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April 27, 2026

## Summary of Financial Results for the Fiscal Year Ended March 31, 2026 (Consolidated)

Company name: SAKURA internet Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3778  
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 Representative: Kunihiro Tanaka, President and CEO  
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 Scheduled date of annual general meeting of shareholders: June 23, 2026  
 Scheduled date to commence dividend payments: June 24, 2026  
 Scheduled date to file annual securities report: June 15, 2026  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results (%: 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	%
Fiscal year ended March 31, 2026	35,301	12.4	(403)	-	105	(97.4)	216	(92.6)
Fiscal year ended March 31, 2025	31,412	43.9	4,145	368.7	4,060	431.4	2,937	350.7

Note: Comprehensive income For the fiscal year ended March 31, 2026 ¥139 million [(95.2)%]  
 For the fiscal year ended March 31, 2025 ¥2,931 million [280.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	5.40	-	0.7	0.1	(1.1)
Fiscal year ended March 31, 2025	75.23	-	15.0	7.3	13.2

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2026 ¥77 million  
 For the fiscal year ended March 31, 2025 ¥26 million

#### (2) Consolidated financial conditions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2026	82,451	30,329	36.5	752.07
Fiscal year ended March 31, 2025	81,419	30,257	36.9	751.36

Reference: Shareholders' equity As of March 31, 2026 ¥30,101 million  
 As of March 31, 2025 ¥30,055 million

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2026	6,223	(24,643)	4,319	15,394
Fiscal year ended March 31, 2025	5,787	(8,323)	26,763	29,489

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	4.00	4.00	161	5.3	0.8
Fiscal year ended March 31, 2026	-	0.00	-	5.00	5.00	201	92.6	0.7
Fiscal year ending March 31, 2027 (forecast)	-	0.00	-	5.50	5.50		25.9	

Note: The total cash dividends include dividends on the Company's shares held by the Stock Benefit Trust (J-ESOP).

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	21,000	34.3	650	-	550	-	350	-	8.74
Full year	45,000	27.5	1,500	-	1,200	-	850	293.5	21.24

**\* Notes:**

(1) Material changes in the scope of consolidation during the period: None

Newly included: - Number of companies (company name) —

Excluded: - Number of companies (company name) —

(2) 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

(3) Number of issued shares (common shares)

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

Fiscal year ended March 31, 2026	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

Fiscal year ended March 31, 2026	1,866,039 shares
Fiscal year ended March 31, 2025	1,889,458 shares

(iii) Average number of shares of common stock during the period

Fiscal year ended March 31, 2026	40,017,133 shares
Fiscal year ended March 31, 2025	39,046,862 shares



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1. Overview of operating results

(1) Overview of operating results for the fiscal year ended March 31, 2026

During the fiscal year ended March 31, 2026, the Japanese economy continued to show a gradual recovery, supported by improvements in employment and income conditions. Companies increasingly adopted AI and invested in IT to expand their businesses and address labor shortages. However, the economic outlook remained uncertain because of the effects of U.S. trade and tariff policies, heightened geopolitical risks stemming from the ongoing conflict in Ukraine, and new developments in Iran, as well as increased downside risks to consumer sentiment resulting from rising prices.

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

In these circumstances, the Group aims to support customers in achieving "what you want to do" by providing one-stop services within the Group, covering system integration, development, provision of cloud and internet infrastructure services, maintenance, operation, and customer support. In addition to its broad existing customer base, the Company is working to acquire new customers, driven by factors such as its official selection for the Government Cloud and the expansion of Generative AI services.

Going forward, the Company will continue to focus on achieving customer success for both existing and new customers, while promoting the expansion of cloud services, which are expected to deliver high growth.

Net sales were 35,301,649 thousand yen (up 12.4% year on year), driven by steady growth in GPU infrastructure services and Cloud services, both of which are our focus areas, as well as large project orders from government agencies in Other services.

Operating loss was 403,654 thousand yen (operating profit of 4,145,586 thousand yen in the previous fiscal year). This was primarily due to ongoing investments in human resources to strengthen the development of Cloud services 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.

Although we recorded an operating loss, ordinary profit amounted to 105,477 thousand yen (down 97.4% year on year) primarily due to the recognition of subsidy income from Cloud Programs as non-operating income.

Profit attributable to owners of parent was 216,023 thousand yen (down 92.6% year on year), mainly reflecting the decline in ordinary profit.

The business conditions by service category are as follows: 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 15,324,068 thousand yen (up 9.4% year on year) mainly because SAKURA Cloud and SAKURA Web Hosting continued to perform favorably.

(ii) GPU infrastructure services

With the launch of the B200 plan supporting NVIDIA Blackwell GPUs and the H200 plan for our bare-metal GPU cloud service “Koukaryoku PHY,” net sales of GPU infrastructure services reached 8,144,342 thousand yen (up 20.3% year on year).

(iii) Physical infrastructure services

Net sales of Physical infrastructure services were 3,056,750 thousand yen (down 7.2% year on year), mainly due to a decline in the use of the housing service and the exclusive server services.

(iv) Other services

Net sales of Other services were 8,776,488 thousand yen (up 19.6% year on year), primarily due to large-scale projects for government agencies.

(2) Overview of financial condition for the fiscal year ended March 31, 2026

Assets, liabilities and net assets at the end of the fiscal year ended March 31, 2026, and the factors affecting them are as follows:

(i) Assets

Total assets at the end of the fiscal year ended March 31, 2026, increased 1,031,605 thousand yen (up 1.3% year on year) to 82,451,076 thousand yen. This was mainly due to an increase in property, plant and equipment, including service equipment related to Generative AI services and a containerized data center.

(ii) Liabilities

The balance of total liabilities at the end of the fiscal year ended March 31, 2026, grew 956,832 thousand yen (up 1.9% year on year) to 52,121,922 thousand yen. Major factors included lease liabilities related to expansion of the Ishikari Data Center and service-related equipment, as well as an increase in borrowings related to procurement of equipment for Generative AI services.

(iii) Net assets

The balance of net assets at the end of the fiscal year ended March 31, 2026, grew 71,772 thousand yen (up 0.2% year on year) to 30,329,154 thousand yen. This was mainly due to an increase in retained earnings associated with the recording of profit attributable to owners of parent.

(3) Overview of cash flows for the fiscal year ended March 31, 2026

Cash and cash equivalents at the end of the fiscal year ended March 31, 2026, decreased 14,094,466 thousand yen (down 47.8% year on year) to 15,394,756 thousand yen.

Cash flows from each activity and the main factors affecting them are as follows:

(i) Cash flows from operating activities

Net cash provided by operating activities for the fiscal year ended March 31, 2026, increased by 436,011 thousand yen (up 7.5% year on year) to 6,223,575 thousand yen. The main factors include a decrease in accounts receivable and an increase in depreciation.

(ii) Cash flows from investing activities

Net cash used in investing activities for the fiscal year ended March 31, 2026, increased by 16,319,987 thousand yen to 24,643,100 thousand yen (up 196.1% year on year). This is primarily due to increased expenditures resulting from the acquisition of property, plant and equipment, such as equipment related to generative AI services.

(iii) Cash flows from financing activities

Net cash provided by financing activities for the fiscal year ended March 31, 2026, decreased by 22,444,386 thousand compared with the end of the previous fiscal year, resulting in net cash inflows of 4,319,267 thousand yen (down 83.9% year on year). The primary factor was the proceeds from the issuance of shares recorded in the previous fiscal year.

(4) Outlook for the future

In Japan's generative AI infrastructure market, demand for advanced computing resources -particularly GPUs- is rapidly increasing. This growth is driven by expanding corporate investment in digital business, alongside the acceleration of legacy system modernization and the development of environments to support AI utilization. At the same time, the domestic public cloud services market is expected to continue its strong growth, further highlighting the importance of digital infrastructure.

Amid this expanding market, we have focused our management resources on our core cloud business to capture growth opportunities with certainty. Through proactive investments, beginning with certification under the Ministry of Economy, Trade and Industry's cloud program supply assurance initiative, we have steadily secured GPU resources and strengthened our data center infrastructure. As a result, we are establishing our position as a key player supporting Generative AI infrastructure. Furthermore, our long-standing track record in building and operating robust infrastructure has met the high reliability standards required in the public sector, leading to our formal selection for the government cloud.

Looking ahead, leveraging our formal adoption in the government cloud as a catalyst, we will expand our sales channels in the public and enterprise domains through partnerships and strategic alliances, thereby accelerating growth. In addition, to strengthen our organizational capabilities for the next phase of growth, we are restructuring into an organization where development and sales are closely integrated, and are building a framework that enables us to promptly reflect customer needs through AI utilization. We are also revising our guiding principles to foster a culture centered on delivering customer value, enhancing our ability to provide greater value in a unified manner across the organization.

Through these initiatives, we aim to achieve both employee success (ES) and customer success (CS), and ultimately become a trusted domestic digital infrastructure provider. Our goal is to position ourselves as a leading digital infrastructure company supporting Japan's future.

For the fiscal year ending March 2027, we expect continued revenue growth driven by the expansion of GPU infrastructure services and Cloud services. While we will continue to make planned investments in next-generation GPU resources and data centers, our top priority for the fiscal year ending March 2027 will be the stable operation of existing GPU resources, with additional investments to be considered based on market conditions. Accordingly, we forecast consolidated results of net sales of ¥45,000 million, operating profit of ¥1,500 million, ordinary profit of ¥1,200 million, and net income attributable to owners of the parent of ¥850 million.

2. Basic approach to the selection of the accounting standards

In light of the fact that the Group conducts its business operations in Japan and taking into account IFRS adoption trends among industry peers, the Group has decided to continue applying Japanese GAAP for the time being.

We will respond appropriately to the adoption of IFRS, taking into account domestic and international conditions.

## 3. Consolidated Financial Statements and Major Notes

## (1) Consolidated balance sheets

	(Thousands of yen)	
	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Fiscal year ended March 31, 2026 (as of March 31, 2026)
<b>Assets</b>		
Current assets		
Cash and deposits	29,489,223	15,391,081
Notes and accounts receivable-trade, and contract assets	7,577,863	4,813,239
Merchandise and finished goods	30,845	408,039
Work in process	33,278	59,243
Supplies	468,449	554,600
Other	4,161,356	5,051,385
Allowance for doubtful accounts	(16,423)	(22,274)
Total current assets	41,744,592	26,255,316
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,282,028	9,862,442
Tools, furniture and fixtures, net	16,456,644	17,950,309
Land	644,731	644,731
Leased assets, net	7,727,951	13,097,016
Construction in progress	2,358,189	5,168,003
Total property, plant and equipment	33,469,545	46,722,502
Intangible assets		
Other	1,259,893	2,018,177
Total intangible assets	1,259,893	2,018,177
Investments and other assets		
Investment securities	682,270	820,740
Long-term prepaid expenses	2,902,618	4,822,678
Deferred tax assets	846,556	1,313,522
Other	519,325	503,142
Allowance for doubtful accounts	(5,332)	(5,004)
Total investments and other assets	4,945,438	7,455,080
Total non-current assets	39,674,878	56,195,760
Total assets	81,419,470	82,451,076

## Sakura internet Inc. (3778) Summary of Financial Results for the Fiscal Year Ended March 31, 2026 (Consolidated)

(Thousands of yen)

	Fiscal year ended March 31, 2025 (as of March 31, 2025)	Fiscal year ended March 31, 2026 (as of March 31, 2026)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	1,675,464	1,245,523
Accounts payable-facilities	8,920,873	206,704
Short-term borrowings	9,261,668	10,687,000
Current portion of long-term borrowings	2,649,408	4,796,832
Lease liabilities	1,928,797	3,101,105
Income taxes payable	1,511,659	546,193
Advances received	6,147,881	8,658,592
Provision for bonuses	663,426	772,410
Provision for bonuses for directors (and other officers)	53,235	36,800
Suspense receipt	4,538,451	2,228,485
Other	2,996,624	1,575,285
Total current liabilities	40,347,490	33,854,933
Non-current liabilities		
Long-term borrowings	3,154,471	5,777,396
Lease liabilities	6,654,972	11,464,636
Asset retirement obligations	828,955	833,995
Provision for share awards	90,515	84,053
Provision for retirement benefits for directors (and other officers)	50,638	70,780
Retirement benefit liabilities	30,000	33,050
Other	5,046	3,076
Total non-current liabilities	10,814,598	18,266,988
Total liabilities	51,162,089	52,121,922
<b>Net assets</b>		
Shareholders' equity		
Share capital	11,283,167	11,283,167
Capital surplus	10,577,023	10,649,910
Retained earnings	9,177,688	9,232,622
Treasury shares	(1,106,853)	(1,093,229)
Total shareholders' equity	29,931,026	30,072,470
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	112,597	14,625
Foreign currency translation adjustment	11,643	13,893
Deferred gains or losses on hedges	11	289
Total accumulated other comprehensive income	124,253	28,808
Non-controlling interests	202,102	227,875
Total net assets	30,257,381	30,329,154
Total liabilities and net assets	81,419,470	82,451,076

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

	(Thousands of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Net sales	31,412,382	35,301,649
Cost of sales	20,182,104	27,345,133
Gross profit	11,230,278	7,956,515
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	2,769	5,898
Salaries and allowances	2,182,757	2,936,951
Provision for bonuses	290,268	336,948
Provision for bonuses for directors (and other officers)	53,235	36,800
Provision for retirement benefits for directors (and other officers)	50,638	20,141
Retirement benefit expenses	30,000	3,050
Commission expenses	1,456,992	1,610,716
Rent expenses on land and buildings	286,390	339,754
Other	2,731,640	3,069,909
Total selling, general and administrative expenses	7,084,692	8,360,170
Operating profit (loss)	4,145,586	(403,654)
Non-operating income		
Interest income	17,294	46,334
Dividend income	4,320	5,760
Share of profit of entities accounted for using the equity method	26,213	77,271
Reversal of allowance for doubtful accounts	546	-
Outsourcing service income	29,583	27,887
Secondment income	6,952	7,452
Subsidy income	160,779	617,628
Compensation income	-	210,178
Other	51,294	71,645
Total non-operating income	296,983	1,064,159
Non-operating expenses		
Interest expenses	255,562	538,822
Share issuance costs	109,528	-
Commission expenses	7,373	5,870
Other	9,673	10,334
Total non-operating expenses	382,137	555,027
Ordinary profit	4,060,431	105,477
Extraordinary income		
Gain on sale of non-current assets	806	60
Gain on sale of investment securities	-	155,595
Income by government subsidies	6,119,744	14,311,693
Total extraordinary income	6,120,550	14,467,348
Extraordinary losses		
Loss on retirement of non-current assets	52,012	14,713
Loss on sale of non-current assets	-	2,096
Loss on tax purpose reduction entry of non-current assets	6,119,744	14,311,693
Loss on valuation of investment securities	29,999	-
Total extraordinary losses	6,201,757	14,328,503
Profit before income taxes	3,979,224	244,322
Income taxes - current	1,475,484	432,173
Income taxes - deferred	(449,615)	(422,647)
Total income taxes	1,025,869	9,525
Profit	2,953,355	234,797
Profit attributable to non-controlling interests	15,895	18,773
Profit attributable to owners of parent	2,937,459	216,023

## Consolidated statement of comprehensive income

	(Thousands of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit	2,953,355	234,797
Other comprehensive income		
Valuation difference on available-for-sale securities	(20,454)	(101,779)
Foreign currency translation adjustment	(246)	2,249
Deferred gains or losses on hedges	(171)	277
Share of other comprehensive income of entities accounted for using the equity method	(729)	3,807
Total other comprehensive income	(21,601)	(95,444)
Comprehensive income	2,931,753	139,352
(Breakdown)		
Comprehensive income attributable to owners of parent	2,915,857	120,578
Comprehensive income attributable to non-controlling interests	15,895	18,773

(3) Consolidated statements of changes in equity  
Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,256,921	1,478,896	6,372,974	(1,119,643)	8,989,147
Changes during period					
Issuance of new shares	9,026,246	9,026,246			18,052,492
Dividends of surplus			(125,939)		(125,939)
Change in scope of consolidation			(6,806)		(6,806)
Profit attributable to owners of parent			2,937,459		2,937,459
Purchase of treasury shares				(317)	(317)
Disposal of treasury shares		71,881		13,108	84,989
Net changes in items other than shareholders' equity					
Total changes during period	9,026,246	9,098,127	2,804,714	12,790	20,941,878
Balance at end of period	11,283,167	10,577,023	9,177,688	(1,106,853)	29,931,026

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	133,781	11,890	183	145,855	186,206	9,321,209
Changes during period						
Issuance of new shares						18,052,492
Dividends of surplus						(125,939)
Change in scope of consolidation						(6,806)
Profit attributable to owners of parent						2,937,459
Purchase of treasury shares						(317)
Disposal of treasury shares						84,989
Net changes in items other than shareholders' equity	(21,183)	(246)	(171)	(21,601)	15,895	(5,706)
Total changes during period	(21,183)	(246)	(171)	(21,601)	15,895	20,936,172
Balance at end of period	112,597	11,643	11	124,253	202,102	30,257,381

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,283,167	10,577,023	9,177,688	(1,106,853)	29,931,026
Changes during period					
Issuance of new shares					-
Dividends of surplus			(161,089)		(161,089)
Change in scope of consolidation					-
Profit attributable to owners of parent			216,023		216,023
Purchase of treasury shares				(31)	(31)
Disposal of treasury shares		72,886		13,655	86,542
Net changes in items other than shareholders' equity					
Total changes during period	-	72,886	54,933	13,624	141,444
Balance at end of period	11,283,167	10,649,910	9,232,622	(1,093,229)	30,072,470

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Deferred gains or losses on hedges	Total accumulated other comprehensive income		
Balance at beginning of period	112,597	11,643	11	124,253	202,102	30,257,381
Changes during period						
Issuance of new shares						-
Dividends of surplus						(161,089)
Change in scope of consolidation						-
Profit attributable to owners of parent						216,023
Purchase of treasury shares						(31)
Disposal of treasury shares						86,542
Net changes in items other than shareholders' equity	(97,972)	2,249	277	(95,444)	25,773	(69,671)
Total changes during period	(97,972)	2,249	277	(95,444)	25,773	71,772
Balance at end of period	14,625	13,893	289	28,808	227,875	30,329,154

## (4) Consolidated statement of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,979,224	244,322
Depreciation	4,768,734	7,739,239
Increase (decrease) in allowance for doubtful accounts	2,048	5,522
Increase (decrease) in provision for bonuses	212,255	108,983
Increase (decrease) in allowance for provision for bonuses for directors (and other officers)	48,735	(16,435)
Increase (decrease) in provision for share awards	31,186	(6,461)
Increase (decrease) in allowance for provision for retirement benefits for directors (and other officers)	50,638	20,141
Increase (decrease) in retirement benefit liabilities	30,000	3,050
Interest and dividend income	(21,614)	(52,094)
Interest expenses	255,562	538,822
Share issuance costs	109,528	-
Loss (gain) on investments in investment partnerships	(14,746)	8,774
Loss on retirement of non-current assets	52,012	14,713
Income by government subsidies	(6,119,744)	(14,311,693)
Loss on tax purpose reduction entry of non-current assets	6,119,744	14,311,693
Loss (gain) on sale of non-current assets	(806)	2,036
Loss (gain) on sale of investment securities	-	(155,595)
Loss (gain) on valuation of investment securities	29,999	-
Decrease (increase) in consumption taxes refund receivable	(1,274,235)	(544,572)
Increase (decrease) in accrued consumption taxes	(8,226)	935
Decrease (increase) in trade receivables	(4,336,737)	2,764,990
Increase (decrease) in advances received	1,109,342	2,549,518
Decrease (increase) in inventories	(41,905)	(489,310)
Increase (decrease) in trade payables	1,047,140	(535,282)
Other	302,101	(4,141,055)
Subtotal	6,330,240	8,060,243
Interest and dividends received	21,078	39,093
Interest paid	(259,091)	(548,114)
Income taxes refund (paid)	(304,663)	(1,327,646)
Net cash provided by (used in) operating activities	5,787,563	6,223,575
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(17,657,769)	(36,336,695)
Proceeds from sale of property, plant and equipment	806	470,776
Purchase of intangible assets	(895,994)	(1,106,251)
Income from national subsidies, etc.	10,299,156	12,346,456
Purchase of investment securities	(11,000)	(217,931)
Proceeds from sale of investment securities	-	187,185
Payments of leasehold and guarantee deposits	(64,921)	(732)
Proceeds from refund of leasehold and guarantee deposits	201	6,374
Other	6,408	7,716
Net cash provided by (used in) investing activities	(8,323,113)	(24,643,100)

	(Thousands of yen)	
	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	20,067,000	17,087,000
Repayments of short-term borrowings	(11,223,000)	(15,661,668)
Proceeds from long-term borrowings	5,725,000	8,110,000
Repayments of long-term borrowings	(4,278,739)	(3,339,651)
Proceeds from issuance of shares	17,942,964	-
Repayments of lease liabilities	(1,836,513)	(2,649,970)
Proceeds from sale and leaseback transactions	512,228	1,242,652
Repayments of installment payables	(21,232)	(393,305)
Purchase of treasury shares	(317)	(31)
Proceeds from sale of treasury shares	963	85,861
Dividends paid	(124,699)	(161,619)
Net cash provided by (used in) financing activities	26,763,654	4,319,267
Effect of exchange rate change on cash and cash equivalents	(2,017)	5,791
Net increase (decrease) in cash and cash equivalents	24,226,087	(14,094,466)
Cash and cash equivalents at beginning of period	5,257,805	29,489,223
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	5,329	-
Cash and cash equivalents at end of period	29,489,223	15,394,756

(5) Notes to consolidated financial statements

(Notes on the assumption of going concern)

There are no applicable matters to be reported.

(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.

(Per share information)

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Net assets per share	751.36 yen	752.07 yen
Basic earnings per share	75.23 yen	5.40 yen

Note: 1. Diluted earnings per share is not presented because there were no potentially dilutive shares.

2. The basis for calculating basic earnings per share is as follows.

3. The number of treasury shares deducted when calculating the number of treasury shares at the end of the period and the average number of shares during the period, which serve as the basis for calculating net assets and basic earnings per share, includes the Company's shares held by the relevant trust. The number of shares held by the trust is as follows: 271,200 at the end of the fiscal year ended March 31, 2025; 272,573 for the period average during the same period; 267,500 at the end of the fiscal year ended March 31, 2026; and 269,793 for the period average during the same period.

	Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent (thousand yen)	2,937,459	216,023
Amount not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent of common stock (thousand yen)	2,937,459	216,023
Average number of shares of common stock during the period (shares)	39,046,862	40,017,133

(Significant subsequent events)

There are no applicable matters to be reported.