1st Quarter of Fiscal Year Ending March 2027

Financial Results

July 28, 2026

SAKURA internet

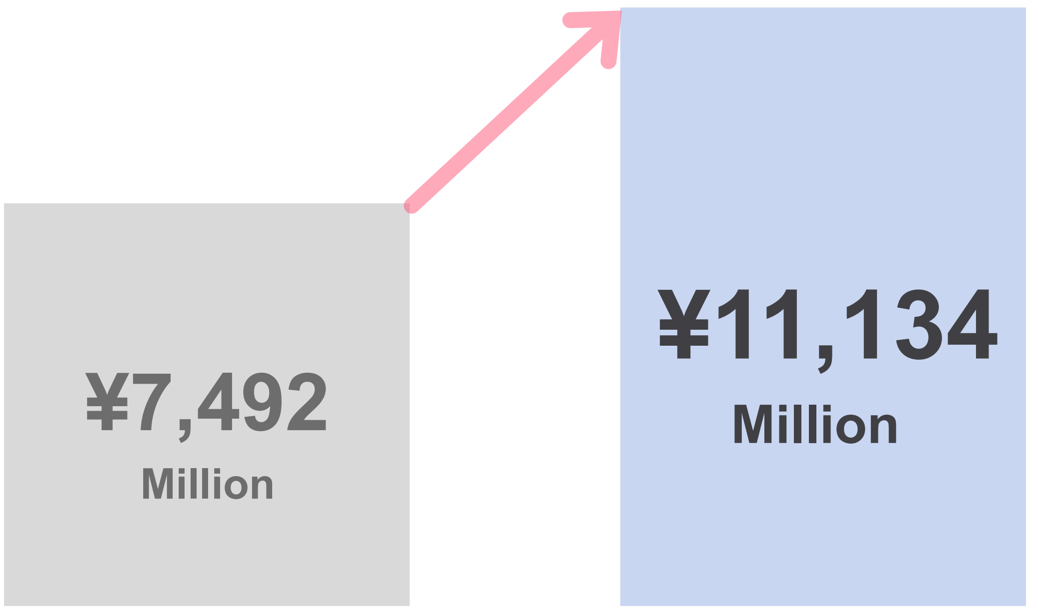
SAKURA internet

Points of Financial Results for Q1 FY 3/2027

Q1 Consolidated Results (YoY)

Both net sales and operating profit reached record highs for Q1

- Net sales totaled ¥11,134 million (up ¥3,642 million YoY)
- Operating profit turned positive to ¥1,230 million, driven by significant revenue growth



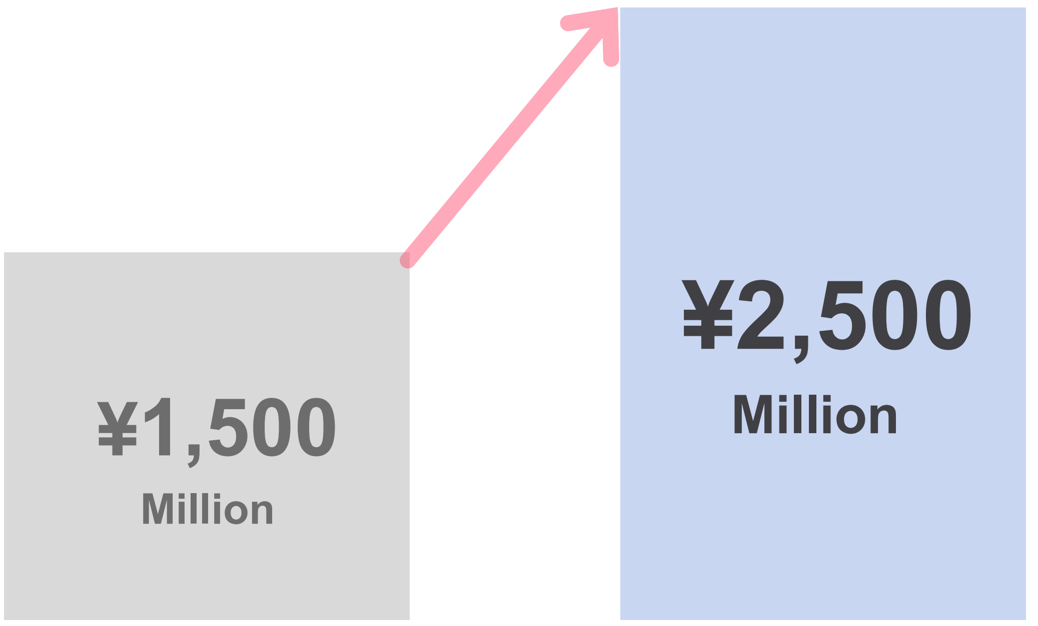
Net sales
(YoY)

+48.6%

Consolidated Earnings Forecasts (First Half / Full Year)

Upward revision to earnings forecasts

- Driven by the rapid expansion in demand for Generative AI, GPUs are expected to maintain high utilization rates (full-year net sales: ¥45,000 million → ¥45,500 million)
- Amid strong Q1 performance, we expanded growth investments



Operating profit
(vs. initial full-year forecast)

+66.7%

Consolidated Financial Results for Q1 FY 3/2027

Highlights of Consolidated Financial Results for Q1 FY 3/2027

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The additional GPU investments made in the previous fiscal year have begun to bear fruit, driving significant growth in generative AI services.
Both net sales and operating profit reached record highs for Q1

Sales

GPU infrastructure services drove revenue growth, supported by high utilization of the NVIDIA H200/B200 GPUs added last fiscal year and existing H100 GPUs

Profit

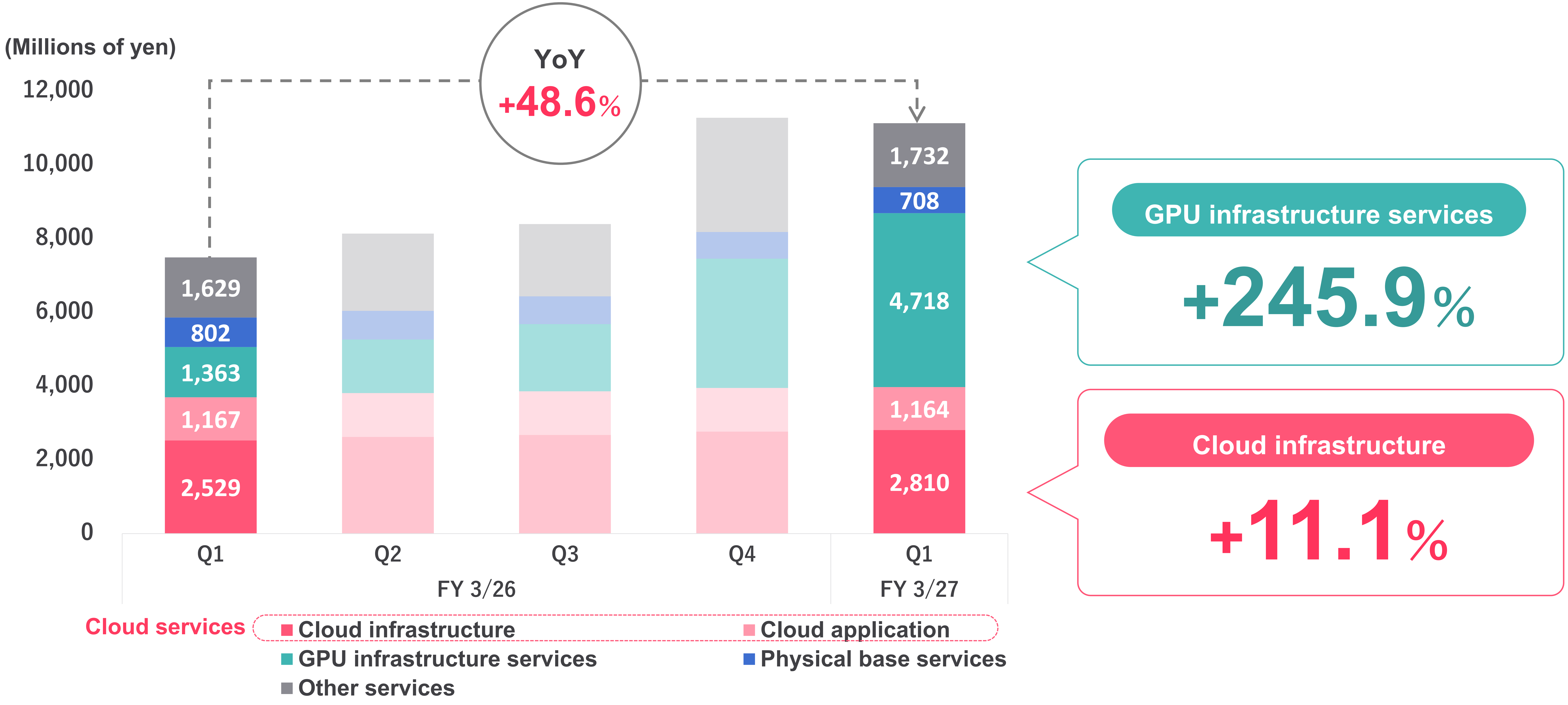
Net sales growth more than offset increased expenses associated with proactive investments in GPUs and talent, resulting in higher operating profit YoY

(Millions of yen)

Item	Q1 FY 3/26	Q1 FY 3/27	YoY	
	Amount	Amount	Change	Change (%)
Net sales	7,492	11,134	3,642	48.6
Operating profit	(457)	1,230	1,687	-
Ordinary profit	(438)	1,258	1,696	-
Profit attributable to owners of parent	(324)	855	1,180	-

Consolidated Net Sales by Service Category (YoY)

GPU infrastructure services grew significantly, up ¥3,455 million YoY
Cloud infrastructure services achieved double-digit YoY growth



Factors That Affected Consolidated Operating Profit for Q1 FY 3/2027 (YoY)

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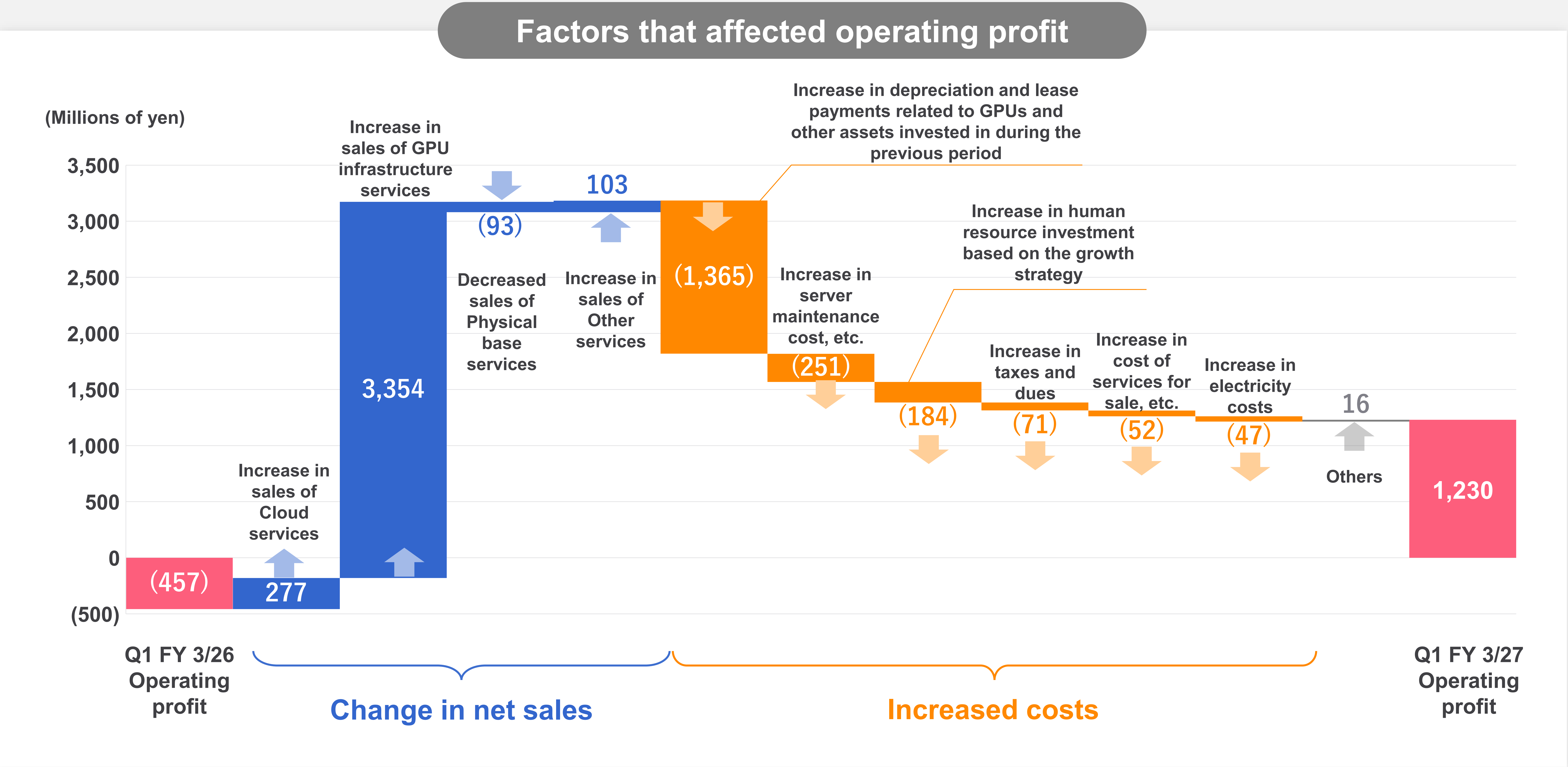

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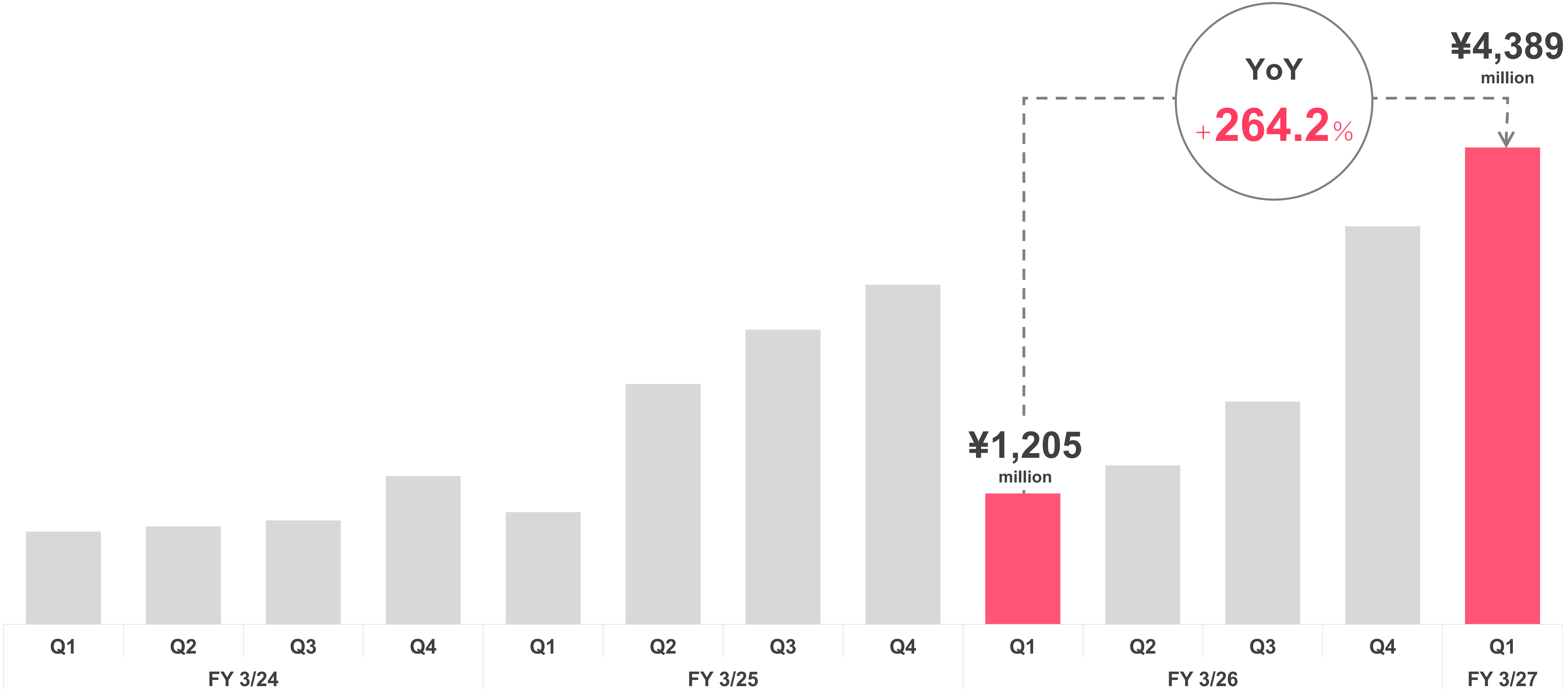
Record-high EBITDA of ¥4,389 million; returned to growth in less than a year
Improved cash generation to support future growth investments



*EBITDA is calculated by adding depreciation and interest expense to ordinary profit.

Revision of Earnings Forecast

Revision of Earnings Forecasts for FY 3/2027 (Q2 YTD and Full-year)

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Earnings forecasts upgraded due to strong GPU infrastructure services

Sales

Amid the rapid expansion in demand for generative AI, GPUs are expected to maintain high utilization rates.
To capture market opportunities and secure new projects, we will allocate management resources intensively to growth areas and maximize revenue

Profit

Amid strong Q1 performance, we expanded growth investments.
Advancing the development of a foundation for the next stage of growth in the AI and cloud domains

(Millions of yen)

Item	Q2 (YTD)				Full-year			
	Initial forecast	Revised forecast			Initial forecast	Revised forecast		
	Amount	Amount	Change	Change (%)	Amount	Amount	Change	Change (%)
Net sales	21,000	22,500	1,500	7.1	45,000	45,500	500	1.1
Operating profit	650	2,200	1,550	238.5	1,500	2,500	1,000	66.7
Ordinary profit	550	2,200	1,650	300.0	1,200	2,300	1,100	91.7
Profit attributable to owners of parent	350	1,400	1,050	300.0	850	1,500	650	76.5

Upward Revision to Earnings Forecast and Growth Investments

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Background (Q1 Achievements)

GPU infrastructure services Exceeded Expectations, Driving Strong Earnings Growth

- GPU infrastructure services maintained high utilization from Q1, driven by strong demand and accelerated project launches in response to customer needs
- Stronger sales capabilities, deeper engagement with key customers, and executive-level customer outreach drove deal wins above expectations and enabled rapid service deployment
- Profit exceeded expectations, supported by improved profitability from higher GPU utilization, lower-than-expected electricity costs, and the partial capitalization of Government Cloud development costs

Accelerated Growth Investments (From Q2 Onward)

Accelerating Growth Investments in AI and Cloud Using Generated Earnings

Focused on Capturing Expanding Market Opportunities Driven by Growing AI Demand and Government Cloud Adoption

Strengthening Service Competitiveness
Addressing Diverse Customer Needs as a Domestic Digital Infrastructure Provider

+

Strengthening and Expanding Sales Channels
Driving Opportunity Creation Through a Customer-Centric Approach

Strengthening Growth Investments

- ✓ High-Caliber Talent Acquisition
- ✓ Expansion of GPU Computing Resources
- ✓ Customer-Centric Service and Feature Development
- ✓ Strengthening the Partner Network
- ✓ Execution of Key Marketing Initiatives for Cloud Services

Maximizing Growth Opportunities

Upward Revision to Earnings Forecast Q2 (YTD) and Full-Year

Revenue and Earnings Forecasts Revised Upward to Reflect Accelerating Growth in Generative AI Services

Q2 (YTD)

Revenue
- Reflecting Q1 earnings outperformance, sustained GPU demand, accelerated project launches, and the impact of enhanced sales and service delivery capabilities.

Earnings
- Reflecting improved profitability from higher GPU utilization
- Despite the commencement of certain growth investments from Q2, profit significantly exceeded expectations, supported by continued Q1 momentum, lower electricity costs, partial capitalization of Government Cloud development costs, and deferred expense recognition

Full-Year

Revenue
- Maintaining high GPU utilization by prioritizing management resources toward AI, reflecting sustained strong demand and robust customer inquiries
- Reflecting a revised mid- to long-term growth plan, supported by an increase in large-scale, long-term cloud projects following Government Cloud adoption

Earnings
- Reflecting improved profitability driven by high GPU utilization
- Despite proactive growth investments to capture expanding market opportunities, profit exceeded expectations, supported by lower electricity costs, partial capitalization of Government Cloud development costs, and deferred expense recognition

Review of Q1 FY 3/2027

Summary of Progress on Priority Measures in Q1 3/FY2027

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Practice of growth strategy

Strengthen infrastructure that underpins growth strategy

Strengthening service competitiveness	● Accelerated efforts to enhance competitiveness and expand use of domestic digital infrastructure ✓ Promoted the development of generative AI services centering on SAKURAONE, and established a foundation to meet a wide range of needs ✓ SAKURA Cloud was launched in a proof-of-concept experiment for Digital Agency's generative AI environment "GENAI"
Expansion of sales channels	● Strengthen an integrated opportunity creation framework across partners, sales, and marketing ✓ Revamp the "Sakura Partner Network" ✓ Drive brand awareness through exhibitions, events, and webinars
Promotion of internal AI utilization	Launched internal data coordination and analysis infrastructure project. Developing a foundation to support the expansion of project creation with the aim of realizing data-driven sales strategies that utilize AI

Focused investment in human resources and the organization	Recruitment of personnel ahead of our official selection for the Government Cloud program has been completed. Strengthened recruitment of high-level talent to improve development and sales capabilities in the AI and cloud fields, leveraging expanded market opportunities
Optimal allocation of management resources	● Strengthened the framework for business expansion by prioritizing staffing in growth areas ● Allocated GPU resources to high-demand services to maintain high utilization of computing resources
Investments and data centers	● Strengthened next-generation network and AI infrastructure ➢ Partnered with Equinix Japan and NTT EAST, Inc. to start demonstration of connection between Ishikari and Tokyo ➢ Together with Acompany Co., Ltd., succeeded in verifying AI processing with confidential data protection using Japanese GPU infrastructure ● Decided to invest in the latest NVIDIA GPU, Rubin* Strengthening the ability to supply computing resources to meet growing demand for AI

* NVIDIA®製GPU「NVIDIA HGX™ Rubin NVL8」

Strengthening computational infrastructure that supports the AI era and accelerating efforts to develop a domestic AI ecosystem
Supporting R&D and social implementation of domestic AI through provision of domestic cloud infrastructure

2026.6.25

Cloud-based Supercomputer SAKURAONE Ranks 22nd Worldwide in HPCG Benchmark

Also achieved 63rd place in the Top500* international supercomputer performance ranking, confirming that SAKURAONE offers internationally competitive performance as a computing platform for the AI era. Contributing to the advancement of the AI and HPC fields and the overall improvement of technology throughout the industry

2026.7.16

GPU Bare Metal Server “Koukaryoku PHY” Adopted for Sakana AI K.K.’s GENIAC Phase 4 Project

Promoting the development of a Japan-specific agent foundation model with 1 trillion parameters and contributing to the advancement of AI R&D in Japan through the development and operation of the computational infrastructure that supports the development

2026.7.10

Digital Agency Starts Trial Use of Domestic Foundation Models on SAKURA Cloud

The first instance of the government putting our service to practical use on the Government Cloud

Digital Agency website


デジタル庁

ホーム　一般の方　行政・事業者の方　|　プレスルーム　Language　検索　すべてのメニュー

現在位置： ホーム › 新着・更新 › ガバメントAI 源内における国産クラウド上での国産基盤モデルの試用開始について

ガバメントAI 源内における国産クラウド上での国産基盤モデルの試用開始について

1. 概要

人口減少と少子高齢化による担い手不足が深刻化している我が国において、公共サービスを維持・強化するためには、政府における、生成AIをはじめとするAIの積極的な利活用が不可欠となっています。そこで、デジタル庁では、政府によるAI活用を社会実装の起点とするため、ガバメントAI源内の実装に向けた取組を推進しています。
ガバメントAI源内においては、とりわけ日本語の語彙・表現に適合し、日本の文化・価値観を尊重した国内で開発された大規模言語モデル（以下「国産基盤モデル」という。）の活用が不可欠です。また、国内企業や国内研究機関が開発・提供する国産基盤モデルを政府が積極的に活用することによって、信頼できるAIの国内開発を支援していくことも重要です。

このため、今年度の源内の大規模実証では5社の国産基盤モデルを試用する予定ですが、その一部については、令和8年度の政府共通クラウドサービスのガバメントクラウドとして選定された「さくらのクラウド」で基盤モデルを稼働させることにしました。

さくらインターネット株式会社が提供する「さくらのクラウド」はガバメントクラウドにおける唯一の国産クラウドであり、これに国産基盤モデルを組み合わせることで、ガバメントAI源内における中核的システムを戦略的に国産で構成することを実現しました。また、本件は、政府がガバメントクラウ

*The TOP500 is a global ranking of supercomputer processing performance.
The latest ranking was announced at ISC2026, an international conference and exhibition on HPC currently held in Hamburg, Germany. https://www.isc-hpc.com/

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Creating new projects and developing new markets by expanding customer contacts and raising awareness through co-creation with partners

Providing highly specialized proposals and technical support that address customers' business issues

June 1, 2026

Revised the entire program to reflect the opinions of partner companies and improve the program's effectiveness for co-creating customer value. Reorganizing into a framework that maximizes the strengths and expertise of each of the 213+ partner companies, and expanding the range of selection and utilization of domestic cloud services according to end-user issues and applications

Strengthening recognition and securing prospective customers by exhibiting at trade shows

2026/4/8-10
Japan IT Week Spring

2026/4/15-17
NexTechWeek 2026

2026/6/10-12
Interop Tokyo 2026

Actively exhibiting at major trade shows such as Japan IT Week, NexTech Week, and Interop Tokyo. Expanding opportunities for new customer development and project creation through market development via joint exhibitions with partner companies and group companies

Appendix: Investment Schedule for Generative AI Services

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Decided to invest in latest NVIDIA GPU, Rubin (July 28, 2026)
Capitalizing on rapidly expanding demand for AI computing to achieve sustainable growth and strengthen our earnings base

		FY2024				FY2025				FY2026				FY2027				FY2028 To FY2031
		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			840 units installed										
	H200									Installed 1,072 units								
	B200										Installation of approx. 400 units		Installation of approx. 1,100 units					
	Rubin														Sufficient capacity remains, and the framework to accommodate new GPU resources is already in place		Planned installation	Planned continued expansion of next-generation GPUs in line with demand
Data center extension										Launch of operations for the 1st-phase containerized data center			Launch of operations for the 2nd-phase containerized data center					Planned construction and expansion of the 3rd-phase containerized data center; Planned phased expansion of data centers

Initiatives for ESG Management

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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

Containerized data centers for generative AI are also entirely powered by renewable energy

- Suppression of CO_2 emissions
- Utilization of renewable energy
  - The Company's data centers have achieved net-zero CO_2 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: 30.0%

(as of June 30, 2026)

- Transparency of management
- Ensuring thorough compliance
- Risk management
- Maintain and improve information security

Environment

Governance

Social

Topic

Held the SAKURA IT Education Conference 2026 Spring (May 2026)

- Put human capital management into practice
  - Renewal of behavioral guidelines
  - Pursuing both "job satisfaction" and "a comfortable work environment"
    (Maintain a high childcare leave utilization rate : 90% for men and 100% for women)
- 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

Overview of Initiatives for Human Capital Management

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

What we aim to achieve

Sustainable corporate management

Enhance the value of human resources as a source of value for society and customers

- Capacity to generate new value for customers
- Diversified talented people who can respond to environmental changes
- Quality employees are retained in the medium to long term

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

"Five Pillars” Leading to the Growth and Success of Human Resources

- Human resource training and a culture of mutual learning
- Mental and physical health
- Flexible workstyle
- Create a culture that fosters new value through challenges and leadership
- Promote the active participation of diverse human resources

New behavioral guidelines: Create social value as one organization with a customer-first mindset

To clarify decision-making and behavioral standards for each employee and put human capital management into practice, the Company formulated the “10 Behavioral Guidelines” as the foundation for employees’ judgment and action (April 2026)

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

Grow together

ES — CS

Employee Success

- Enhance engagement
- Achieve skill improvement and career development

Customer Success

- Create new business models
- Solve customers’ challenges

Environmental Initiatives

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[Ishikari Data Center] Continuing efforts for decarbonization and power consumption reduction and while continuing operations powered entirely by renewable energy

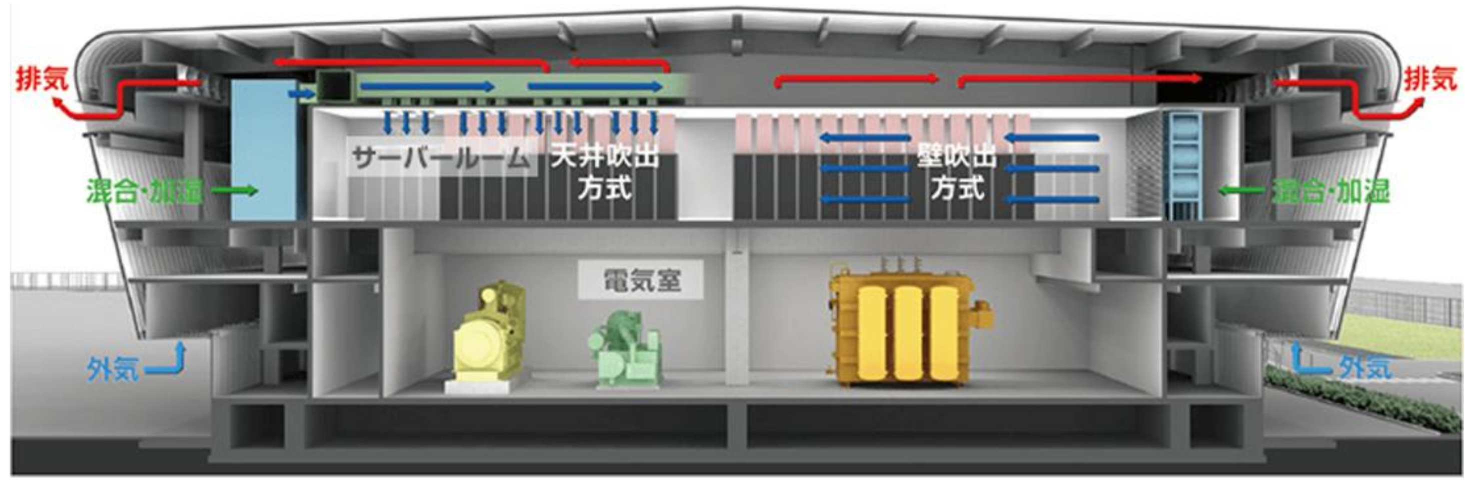
Reducing environmental impact while meeting the growing demand for digital infrastructure in the AI era. Ishikari Data Center pursues highly efficient operations with cooling technology that takes advantage of Hokkaido's cold climate and continues to evolve as the foundation of domestic AI infrastructure that supports the development of a sustainable society and data sovereignty

Buildings 1 and 2

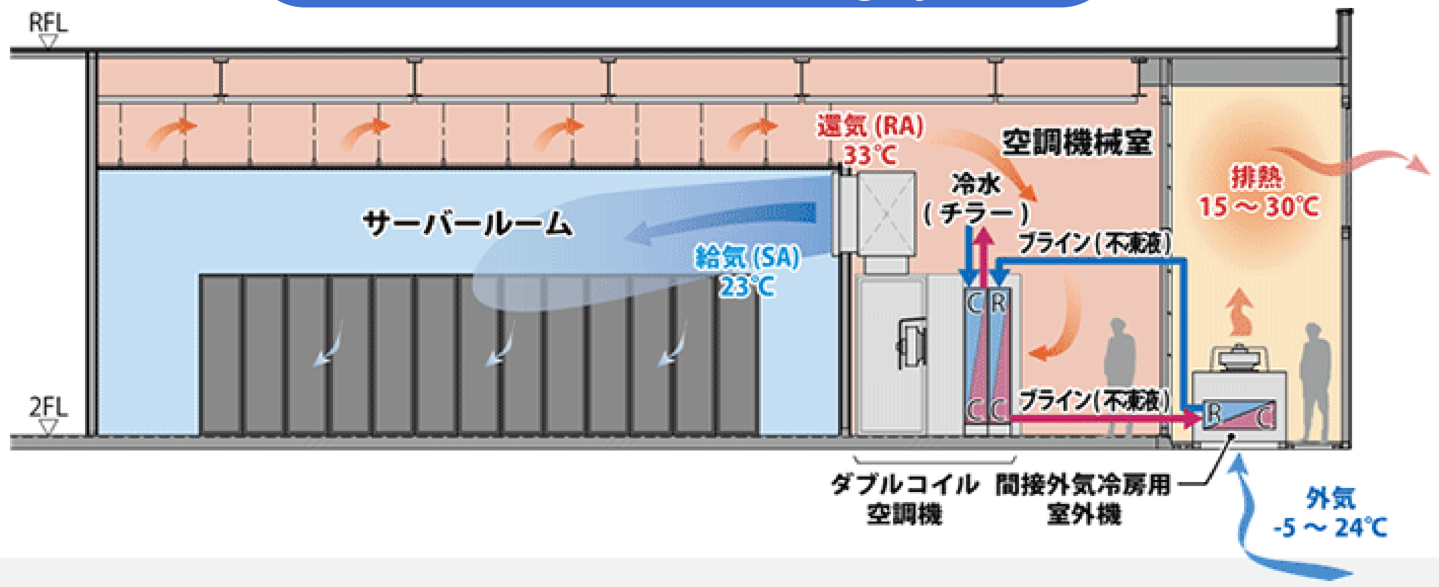
Building 3

Container-type

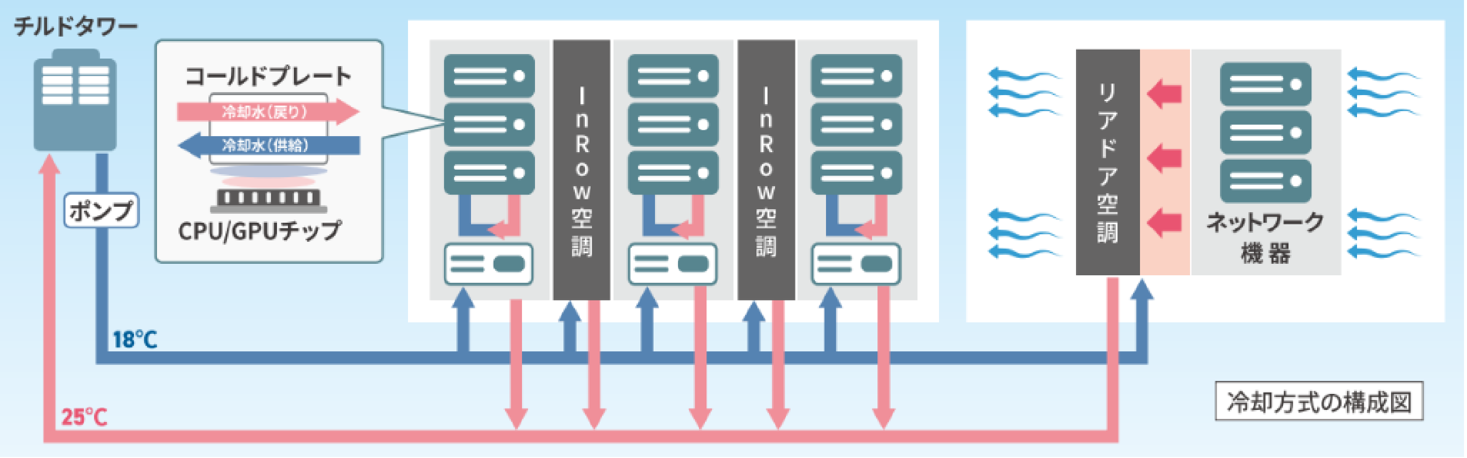
Buildings 1 and 2:
Direct outdoor-air cooling system



Building 3:
Indirect outdoor-air cooling system



Container-type:
High-efficiency liquid cooling system



TOPICS

[SAKURA Web Hosting / SAKURA VPS, etc.] Launch of CO2 emission confirmation function (June)

Launched a function to check CO2 emissions (estimate, Scope2) calculated based on electricity consumption for four services including SAKURA Web Hosting and SAKURA VPS

Providing educational opportunities in the digital field

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

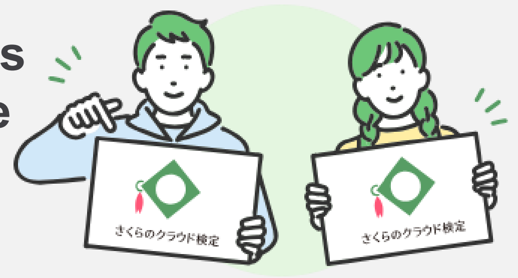
- **Established and regularly holding “SAKURA Cloud Certificate,” a qualification test program designed for people to learn a wide range of digital skills from the basics to practical levels**
  - Began providing practice tests that can be taken online (January 2025)
  - Launched the “SAKURA Cloud Certificate 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)

- **Established “SAKURA AI Certificate” 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

- **Established a student ambassador program for “SAKURA AI Certificate” (June 2026)**

The Student Ambassador Program was established for those who pass the SAKURA Cloud Certificate test so that they can use the knowledge obtained through the test for practical activities such as development, information dissemination, and educational support. The program provides free cloud resources to ambassadors and supports activities that further deepen their understanding of cloud technologies and bring their learning to life with hands-on support from current employees



Practical education through the KOSEN support project

Building on our comprehensive partnership agreement with the National Institute of Technology (KOSEN), we continue to provide more practical, hands-on education

SAKURA internet Inc.

Visiting lectures	Provision of computational resource
Young employees take the stage and give lectures at technical colleges	Free provision of cloud and VPS services, etc.

Technical colleges	- Cloud fundamentals - Practical information security knowledge - Use in exercises, extracurricular activities, programming contests, etc.
SAKURA internet	-Improving the presentation skills of young employees and reorganizing knowledge -Expanding the future user base through service experience

Expanding education overseas

New Mongol College of Technology
(Since March 2025)

▲ Class. What our employee (pictured left) says is translated into Mongolian by a local teacher (pictured right).

On the back of Mongolia’s national digitalization initiative, we have partnered with the New Mongol College of Technology. Fostering the growth of IT talent by offering students a cloud environment and computational resources at no cost, as well as conducting classes

Mapua University, Philippines
(Since December 2025)

▲ Lecture by a local teacher

10 lectures were held by local teachers using SAKURA Cloud and the educational materials and support provided by our company. Building a continuous education system

Security Initiatives and Governance Enhancement

SAKURA internet

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.

Status of various certifications

Cybersecurity initiatives

SAKURA.SIRT

SAKURA.SIRT

Responds promptly and accurately to information security incidents

PSIRT	CSIRT
Support, advice	Support, Awareness / Education / Advocacy
Our service	Internal organization - systems

Information coordination

External agencies

- Domestic SIRT
- JC3
- NCA

PSIRT was established as an organization to respond to and take countermeasures against attacks on services provided by our company to guarantee the quality required for the services, and to consolidate the necessary information and activities. Carrying out activities as SAKURA.SIRT together with CSIRT, which protects in-house systems

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

Composition of the Nomination and Compensation Committee

Chairperson	Committee members
Outside (independent)	Internal: 1 Outside: 2 (independent)

Percentage of outside or independent officers of the Board of Directors

Directors: 6		Corporate Auditors: 3
3 Internal	3 Outside (including 3 independent)	3 Outside (including 2 independent)

Percentage of outside officers **66%**

Percentage of independent officers **55%**

We have released our Corporate Governance Report.

appendix

Data and Company Profile

Consolidated Statement of Income (YoY Change)

SAKURA internet

(Millions of yen)

Item	Q1 FY 3/26		Q1 FY 3/27		YoY	
	Amount	Sales composition (%)	Amount	Sales composition (%)	Change	Change (%)
Net sales	7,492	100.0	11,134	100.0	3,642	48.6
Cost of sales	5,948	79.4	7,713	69.3	1,765	29.7
Gross profit	1,543	20.6	3,421	30.7	1,877	121.6
SG&A expenses	2,001	26.7	2,190	19.7	189	9.5
Operating profit	(457)	(6.1)	1,230	11.1	1,687	-
Ordinary profit	(438)	(5.8)	1,258	11.3	1,696	-
Profit attributable to owners of parent	(324)	(4.3)	855	7.7	1,180	-

Consolidated Statement of Income (QoQ Change)

(Millions of yen)

Item	FY 3/26 Q1	FY 3/26 Q2	FY 3/26 Q3	FY 3/26 Q4	FY 3/27 Q1	QoQ Change	QoQ Change (%)
Net sales	**7,492**	**8,139**	**8,393**	**11,277**	**11,134**	**(142)**	**(1.3)**
Cost of sales	5,948	6,534	6,504	8,358	7,713	(645)	(7.7)
Gross profit	**1,543**	**1,604**	**1,889**	**2,918**	**3,421**	**502**	**17.2**
SG&A expenses	2,001	2,068	2,085	2,204	2,190	(14)	(0.6)
Operating profit	**(457)**	**(463)**	**(196)**	**713**	**1,230**	**516**	**72.4**
Operating margin (%)	(6.1)	(5.7)	(2.3)	6.3	11.1		
Ordinary profit	**(438)**	**(373)**	**12**	**905**	**1,258**	**352**	**39.0**
Profit attributable to owners of parent	**(324)**	**(302)**	**75**	**767**	**855**	**88**	**11.6**
EBITDA	**1,205**	**1,463**	**2,049**	**3,664**	**4,389**		

Consolidated Net Sales by Service Category (QoQ Change)

SAKURA internet

(Millions of yen)

Service category	FY 3/26 Q1	FY 3/26 Q2	FY 3/26 Q3	FY 3/26 Q4	FY 3/27 Q1	QoQ Change	QoQ Change (%)
Cloud services	**3,697**	**3,810**	**3,863**	**3,951**	**3,975**	**23**	**0.6**
Composition (%)	49.4	46.8	46.0	35.0	35.7		
Cloud infrastructure	2,529	2,623	2,678	2,769	2,810	41	1.5
Cloud application	1,167	1,187	1,185	1,182	1,164	(17)	(1.5)
GPU infrastructure services	**1,363**	**1,456**	**1,818**	**3,505**	**4,718**	**1,212**	**34.6**
Composition (%)	18.2	17.9	21.7	31.1	42.4		
Physical base services	**802**	**775**	**754**	**724**	**708**	**(15)**	**(2.2)**
Composition (%)	10.7	9.5	9.0	6.4	6.4		
Other services	**1,629**	**2,095**	**1,957**	**3,095**	**1,732**	**(1,362)**	**(44.0)**
Composition (%)	21.7	25.7	23.3	27.5	15.6		

Consolidated Balance Sheet (Change vs. FY-end)

SAKURA internet

- Current assets: Increase in cash and deposits, among others, to prepare for payment of debt related to infrastructure expansion in Ishikari DC
- Non-current assets: Increase in non-current assets due to infrastructure expansion in Ishikari DC
- Liabilities: Increase in borrowings to prepare for the above payments, and an increase in lease liabilities

(Millions of yen)

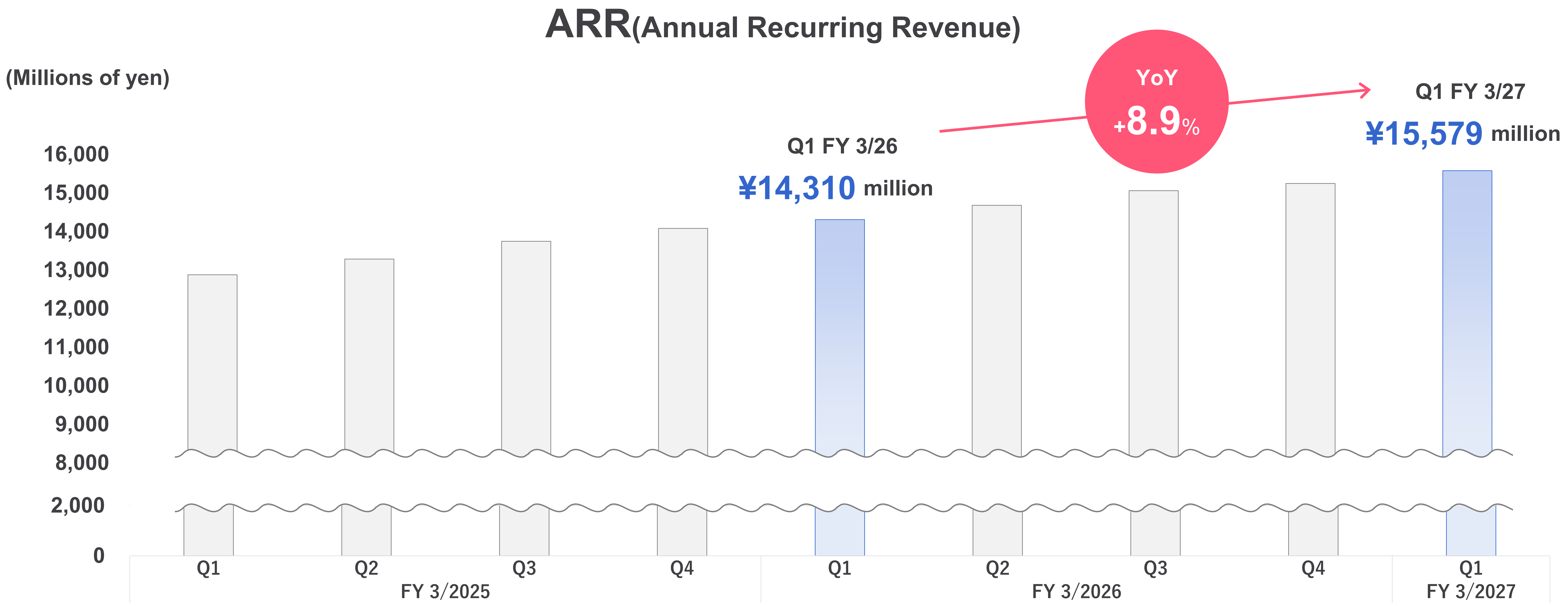
Item	Previous year-end (FY 3/26)	End of Q1 (FY3/27)	Change
Current assets	26,255	29,074	2,819
Non-current assets	56,195	58,471	2,275
(Property, plant and equipment)	46,722	48,894	2,171
(Intangible assets)	2,018	2,109	91
(Investments and other assets)	7,455	7,467	12
Total assets	82,451	87,546	5,095

Item	Previous year-end (FY3/26)	End of Q1 (FY3/27)	Change
Current liabilities	33,854	36,915	3,060
Non-current liabilities	18,266	19,641	1,374
Total liabilities	52,121	56,556	4,434
Net assets	30,329	30,989	660
(Including shareholders' equity)	30,072	30,727	654
Total liabilities and net assets	82,451	87,546	5,095

Quarterly ARR

SAKURA internet

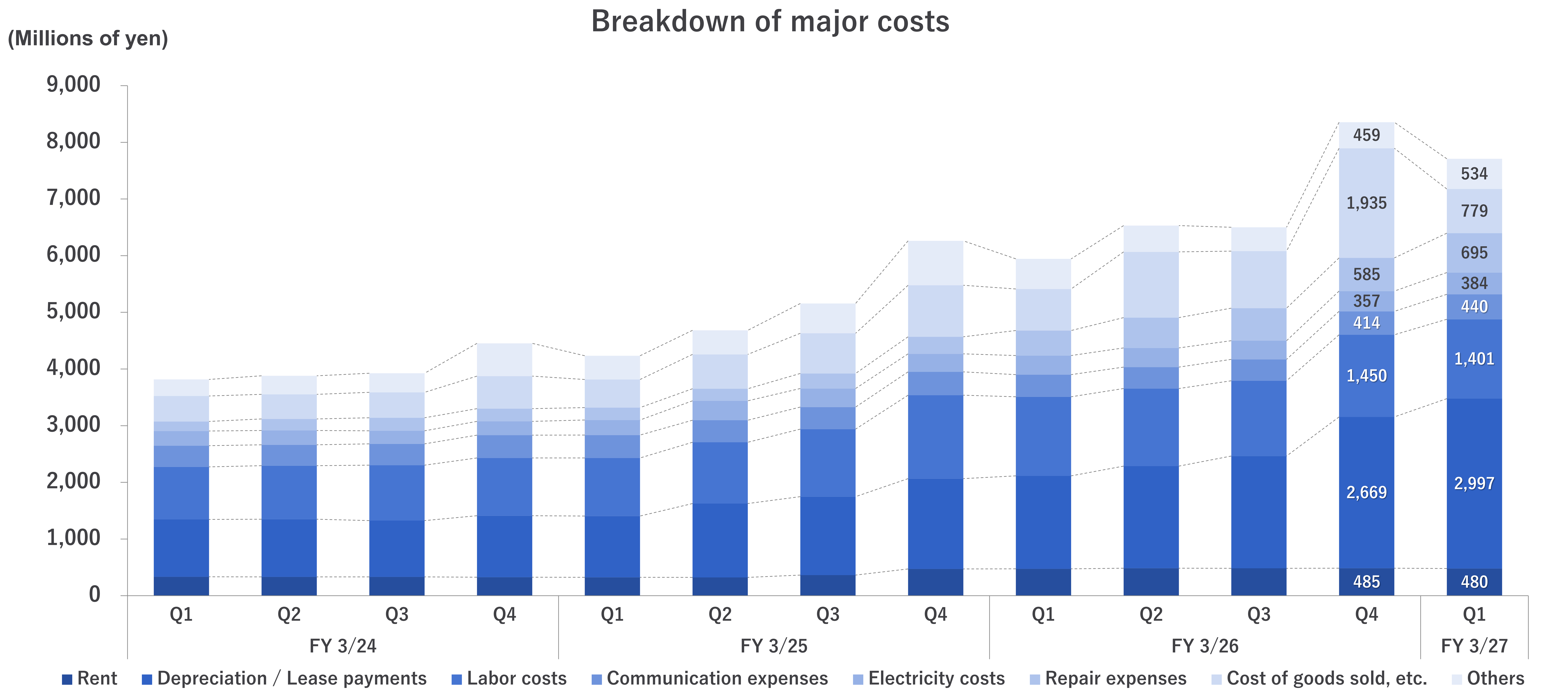
ARR, representing recurring revenue, increased 8.9% YoY



* The figures cover SAKURA internet's SAKURA Cloud, SAKURA VPS, and SAKURA Web Hosting, 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
* Calculation method for ARR (Annual Recurring Revenue): add up MRR (Monthly Recurring Revenue) of each month of the quarter and multiply it by four (a metric different from net sales)

Breakdown of Major Costs (Consolidated)

SAKURA internet



SAKURA internet

Investments in FY3/2027

(100 millions of yen)

Description of investment	FY3/2027 full-year plan	FY3/2027 cumulative result
Data centers	87	65
of which, generator buildings for containerized data centers	44	36
Servers and network equipment	105	8
of which, Cloud services	63	5
Others (systems, office-related, etc.)	6	0
Total	198	74

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

Number of personnel in FY3/2027

+36 from previous fiscal year-end

	End of Mar. 26	End of Jun. 26
Number of employees*	1,135	1,171

■ Breakdown of changes

	Change (persons)
SAKURA internet	+26
Group companies	+10
Total	+36

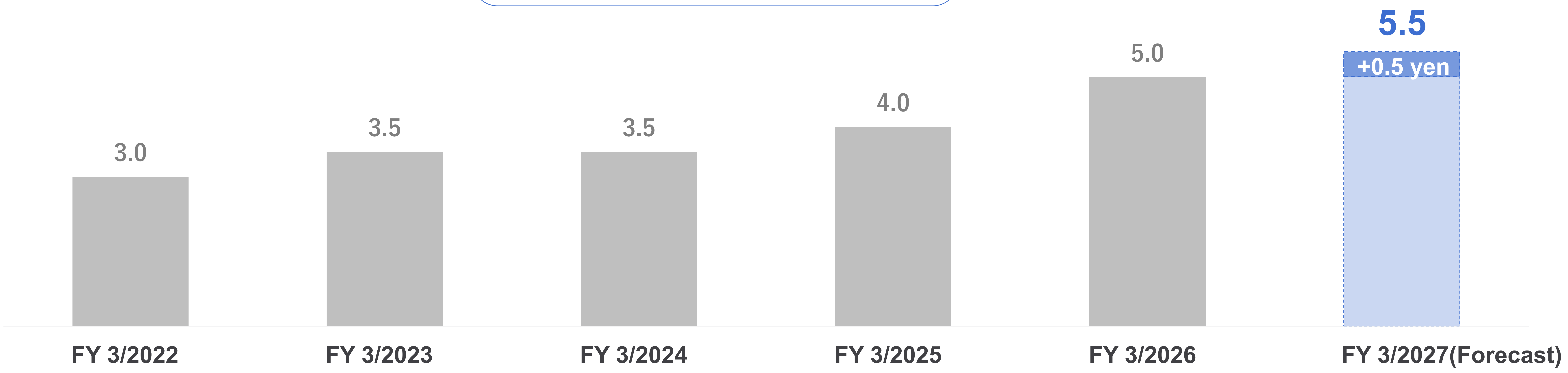
* The number of employees excludes those seconded to other companies from SAKURA internet and includes those seconded to SAKURA internet from other companies.

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

- **Planned dividend for FY 3/2027: 5.50 yen per share**

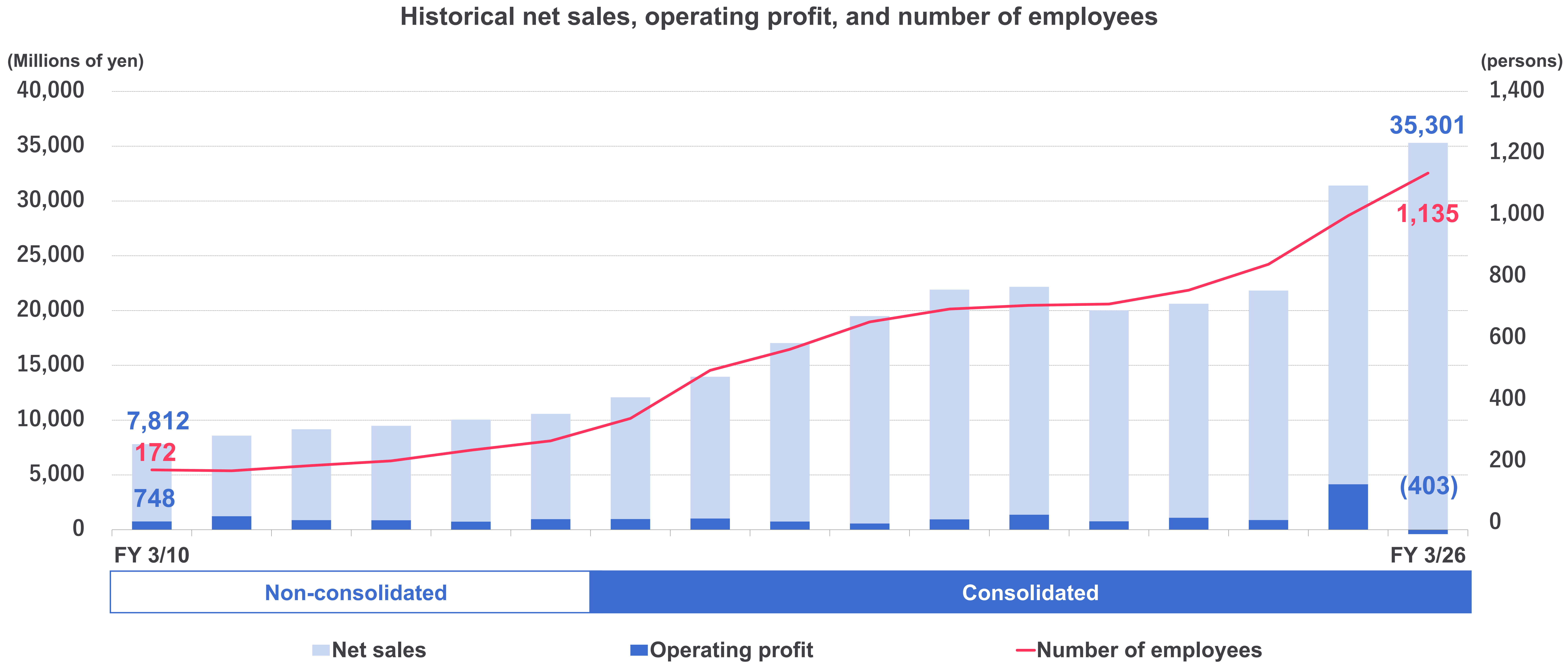
Historical annual dividend per share (yen)



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.

Historical Annual Results

*Reprinted from the Financial Results for FY 3/2026



*The figures for FY2015 or older are from non-consolidated financial results, and those for FY2016 or later are from consolidated financial results

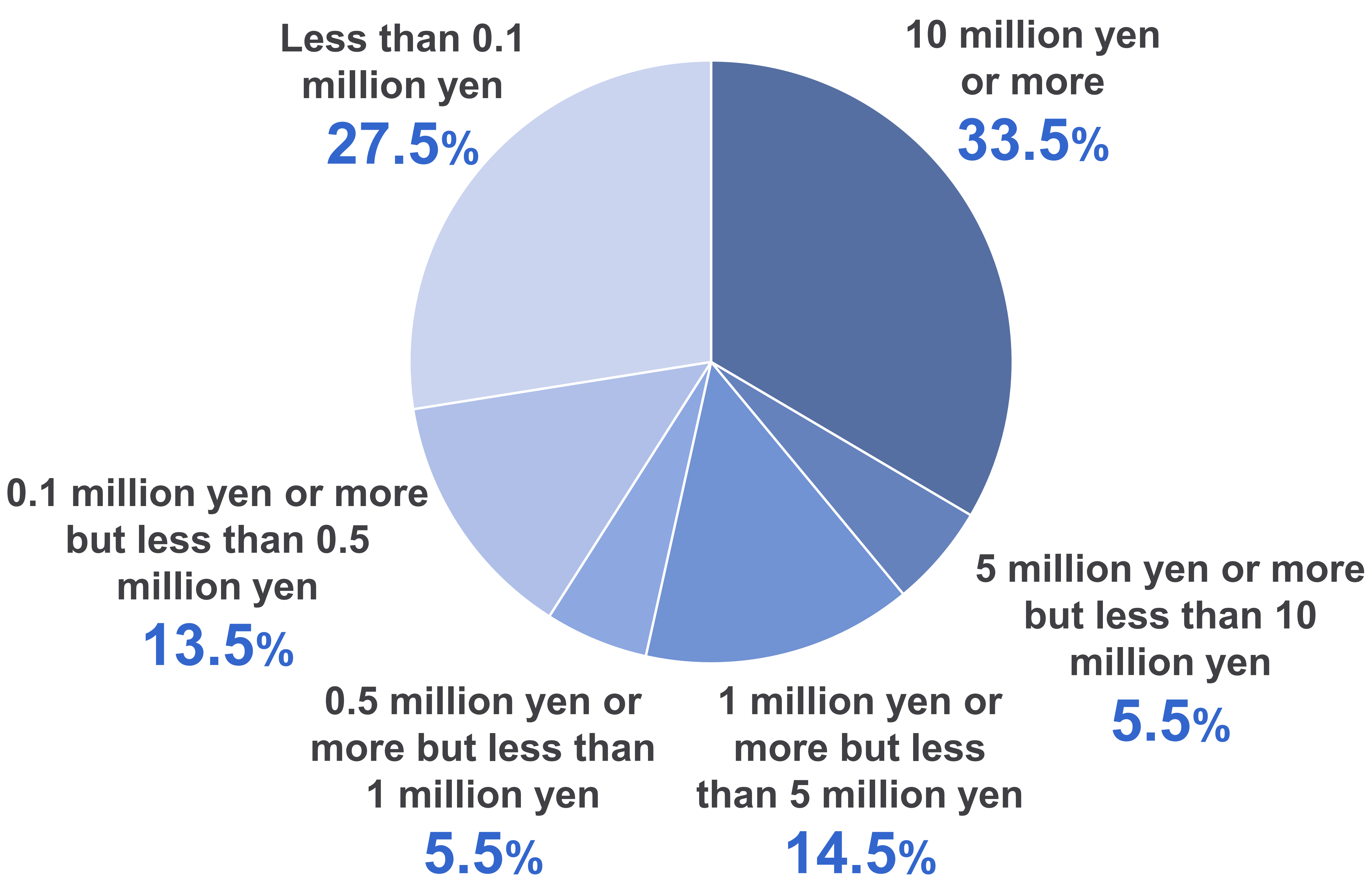
Composition of Customers (FY 3/2026)

*Reprinted from the Financial Results for FY2026 March

A diverse customer base in terms of sales size, industries and attributes

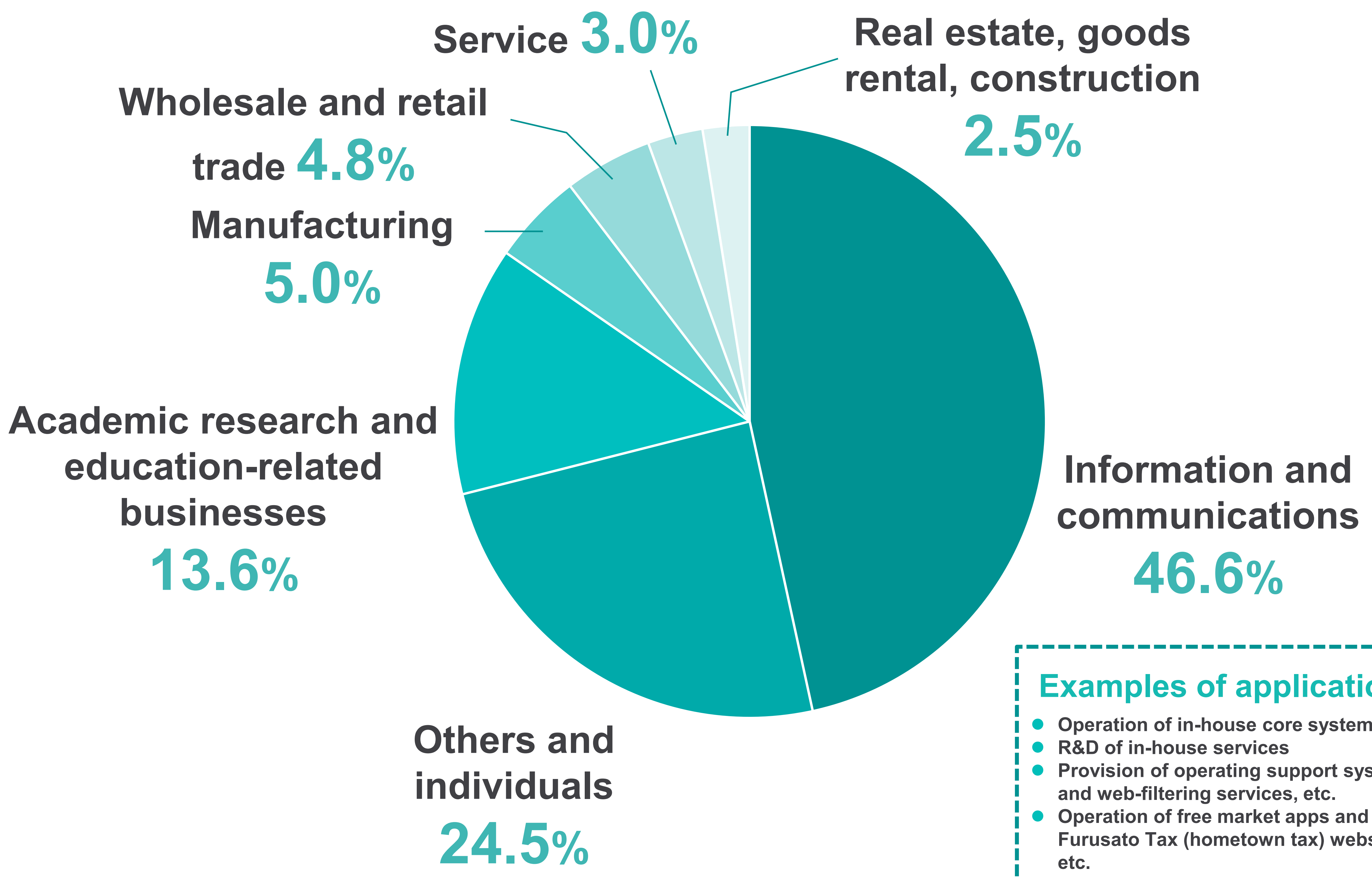
Breakdown by monthly fee

(Composition by sales)



Customer composition

(Composition by sales)



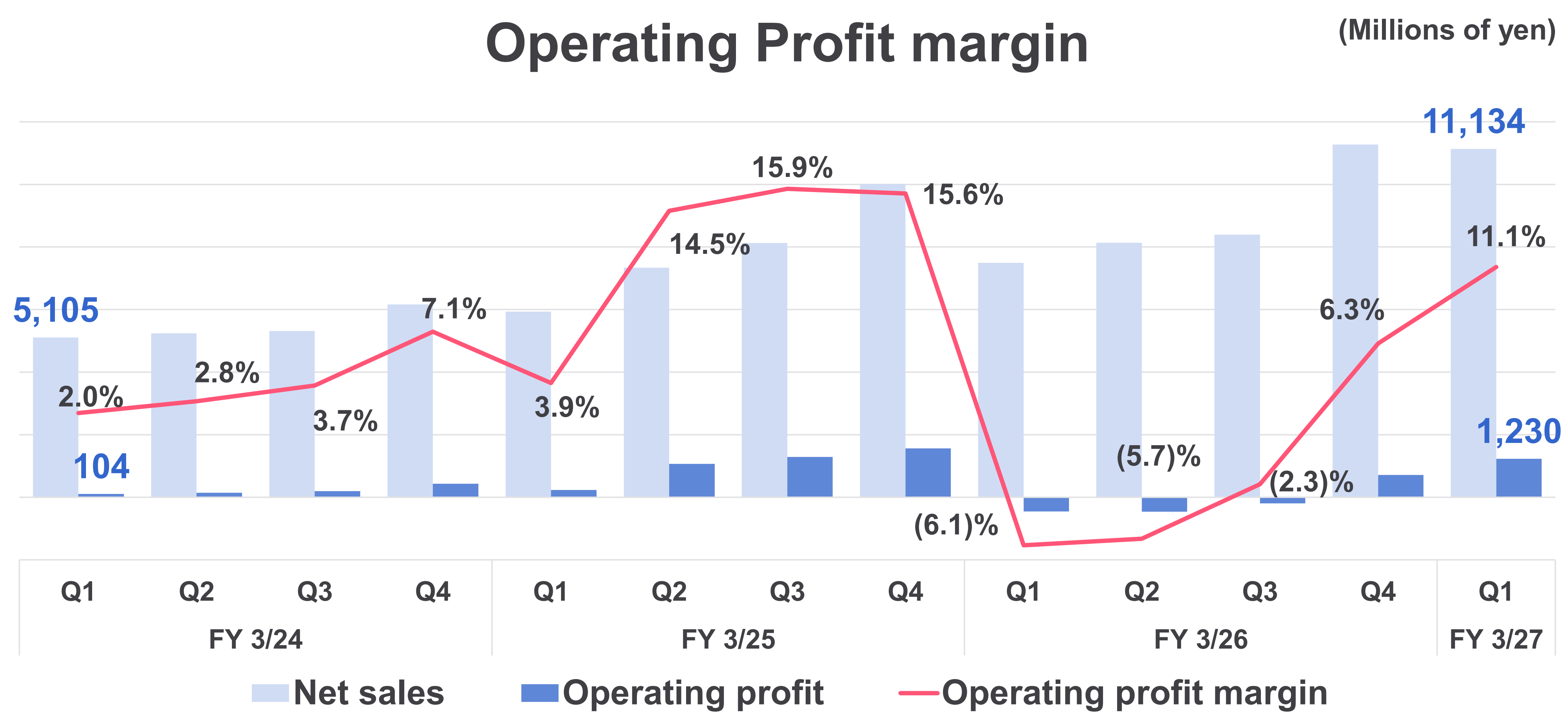
Examples of applications

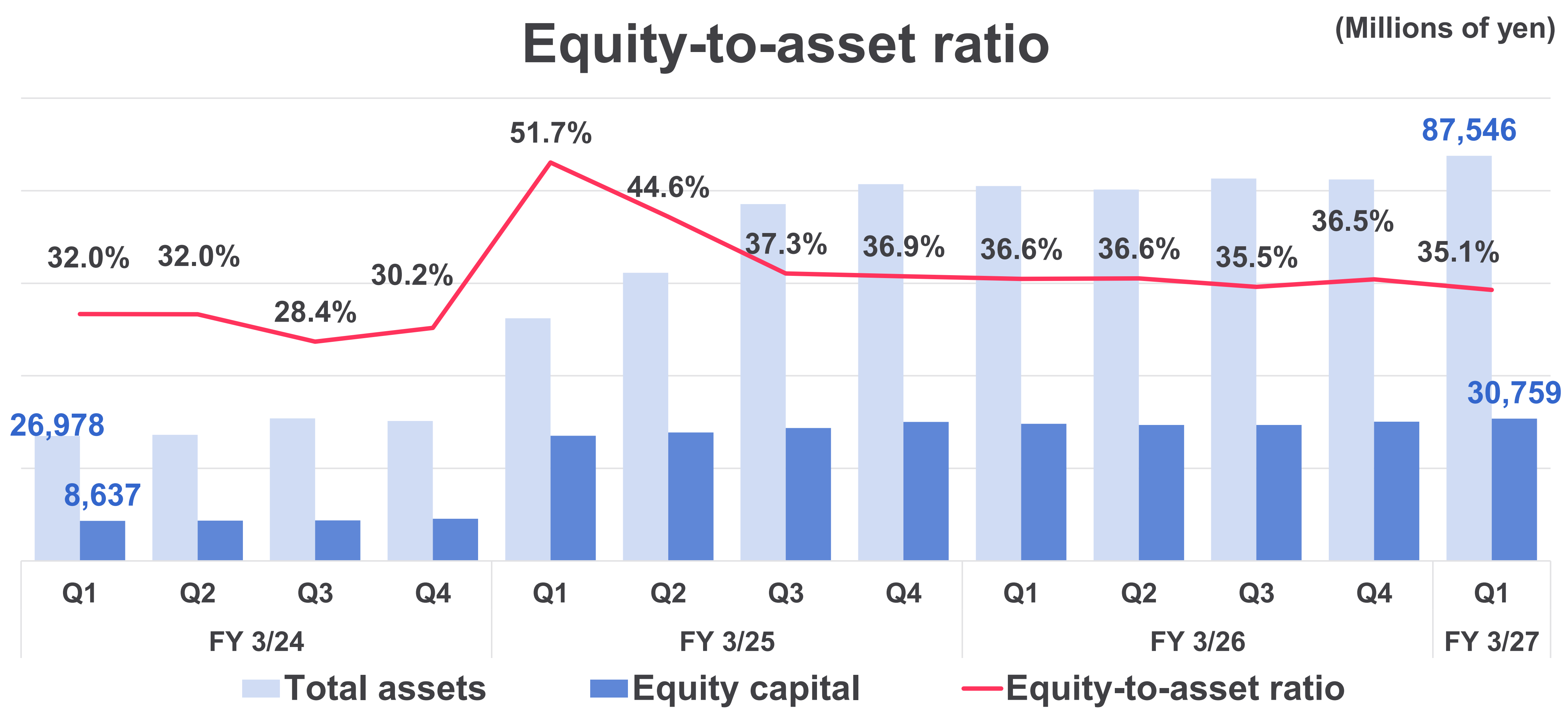
- Operation of in-house core systems
- R&D of in-house services
- Provision of operating support systems and web-filtering services, etc.
- Operation of free market apps and Furusato Tax (hometown tax) websites, etc.

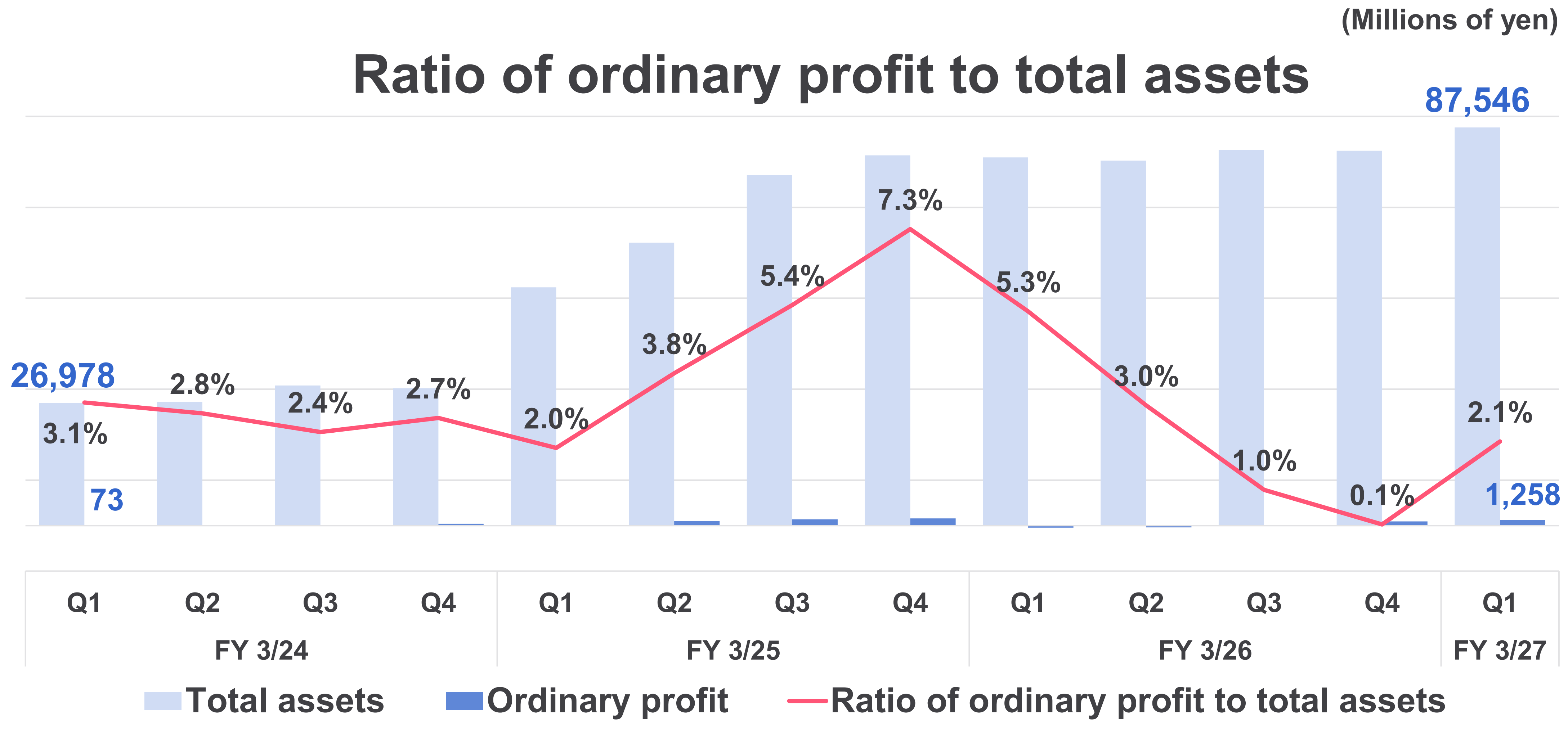
*The figures represent SAKURA internet on a non-consolidated basis

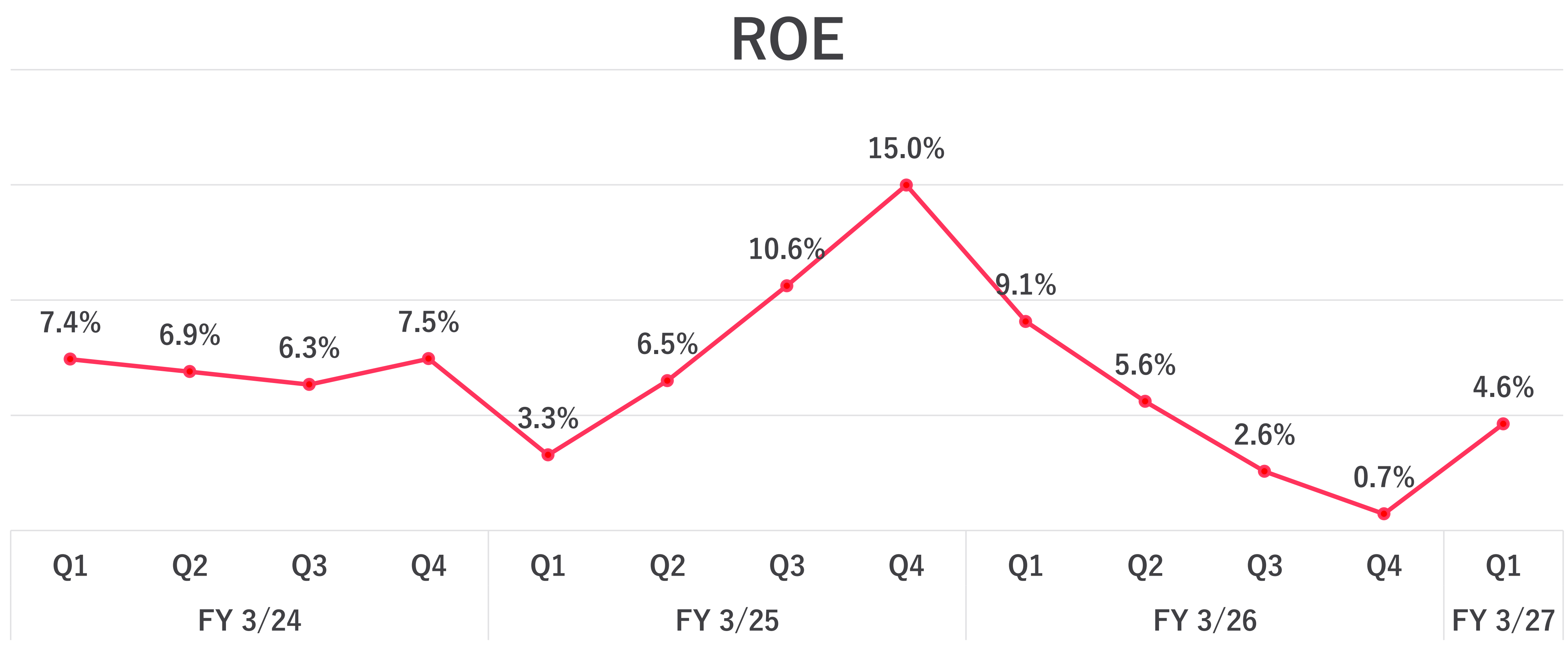
Consolidated Financial Indicators

SAKURA internet









* Ratio of ordinary profit to total assets and ROE are calculated using profit figures from the trailing 12 months.

Company Profile

SAKURA internet

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 Incorporation as a stock company / The first data center opened

Incorporated 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 market listing 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

Trade name	SAKURA internet Inc.
Head office location	6-38 Ofukacho, Kita-ku, Osaka City, Osaka
Date of foundation	December 23, 1996 (Incorporated on August 17, 1999)
Date of listing	October 12, 2005 (TSE Mothers) November 27, 2015 (Market change to TSE 1st Section (now Prime Market))
Share capital	11,283,160,000 yen
Number of employees	1,171 (consolidated)

(* As of the end of June 2026)

■IR Contact

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

The earnings forecasts and other information contained in this document are based on our company’s judgment at the time of preparing this document and we do not guarantee the accuracy of such information. Please note that the results may differ from the forecasts in this document due to various factors.