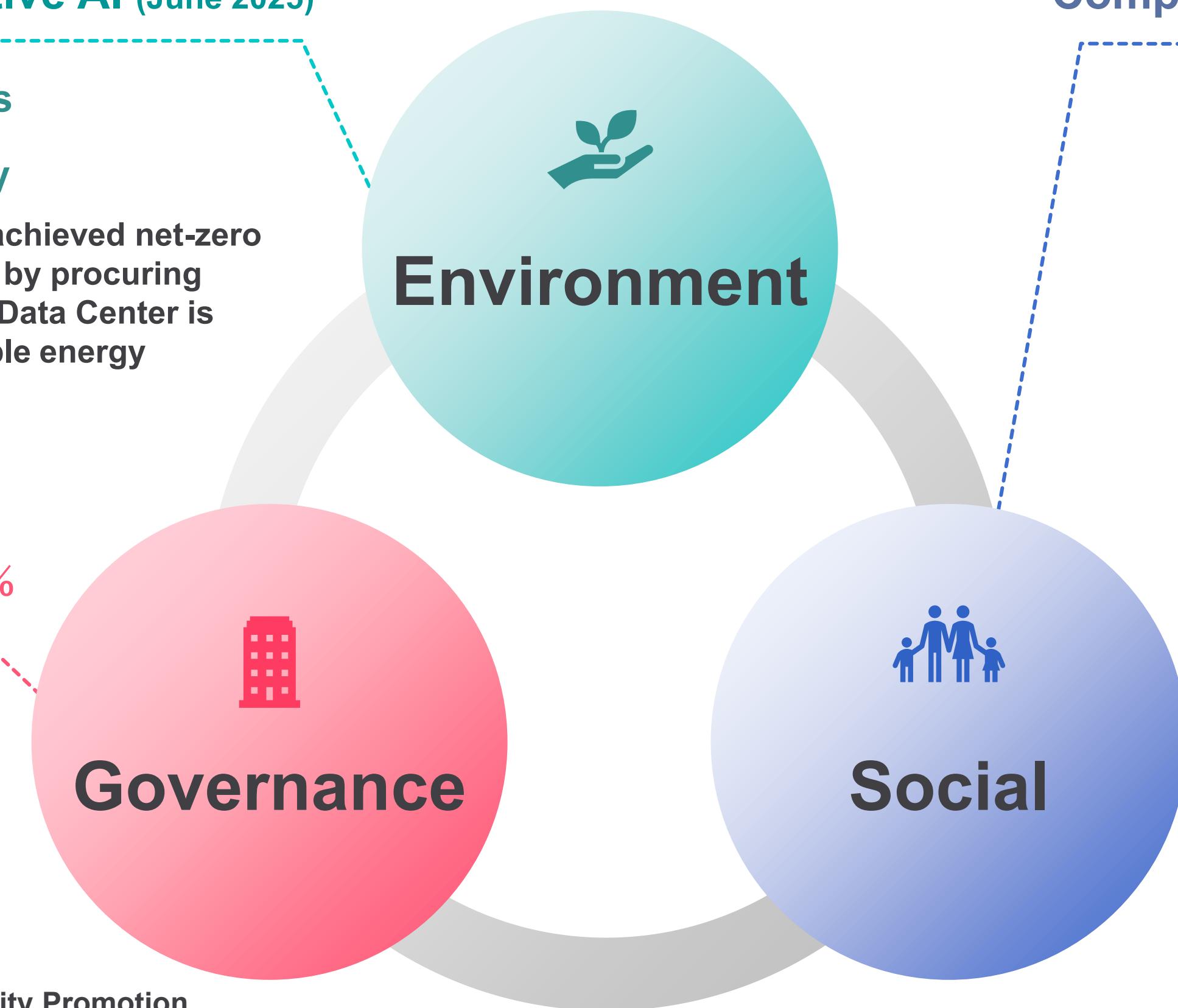
Launch of containerized data center entirely powered by renewable energy for generative AI (June 2025)

- 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
- Participating in the Nippon Cybersecurity Promotion Community (NCPC) established in December 2025



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

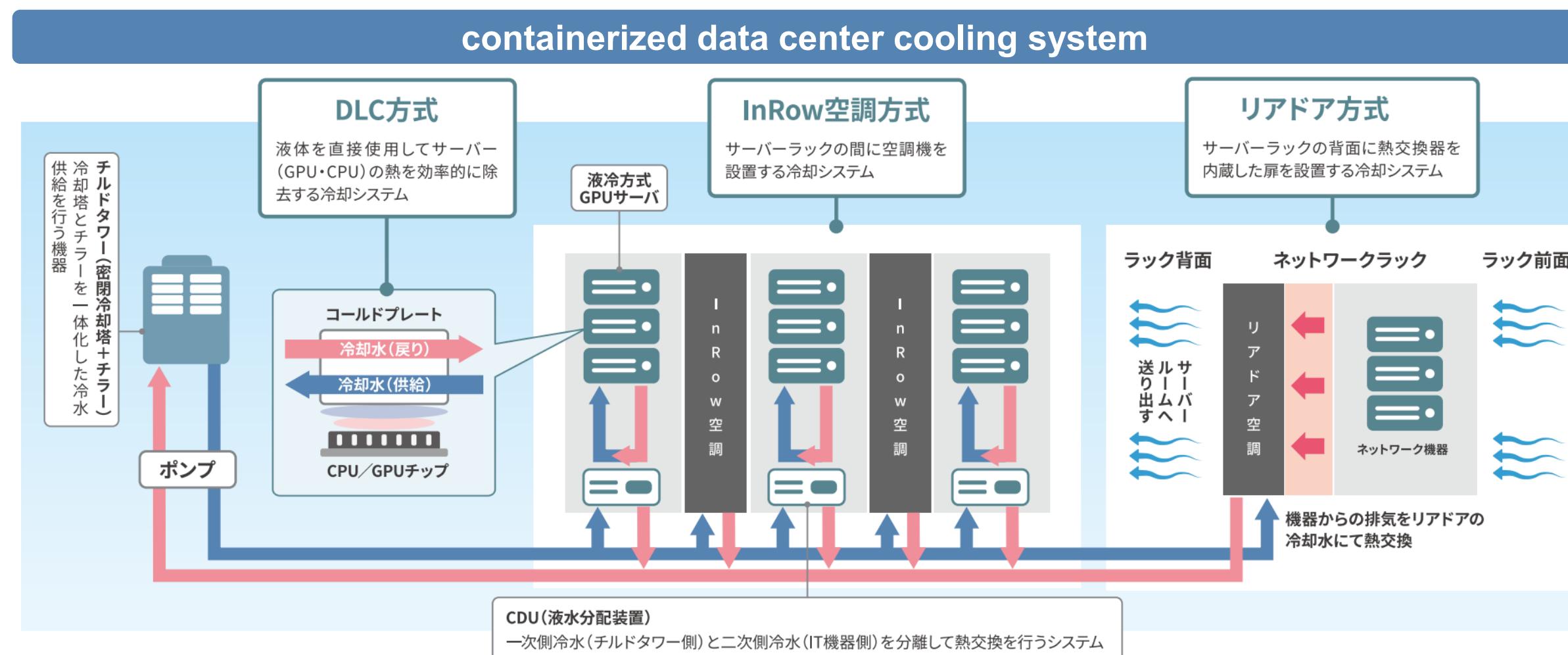
Introduction of our growth strategy and efforts to improve social value, focusing on investment areas such as human capital and GPUs

SAKURA Report 



Launch of containerized data centers entirely powered by renewable energy for generative AI (June 2025)

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 containerized 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



Communicating the Role and Importance of Environmentally Conscious Data Centers for a Sustainable AI-Driven Society

President Tanaka spoke at Data Center Innovation Forum 2025 and SEMICON Japan 2025, both held in December. He described the mission and potential of the data center industry in Japan in the era of AI and cloud computing as well as the importance of environmental protection and domestic infrastructure, and spoke about the company's challenges and prospects for realizing a sustainable AI society

Working with local governments to solve social issues

Hida City: Demonstration of administrative support using generative AI

Started demonstration experiments using generative AI to promote DX in administrative operations. SAKURA AI Solution will be provided free of charge to verify the efficiency of routine tasks such as the creation of meeting minutes and searching documents, and to support the improvement of employees' AI literacy. By providing solutions that utilize domestic cloud infrastructure, we are contributing to DX support for local governments that helps them streamline administrative operations and improve services for residents

Nagoya City: Supporting social demonstrations through public-private partnerships

Through the public-private partnership platform Urban Innovation Japan, SAKURA Cloud was provided free-of-charge to startup demonstration businesses as part of Hatch Technology NAGOYA 2025, a project for supporting social demonstrations of advanced technology in Nagoya City. By providing the IT infrastructure necessary for data collection and analysis, we will accelerate local government DX and help solve social issues through public-private collaboration. We are contributing to regional revitalization through local government DX and innovation creation through public-private partnerships

Supporting women's career development through sports and local communities

FC RYUKYU sponsor activity: Participation in LEAP DAY 2025

As an official partner of FC RYUKYU SAKURA, we are co-sponsoring LEAP DAY 2025, one of the largest educational conferences in Okinawa Prefecture, which is held every year under the theme of collaborative education*, aiming to provide a forum for people of all ages and backgrounds to build the future together. Executive Officer Tsukada took the stage along with FC RYUKYU SAKURA's coach and players to support women's career development in Okinawa, where geographical conditions and other factors tend to limit options for the future. Talking about a diverse range of work styles, careers, and challenges based on their own experiences presented role models for successful women. By creating opportunities for the next generation to shape the future, we are contributing to providing value to local communities

* "Collaborative education": LEAPDAY's unique concept of nurturing through cooperation and collaboration



From left, FC RYUKYU SAKURA: Coach Hanada, Ms. Nakamatsu
Executive Officer Tsukada, Moderator: Representative Director Sakihama, Okaraokara inc,

▲The day's session

SAKURA Cloud Certificate Lab opened

As part of the learning support for the “SAKURA Cloud Certificate” certification system, which aims to develop human resources who can contribute to DX promotion by systematically acquiring knowledge related to the design, construction, and operation of Cloud services, we launched the “SAKURA Cloud Certificate Lab” on December 1, 2025, which provides free use of the learning environment for one month. We are working to create opportunities for a diverse range of people, including students, to learn about and actually use cloud technologies



Chiba Institute of Technology signs comprehensive collaborative agreement with Tellus Inc.

A comprehensive collaborative agreement was signed on December 18, 2025 to further promote education and research activities in the fields of space and security. We are contributing to the development of science and industry, the development of next-generation human resources, and innovation creation

千葉工業大学



Official YouTube Channel SAKURA Digital Infrastructure School opens



Based on the concept of “supporting Japan’s digital infrastructure,” we established an official YouTube channel on September 10, 2025, Cloud Day, as a channel for learning about IT, digital infrastructure, and IT engineers



Shorts of engineers' daily lives, IT issues, etc., and longer videos about the cloud are available on YouTube

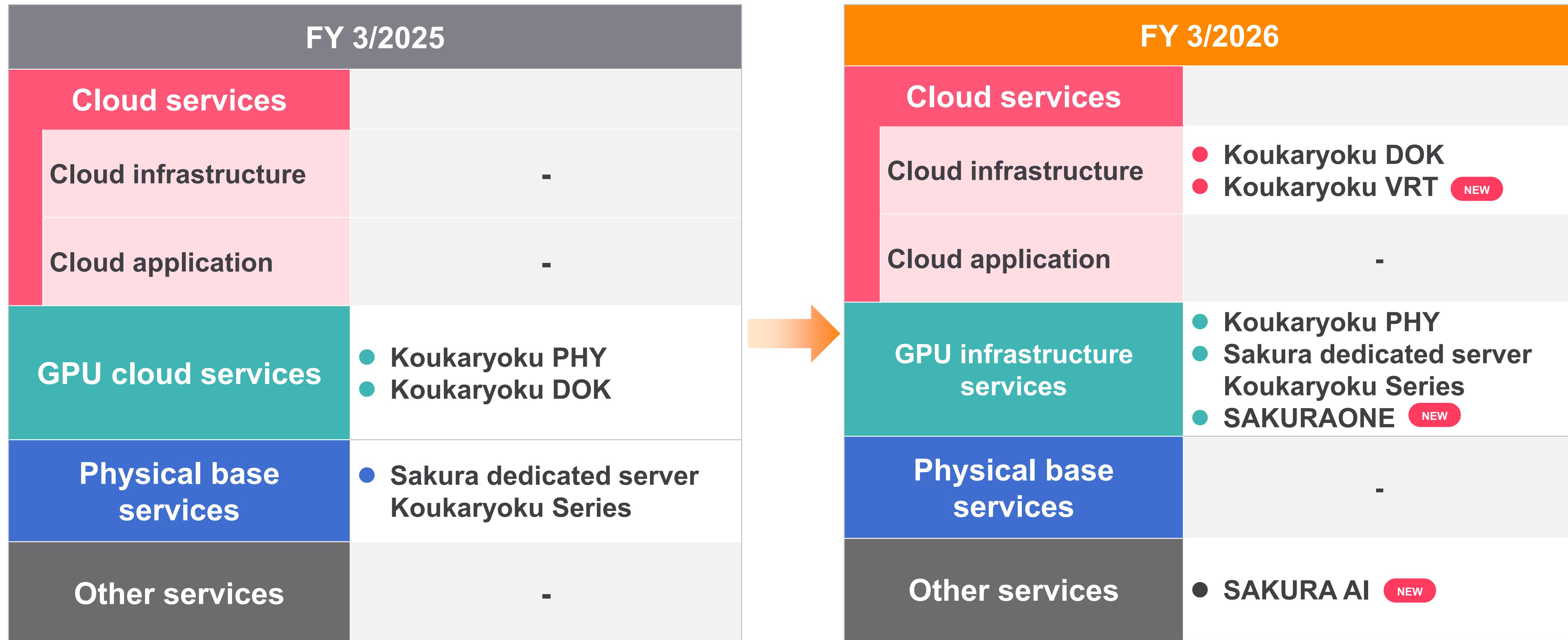
Please take a look and subscribe

<https://www.youtube.com/@sakuraInfraSchool>

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.”



Consolidated Net Sales by Service Category (QoQ Change)

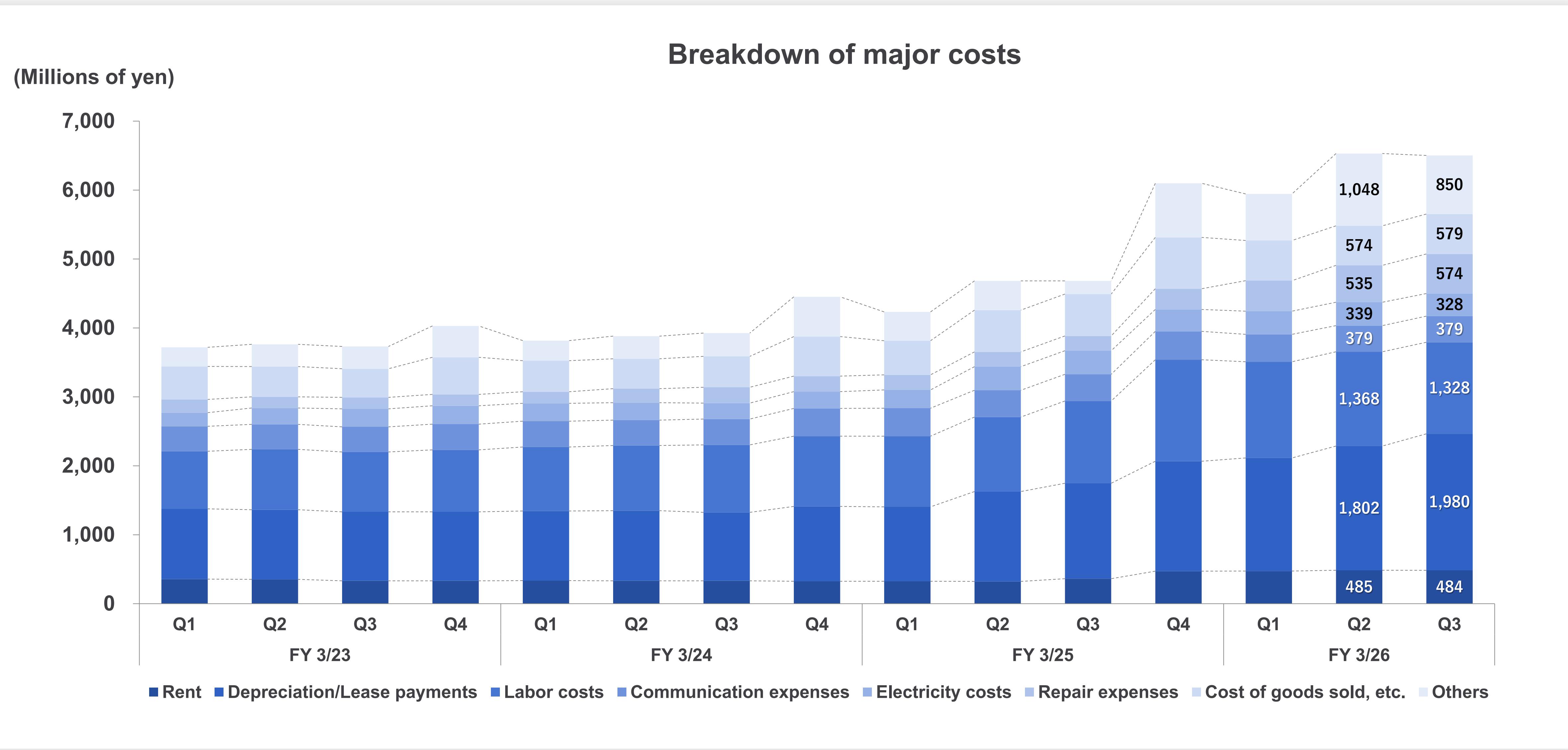
| Service category | FY 3/25 | | | | FY 3/26 | | | (Millions of yen) | | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | QoQ change | Change | Change (%) |
| Cloud services | 3,368 | 3,444 | 3,543 | 3,650 | 3,698 | 3,810 | 3,863 | | 52 | 1.4 |
| Composition (%) | 56.7 | 47.0 | 43.6 | 36.4 | 49.4 | 46.8 | 46.0 | | | |
| Cloud infrastructure | 2,346 | 2,370 | 2,436 | 2,506 | 2,529 | 2,623 | 2,678 | | 54 | 2.1 |
| Cloud application | 1,021 | 1,074 | 1,107 | 1,144 | 1,169 | 1,187 | 1,185 | | (2) | (0.2) |
| GPU infrastructure services | 497 | 1,742 | 1,834 | 2,697 | 1,363 | 1,456 | 1,818 | | 361 | 24.8 |
| Composition (%) | 8.4 | 23.8 | 22.6 | 26.9 | 18.2 | 17.9 | 21.7 | | | |
| Physical base services | 825 | 820 | 825 | 822 | 802 | 775 | 754 | | (21) | (2.8) |
| Composition (%) | 13.9 | 11.2 | 10.2 | 8.2 | 10.7 | 9.5 | 9.0 | | | |
| Other services | 1,243 | 1,328 | 1,922 | 2,844 | 1,627 | 2,095 | 1,957 | | (137) | (6.6) |
| Composition (%) | 21.0 | 18.1 | 23.7 | 28.4 | 21.7 | 25.7 | 23.3 | | | |

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

* 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 the previous page for details)

Consolidated Statement of Income (QoQ Change)

| Item | (Millions of yen) | | | | | | | | QoQ change | |
|---|-------------------|--------------|--------------|---------------|--------------|--------------|--------------|----|------------|-------------|
| | FY 3/25 | | | | FY 3/26 | | | Q3 | Change | Change (%) |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | | | |
| Net sales | 5,935 | 7,335 | 8,125 | 10,015 | 7,492 | 8,139 | 8,393 | | 254 | 3.1 |
| Cost of sales | 4,236 | 4,685 | 5,159 | 6,100 | 5,948 | 6,534 | 6,504 | | (29) | (0.5) |
| Gross profit | 1,698 | 2,650 | 2,966 | 3,914 | 1,543 | 1,604 | 1,889 | | 284 | 17.7 |
| SG&A expenses | 1,467 | 1,586 | 1,676 | 2,354 | 2,001 | 2,068 | 2,085 | | 17 | 0.8 |
| Operating profit | 231 | 1,064 | 1,289 | 1,560 | (457) | (463) | (196) | | 266 | — |
| Operating margin (%) | 3.9 | 14.5 | 15.9 | 15.6 | (6.1) | (5.7) | (2.3) | | | |
| Ordinary profit | 95 | 1,006 | 1,386 | 1,571 | (438) | (373) | 12 | | 385 | — |
| Profit attributable to owners of parent | 41 | 668 | 932 | 1,295 | (324) | (302) | 75 | | 378 | — |
| EBITDA | 1,032 | 2,212 | 2,712 | 3,127 | 1,205 | 1,463 | 2,049 | | | |



Investments for FY 3/2026

| Description of investment | Full-year plan | Cumulative results |
|--|----------------|--------------------|
| Data centers | 107 | 72 |
| of which, a containerized data center | 60 | 35 |
| Servers and network equipment | 290 | 220 |
| of which , Generative AI Services | 228 | 190 |
| Others (systems and office-related, etc.) | 3 | 1 |
| Total | 401 | 294 |

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

* Amount before applying reduction entry

Number of personnel in FY 3/2026

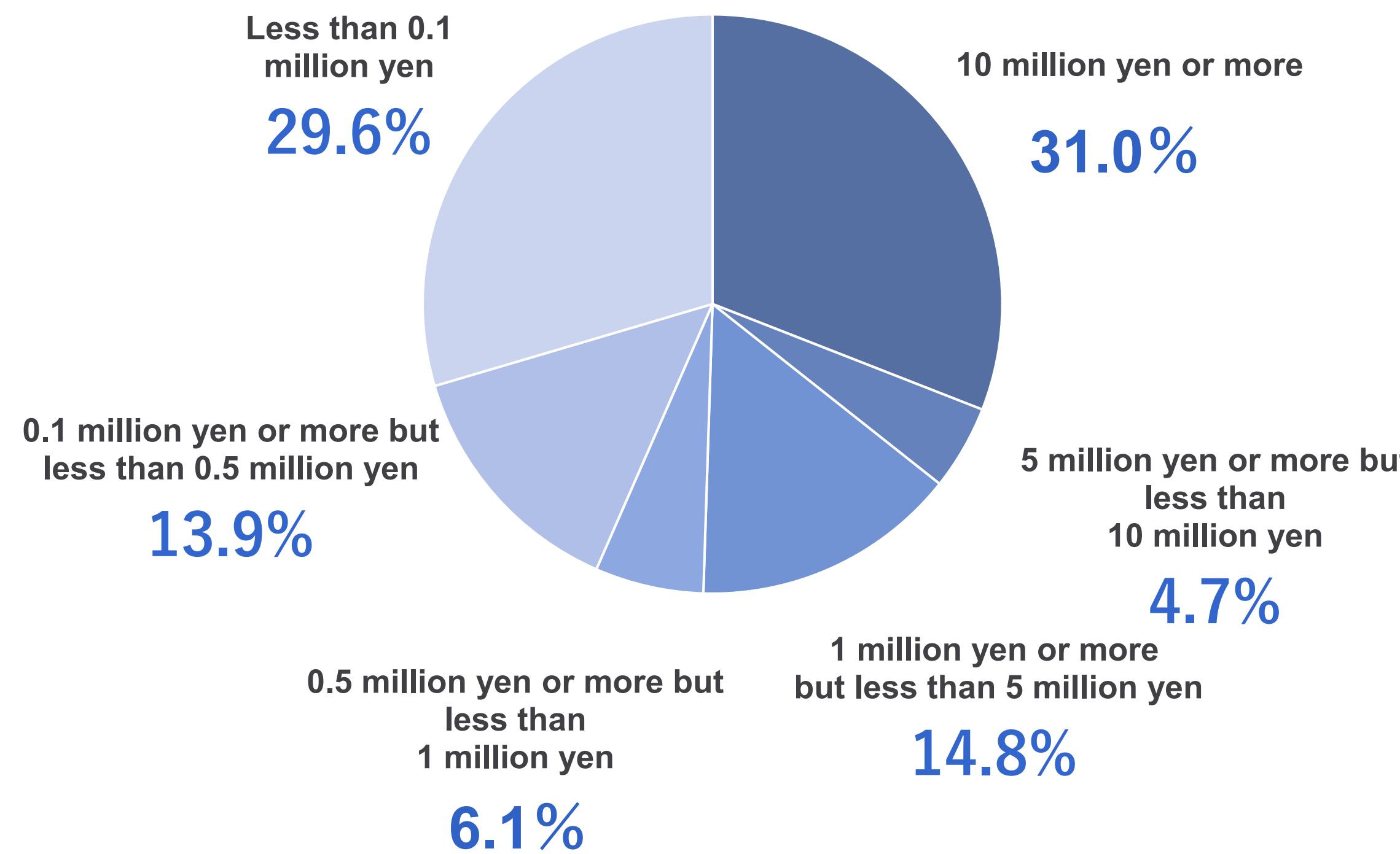
| | | |
|---|----------------|------------------|
| Increased by 141 from the previous year end | End of FY 3/25 | '26/ 3 Q3 |
| Number of employees* | 997 | 1,138 |
| ■ Breakdown of changes | | Change (persons) |
| SAKURA internet | | +124 |
| Group companies | | +17 |
| Total | | +141 |

* 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

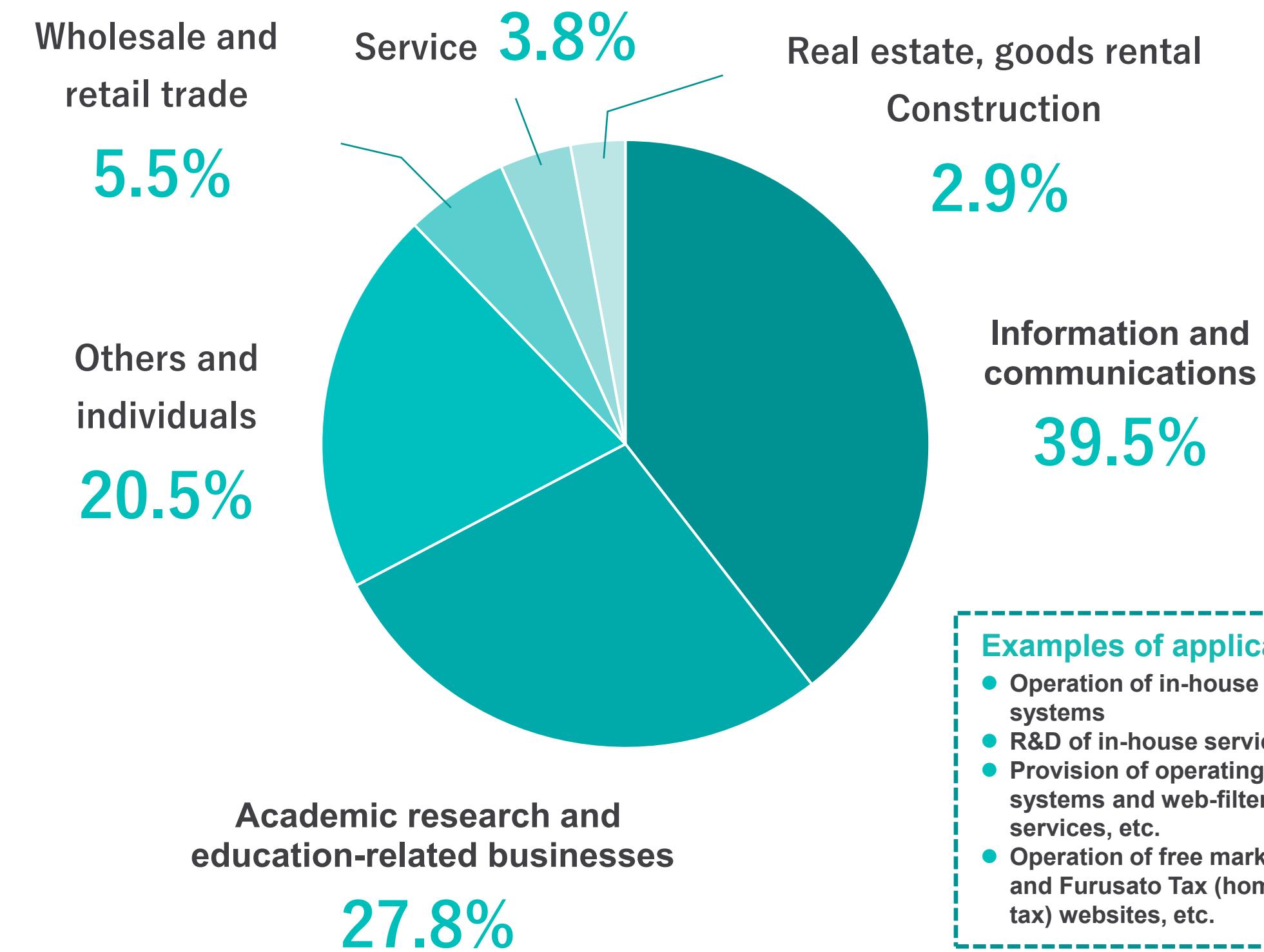
Breakdown by monthly fee

(Composition by sales)



Customer composition

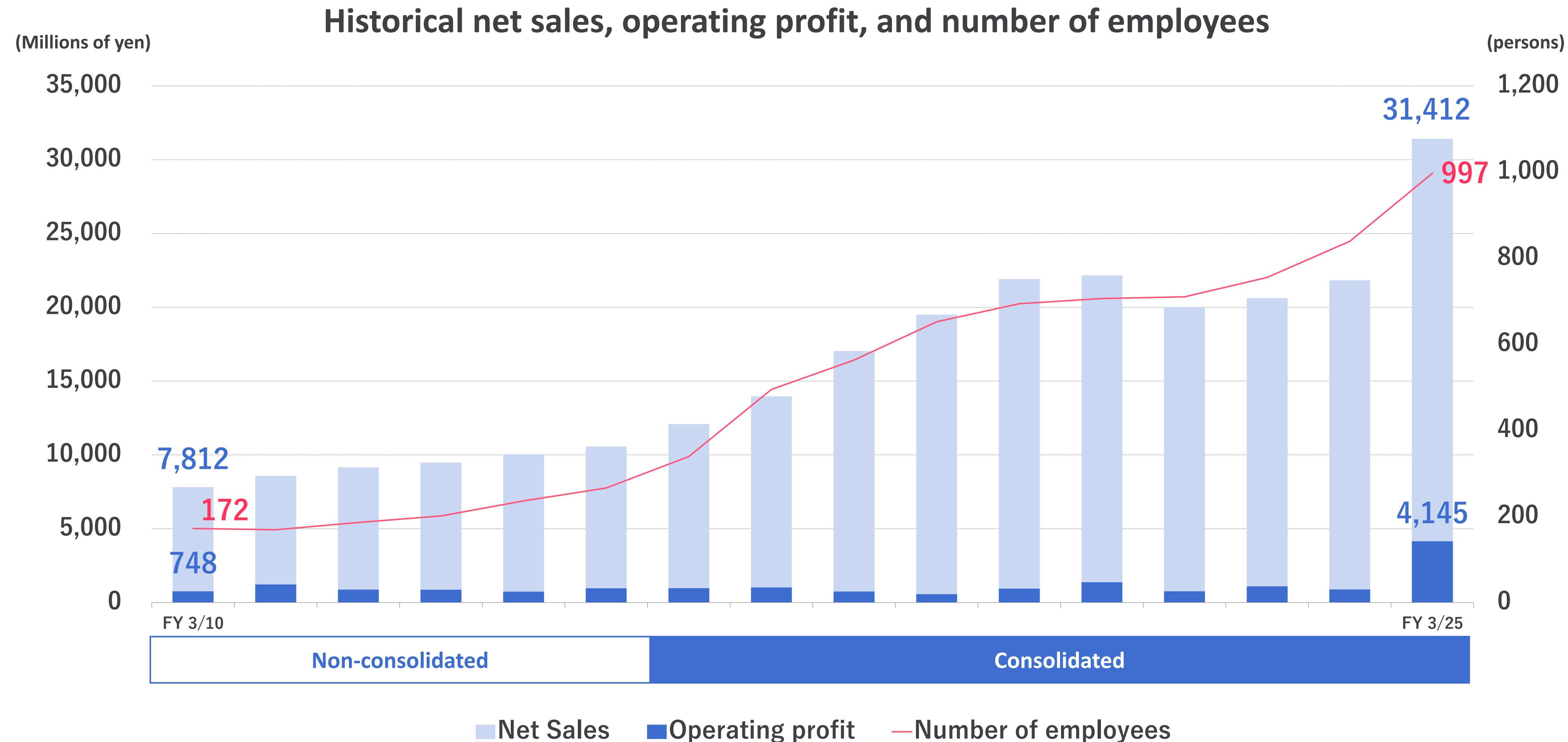
(Composition by sales)



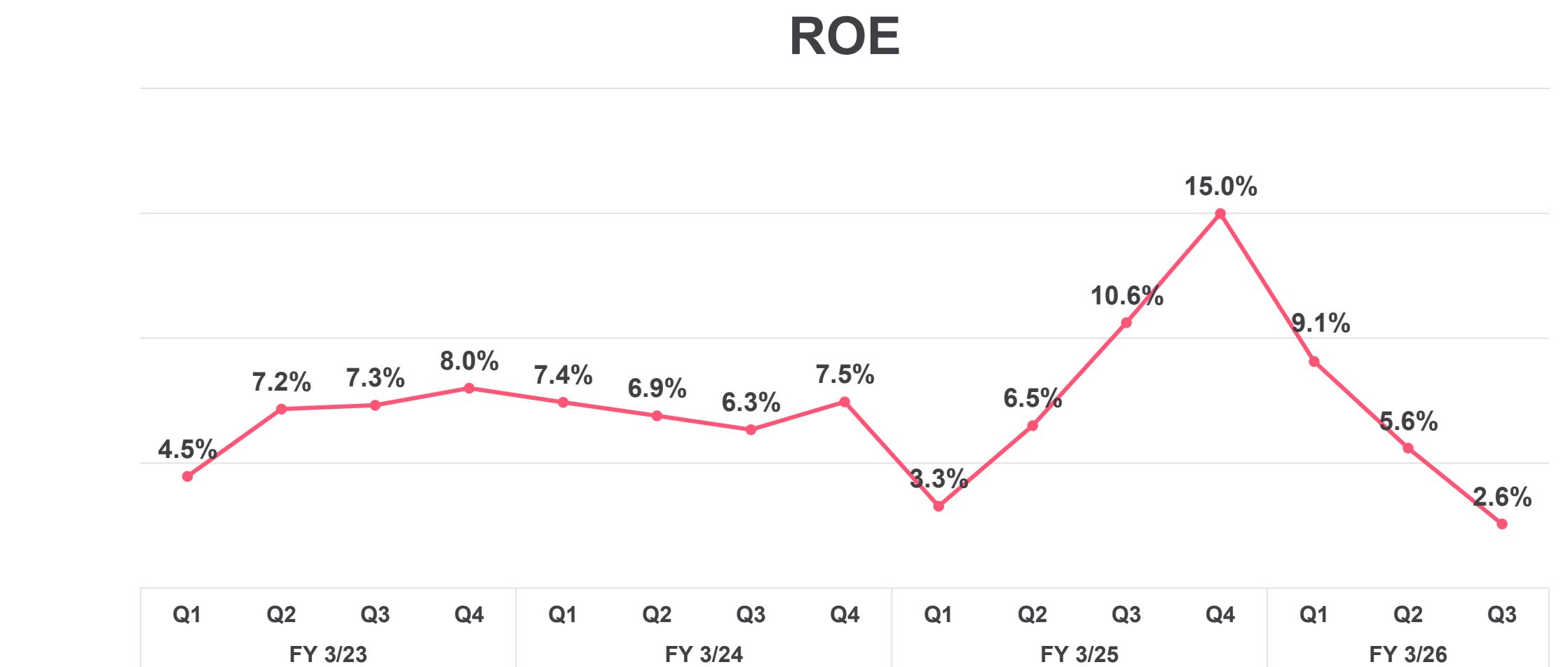
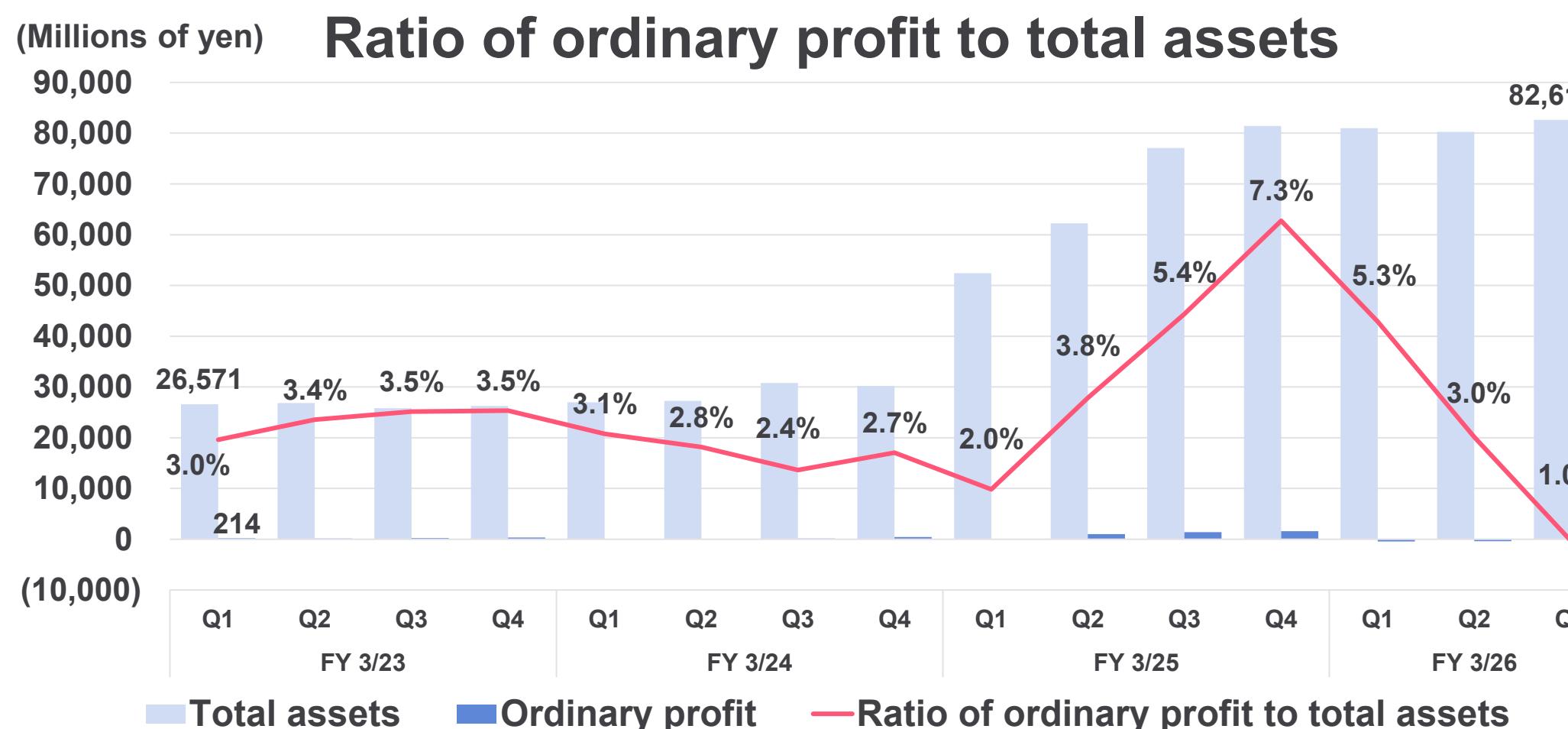
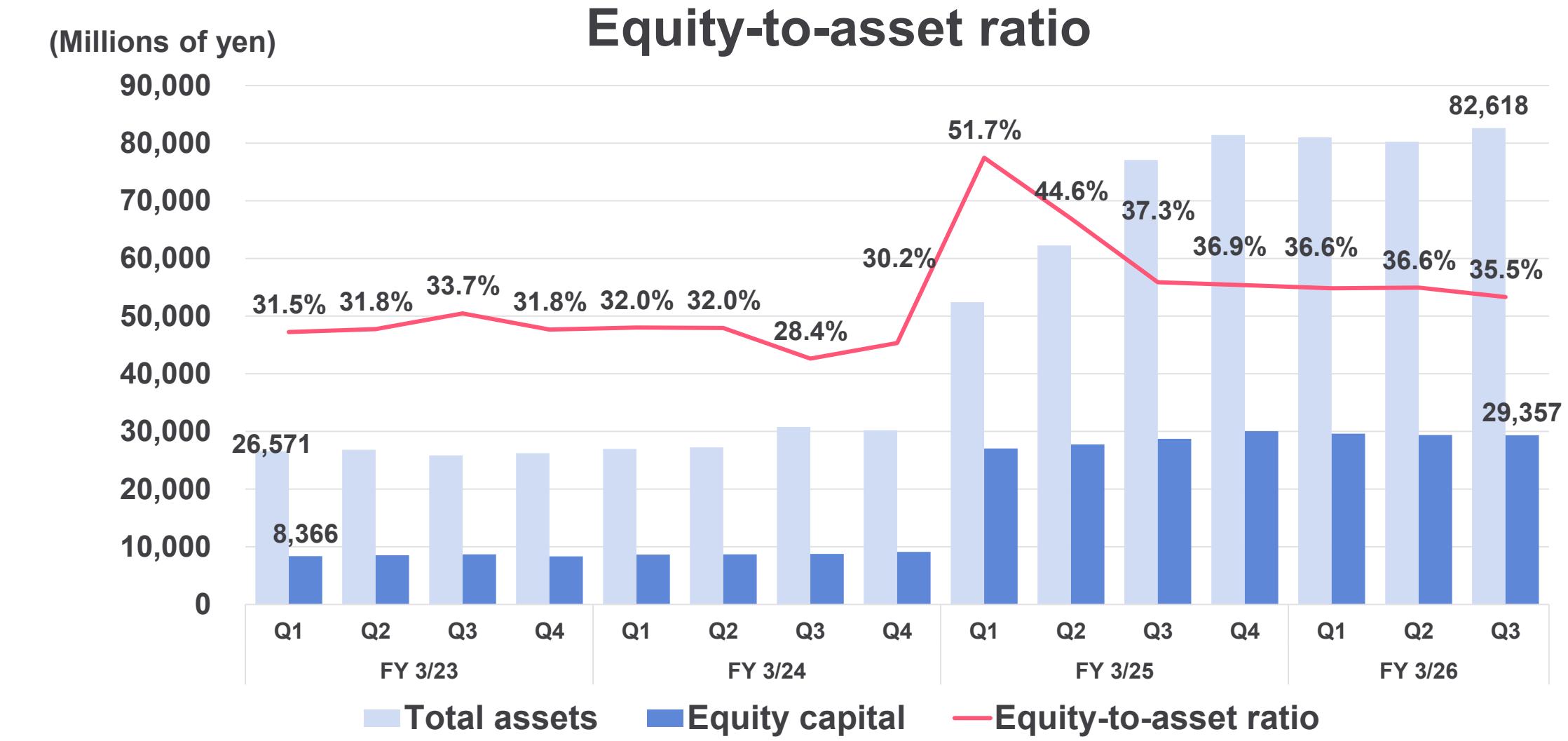
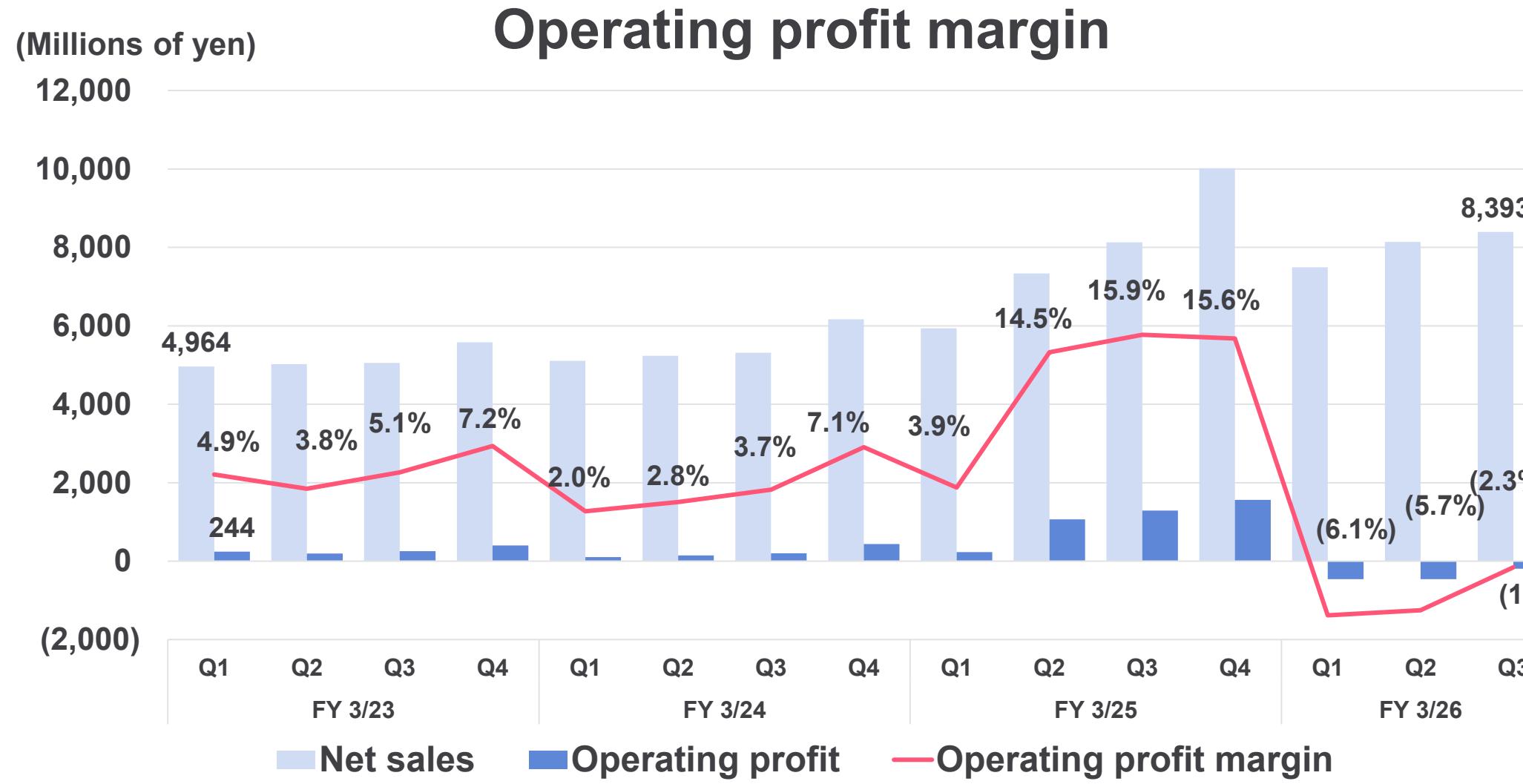
Examples of applications

- 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.



*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 (The company was established on August 17, 1999) |
| Date of listing | October 12, 2005 (TSE Mothers) November 27, 2015 (Transferred to TSE 1st Section (currently TSE Prime)) |
| Share capital | 11,283,160,000yen |
| Number of employees | 1,138 (consolidated) |

(Note: as of the end of December 2025)



■IR Contact

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

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