

**Fiscal Year Ended March 2026**

# **Financial Results**

**April 27, 2026**



# Financial Highlights

## Consolidated Financial Results

- Net sales were **35,301 million yen** (an increase of **12.4% YoY**), **marking a record high**
- Growth driven by focus areas of **GPU infrastructure services\*** and **Cloud services**

\* From the fiscal year ended March 2026, the breakdown of the “GPU Cloud Service” will be reorganized (for details, see page 45)

## Topics

- **Launched approx. 1,100** newly installed **B200 GPUs** for major companies in Japan (February)
- **Officially selected as a provider Government Cloud services** for FY2023 and FY2026 (March)

## Consolidated Earnings Forecast

- Driven by generative AI services\* and cloud services, which remain our priority businesses, net sales for FY 3/2027 are projected at **45,000 million yen (+27.5% YoY vs. FY 3/2026)**, with operating profit expected to recover significantly to **1,500 million yen**
- Net sales are expected to increase through continued high utilization of existing GPUs and the expansion of sales channels following our official selection for the **Government Cloud**.

\* Generative AI services: GPU infrastructure services, the Koukaryoku series, SAKURA AI, etc.

Achieved **record-high** net sales through growth in GPU infrastructure services and Cloud services  
 Costs were temporarily front-loaded due to upfront strategic investments,  
 including investment in equipment and talent acquisition

## Sales

- GPU infrastructure services posted a **20.3%** YoY increase driven by proactive investment in GPUs since the previous fiscal year
- Cloud services remained solid, increasing **9.4%** YoY
- Other services increased **19.6%** YoY due to orders for large-scale government and public sector projects

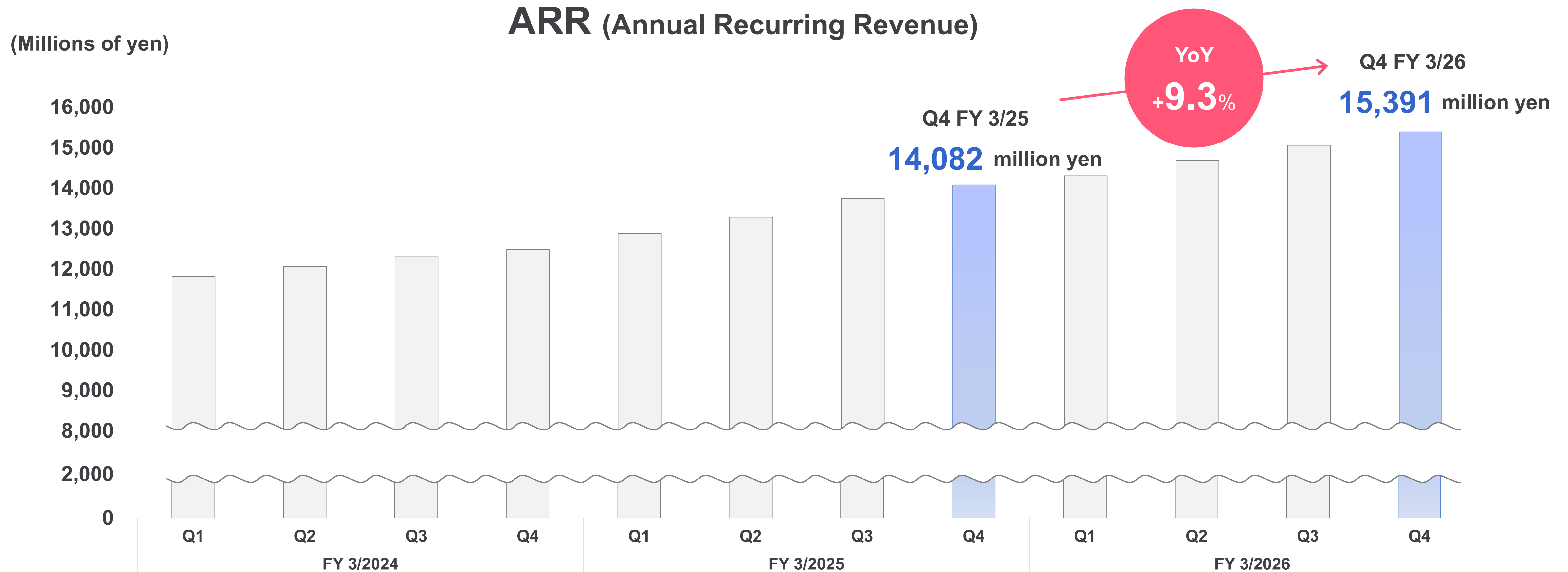
## Profit

- Investing in human resources in line with growth strategies such as developing cloud service functions and strengthening sales promotion (Increased the number of consolidated employees by 138 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
- Although selling unit prices continued to be adjusted amid intensifying competition in the AI market, utilization rates improved in the second half after strengthening the sales framework resulted in securing multiple large-scale projects

(Millions of yen)

Item	FY 3/25 Full year	FY 3/26 Full year	YoY	
	Amount	Amount	Change	Change (%)
Net sales	31,412	35,301	3,889	12.4
Operating profit	4,145	(403)	(4,549)	-
Ordinary profit	4,060	105	(3,954)	(97.4)
Profit attributable to owners of parent	2,937	216	(2,721)	(92.6)

ARR, representing recurring revenue, **increased 9.3% 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

# Consolidated Earnings Forecast Highlights for FY 3/2027

Net sales are expected to increase **27.5%** year on year, driven by Generative AI services and Cloud services, which remain our priority businesses

Net sales are expected to increase through continued high utilization of existing GPUs and expanded sales channels following official Government Cloud selection

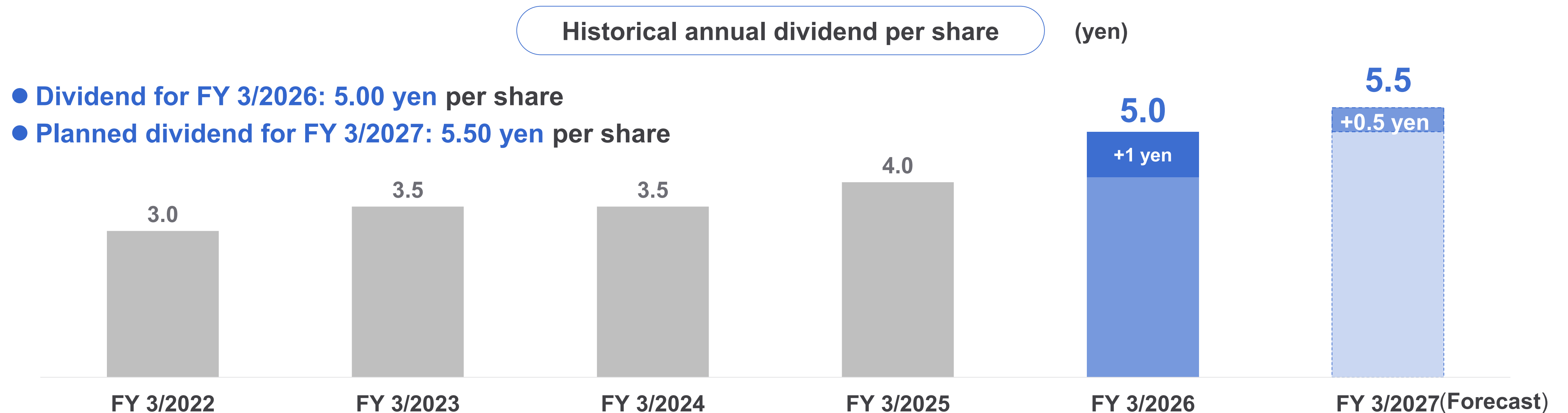
Sales in Other services are expected to decline due to the absence of large one-off projects secured in the previous fiscal year, while new projects are expected to increase the sales

(Millions of yen)

Item	FY 3/26 Actual Amount	FY 3/27 Full Year (Forecast)		
		Amount	Change	Change (%)
<b>Net sales</b>	<b>35,301</b>	<b>45,000</b>	<b>9,698</b>	<b>27.5</b>
Cloud services	15,324	17,600	2,275	14.9
Cloud infrastructure	10,599	12,850	2,250	21.2
Cloud application	4,724	4,750	25	0.5
GPU infrastructure services	8,144	18,400	10,255	125.9
Physical base services	3,056	2,400	(656)	(21.5)
Other services	8,776	6,600	(2,176)	(24.8)
<b>Operating profit</b>	<b>(403)</b>	<b>1,500</b>	<b>1,903</b>	<b>-</b>
<b>Ordinary profit</b>	<b>105</b>	<b>1,200</b>	<b>1,094</b>	<b>1,037.7</b>
<b>Profit attributable to owners of parent</b>	<b>216</b>	<b>850</b>	<b>633</b>	<b>293.5</b>

## 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



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.

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 centers 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

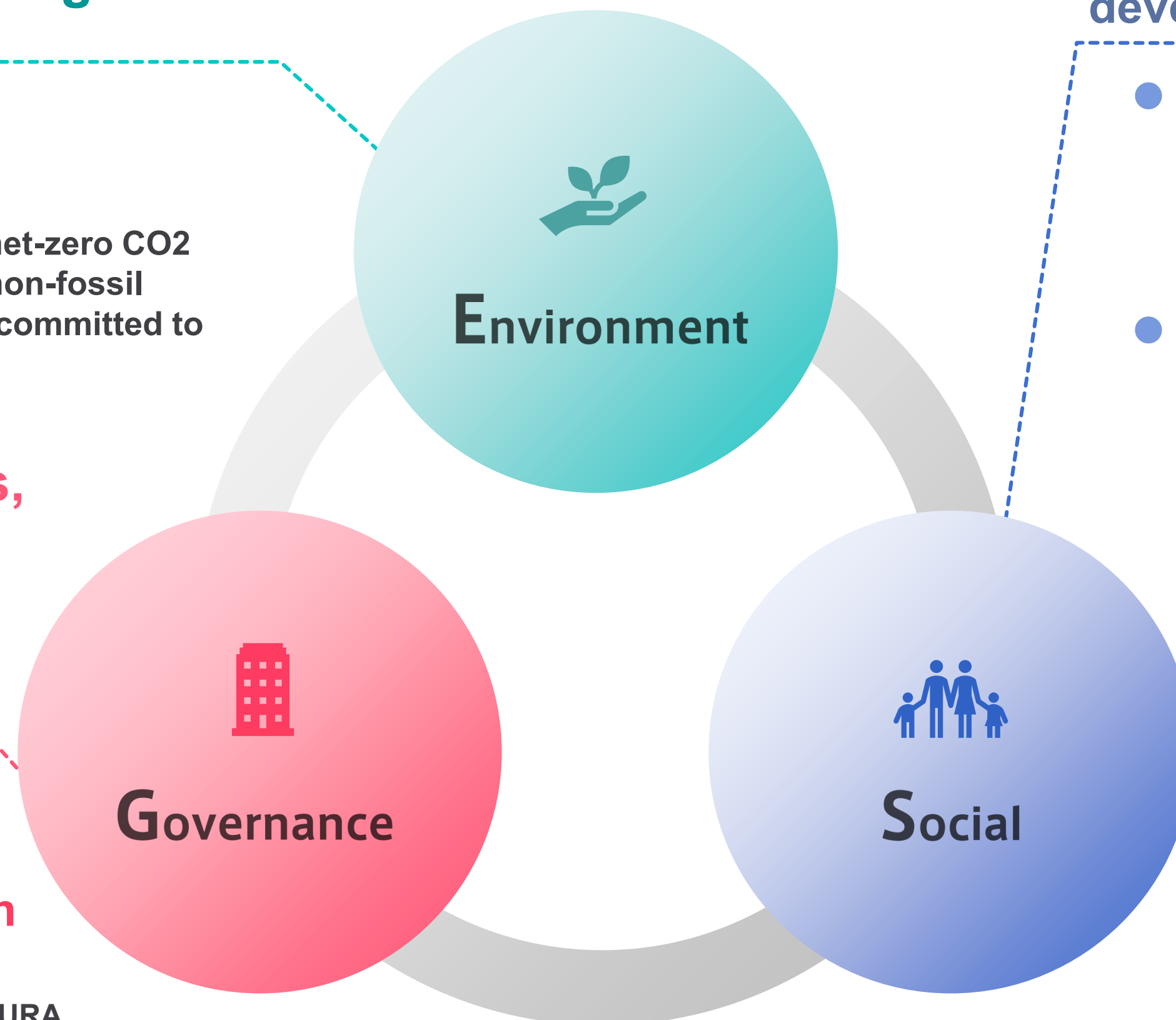
**Percentage of female executives, including executive officers: 24.0%** (as of March 31, 2026)

- **Transparency of management**
- **Ensuring thorough compliance**
- **Risk management**
- **Maintain and improve information security**
  - Obtained ISO/IEC 27018:2019 certification for SAKURA Cloud in February 2026.

Topic

**Established the SAKURA AI Certificate to develop AI talent** (March 2026)

- **Put human capital management into practice**
  - Renewal of behavioral guidelines
  - SAKURA's human capital management in data
- **Providing educational opportunities in the digital field**
  - Providing educational opportunities to learn about cloud
  - Practical education through the KOSEN support project



**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](#)

# Consolidated Earnings for FY 3/2026

# Summary of Consolidated Financial Results for FY 3/2026

Focus areas of GPU infrastructure services and Cloud services are doing well  
**Net sales increased 12.4%** YoY, driven by higher orders for large-scale government and public sector projects under Other services  
 Temporary decrease in profit due to increase in equipment-related expenses and personnel expenses such as depreciation as a result of proactive investment

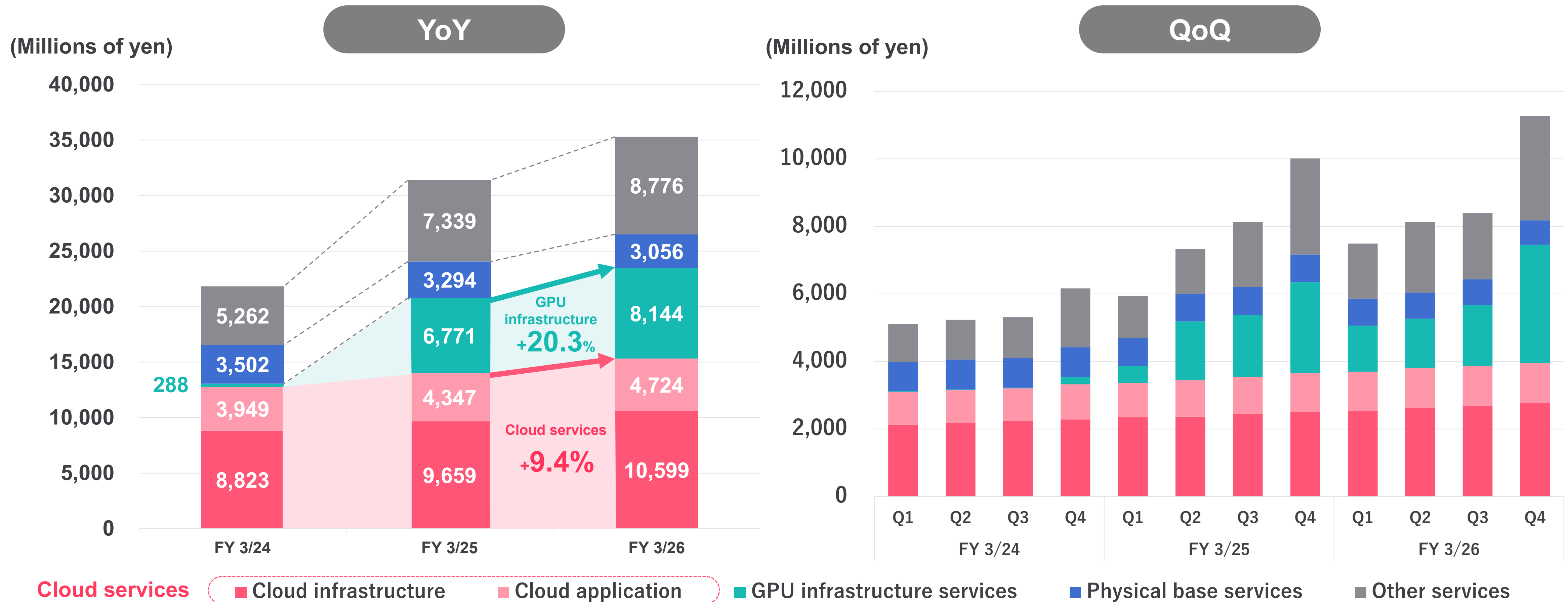
(Millions of yen)

Item	FY 3/25 Full year		FY 3/26 Full year		YoY	
	Amount	Sales composition (%)	Amount	Sales composition (%)	Change	Change (%)
Net sales	31,412	100.0	35,301	100.0	3,889	12.4
Cost of sales	20,182	64.2	27,345	77.5	7,163	35.5
Gross profit	11,230	35.8	7,956	22.5	(3,273)	(29.2)
SG&A expenses	7,084	22.6	8,360	23.7	1,275	18.0
Operating profit	4,145	13.2	(403)	(1.1)	(4,549)	-
Ordinary profit	4,060	12.9	105	0.3	(3,954)	(97.4)
Profit attributable to owners of parent	2,937	9.4	216	0.6	(2,721)	(92.6)

\* Non-operating income includes subsidy income of 617 million yen from Cloud Programs (compared to 160 million yen in the same period of the previous fiscal year)

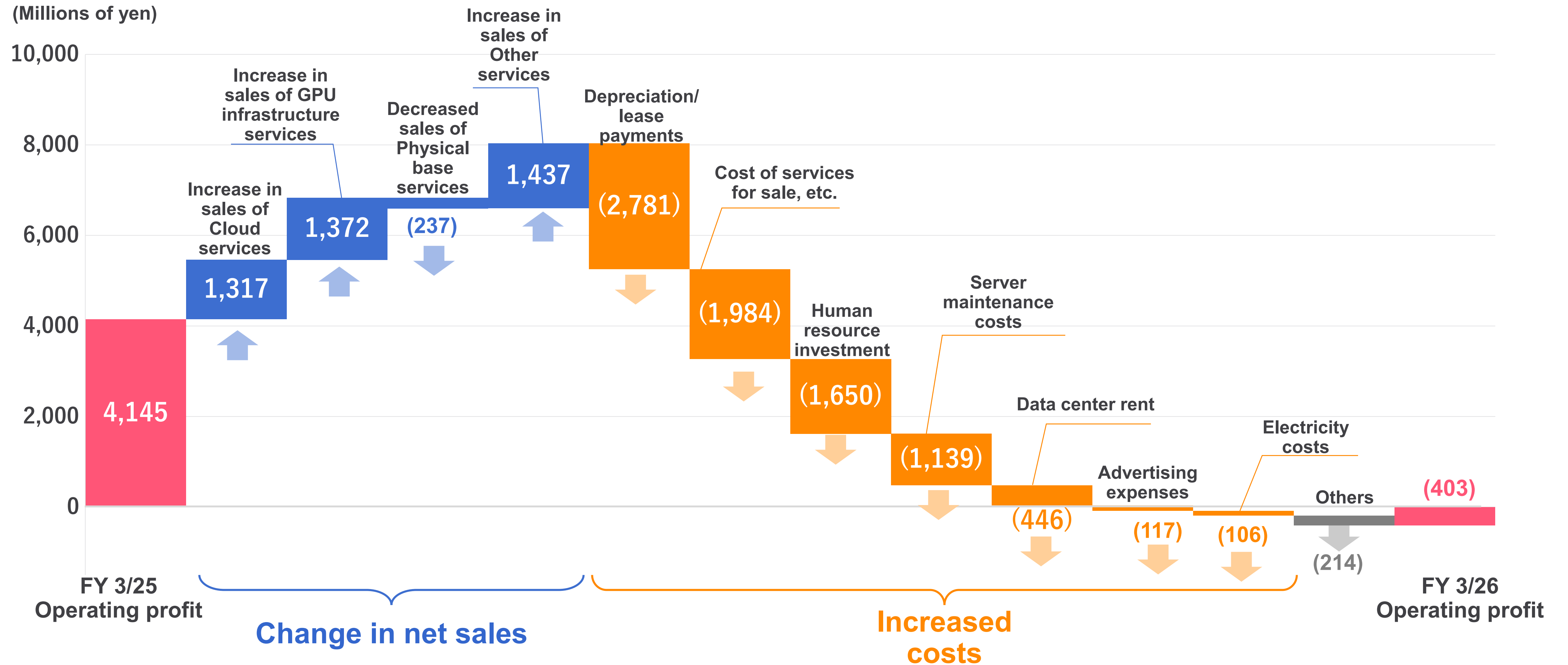
# Consolidated Net Sales by Service Category (Annual and Quarterly Trends)

**GPU infrastructure services increased 20.3%, Cloud services increased 9.4%, and Other services increased 19.6% YoY, mainly driven by orders for large-scale government and public sector projects**



\* From FY 3/2026, consolidated service categories were changed. Reclassified figures are also used in and before FY 3/2025

## Factors that affected operating profit



# Consolidated Balance Sheet

- **Current assets:** Decrease in cash and deposits due to payments for equipment investments for Generative AI services
- **Non-current assets:** Increase in property, plant and equipment from these investments
- **Liabilities:** Decrease due to the above payments, more than offset by increases in lease liabilities and borrowings

(Millions of yen)

Item	Previous year end (FY 3/25)	Current year-end (FY3/26)	Change
<b>Current assets</b>	<b>41,744</b>	<b>26,255</b>	<b>(15,489)</b>
<b>Non-current assets</b>	<b>39,674</b>	<b>56,195</b>	<b>16,520</b>
(Property, plant and equipment)	33,469	46,722	13,252
(Intangible assets)	1,259	2,018	758
(Investments and other assets)	4,945	7,455	2,509
<b>Total assets</b>	<b>81,419</b>	<b>82,451</b>	<b>1,031</b>

Item	Previous year end (FY 3/25)	Current year-end (FY3/26)	Change
<b>Current liabilities</b>	<b>40,347</b>	<b>33,854</b>	<b>(6,492)</b>
<b>Non-current liabilities</b>	<b>10,814</b>	<b>18,266</b>	<b>7,452</b>
<b>Total liabilities</b>	<b>51,162</b>	<b>52,121</b>	<b>959</b>
<b>Net assets</b>	<b>30,257</b>	<b>30,329</b>	<b>71</b>
(Including shareholders' equity)	29,931	30,072	141
<b>Total liabilities and net assets</b>	<b>81,419</b>	<b>82,451</b>	<b>1,031</b>

# Consolidated Statement of Cash Flows

- **Cash flow from operating activities:**  
Increased YoY due to a decrease in trade receivables and higher depreciation
- **Cash flow from investing activities:**  
Decreased YoY due to higher payments for equipment-related liabilities for Generative AI services
- **Cash flow from financing activities:**  
Decreased YoY due to the absence of share issuance proceeds in the previous fiscal year

(Millions of yen)

Item	End of FY 3/24	End of FY 3/25	End of FY 3/26	YoY change
Cash flow from operating activities	2,884	5,787	6,223	436
Cash flow from investing activities	(2,025)	(8,323)	(24,643)	(16,319)
FCF	858	(2,535)	(18,419)	(15,883)
Cash flow from financing activities	(410)	26,763	4,319	(22,444)
Increase in cash and equivalents	447	24,226	(14,094)	(38,320)
Cash and equivalents balance	5,257	29,489	15,394	(14,094)

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

# Review of FY 3/2026

**SAKURA Cloud, our cloud service, was officially selected for the Government Cloud program**  
**Generative AI services** secured multiple large-scale projects through expanded service lineup and strengthened sales framework

Priority Measures	Actions and Achievements
<p style="text-align: center;"><b>Practice of growth strategy</b></p> <p style="text-align: center;"><b>Promoted enhancements of GPU infrastructure and cloud services to capture AI demand</b></p>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="background-color: #f8d7da; padding: 10px; border: 1px solid #f5c6cb;"> <p style="text-align: center;"><b>Cloud Services</b></p> <ul style="list-style-type: none"> <li>● <b>Officially selected for the Government Cloud program</b> in March 2026 The enhancement of technological development and the acquisition of necessary personnel enabled the transition from provisional to official certification, laying the foundation for expanded proposal opportunities in the public and enterprise sectors going forward</li> <li>● Built <b>an ecosystem where</b> customers, partners, and the Company grow together through cooperation <b>with partners and cloud certification</b> [Initiatives implemented]                             <ul style="list-style-type: none"> <li>✓ Number of disclosed SAKURA Cloud sales partners: <b>73</b> companies (as of end-March)</li> <li>✓ Number of SAKURA Web Hosting agencies: over <b>2,000</b> agencies</li> <li>✓ SAKURA Cloud Certificate tests held <b>4</b> times; Registrants on official online course: over <b>3,800</b></li> </ul> </li> </ul> </div> <div style="background-color: #f8d7da; padding: 10px; border: 1px solid #f5c6cb;"> <p style="text-align: center;"><b>Generative AI Services</b></p> <ul style="list-style-type: none"> <li>● Began providing approx. 1,100 B200 GPUs for major companies in Japan (February)</li> <li>● Utilization rates of existing H100 and H200 GPUs also improved through the strengthening of the sales framework</li> <li>● Expanded services supporting a wide range of applications from training to inference [Expanded lineup] Koukaryoku VRT, SAKURA AI, SAKURAONE, etc.</li> </ul> </div> </div>

Priority Measures	Actions and Achievements
<p style="text-align: center;"><b>Strengthen infrastructure that underpins growth strategy</b></p> <p style="text-align: center;">Capture growth opportunities and invest in both people and things</p>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: center;"> <div style="background-color: #e6f2ff; padding: 10px; border-radius: 5px; width: 150px; text-align: center;">Human resources</div> <ul style="list-style-type: none"> <li>● Hired <b>145</b> people (including prospective hires), mainly engineers, sales and marketing personnel; <b>number of employees (consolidated)</b> as of March 31, 2026: <b>1,135</b></li> <li>● Strengthened the organizational foundation by combining recruited human resources with internal transfers and allocating personnel to growth businesses</li> </ul> </div> <div style="display: flex; align-items: center;"> <div style="background-color: #e6f2ff; padding: 10px; border-radius: 5px; width: 150px; text-align: center;">Capital investment</div> <ul style="list-style-type: none"> <li>● Secured GPUs and made proactive investments (approx. 27.5 billion yen*) at an early stage with a view to expanding provision of GPU cloud services for generative AI to stay ahead of growth in demand</li> <li>● Completed the construction of containerized data centers that serve as the foundation for providing services</li> </ul> </div> </div> <p style="text-align: right; font-size: small;">* See page 49 for actual investments</p>

**[Notice Regarding Changes in Directors and Partial Amendments to the Business Alliance Agreement]**

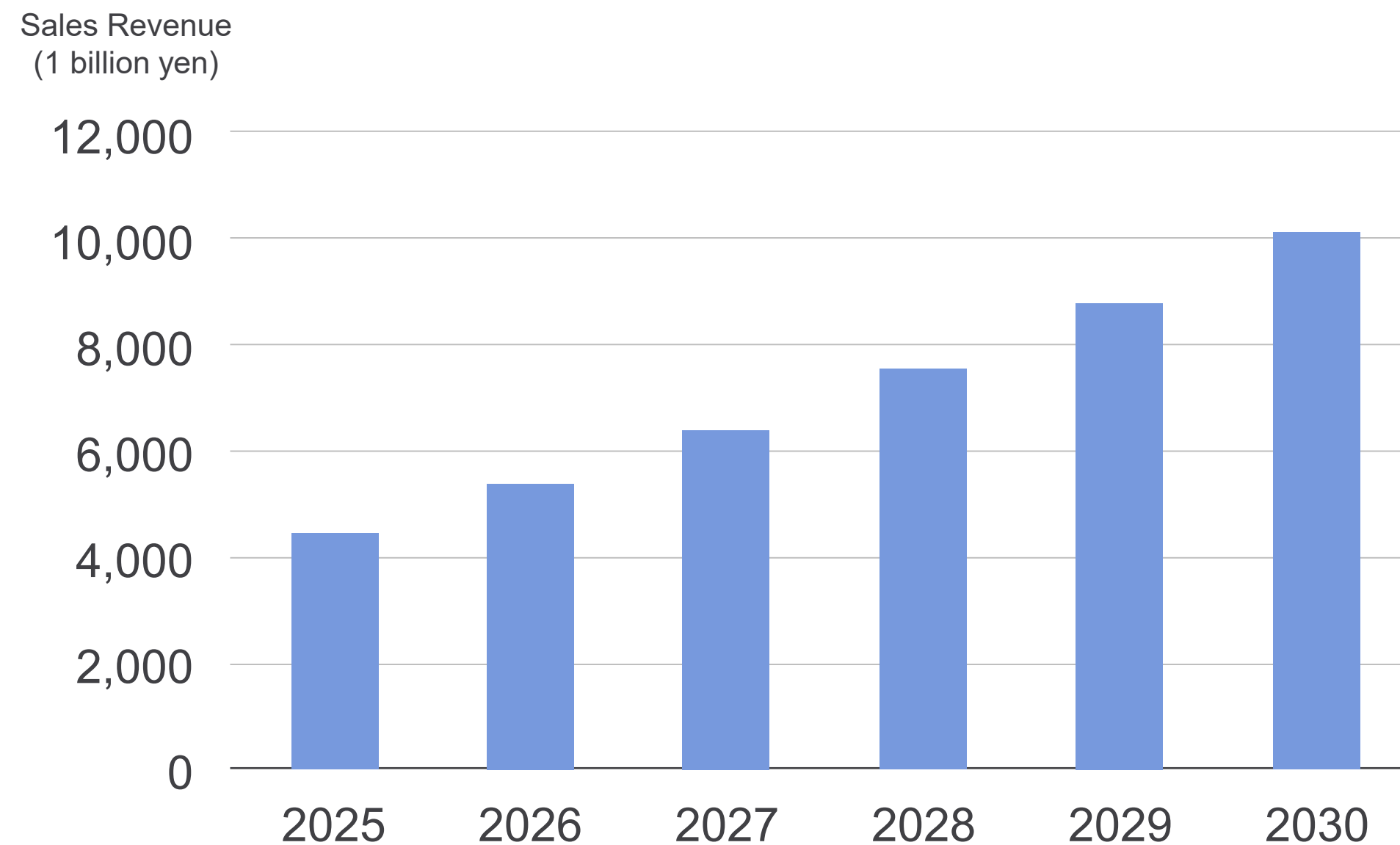
As Sojitz Corporation sold part of its shares in SAKURA internet, resulting in the Company no longer being an equity-method affiliate, changes in directors and partial amendments to the business alliance agreement were made. The impact on future consolidated results is expected to be minimal, and even after the director resignation, the number of Directors and Corporate Auditors stipulated by laws and regulations and the Articles of Incorporation is met.

# Market Environment and Growth Opportunities Surrounding the Company

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

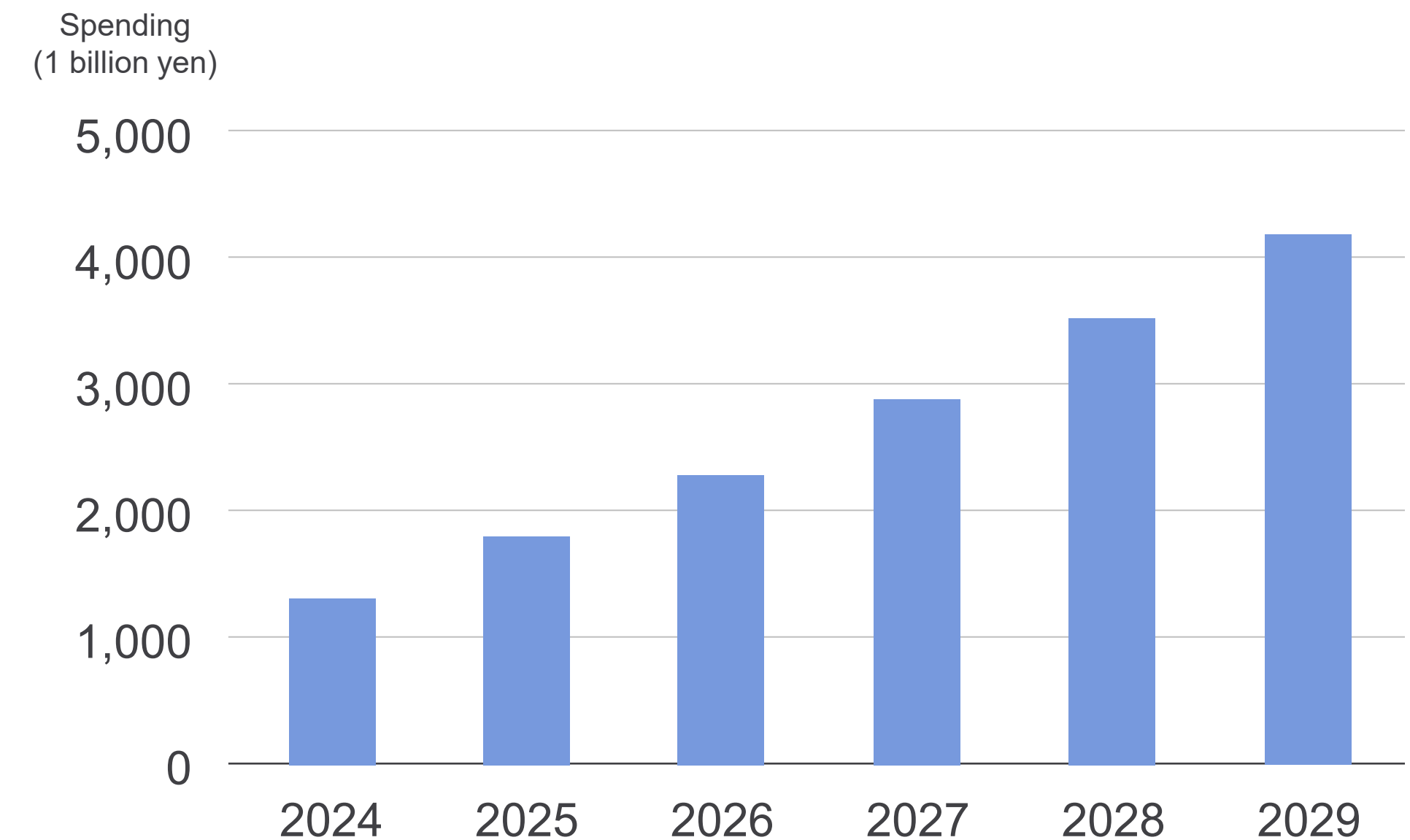
2025-2030 CAGR: **17.6%**



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)

## Officially selected as the only domestic **Government Cloud** provider (March 2026)

Target cloud services*	Service Providers
<b>SAKURA Cloud</b>	<b>SAKURA internet Inc.</b>
Amazon Web Services (AWS)	Amazon Web Services, Inc.
Google Cloud	Google LLC
Microsoft Azure	Microsoft Corporation
Oracle Cloud Infrastructure (OCI)	Oracle Corporation

### What is Government Cloud?

- A shared cloud platform for the national government and local governments developed by the Digital Agency (covering 20 operations including resident registration, taxation, and insurance)
- Under the Act on Standardization of Local Public Authorities' Information Systems, more than **1,700** local governments **nationwide** are **required to migrate their core systems**

\* On March 27, 2026, the Digital Agency announced its decision on new cloud services for Government Cloud development for FY2026

### Challenges Faced by the Government and Municipalities

- Foreign cloud services are the mainstay; widening of IT trade deficit
- Focus on domestic infrastructure (from economic security and disaster prevention perspectives)
- Impact of foreign exchange fluctuations
- Enhancement of domestic IT talent



### Value Provided by the Company

- Provide a domestic cloud option (supported by infrastructure operated entirely within Japan)
- Keep IT investment within Japan
- Pricing that is not affected by exchange rate fluctuations, ensuring cost predictability
- Compatibility with Japanese business practices × domestic support

Through **upfront GPU investment** based on the “Cloud Program” certification granted by the Ministry of Economy, Trade and Industry, the Company aims to become a core player capable of supporting Japan’s generative AI infrastructure

## Large-Scale Investment in GPU Infrastructure

For an investment plan totaling approximately **113.0 billion** yen to provide GPU infrastructure for generative AI, the project has been certified under the Ministry of Economy, Trade and Industry’s “Cloud Program” Supply Assurance Plan, and a government subsidy covering half of the project costs has been approved.

Based on the certification of the “Cloud Program” Supply Assurance Plan

**Grants totaling up to 57.5 billion yen**

→ Enabling GPU investment on a scale that would have been difficult for the Company to undertake independently

## Expansion of Generative AI Services

(Since January 2024)

Bare-metal cloud services  
**Koukaryoku PHY**

Containerized GPU cloud services  
**Koukaryoku DOK**

VM-type GPU cloud services  
**Koukaryoku VRT**

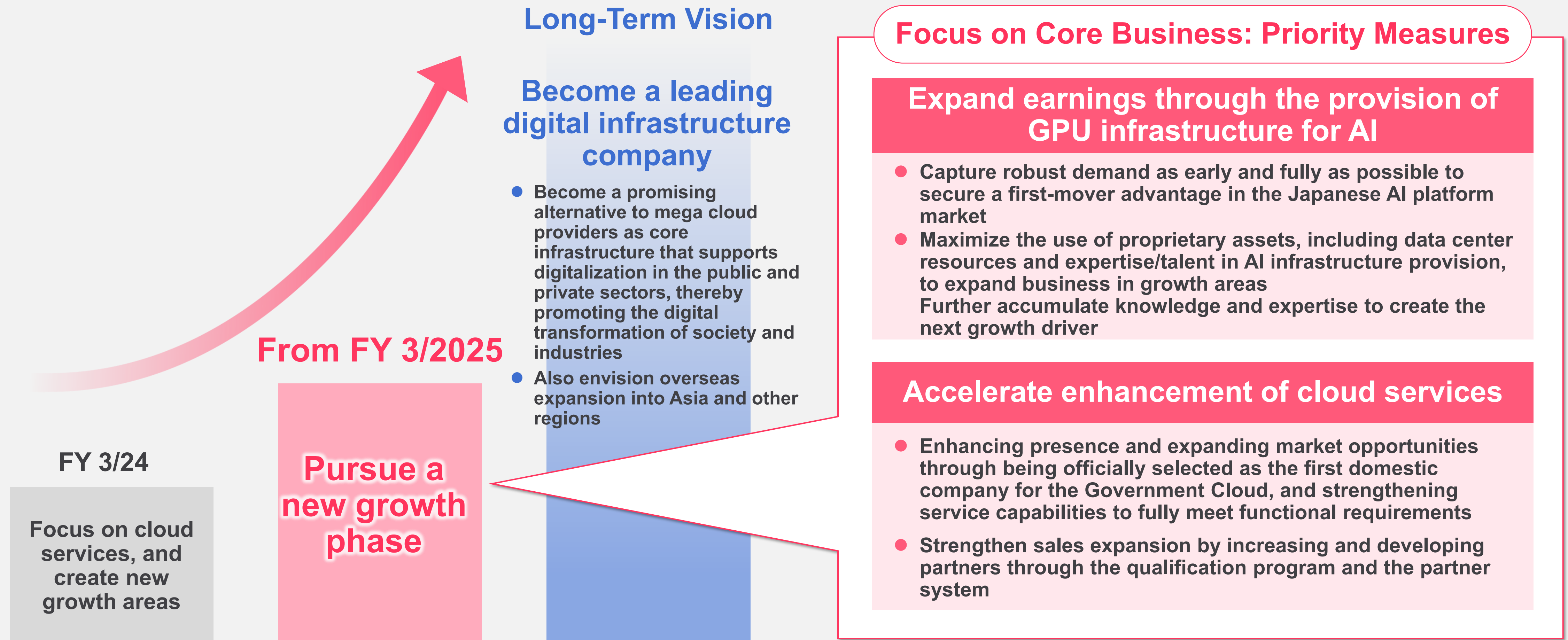
Inference API platform for generative AI  
(renamed in September 2025)  
**SAKURA AI Engine**

Managed HPC cluster services  
**SAKURAONE**

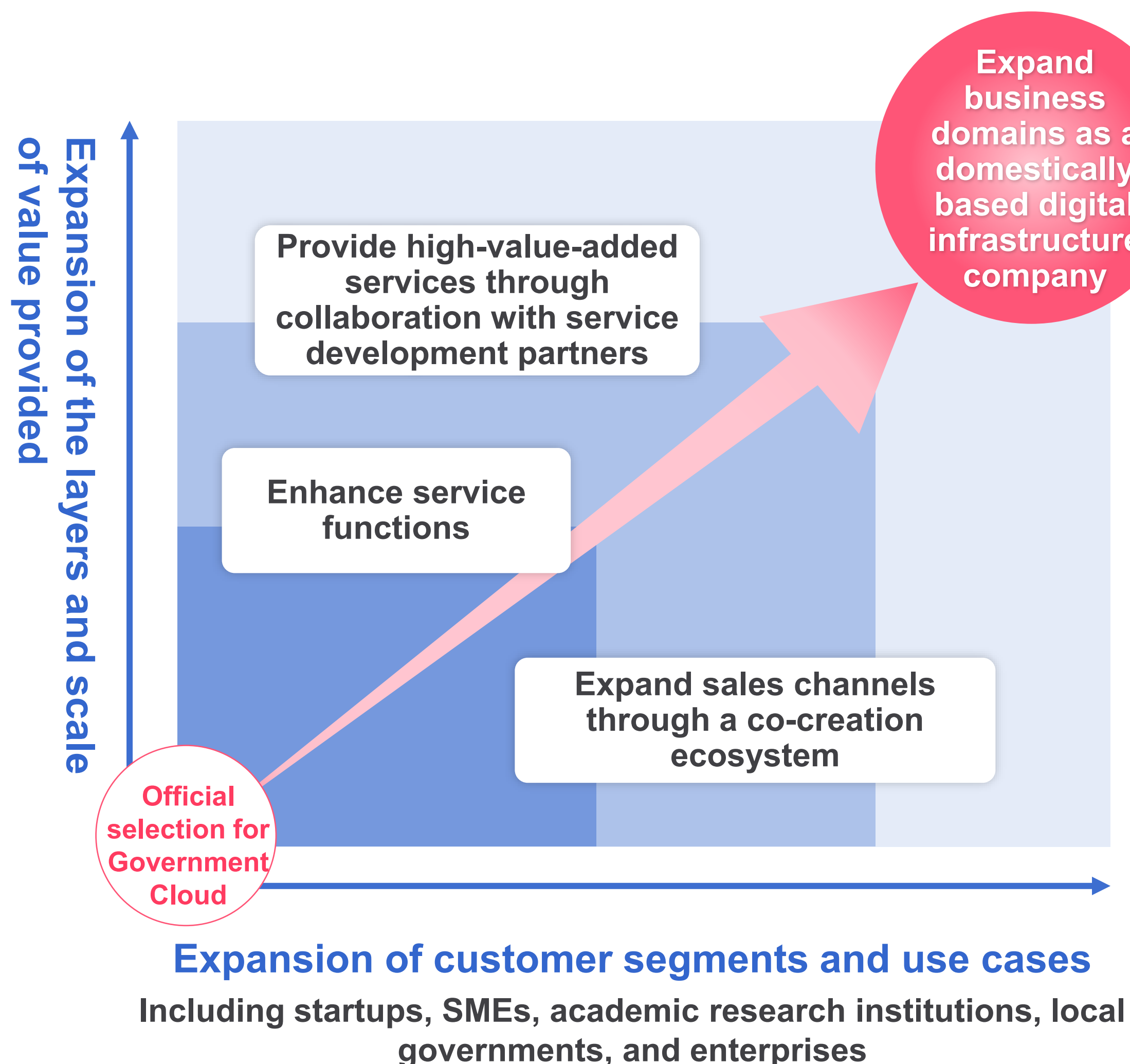
Domestic end-to-end generative AI  
business support services  
**SAKURA AI Solution**

# Medium- to Long-term Management Policy & Priority Measures for FY 3/2027

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



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)

**Leveraging Japan's only domestic Government Cloud service provider status and large-scale GPU infrastructure**, the Company is developing a framework to maximize growth opportunities as a core player in domestically-built digital infrastructure

## Practice of growth strategy



## Strengthen infrastructure that underpins growth strategy

Strengthen project creation capabilities through internal AI utilization, centered on the strengthening of sales capabilities and the partner strategy

- ✓ Reorganize into an organization where development and sales functions coordinate and **customer needs** are quickly reflected
- ✓ Dramatically expand **sales channels** through a co-creation partner ecosystem and strategic alliances
- ✓ Promote internal **AI utilization** throughout the fiscal year Enhance new customer acquisition capabilities and maximize LTV

Build a framework for strategic investment to capture growth opportunities and respond promptly to demand fluctuations

- ✓ Leverage previously invested GPU, data center, and talent base to promote focused and efficient **capital allocation** to growth areas
- ✓ Make decisions on new investments by assessing market trends, while utilizing existing data center assets to **ensure flexible and prompt responsiveness in providing the latest GPUs**

Combine the Company's **“strategic strengths”** with its **“co-creation ecosystem,”** thereby maximizing growth from both of the perspectives of customer value and market development

## Maximize value for existing customers (Trust and deepening)

- **Build an “empathy-driven” problem-solving framework through strategic proposals and technical support**  
Leveraging the Company's strengths of “vertical integration × in-house capabilities,” sales and technical teams work as one. Achieve both problem-solving capabilities and reliability through highly accurate customer-focused proposals and responsive technical support
- **Promote a “relationship-deepening” expansion model through upselling and cross-selling**  
Provide end-to-end support from the evaluation stage to actual operations by technical knowledge sharing, validation support, and continuous follow-up.  
Work together to enhance customer outcomes while simultaneously creating opportunities through ongoing upselling and cross-selling, expanding value, and deepening relationships

## Approach to new customers (Opportunity creation and area expansion)

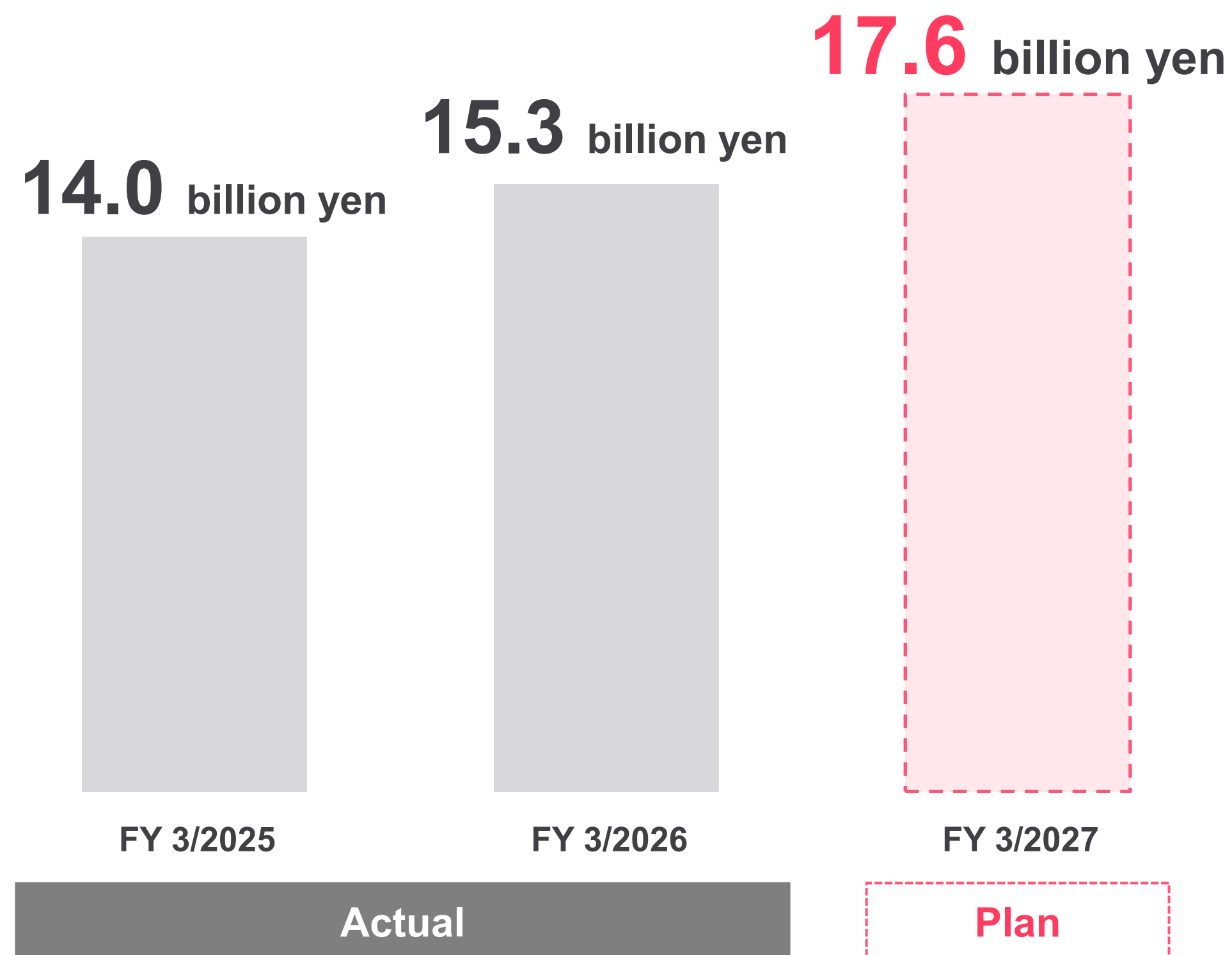
- **Expand strategies into new fields through partner co-creation**  
Supplement and expand specialized expertise and value that would be difficult to provide independently through a co-creation network with partners. Utilize official Government Cloud selection as a catalyst to deliver high-value-added approaches to untapped areas, such as non-IT industries and the public sector
- **Create “value-resonance” leads driven by customer challenges**  
Focusing on changes and early signals customers show, design touchpoints that lead to the emergence of issues and interests. Utilize webinars and exhibitions as places to foster empathy, thereby developing a co-creation-based sales style that reaches segments previously difficult to approach

**Not “selling,” but “creating value together”**

**Evolving into a solution-based sales model that creates future demand from a customer-oriented perspective**

## Expand sales as a trinity by strengthening value provided, the sales framework, and the partner ecosystem

### Cloud services sales projection



### Capture new markets such as enterprises and local governments, promoting new customer acquisition and LTV maximization

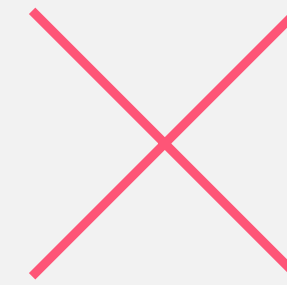
- Enhance both new customer acquisition capabilities and LTV through proposals based on customer challenges and internal AI utilization**  
 Create continuous value through premium support and a PDCA cycle utilizing VoC
- Reorganize the dedicated organization designed for enterprises to strengthen capabilities for large-scale and customized projects**  
 Develop a framework to win large-scale projects and promote full-fledged entry into new markets
- Utilize official Government Cloud selection as a catalyst to strengthen the partner strategy and expand sales channels**  
 Rebuild agency and partner programs to accelerate expansion into market segments beyond the Company's reach

**Evolve into a service model that balances profitability and growth through high-value-added generative AI infrastructure**

**Steadily execute priority measures with a view to maximizing full-year results**

**Achieve sustainable growth by deepening value provided and strengthening proposal and deployment capabilities**

## Enhancement of the value of GPU resources provided



## Enhancement of sales capabilities

Leveraging its strengths as a domestic leading company, the Company aims to evolve into a highly profitable generative AI infrastructure service provider through competitive GPU resources and a flexible cloud platform

Build a company-wide cross-functional structure centered on the AI expert team. Strengthen customer acquisition capabilities through expanded collaboration with resale partners

- **Improve profitability through high-value-added services**

Redesign GPU resources into optimized services tailored to specific uses and purposes. Flexibly provide user-friendly services such as SAKURAONE (cloud-based supercomputer), Koukaryoku PHY/VRT/DOK, and SAKURA AI. Differentiate by providing integrated support from implementation through operation, thereby enhancing service value-added and increasing LTV through continuous value delivery

- **Maximize the value of GPU resources**

Shift to a profit model that maximizes resource utilization efficiency per unit by achieving high utilization rates through transformation of GPUs into supercomputers and placing greater focus on cloud-based services, such as SAKURA AI. Also revise pricing strategies based on market supply-demand conditions

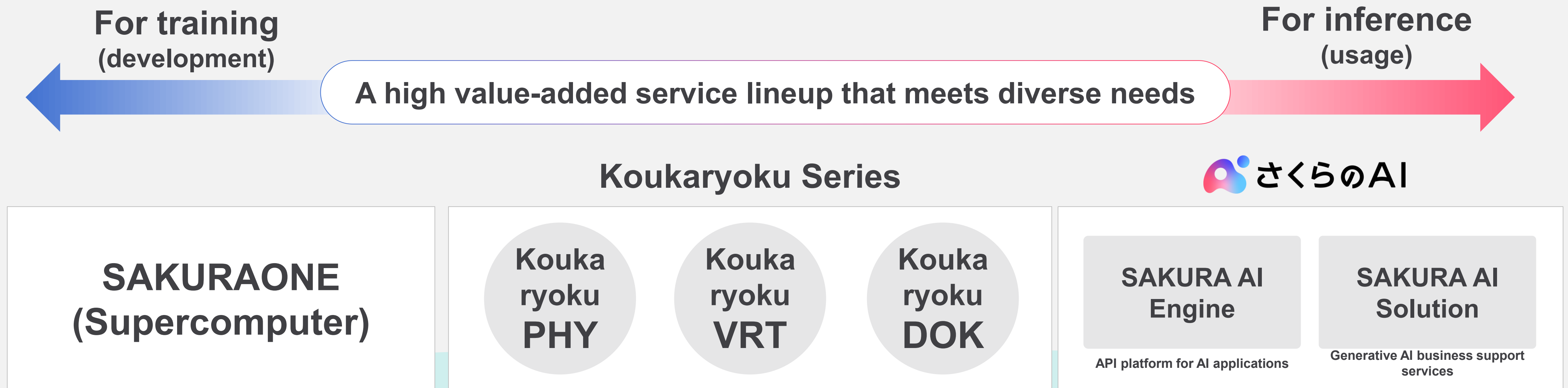
- **Build a company-wide cross-functional structure**

Under the leadership of the Senior Executive Officer, establish a cross-functional structure in which development, sales, and support sectors collaborate across departments. Reorganize into an organization capable of executing “build, sell, and support” across the entire Company. Strategically support customers’ use of generative AI through the AI expert team to accelerate enhancement of value provided

- **Increase sales through collaboration with resale partners**

Established a mutual resale partner program (Japan GPU Alliance) (October 2025). Full-scale project acquisition through mutual resale channels has started and is scheduled to expand further. Work to expand sales channels to new industries and customers through partners for revenue growth

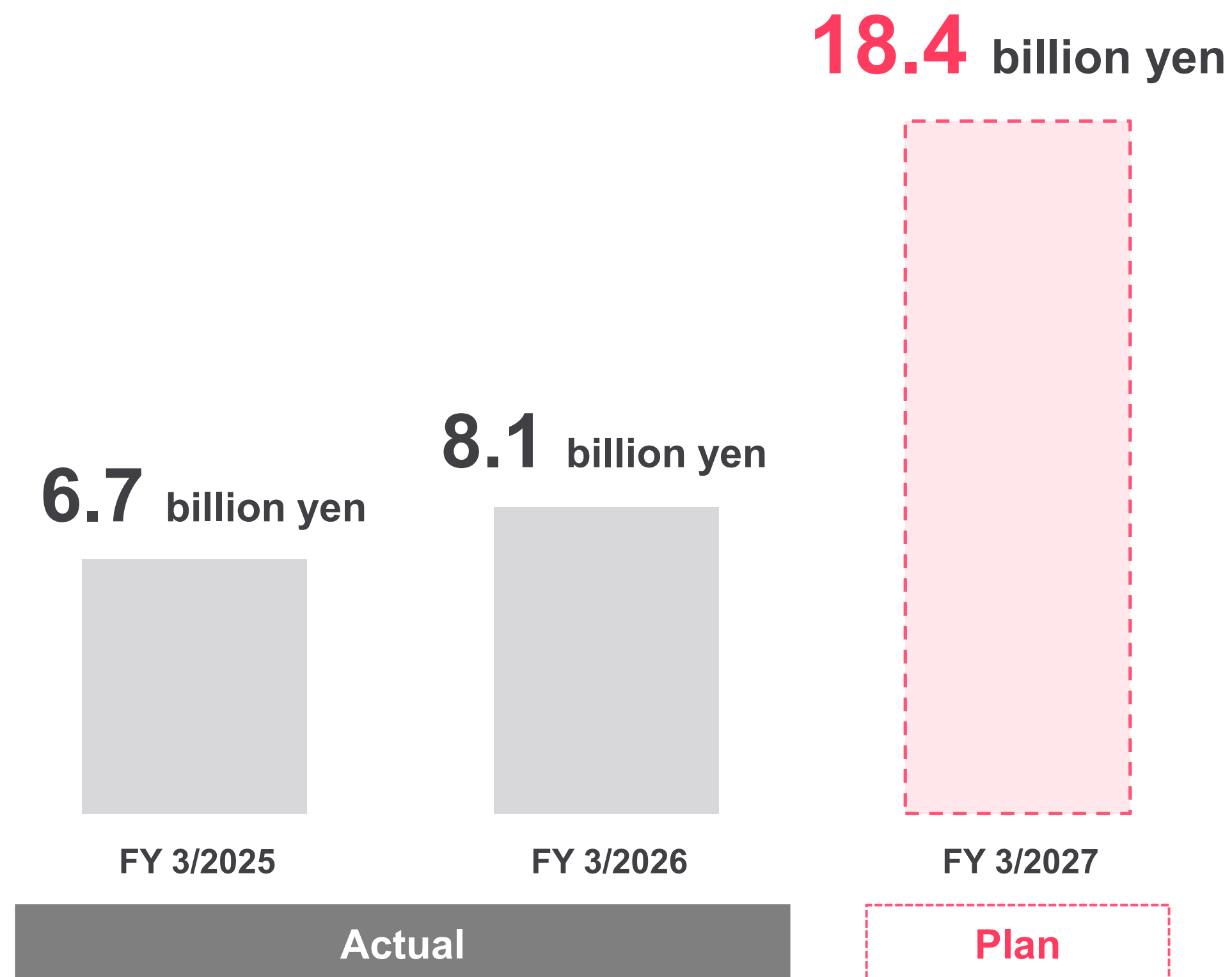
Optimally allocate scarce GPU resources across various services based on usage  
Aim to **strengthen sales capabilities** and maximize earnings while maximizing GPU utilization



**Strengthen overall sales capabilities**  
Sales capabilities through  
“reorganization of internal structures and systems” and  
“collaboration with resale partners”

Leveraging expanding demand for computational resources driven by the shift to the AI utilization phase, strengthen project creation capabilities through reorganization of sales organizations and maintain high GPU utilization rates

## GPU infrastructure services sales projection



Capture the current growth steadily through bare-metal services, while promoting functionality enhancement and the expansion of market recognition for cloud-based services

- **Drive the current earnings growth through bare-metal services**  
For GPU infrastructure services, the Company will steadily build up its sales pipeline through a company-wide cross-functional structure that strategically supports customers' use of generative AI and accelerates enhancement of value provided. This will maintain high GPU utilization rates, thereby securing near-term earnings growth
- **Drive medium- to long-term growth through cloud-based services**  
Position highly profitable cloud-based services as a pillar of medium- to long-term growth, and promote functionality enhancement and expansion of market recognition
- **Decide on next-generation GPU investment while carefully assessing market conditions**  
With respect to investment in next-generation GPUs, the Company intends to make decisions at the appropriate timing while carefully assessing market trends and changes in demand conditions

\* This plan applies only to GPU infrastructure services (excluding Koukaryoku VRT, Koukaryoku DOK, and SAKURA AI)

Of the 113 billion yen investment plan for GPU infrastructure for generative AI, 52.1 billion yen will be invested.

## Actual and Planned Investments for Generative AI Services

### Actual Investments (FY 3/2024 to FY 3/2025)

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	Other (e.g., air conditioning upgrades for H100)
<b>Investment amount: 52.1 billion yen</b>		

\* 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.
Under consideration	6.5 billion yen	Generator buildings, Containerized DC Third Phase
	Under consideration	Procurement of next-generation GPUs

\* Please refer to page 39 for our investment plan for the fiscal year ending March 2027.



**Investment in next-generation GPUs and data centers will continue to be advanced in a planned manner**

**The top priority for FY 3/2027 will be stable operation of existing GPU resources, while additional investments will be considered based on market conditions**

		FY 3/2024				FY 3/2025				FY 3/2026				FY 3/2027				FY 3/2028 To FY 3/2031	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Subsidized by METI		■ 13 billion yen-scale plan certified (1st investment plan)				■ 100 billion yen-scale plan certified (2nd investment plan)													
GPU installation (Estimated number of units)	H100			Installed 2,000 units			Installed 840 units												
	H200								● Installed 1,072 units										
	B200								● Installation of approx. 400 units		● Installation of approx. 1,100 units								
	Next-generation GPU																	Continued expansion of next-generation GPUs to meet demand	
Data center extension								● Launch of operations for the 1st-phase containerized data center		● Launch of operations for the 2nd-phase containerized data center								Scheduled Construction of 3rd phase containerized data center	Phased data center expansion

Sufficient capacity remains, and the framework to accommodate new GPU resources is already in place

# Earnings Forecasts for FY 3/2027

Net sales are expected to increase **27.5%** year on year, driven by Generative AI services and Cloud services, which remain our priority businesses

Various initiatives to expand sales channels will be promoted following official selection for the Government Cloud program

## Sales

- In Generative AI services, particularly GPU infrastructure services, existing GPUs continue to maintain stable high utilization rates. Further sales growth is also expected through measures such as increasing the number of new business negotiations, expanding the service lineup, and enhancing generative AI-related optional services (**GPU infrastructure services: 18,400 million yen, +125.9% YoY**)
- For Cloud services, sales growth will be pursued through functional enhancements and cross-selling initiatives, in addition to stable revenue from customer retention. In addition, backed by Official Government Cloud certification, new projects for the public and enterprise sectors are expected to expand through collaboration with partners (**Cloud services: 17,600 million yen, +14.9% YoY**).

## Profit

- Depreciation related to GPUs (including procurement of computational resources and DC\* construction) is increasing, while electricity prices and costs of equipment, such as semiconductors associated with data center operations, are rising sharply
- Build an ecosystem to expand sales channels and promote sales and marketing measures

(Millions of yen)

Item	FY 3/26 Actual Amount	First Six Months of FY 3/27 (Forecast)		FY 3/27 Full Year (Forecast)	
		Amount	Change (%)	Amount	Change (%)
Net sales	35,301	21,000	34.3	45,000	27.5
Operating profit	(403)	650	-	1,500	-
Ordinary profit	105	550	-	1,200	1,037.7
Profit attributable to owners of parent	216	350	-	850	293.5

\* DC: Data centers

**Sales of GPU infrastructure services are expected to grow significantly, while cloud services are expected to achieve double-digit growth.**

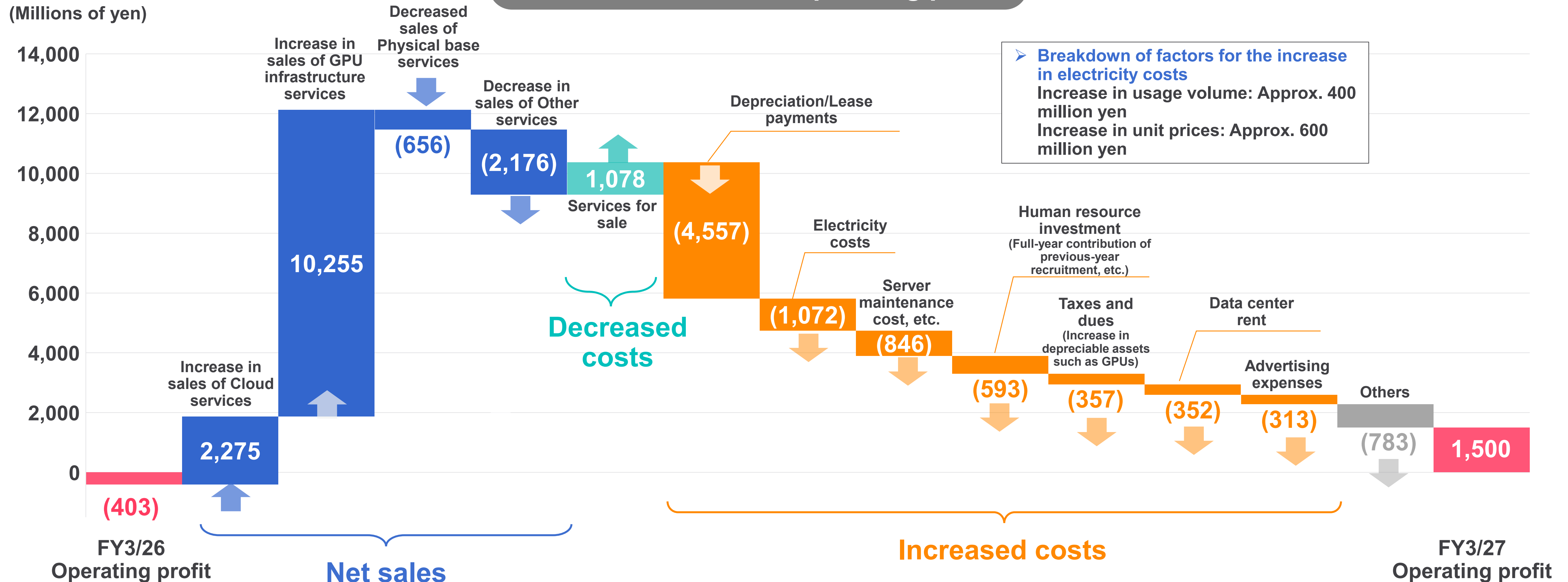
Sales in other services are expected to decline due to the absence of large one-off projects in the previous fiscal year, but we aim to drive further growth going forward.

(Millions of yen)

Service category	FY 3/26 Actual	FY 3/27 Forecast		
	Amount	Amount	Change	Change (%)
Cloud services	15,324	17,600	2,275	14.9
Cloud infrastructure	10,599	12,850	2,250	21.2
Cloud application	4,724	4,750	25	0.5
GPU infrastructure services	8,144	18,400	10,255	125.9
Physical base services	3,056	2,400	(656)	(21.5)
Other services	8,776	6,600	(2,176)	(24.8)
Total	35,301	45,000	9,698	27.5

Depreciation (full-year GPU operation, generator facilities, higher cloud equipment prices)  
 Electricity costs (higher usage and unit prices)  
 Full-year personnel contribution  
 Higher taxes on depreciable assets (e.g., GPUs)

## Factors that affected operating profit



## Investment plan for FY 3/2027

- Equipment investment and replacement are planned mainly for Cloud services in line with sales growth  
\* Including an increase in equipment procurement prices
- Investment in next-generation GPUs is being considered.

(100 millions of yen)

Description of investment	Budget
Data centers (incl. expansion of Ishikari Data Center)	87
Of which, generator buildings for containerized data centers	44
Servers and network equipment	105
Of which, equipment for cloud services	63
Others (systems, etc.)	6
<b>Total</b>	<b>198</b>

\*Amounts are rounded down to the nearest 100 million yen. Amount before applying tax purpose reduction entry

## Recruitment plan for FY 3/2027

- Strengthen the talent base capable of supporting medium- to long-term business growth

Number of hires(planned)

**60** persons

# Initiatives for ESG management

# Sustainable corporate management that will turn “what you want to do” into “what you can do”

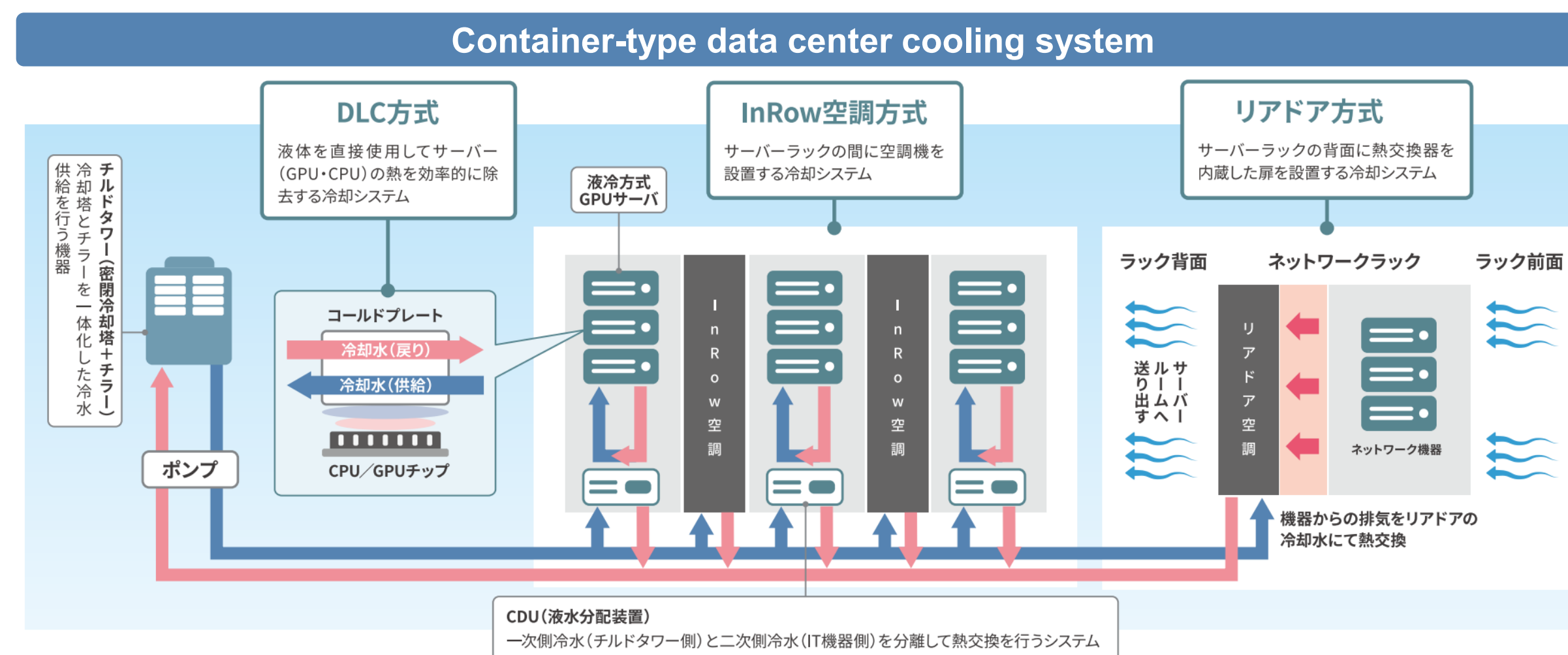


Individual employees pursuing “job satisfaction” in a comfortable work environment and enjoying their work provide value to customers  
Create a virtuous cycle of learning to achieve success together



## Launch of container-type 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 container-type 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 (January)

Director Maeda attended a forum (hosted by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry) to promote “Watt-Bit Collaboration,” an integrated development of power and telecommunications infrastructure. The Company communicated that, for AI and cloud services to develop sustainably as social infrastructure, it is essential to view data centers, AI, and cloud services as an integrated whole, and that, as growth industries, we must take the lead in environmental initiatives

## Training of human resources in the digital field: For students and companies

To build a new digital-ready society, contribute to the recruitment and training of people who can move forward with the digital field through the provision of cloud services in which we are strong

### Providing educational opportunities to learn about cloud

- Established and regularly holding “SAKURA Cloud Certificate,” a qualification test program designed for people to learn a wide range of digital skills from the basics to practical levels

- Began providing practice tests that can be taken online (January 2025)
- Launched the “SAKURA Cloud Certificate Lab,” a program offering a learning environment free of charge for one month (December 2025)
- A new “Advanced” category covering more sophisticated cloud utilization was established, while the existing certification was repositioned as “Basic,” thereby enabling step-by-step learning up to advanced design and optimization (March 2026)



- “Cloud Engineer Development Course” certified by the Ministry of Economy, Trade and Industry

“Cloud Engineer Development Course” is developed jointly with zero to one, Inc. and has been certified as a course approved under the Ministry of Economy, Trade and Industry’s “Certification Program for the Fourth Industrial Revolution Skills Acquisition Courses\*\*”



\* A system in which the Minister of Economy, Trade and Industry certifies professional and practical educational training courses that enable working adults to acquire high-level expertise and advance their careers in fields where future growth is strongly expected, centering on IT and data, and which contribute to job creation

- Established the “SAKURA AI Certification” to develop AI talent (March 2026)

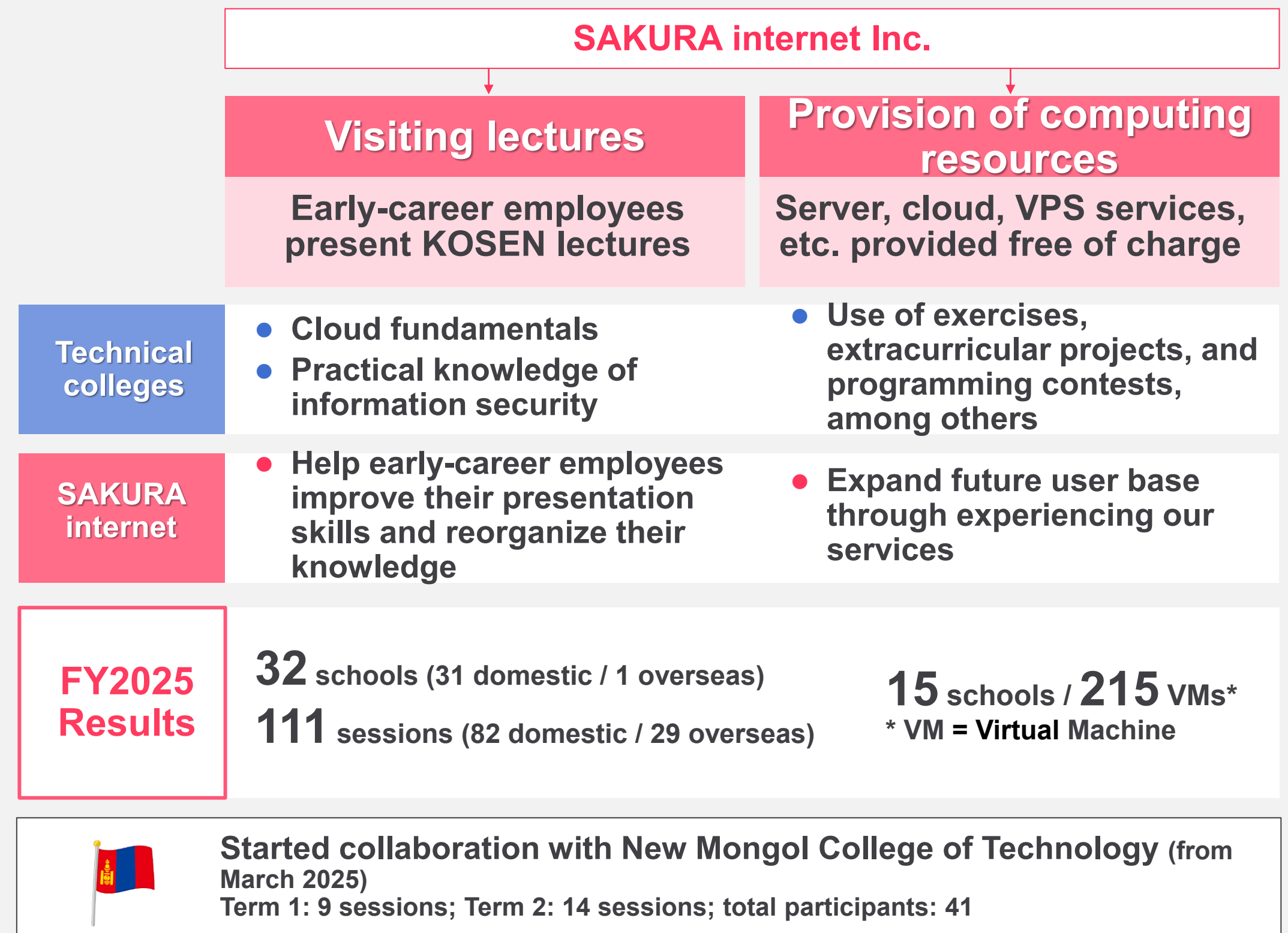
The certification program was established to develop human resources capable not only of understanding fundamental AI technologies, but also of selecting appropriate AI services in actual operations and fully utilizing them safely with sound judgment and skills. Learning materials are also available for free



- Official YouTube channel “SAKURA Digital Infrastructure School” launched (September 2025), with over 10,000 subscribers and 60 posted videos at the moment

### Practical education through the KOSEN support project

We have formed a comprehensive partnership with the National Institute of Technology (KOSEN) to expand practical, hands-on education programs

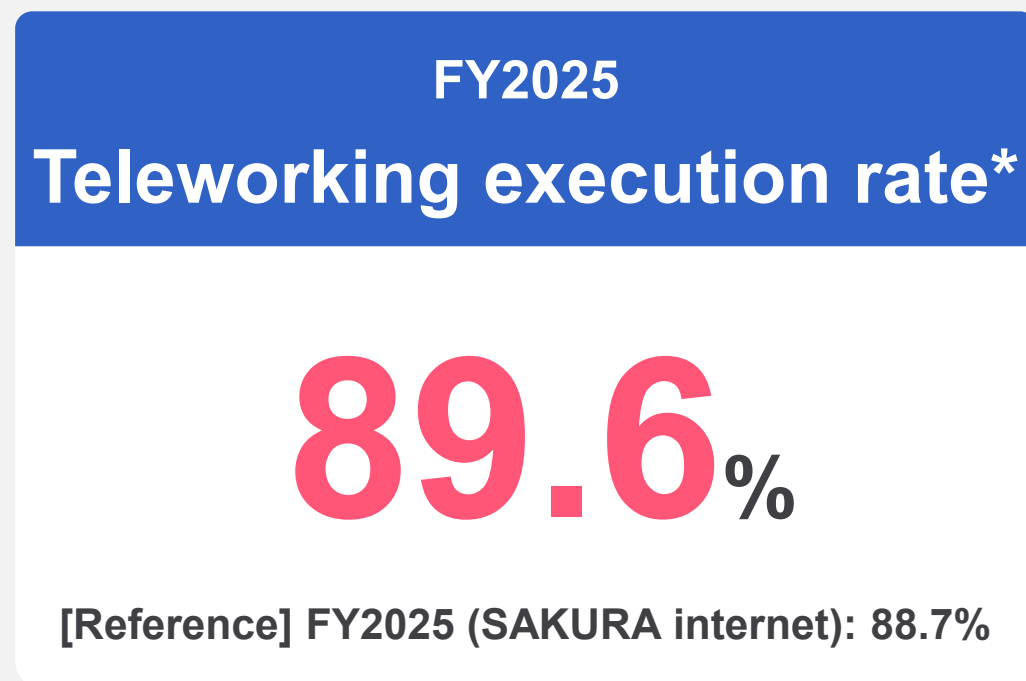


## Pursuing both “job satisfaction” and “a comfortable work environment”

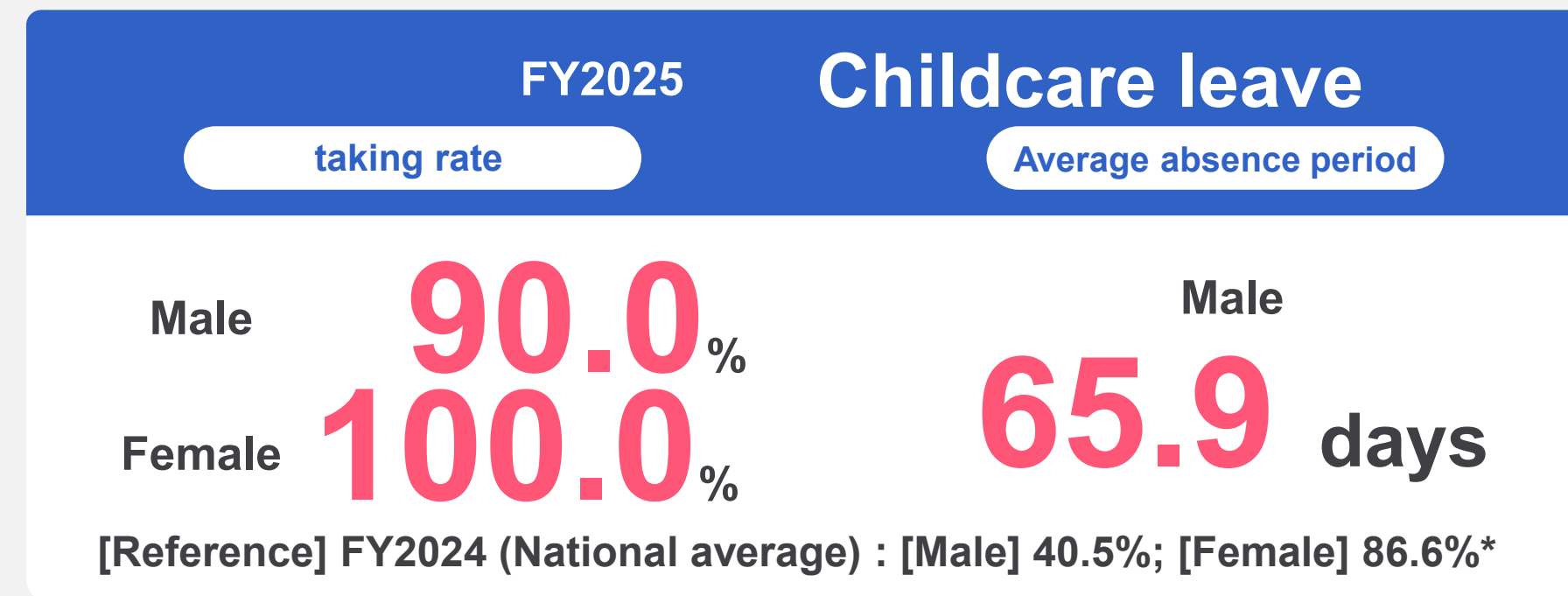
Continue to support flexible work styles including internal HR programs to promote teleworking and parallel careers

Improve the working environment and career development support system for working parents, focusing on boosting the ratio of women and active appointment of women in managerial positions

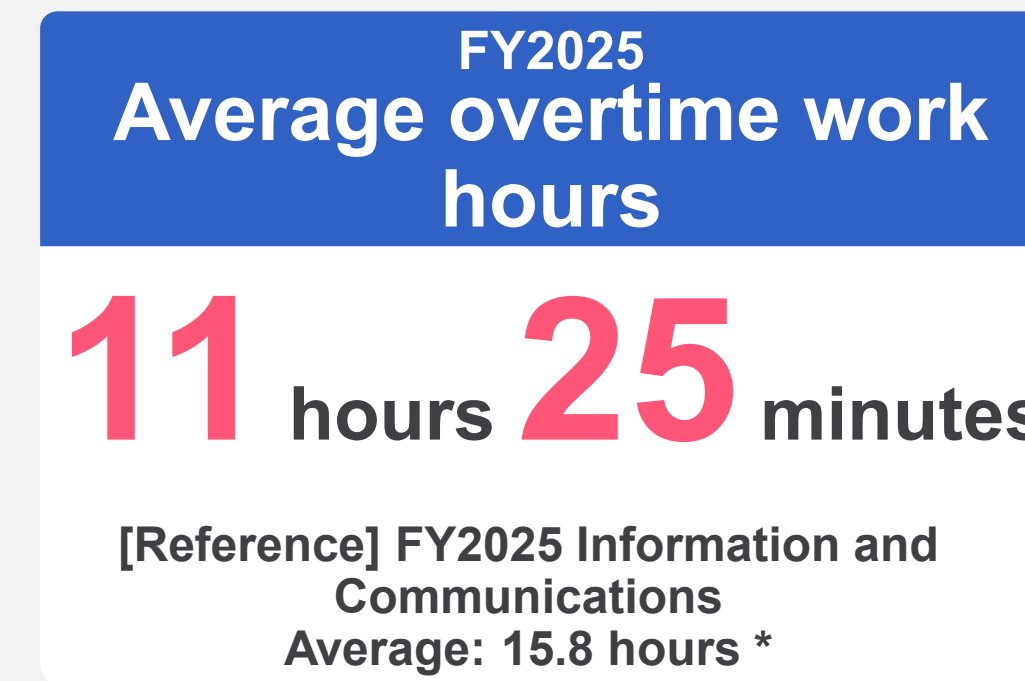
The Company also enhanced transparency by disclosing data on employee composition and benefits usage, and obtained the “White Company Certification (Gold)” and “Kurumin Certification”



\* Calculated for March 2026. Non-office attendance rate



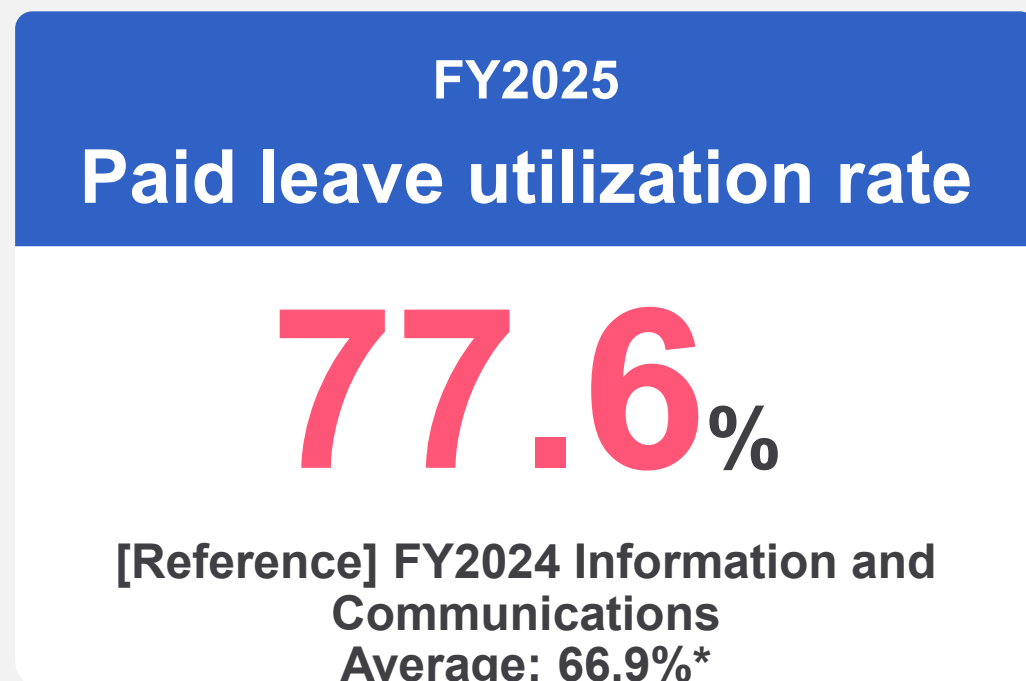
\*Source: Basic Survey of Gender Equality in Employment Management for 2024



\*Source: Monthly Labour Survey for 2025



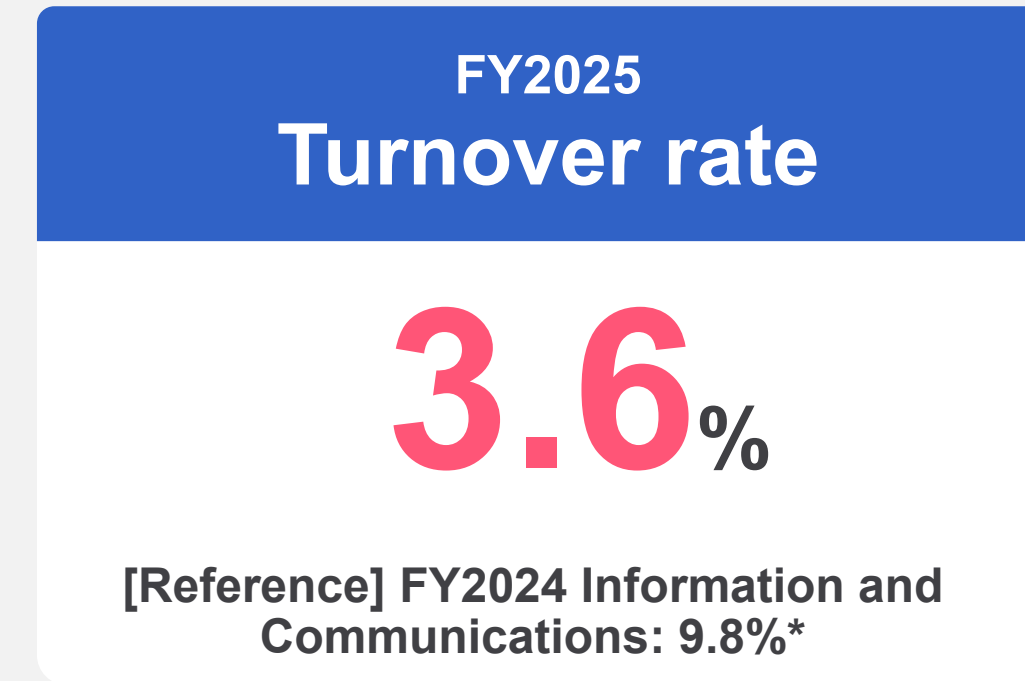
Received the Ministry of Health, Labour and Welfare's “Kurumin Certification” in October 2023



\* Source: General Survey on Working Conditions for 2024



\*Source: Basic Survey of Gender Equality in Employment Management for 2024



\*Source: Survey on Employment Trends for 2024

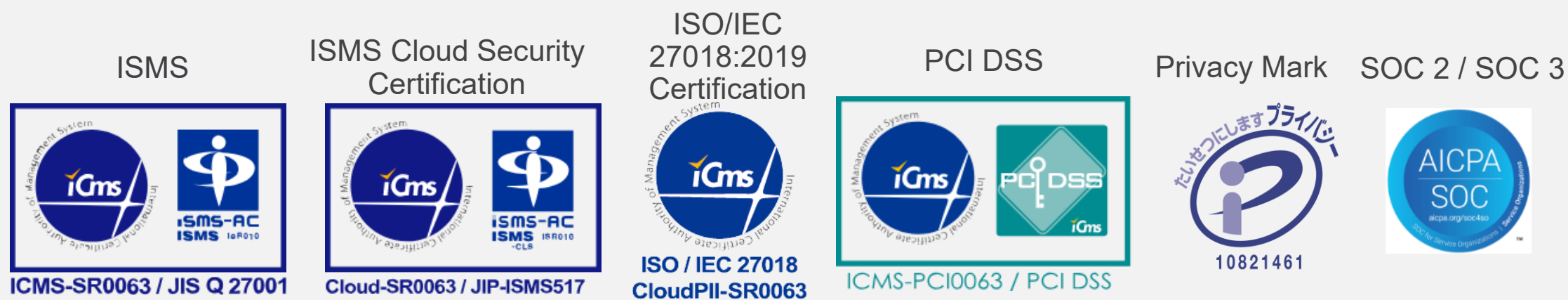


Received White Company Certification “Gold” in November 2023

## Maintain and improve information security

### Registration with various certification programs

- ISMS, a comprehensive information security management system, is applied company-wide to ensure strict conformity to the information security standards on a continuous basis
- SAKURA Cloud was registered with the ISMAP (Information system Security Management and Assessment Program)\* (December 2021)
  - \* A system in which the ISMAP Steering Committee evaluates and registers cloud services that meet the security requirements of the government in advance
- SAKURA Cloud obtained ISO/IEC 27018:2019\*, an international code of practice focused on personal data protection in cloud environments (February 2026)
  - \* This initiative sets additional control measures to protect personally identifiable information (PII) handled by cloud service providers and complements ISO/IEC 27001.



### CASE Disclosure of Transparency Report

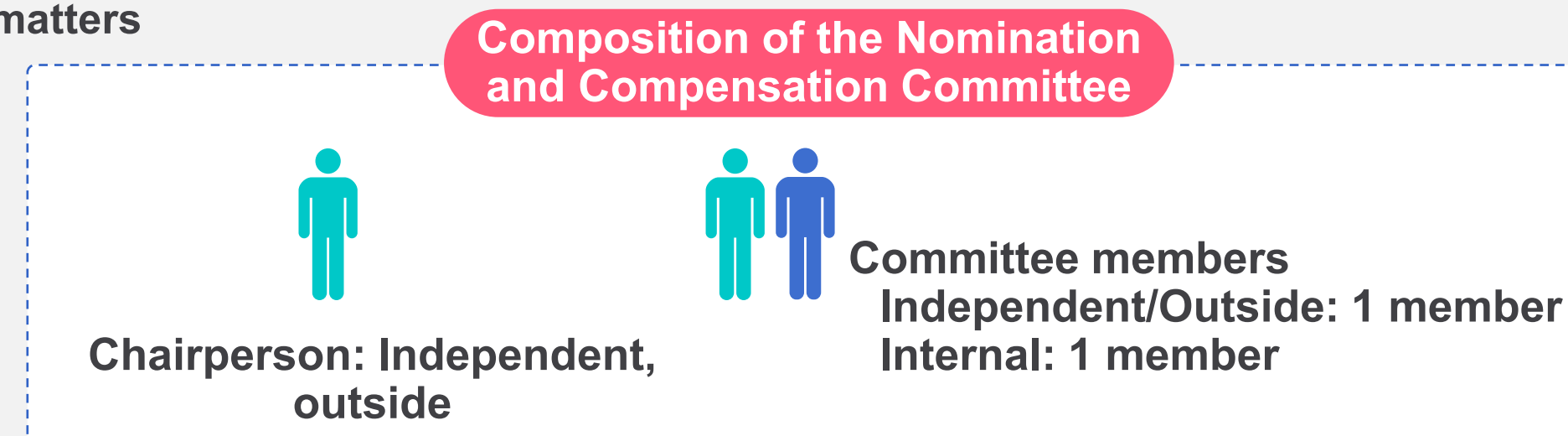
To improve the safety and quality of the Internet, the Company complies with the Act on the Protection of Personal Information, the Provider Liability Limitation Act and other related laws and guidelines, and responds to disclosure requests from investigating authorities. Since August 2023, to ensure transparency, the Company has published the Transparency Report, which contains the number of requirements and cases that have been addressed

[Transparency Report](#)

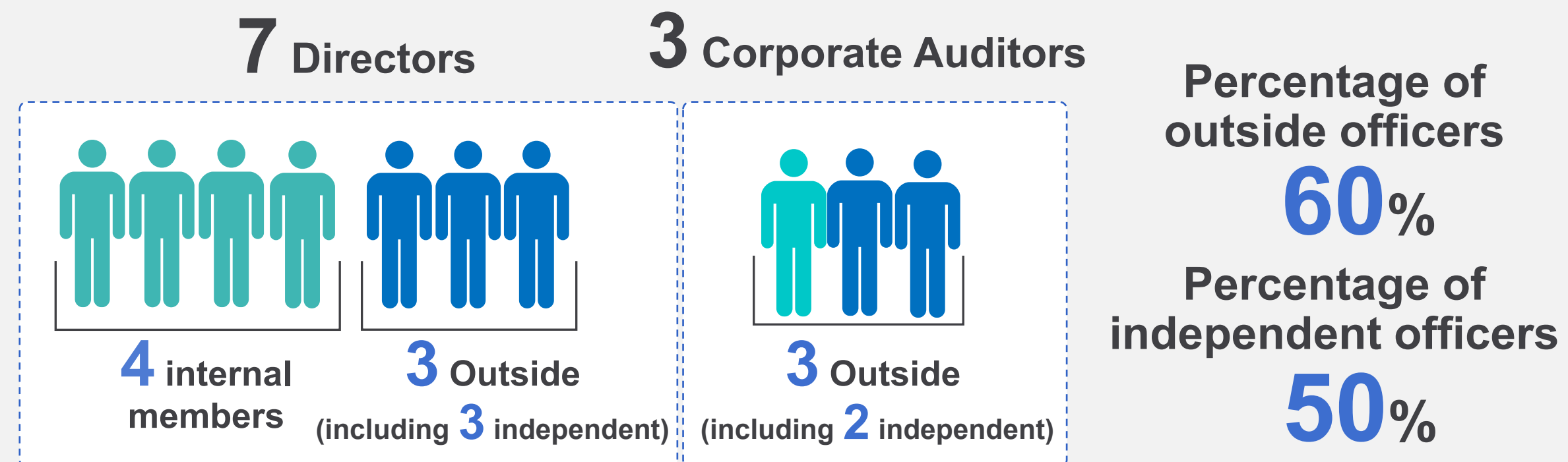
## Enhance corporate governance

### Enhance fairness, transparency, and objectivity in nomination and compensation procedures

The Nomination and Compensation Committee was established as a voluntary advisory body of the Board of Directors. Independent Outside Directors make up the majority of the committee members, and an Independent Outside Director serves as chair, thereby providing greater governance than ever over the functions of the Board of Directors in relation to the nomination and remuneration of Directors and Corporate Auditors and related matters



### Percentage of outside or independent officers of the Board of Directors



**appendix**

# Data/Company Profile

# Consolidated Sales by Service Category: Reclassification of Generative AI Service Categories

From the first quarter of the fiscal year ending March 2026,  
 Services that provide **cloud-based** GPUs are recorded under “Cloud services”  
 Services that provide **bare-metal** GPUs are newly defined as “GPU infrastructure services”

FY 3/2025		FY 3/2026	
<b>Cloud services</b>		<b>Cloud services</b>	
Cloud infrastructure	-	Cloud infrastructure	<ul style="list-style-type: none"> <li>● Koukaryoku DOK</li> <li>● Koukaryoku VRT <b>NEW</b></li> </ul>
Cloud application	-	Cloud application	-
<b>GPU cloud services</b>	<ul style="list-style-type: none"> <li>● Koukaryoku PHY</li> <li>● Koukaryoku DOK</li> </ul>	<b>GPU infrastructure services</b>	<ul style="list-style-type: none"> <li>● Koukaryoku PHY</li> <li>● Sakura dedicated server Koukaryoku Series</li> <li>● SAKURAONE <b>NEW</b></li> </ul>
<b>Physical base services</b>	<ul style="list-style-type: none"> <li>● Sakura dedicated server Koukaryoku Series</li> </ul>	<b>Physical base services</b>	-
<b>Other services</b>	-	<b>Other services</b>	<ul style="list-style-type: none"> <li>● SAKURA AI <b>NEW</b></li> </ul>

# Consolidated Net Sales by Service Category (QoQ Change)

(Millions of yen)

Service category	FY 3/25				FY 3/26				QoQ change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Change	Change (%)
<b>Cloud services</b>	<b>3,368</b>	<b>3,444</b>	<b>3,543</b>	<b>3,650</b>	<b>3,698</b>	<b>3,810</b>	<b>3,863</b>	<b>3,951</b>	<b>88</b>	<b>2.3</b>
Composition (%)	56.7	47.0	43.6	36.4	49.4	46.8	46.0	35.0		
Cloud infrastructure	2,346	2,370	2,436	2,506	2,529	2,623	2,678	2,769	90	3.4
Cloud application	1,021	1,074	1,107	1,144	1,169	1,187	1,185	1,182	(2)	(0.2)
<b>GPU infrastructure services</b>	<b>497</b>	<b>1,742</b>	<b>1,834</b>	<b>2,697</b>	<b>1,363</b>	<b>1,456</b>	<b>1,818</b>	<b>3,505</b>	<b>1,687</b>	<b>92.8</b>
Composition (%)	8.4	23.8	22.6	26.9	18.2	17.9	21.7	31.1		
<b>Physical base services</b>	<b>825</b>	<b>820</b>	<b>825</b>	<b>822</b>	<b>802</b>	<b>775</b>	<b>754</b>	<b>724</b>	<b>(30)</b>	<b>(4.0)</b>
Composition (%)	13.9	11.2	10.2	8.2	10.7	9.5	9.0	6.4		
<b>Other services</b>	<b>1,243</b>	<b>1,328</b>	<b>1,922</b>	<b>2,844</b>	<b>1,627</b>	<b>2,095</b>	<b>1,957</b>	<b>3,095</b>	<b>1,138</b>	<b>58.1</b>
Composition (%)	21.0	18.1	23.7	28.4	21.7	25.7	23.3	27.5		

\* From FY 3/2026, consolidated service categories were changed. Reclassified figures are also used in FY3/2025

\* Koukaryoku PHY and the SAKURA Dedicated Server Koukaryoku Series have been reclassified as "GPU infrastructure services," while Koukaryoku DOK and VRT have been reclassified as "Cloud infrastructure" (see the previous page for details)

# Consolidated Statement of Income (QoQ Change)

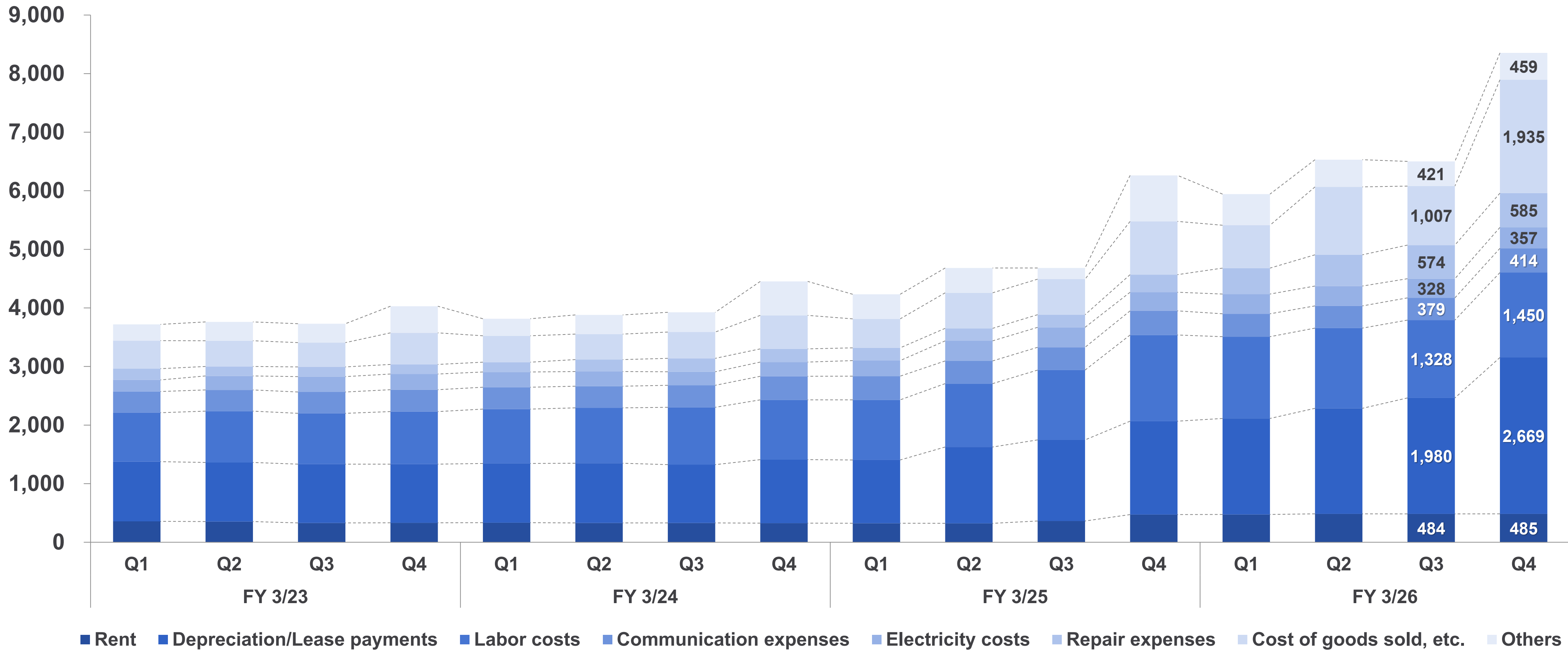
(Millions of yen)

Item	FY 3/25				FY 3/26				QoQ change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Change	Change(%)
<b>Net sales</b>	<b>5,935</b>	<b>7,335</b>	<b>8,125</b>	<b>10,015</b>	<b>7,492</b>	<b>8,139</b>	<b>8,393</b>	<b>11,277</b>	<b>2,883</b>	<b>34.4</b>
Cost of sales	4,236	4,685	5,159	6,100	5,948	6,534	6,504	8,358	1,854	28.5
<b>Gross profit</b>	<b>1,698</b>	<b>2,650</b>	<b>2,966</b>	<b>3,914</b>	<b>1,543</b>	<b>1,604</b>	<b>1,889</b>	<b>2,918</b>	<b>1,029</b>	<b>54.5</b>
SG&A expenses	1,467	1,586	1,676	2,354	2,001	2,068	2,085	2,204	119	5.7
<b>Operating profit</b>	<b>231</b>	<b>1,064</b>	<b>1,289</b>	<b>1,560</b>	<b>(457)</b>	<b>(463)</b>	<b>(196)</b>	<b>713</b>	<b>910</b>	<b>-</b>
Operating margin (%)	3.9	14.5	15.9	15.6	(6.1)	(5.7)	(2.3)	6.3		
<b>Ordinary profit</b>	<b>95</b>	<b>1,006</b>	<b>1,386</b>	<b>1,571</b>	<b>(438)</b>	<b>(373)</b>	<b>12</b>	<b>905</b>	<b>892</b>	<b>7,334.7</b>
Profit attributable to owners of parent	41	668	932	1,295	(324)	(302)	75	767	691	912.8
<b>EBITDA</b>	<b>1,032</b>	<b>2,212</b>	<b>2,712</b>	<b>3,127</b>	<b>1,205</b>	<b>1,463</b>	<b>2,049</b>	<b>3,664</b>		

# Breakdown of Major Costs (Consolidated)

## Breakdown of major costs

(Millions of yen)



\* From FY 3/2026, "Cost of government projects," previously included in "Other," has been reclassified under "Cost of goods sold, etc."

## Investments for FY 3/2026

(100 millions of yen)

Description of investment	Full-year plan	Cumulative results
<b>Data centers</b>	<b>107</b>	<b>109</b>
of which, a containerized data center	60	77
<b>Servers and network equipment</b>	<b>290</b>	<b>256</b>
of which , Generative AI Services	228	197
<b>Others (systems and office-related, etc.)</b>	<b>3</b>	<b>2</b>
<b>Total</b>	<b>401</b>	<b>368</b>

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

\* Amount before applying reduction entry

## Number of personnel in FY 3/2026

Increased by **138** from the previous year end

	End of FY 3/25	End of FY 3/26
<b>Number of employees*</b>	<b>997</b>	<b>1,135</b>

### Breakdown of changes

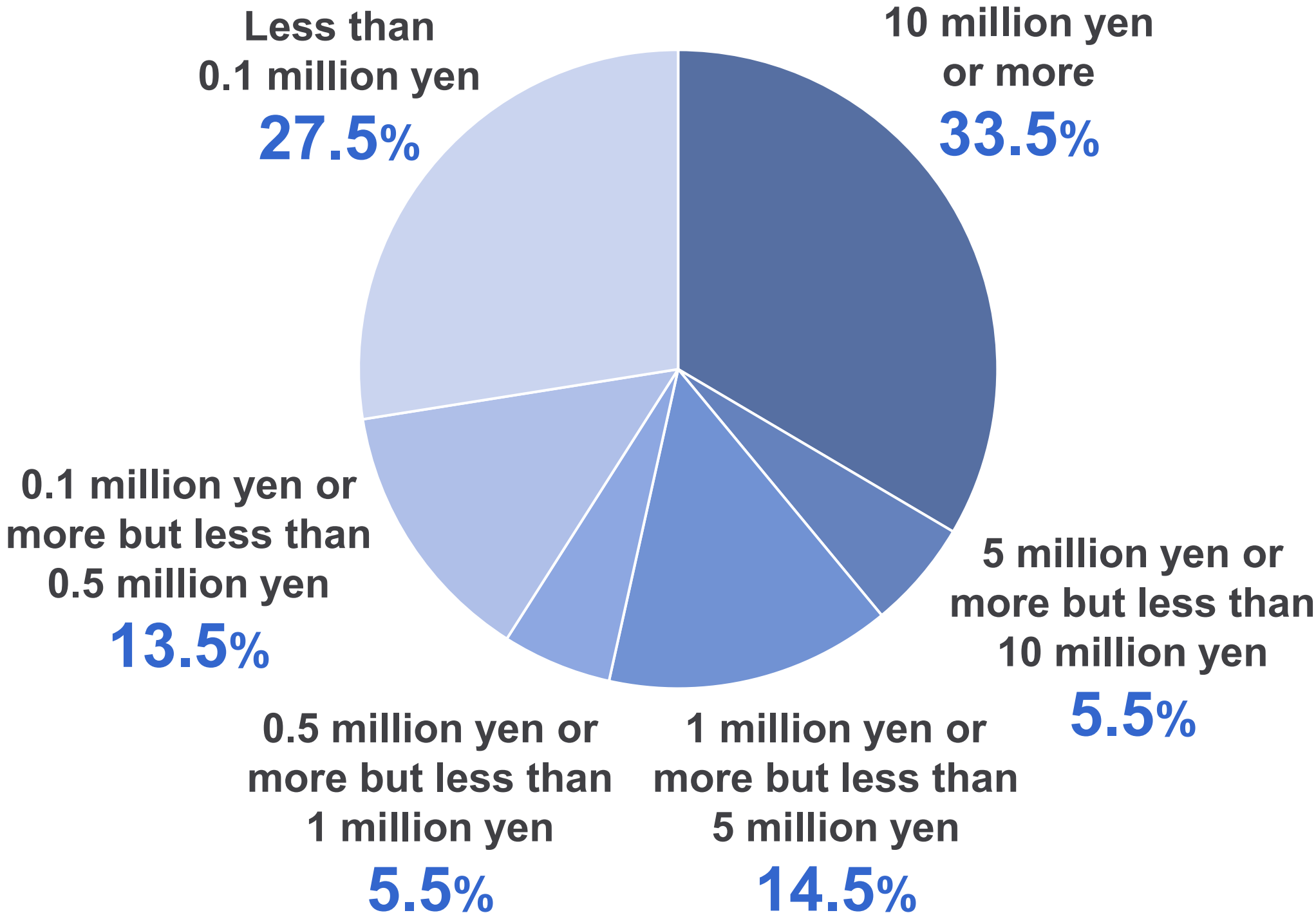
	Change (persons)
<b>SAKURA internet</b>	<b>+117</b>
<b>Group companies</b>	<b>+21</b>
<b>Total</b>	<b>+138</b>

\* 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

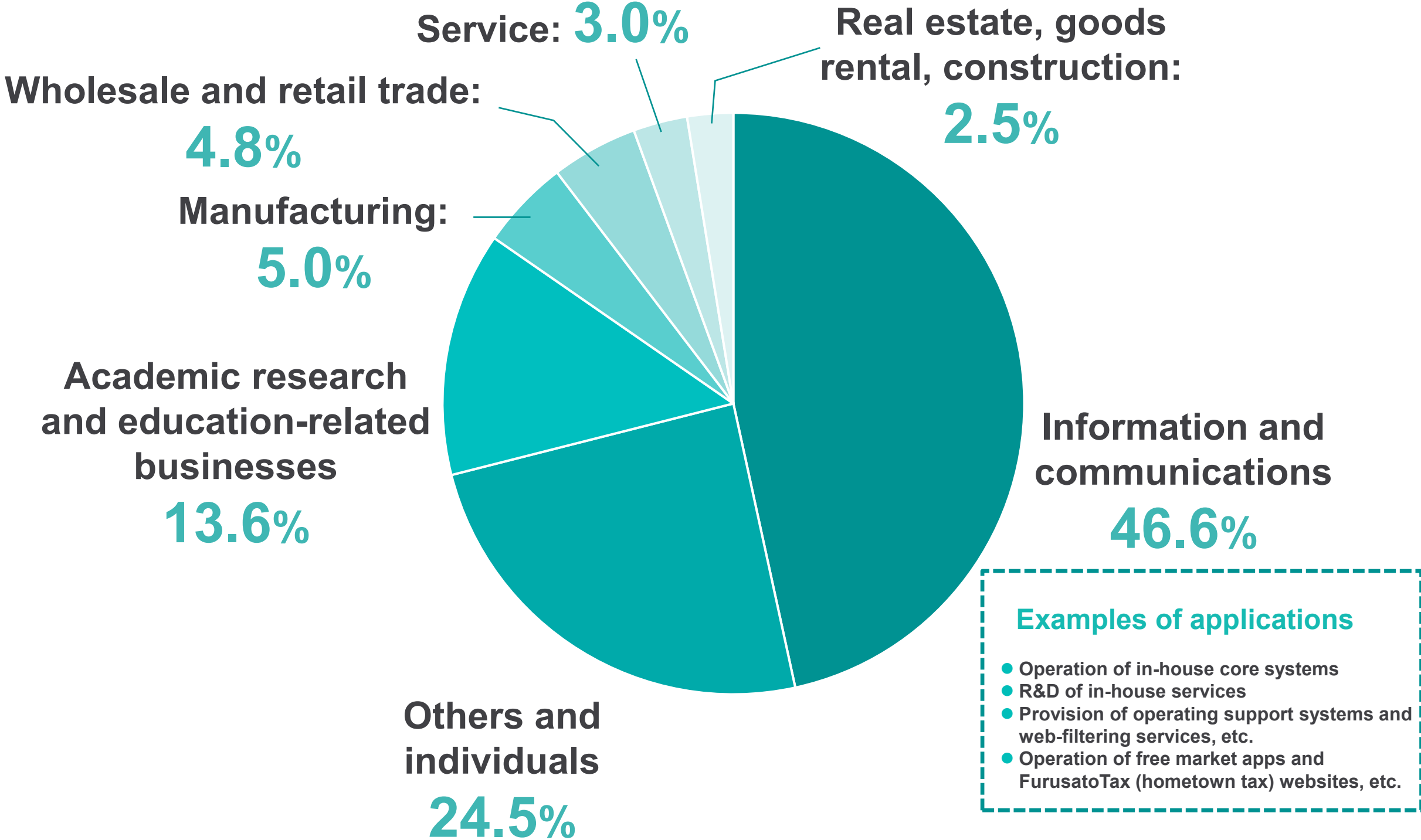
**Breakdown by monthly fee**

(Composition by sales)



**Customer composition**

(Composition by sales)



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

## Historical net sales, operating profit, and number of employees

(Millions of yen)

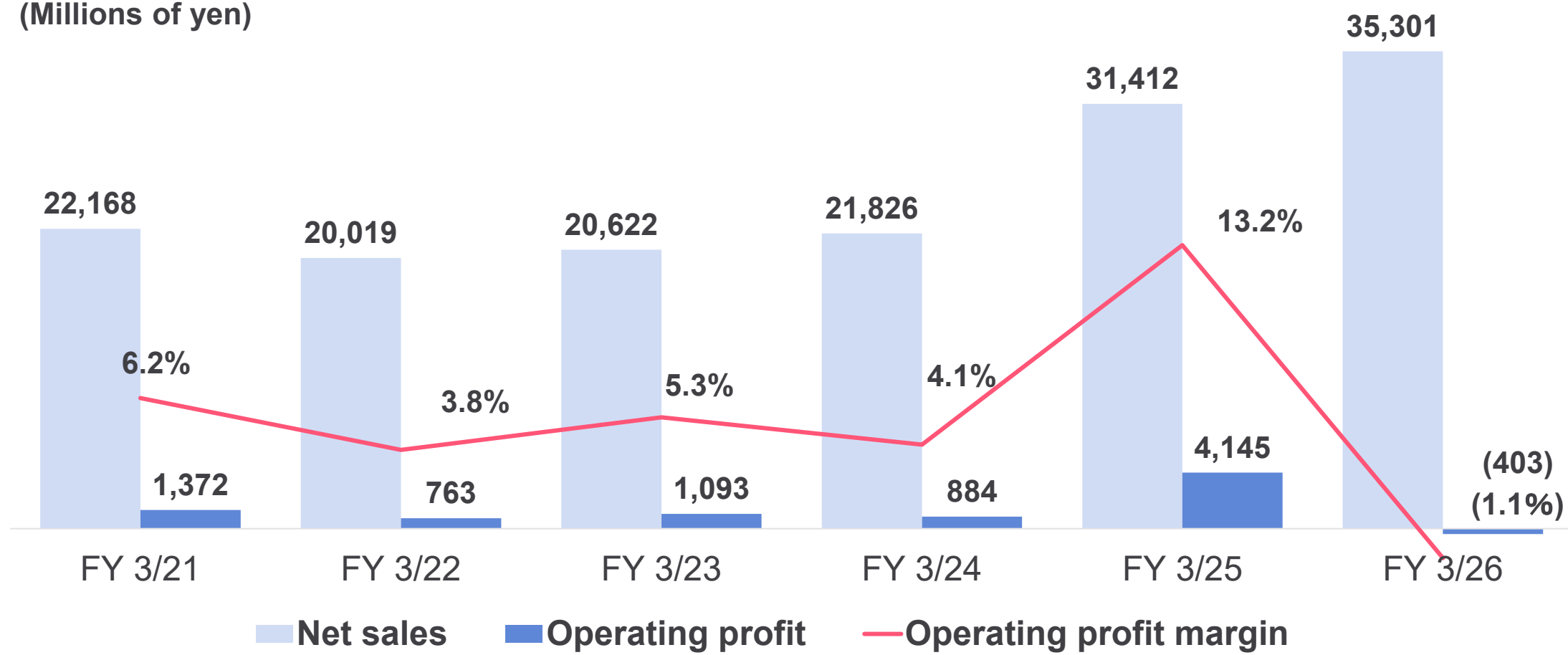
(persons)



\* 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

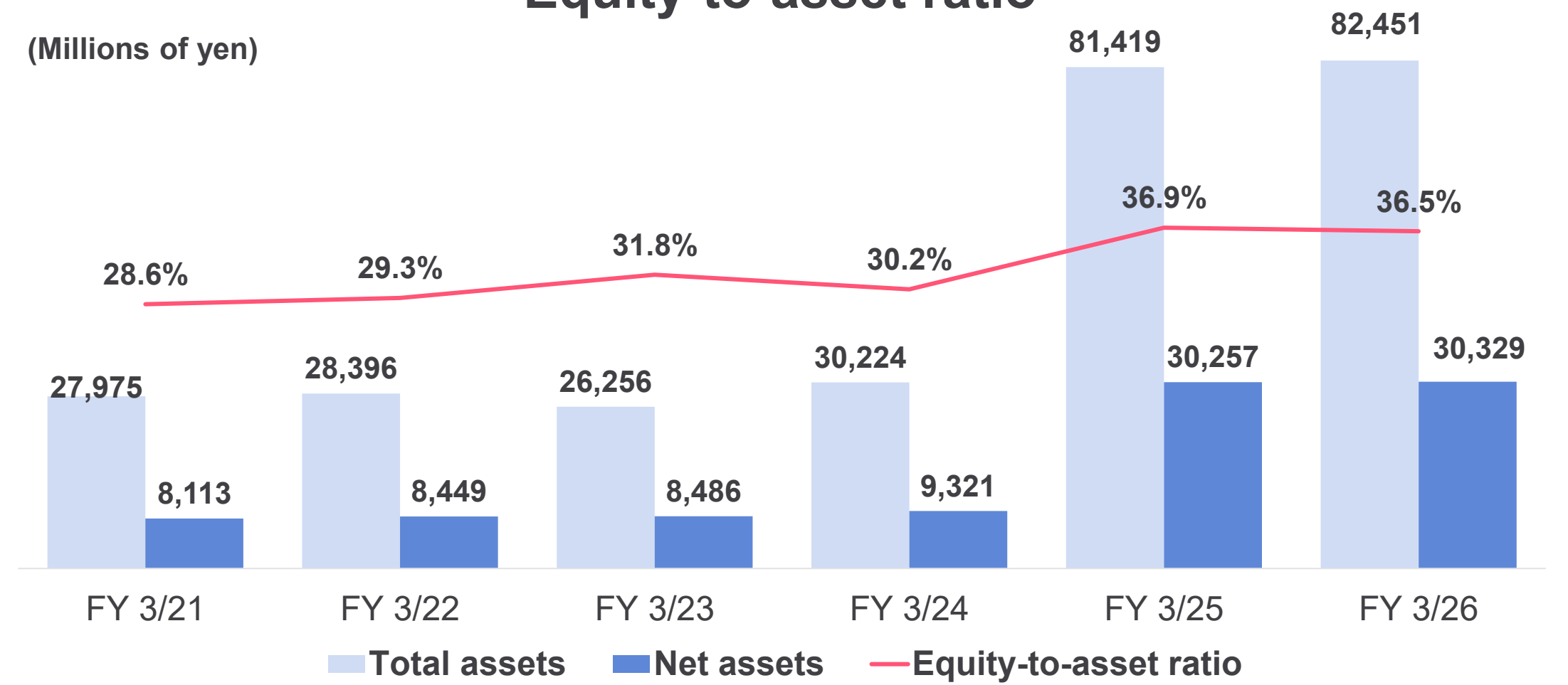
## Operating profit margin

(Millions of yen)



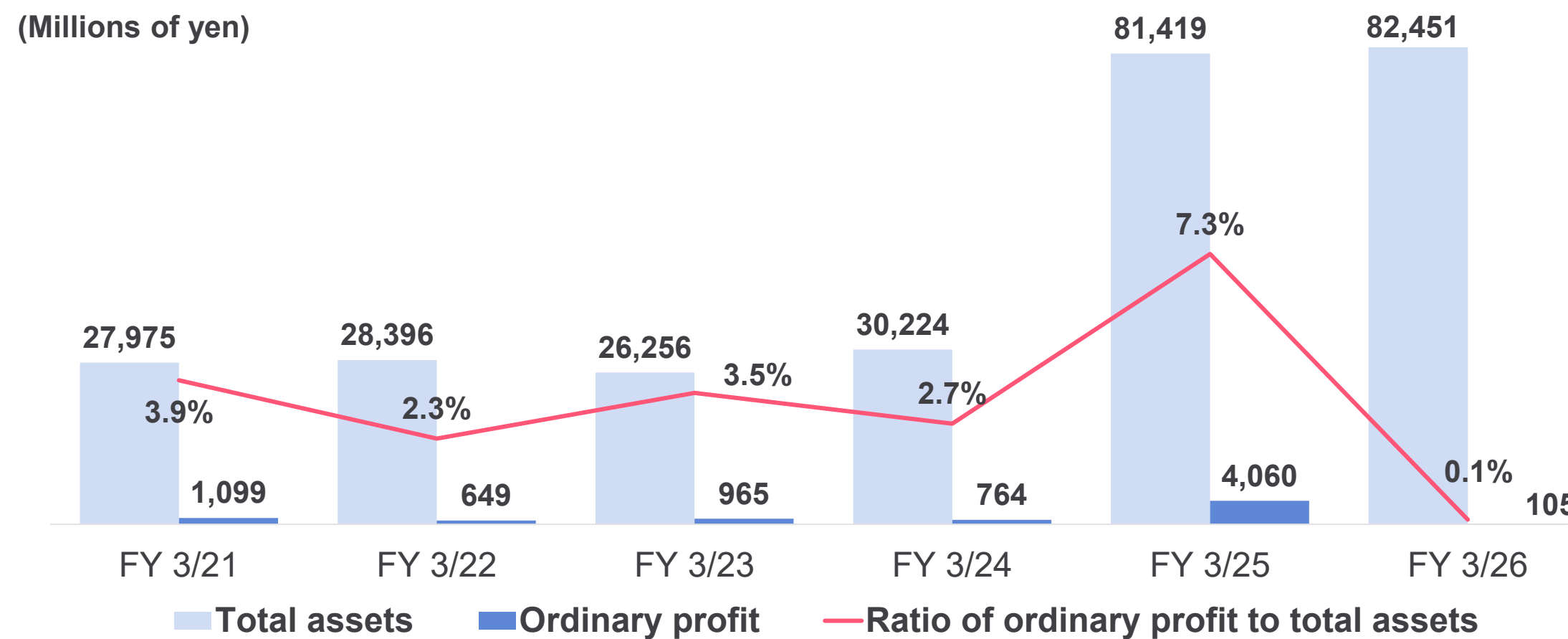
## Equity-to-asset ratio

(Millions of yen)

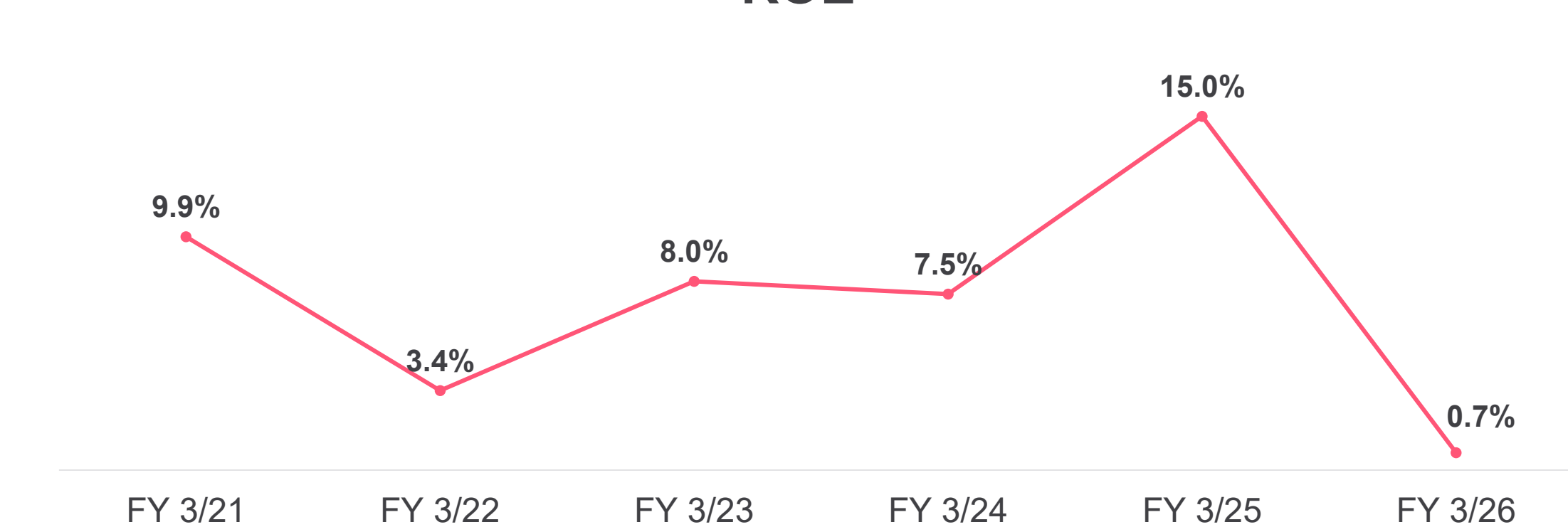


## Ratio of ordinary profit to total assets

(Millions of yen)



## ROE



## 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.
- 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

<b>Trade name</b>	<b>SAKURA internet Inc.</b>
<b>Head office location</b>	<b>6-38 Ofukacho, Kita-ku, Osaka City, Osaka</b>
<b>Date of foundation</b>	<b>December 23, 1996 (The company was established on August 17, 1999)</b>
<b>Date of listing</b>	<b>October 12, 2005 (TSE Mothers) November 27, 2015 (Transferred to TSE 1st Section (currently TSE Prime))</b>
<b>Share capital</b>	<b>11,283,160,000yen</b>
<b>Number of employees</b>	<b>1,135 (consolidated)</b>

(Note: as of the end of March 2026)



## ■ IR Contact

IR information inquiry form

<https://www.sakura.ad.jp/corporate/ir/contact/>

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