

**3rd Quarter of Fiscal Year Ending March 2025**

# **Financial Results**

**January 31, 2025**



# Financial Highlights

## Consolidated financial results

Net sales and operating profit recorded a YoY increase of **36.6%** and **476.3%**, respectively, and steady progress is being made toward a new growth phase, with GPU cloud services driving significant growth

- Launch of AI-focused GPU cloud services(January 2024), revenue and profit growth driven by the expansion of cloud services and the acquisition of large-scale projects by group companies

## Consolidated earnings forecast

**Upward revision** of full-year earnings forecast due to additional investment in GPU cloud services

- Expect to exceed forecast for Q4 due to the early provision of services for 800 NVIDIA H100 Tensor Core GPUs, for which additional investment was decided upon in September 2024 (December 2024), and the acquisition of large-scale projects with government and Group companies
- While depreciation and electricity costs increased due to the start of operations for additional investment in GPU cloud services, profit increased due to improved sales mix
- Plan to implement sales and marketing as well as employee motivation improvement measures and more aimed at medium- to long-term growth in the next fiscal year and beyond

## Achieved record high profit as of Q3 while continuing strong recruitment

- Consolidated net sales increased **36.6%** YoY mainly due to strong growth in GPU cloud service sales of **3,747** million yen (started from the current fiscal year), cloud service sales of **10,356** million yen (up 9.8% YoY), and acquisition of projects by Group companies
- The progress rate of the current hiring plan, which targets 200 new hires, is at a strong 81%\*. Increased investment in human resources to strengthen cloud service development and sales promotion efforts, as well as the launch of the GPU cloud services, has led to higher depreciation costs and electricity expenses. Depreciation and electricity costs increased due to the commencement of operation of GPU cloud services \*including 162 prospective personnel by the current fiscal year end
- By prioritizing the early provision of a GPU infrastructure for generative AI and strengthening cloud services, which are key initiatives for the current fiscal year, revenue from high-value-added services increased. As a result, by the third quarter, we achieved a performance exceeding the highest full-year profit on record

(Millions of yen)

Item	Q3 FY 3/24	Q3 FY 3/25	YoY	
	Amount	Amount	Change	Change (%)
Net sales	15,658	21,397	5,738	36.6
Operating profit	448	2,585	2,136	476.3
Ordinary profit	319	2,488	2,168	678.3
Profit attributable to owners of parent	304	1,642	1,338	440.2

In this document, FY 2025 refers to the period from April 1, 2024, to March 31, 2025, and the same applies to other fiscal years

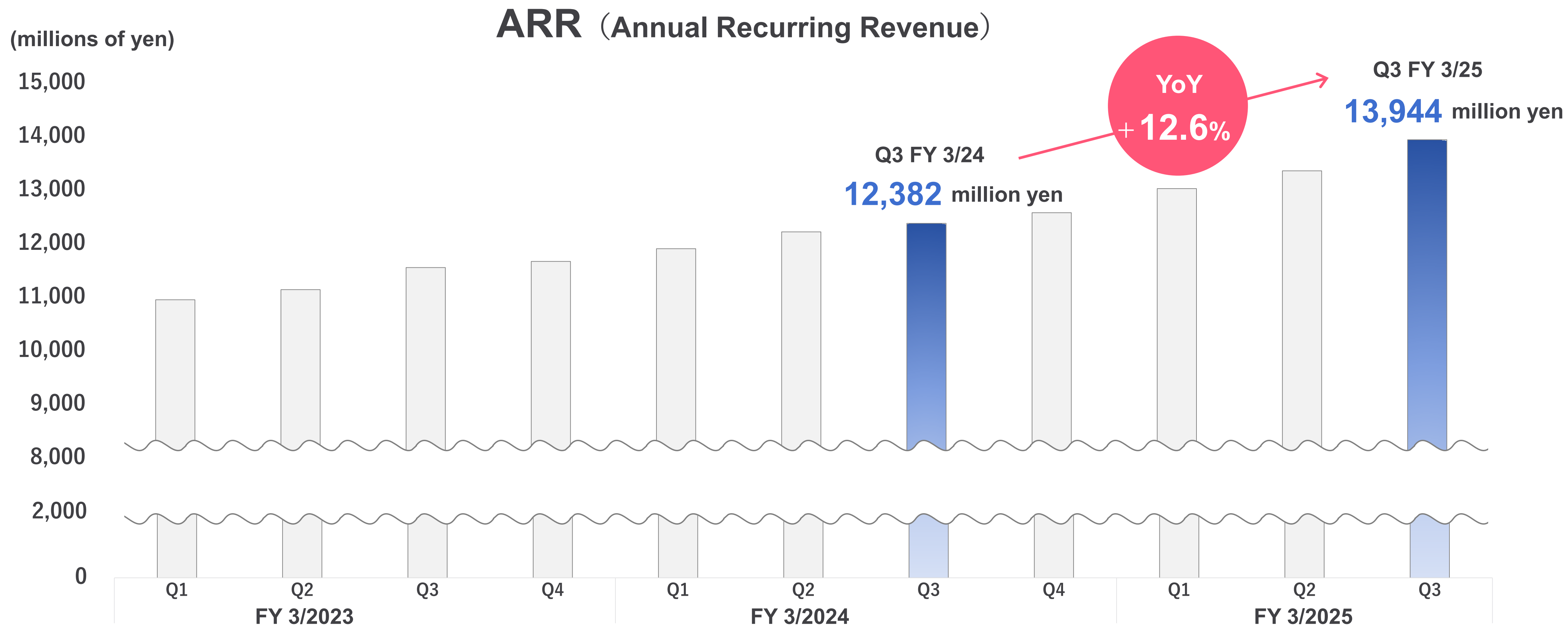
## Full-year earnings forecast revised upward due to investment in 800 additional NVIDIA H100 Tensor Core GPUs

- [Net sales]** ● Consolidated net sales were revised upward due to the prompt start of operations of the additional investment of 800 NVIDIA H100 Tensor Core GPUs in GPU cloud services, which was decided after the previous earnings forecast revision, and the acquisition of government and Group company projects, etc.
- [Profit]**
- While depreciation and electricity costs increased due to the start of operations for additional investment in GPU cloud services, profit increased due to improved sales mix
  - Plan to implement sales and marketing as well as employee motivation improvement measures and more aimed at medium- to long-term growth in the next fiscal year and beyond

(Millions of yen)

Item	Previous forecast	Revised forecast	Change		(Reference) Results for the previous fiscal year	
	Amount	Amount	Amount	Change (%)	Amount	Change (%)
Net sales	29,000	31,000	2,000	6.9	21,826	42.0
Operating profit	2,600	3,400	800	30.8	884	284.4
Ordinary profit	2,450	3,250	800	32.7	764	325.3
Profit attributable to owners of parent	1,550	2,100	550	35.5	651	222.2

## ARR, representing recurring fee revenue, increased **12.6%** YoY



\*The ARR includes revenue of cloud service, VPS service, and rental server service of SAKURA internet on a non-consolidated basis

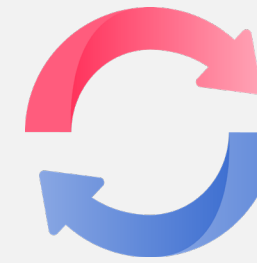
\*Although the cloud-service adopts a pay-as-you-go pricing system, these figures are calculated in accordance with a method of fixed-rate service calculation

\*Annual Recurring Revenue (ARR): Calculated by multiplying the Monthly Recurring Revenue (MRR) at the end of each period by 12. These figures indicate annual revenue on a recurring billing basis and differ from net sales

## Practice of growth strategy

**Capturing strong demand by providing additional GPU infrastructure for generative AI**  
**Acquiring a unique position in the government cloud domain**

- In response to growing demand, started providing the services of 800 NVIDIA H100 Tensor Core GPUs, for which the additional investment was decided upon in September 2024 (December 2024)
- Started collaboration with NEC Corporation to provide AI platform services\* (November 2024). Incorporating generative AI developed by NEC into a platform service for generative AI utilizing our GPU cloud
- Received an order from the Digital Agency for the design and development of government multi-cloud networks (December 2024). It is a project to construct network infrastructure to safely and efficiently connect and operate multiple government cloud services. Contributing to the digitization of public services and strengthening security



## Strengthen infrastructure that underpins growth strategy

**Steady progress in acquiring human resources to support growth strategy**  
**In the process of building digital infrastructure for next stage of growth**

- A progression rate of 81% on a non-consolidated basis (including 162 prospective personnel by the current fiscal year end), aiming to hire about 200 or more personnel within the current fiscal year. Of these, 84% are leading players or higher level, and we are securing human resources to support growth strategies in all job categories
- We are building a container-type data center on the Ishikari Data Center site and plan to provide services as soon as the GPUs are delivered
- Entered into basic agreements with Preferred Networks Inc. and Rapidus Corporation with the aim of developing domestic AI infrastructure that contributes to a green society (January). Rapidus will manufacture the cutting-edge models of the MN-core series that will be newly designed by Preferred Networks moving forward, and combined with our knowledge in developing cloud services for generative AI, we will develop domestic AI infrastructure that will contribute to a green society

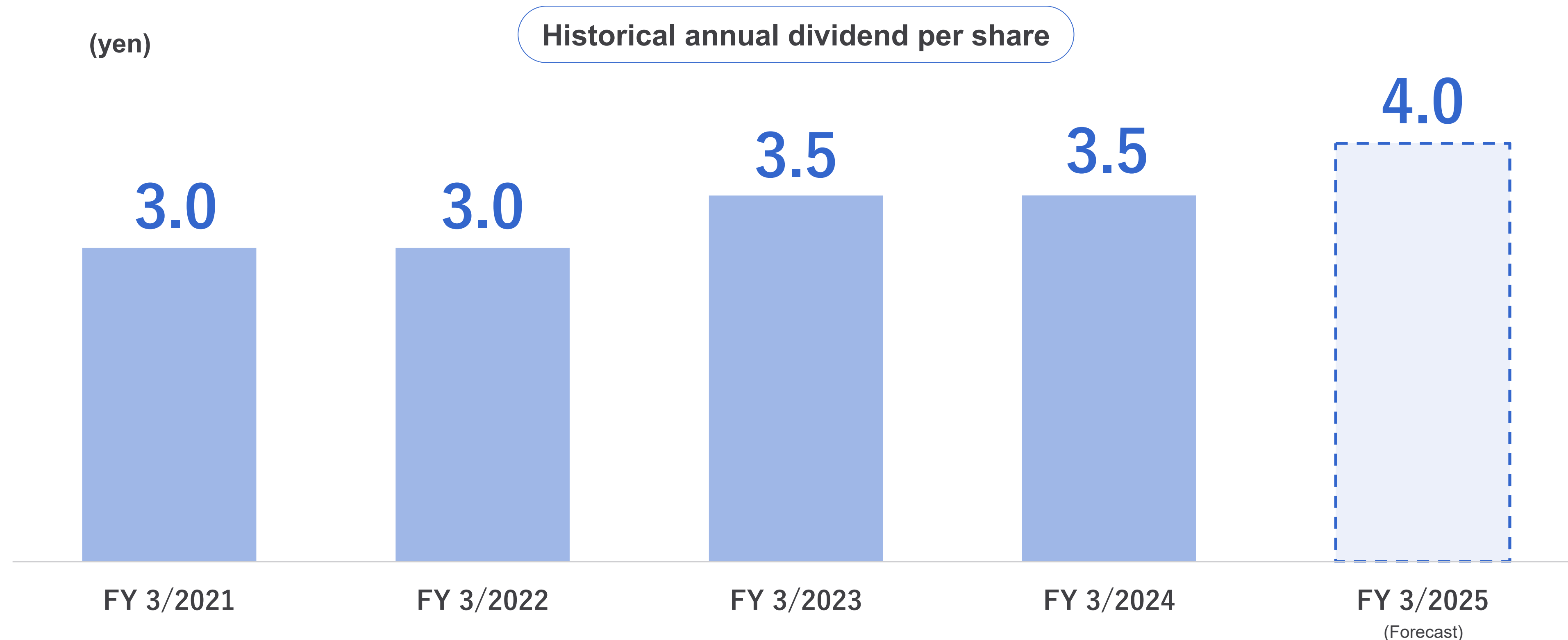
\*[News Release: Sakura internet Starts Development of Platform Service for Generative AI](#)

## Basic dividend policy

Our dividend policy is to return profits to shareholders in accordance with the business development, while maintaining a certain level of internal reserves in order to ensure sustainable growth and profitability

- **Planned dividend for FY 3/25: Maintaining an increased dividend of JPY 4.00 per share**

While ensuring stable profit returns, we aim for business growth through active investment in the GPU cloud services by utilizing funds raised through capital increases and cloud program subsidies. At the same time, we will secure the necessary funds for growth investments





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”

## Environment

**Topic** Ishikari Data Center  
**Achieve zero annual CO2 emissions**

- **Ishikari Data Center**
  - Reduced power consumption substantially with air conditioner using natural cold air in Hokkaido
  - Achieved virtually zero annual CO<sub>2</sub> emissions by using 100% renewable energy sources

## Governance

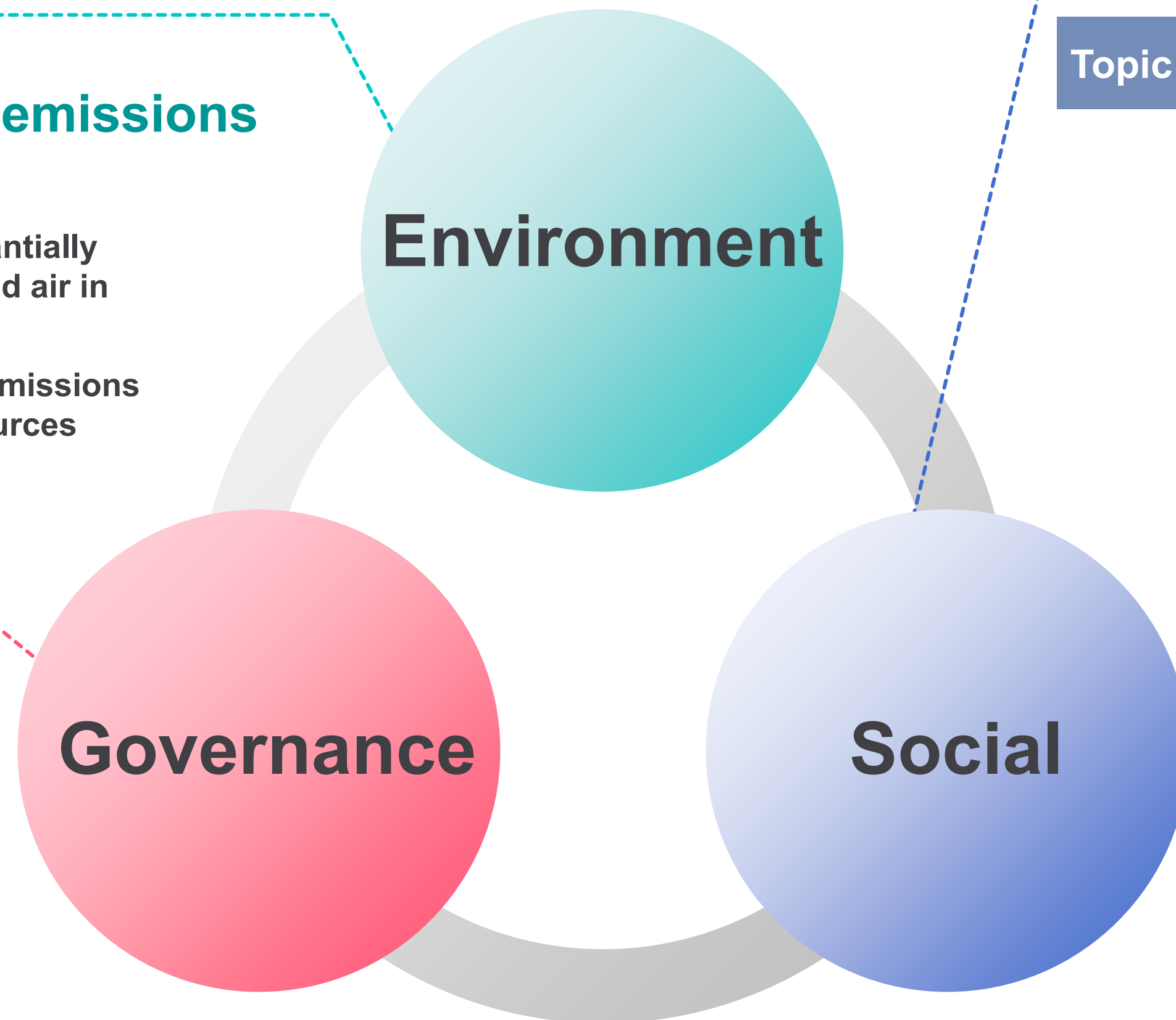
**Topic** **Percentage of women executives including executive officers: 25.0%**  
 (as of December 31, 2024)

- **Enhance corporate governance**
  - Appointment of diversified outside officers and independent officers
  - Diversification by increasing the ratio of female executives
- **Maintain and improve information security**

## Social

**Topic** **Awarded “Excellent Work Style Company Award” at My Navi Tenshoku (Career Change) BEST VALUE AWARD** (January 2025)

- Promote educating and supporting next-generation startups and professionals
- Promote the development of digital professionals and provision of IT-driven solutions to social issues
- Put human-capital-oriented management into practice
  - **Virtuous cycle of learning and practice**  
 [Development of human resources and a culture of mutual learning]  
 [Tackling challenges and leadership]
  - **Provide opportunities for diversified professionals to socialize and tackle challenges**  
 [Promotion of active participation of diversified talented people]
  - **Establish an infrastructure to ensure a safe and long career**  
 [Mental and physical health]  
 [Flexible work styles]



# Consolidated Financial Results for Q3 FY 3/2025

# Summary of Consolidated Financial Results for Q3 FY 3/2025

With the launch of GPU cloud services, etc. net sales and operating profit recorded a YoY increase of **36.6%** and **476.3%**, respectively

Actively **invested in areas focused on human resources** and **GPU cloud services** to implement growth strategy

(Millions of yen)

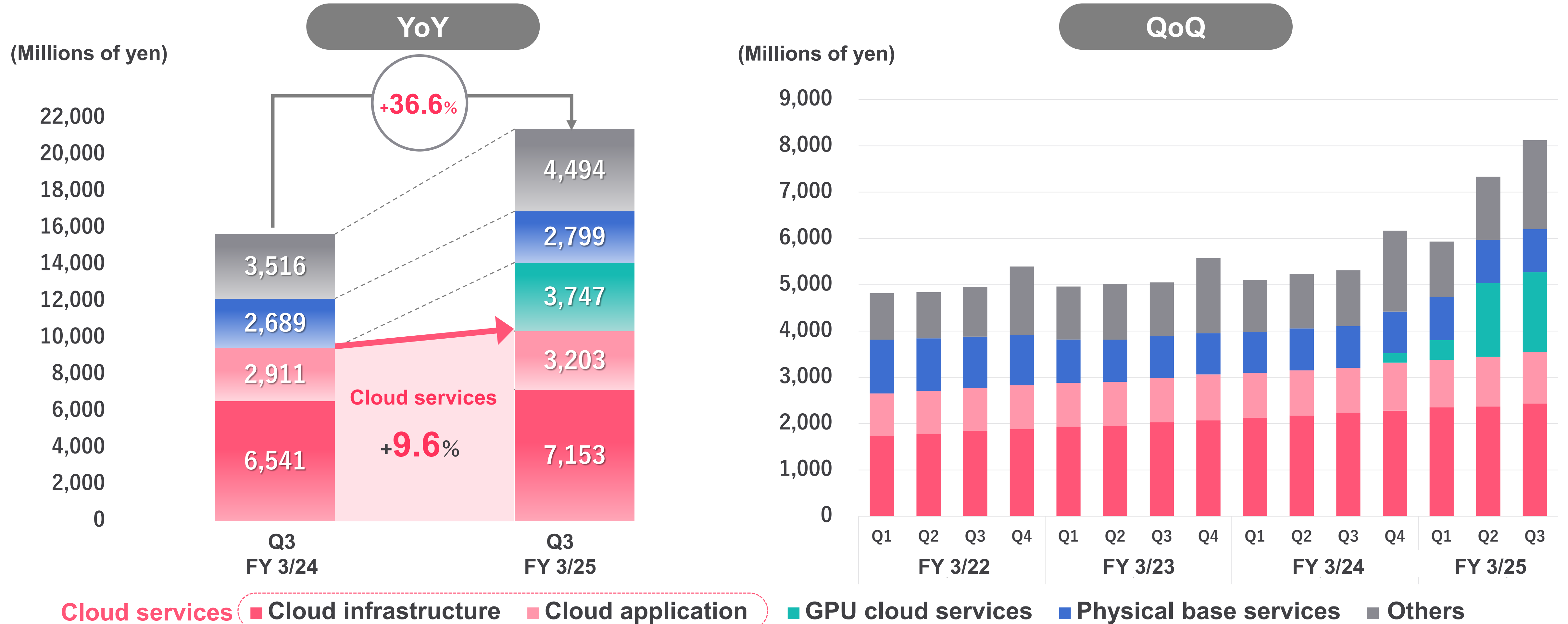
Item	Q3 FY 3/24		Q3 FY 3/25		YoY	
	Amount	Sales composition (%)	Amount	Sales composition (%)	Change	Change (%)
Net sales	15,658	100.0	21,397	100.0	5,738	36.6
Cost of sales	11,633	74.3	14,081	65.8	2,447	21.0
Gross profit	4,025	25.7	7,315	34.2	3,290	81.7
SG&A expenses	3,576	22.8	4,730	22.1	1,153	32.3
Operating profit	448	2.9	2,585	12.1	2,136	476.3
Ordinary profit	319	2.0	2,488	11.6	2,168	678.3
Profit attributable to owners of parent	304	1.9	1,642	7.7	1,338	440.2

Note: National subsidies, etc. of 5,332 million yen were recorded as extraordinary income, and loss on tax-purpose reduction entry of non-current assets of 5,331 million yen was recorded as extraordinary loss

The reduction in assets will lessen the burden of future depreciation

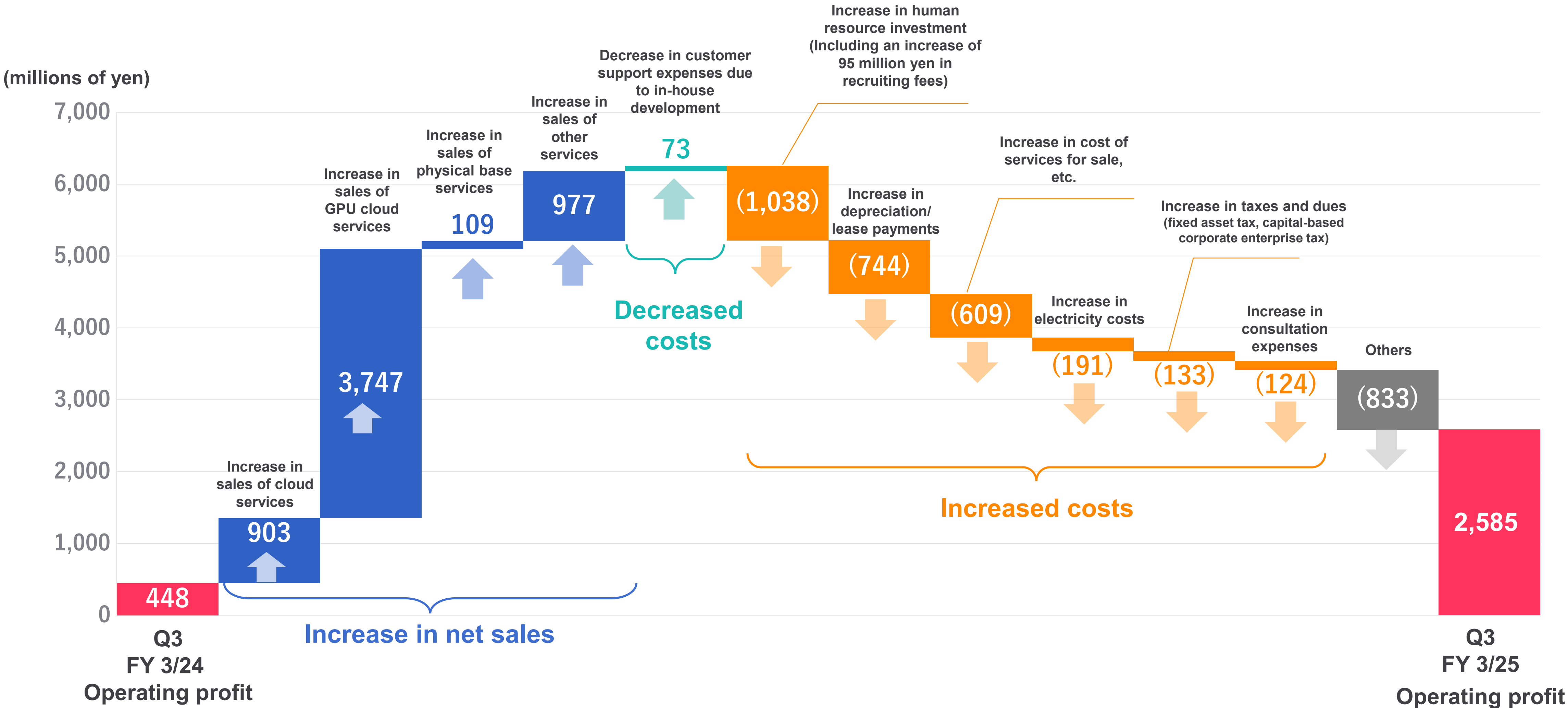
# Consolidated Net Sales by Service Category (YoY and QoQ)

Due to the launch of GPU cloud services for generative AI (net sales of **3,747 million yen**) and the growth of cloud services (an increase of **9.6%**), consolidated net sales recorded a YoY increase of **36.6%**



\*Figures for Q4 FY 3/2024 were changed due to adding a new category of "GPU cloud services" for FY 3/2025

## Factors that affected operating profit



- Increase in cash and deposits, share capital, and capital surplus due to issuing new shares through public offering
- Investment in equipment for GPU cloud services, etc. and increased related subsidy income and borrowings

(millions of yen)

Item	Previous year end (FY 3/24)	End of Q3 (FY 3/25)	Change
<b>Current assets</b>	10,574	46,744	36,169
<b>Non-current assets</b>	19,650	30,348	10,698
(Property, plant and equipment)	16,656	25,881	9,224
(Intangible assets)	505	942	437
(Investments and other assets)	2,488	3,524	1,036
<b>Total assets</b>	30,224	77,092	46,867

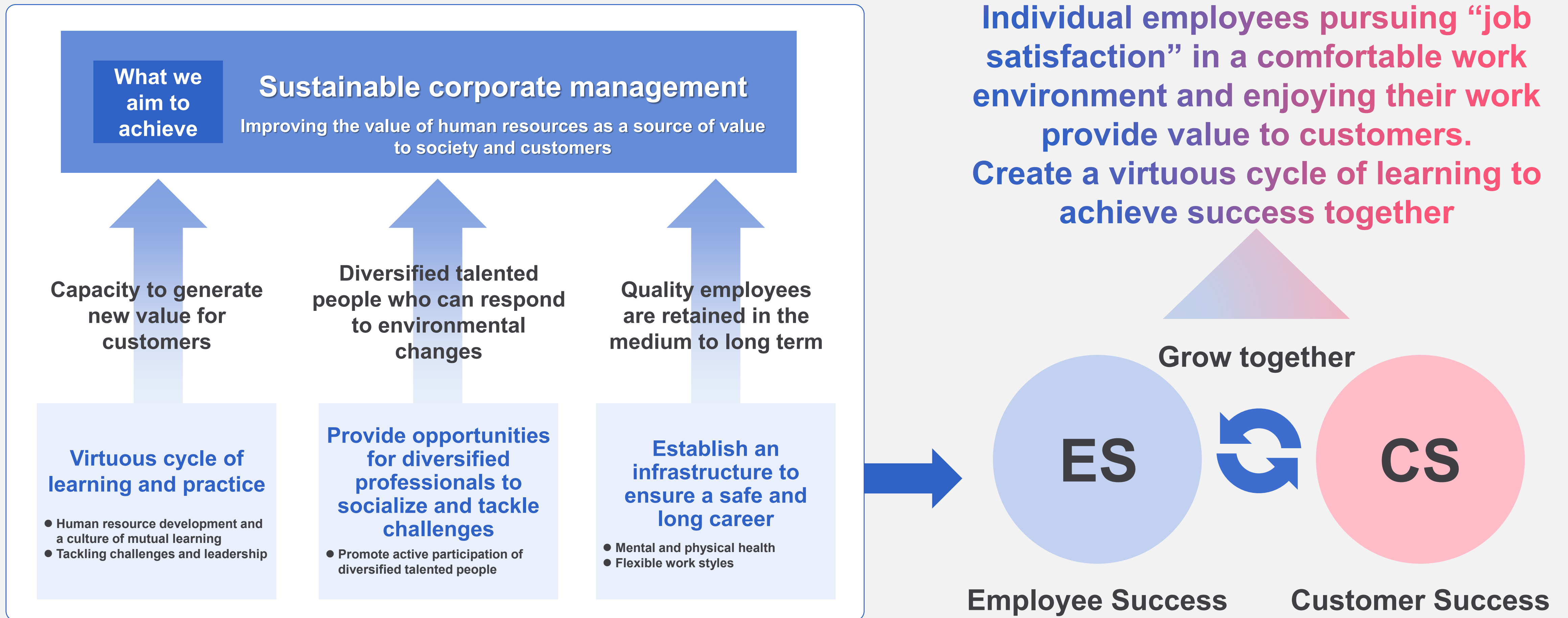
Item	Previous year end (FY 3/24)	End of Q3 (FY 3/25)	Change
<b>Curren liabilities</b>	10,598	35,435	24,836
<b>Non-current liabilities</b>	10,304	12,748	2,443
<b>Total liabilities</b>	20,903	48,183	27,280
<b>Net assets</b>	9,321	28,908	19,587
(Including shareholders' equity)	8,989	28,635	19,646
<b>Total liabilities and net assets</b>	30,224	77,092	46,867

**appendix**

# **Initiatives for ESG management**

# Overview of initiatives for human capital oriented management

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



Please visit the Company’s website below for the Company’s initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>



# Initiatives for human capital oriented management (cycle of learning and practice)

## 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 the cloud services, etc. in which we are strong

### Provide learning opportunities through a test of certification of cloud

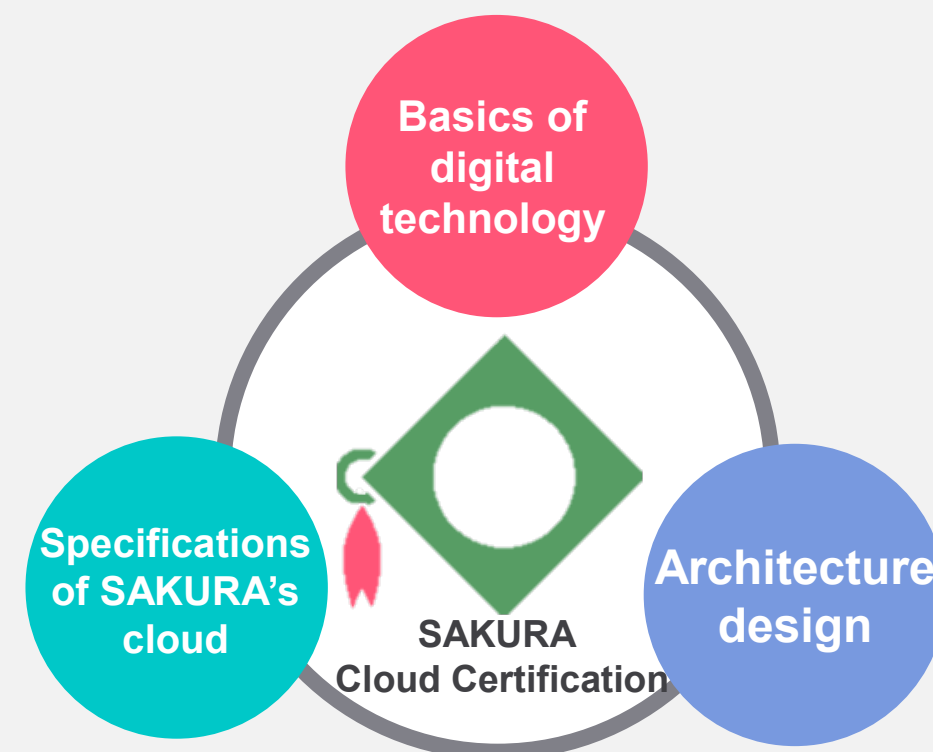
Established and regularly holding SAKURA Cloud Certification, designed for people to learn a wide range of digital skills from the basics to practical levels

Aiming to popularize DX education and establish standards, we are providing educational content for exam preparation for free online  
Exams are easier to take, and students are supported by discounted exam fees  
The next exam will be held in March 2025

Cumulative number of successful examinees: 378

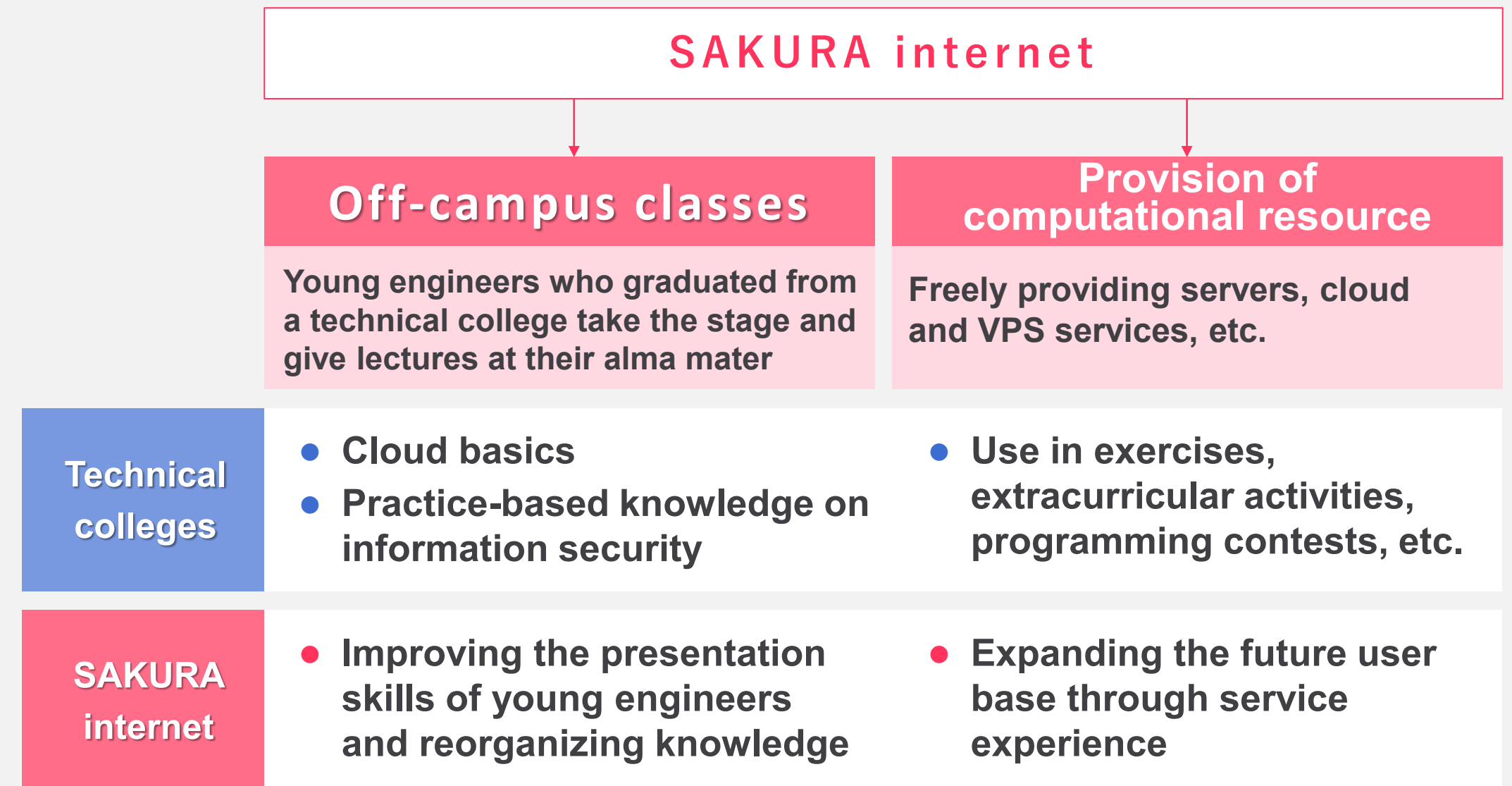


▲Certificate of acceptance and logo of acceptance  
\* Design of certificates of acceptance may be different from the image below.



### Practical education through KOSEN support project

Providing more “practical education” on the back of the conclusion of the comprehensive, collaborative agreement with the National Institute of Technology (KOSEN)



Please visit the Company's website below for the Company's initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

# Initiatives for human capital oriented management (cycle of learning and practice)

## Training of human resources in the digital field: Provide continuous learning opportunities

Promote the digitalization of organizations and society by providing IT and programming education opportunities to all employees and fostering the ability of ordinary employees to speak a common language with engineers

Provide opportunities for employees to acquire portable skills so that each employee can continue to play an active role in a changing society

### From the basics of digital literacy to its application

#### Promote the acquisition of Di-Lite\* certifications


Starting with the Information Technology Passport Examination, which aims to improve the digital skills of all employees, encourage people to acquire Di-Lite\* certifications, including the Japan Data Scientist Test and JDLA Deep Learning for GENERAL Certification, to support people who lead the field of DX including generative AI

\*Di-Lite: The range of digital skills that should be common to all business people as "users of digital technology" technologies



#### Employee growth support program

Proactive support for employees who want to grow and learn in a variety of ways

<p><b>1 Career counseling service</b></p> <p>Counselors are selected according to the details of consultation</p>	<p><b>2 Providing external video learning services</b></p> <p>Accounts are issued to those who desire them</p>
<p><b>3 Subsidies for acquisition of qualification</b></p> <p>Full subsidies for the cost of purchasing textbooks, etc.</p>	<p><b>4 Full subsidies for use of generative AI services</b></p> <p>For those who passed the Information Technology Passport Examination</p> 

### DX Journey internal training program

#### Unique educational curriculum tailored to social conditions and internal needs in order to develop digital human resources directly linked to business operations

Voluntary participation by employees of all ages, mainly in the back office divisions

Based on the results of internal questionnaires, we have created a practical course structure that can be used in business operations.

It is rapidly spreading in the business world, and it needs to be used appropriately for productivity improvement and business transformation. \*A new course to learn how to use generative AI has been added

\*Based on the Ministry of Economy, Trade and Industry/IPA "Digital Skill Standards version 1.2"

#### Establishing courses with a greater awareness of application in business

- Can be selected according to the level and interest of the trainee and the background of the work they are responsible for

<p><b>Application Business tool utilization</b></p> <ul style="list-style-type: none"> <li>Programming, automation, etc.</li> </ul>	<p><b>Application Business AI communication</b></p> <ul style="list-style-type: none"> <li>Technology trends, risks, usage</li> </ul>
<p><b>Basic IT literacy</b></p>	

Please visit the Company's website below for the Company's initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

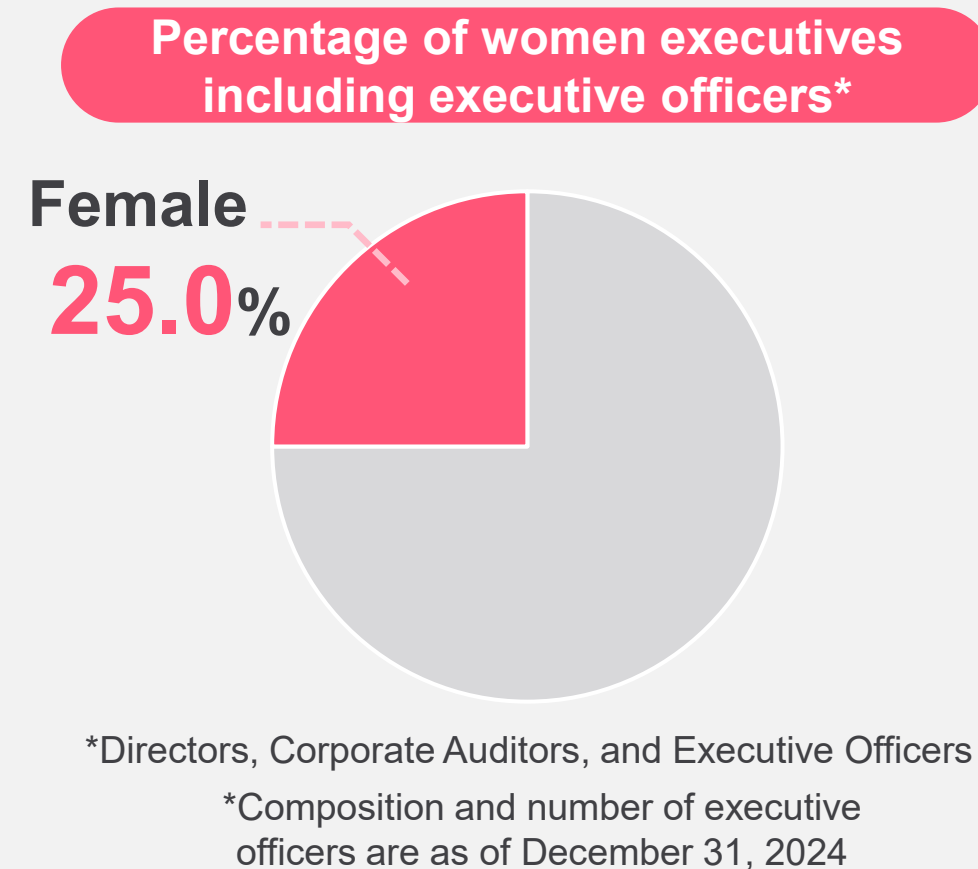
# Initiatives for human capital oriented management

(provide opportunities for diversified professionals to socialize and tackle challenges)

Expand and diversify the management and high-layer personnel, aiming to strengthen management functions and transform the businesses and operations

## Strengthen management functions and develop future management personnel

Simultaneously develop management personnel and strengthen management functions, through strengthening the business execution system by increasing executive officers  
Female executive officers will add diversification in management, and are expected to be a role model for the next generation



### CASE Create a dedicated GPU team to support cloud businesses

Transitioned from operations engineer to sales, working in sales for a mega-cloud provider and as a sales manager for an IT company. He joined our company because he wanted to work with GPUs and was responsible for sales regarding GPU cloud services for generative AI. Currently, he is leading sales around Koukaryoku PHY and is also recruiting to establish a sales team dedicated to GPU cloud services

Ryo Tomita (Joined July 2024) ▶  
Division Director, Sales Department, CS Division



(Photo by Yoshinobu Nakamura)

## Strengthen human resources for transformation of businesses and operations

As the Company continues to expand in business and size, mid-career recruitment is centered on leading players and above who are key to the business  
Acquired an industry-leading specialist who breaks through traditional frameworks and leads the creation of new value

### Area of active participation for specialists

- Network management specialist
- Engineering manager at a major IT company
- Senior director of the cloud development division, senior director of the corporate strategy office at another cloud service provider

and more

### CASE Planning strategies for the growth and expansion of SAKURA Cloud

After working as a software engineer for a major IT company, he worked as a freelance technical advisor for several startups. In addition to creating customer value, he will play an important role at our company in formulating the growth strategy and roadmap for SAKURA Cloud. He is a maintainer of OSS\* including “Fluentd,” and is also known as the originator of the event “ISUCON”\*

Satoshi Tagomori (Joined August 2024) ▶  
Product Manager, Cloud Business Division



(Photo by Yoshinobu Nakamura)

\*OSS: Open Source Software

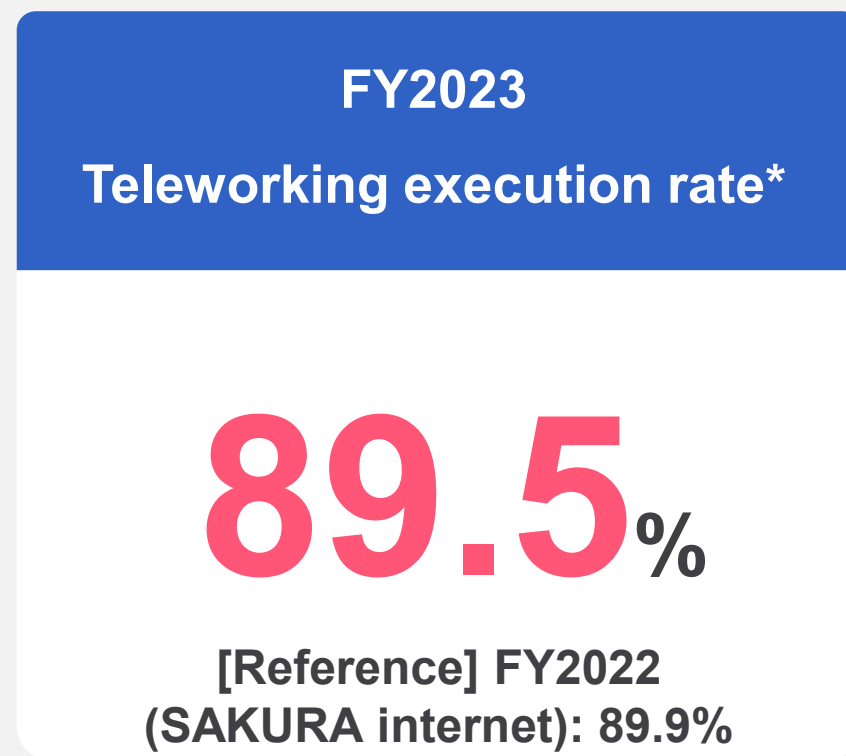
\*ISUCON: A tuning event where participants compete to speed up web services within a defined set of rules

Please visit the Company’s website below for the Company’s initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

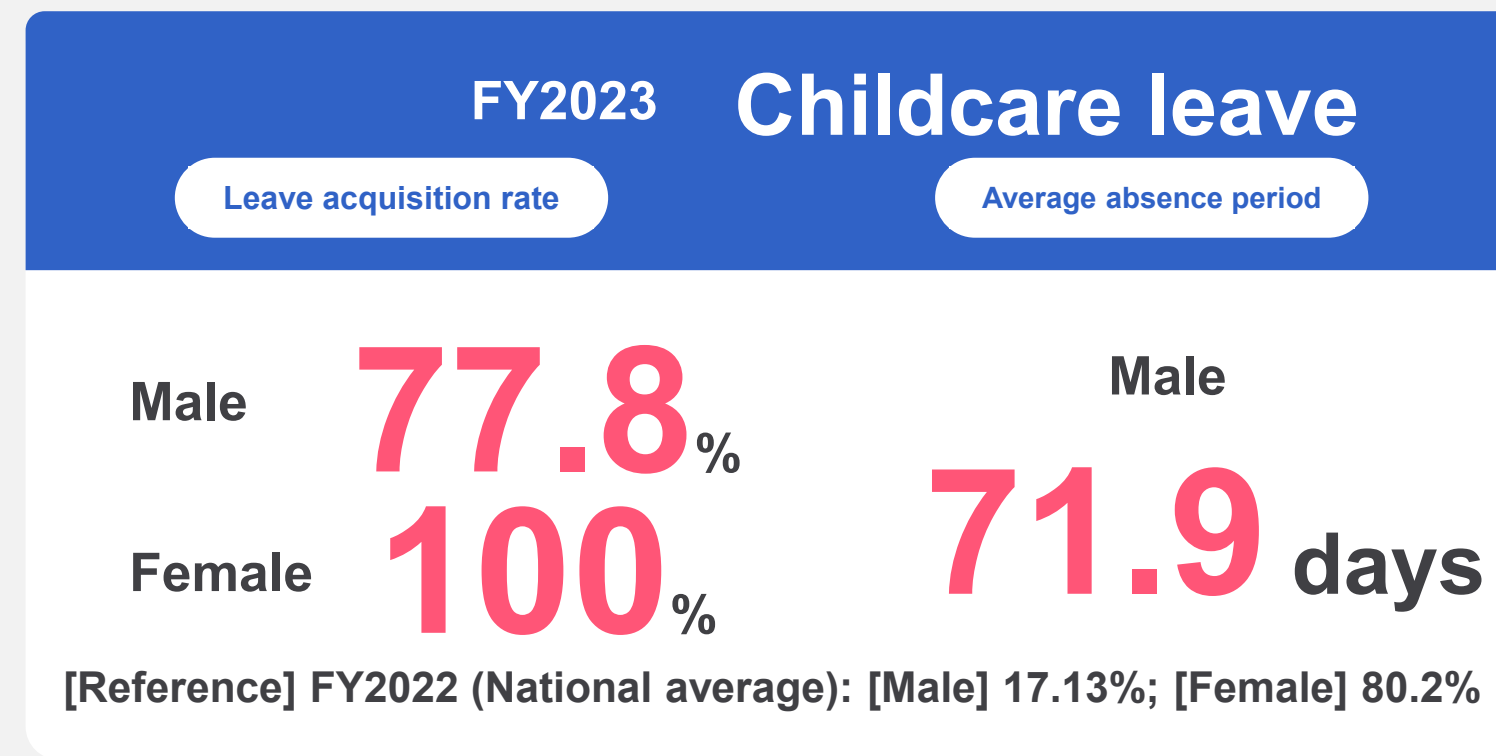
# Initiatives for human capital oriented management (to establish an infrastructure to ensure a safe and long career)

## 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



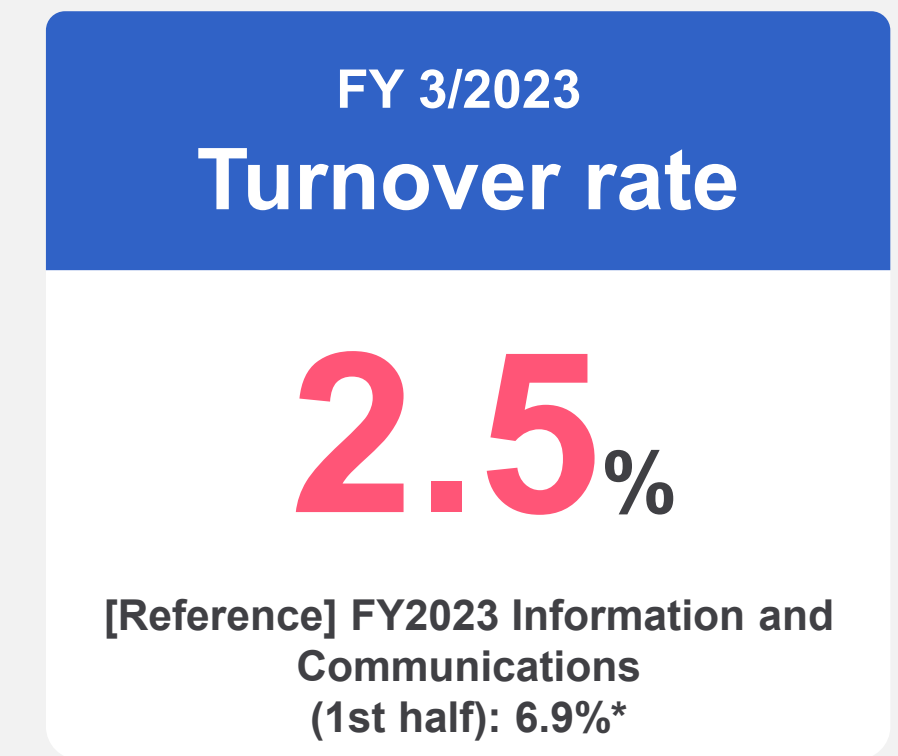
Calculated for March 2023. Non-attendance rate



Source: Survey of Gender Equality in Employment Management for 2022



Source: 2023 Monthly Labour Survey



Source: Survey on Employment Trends for the First Half of 2023

## Awarded “Excellent Work Style Company Award” at Mynavi Tenshoku (Career Change) BEST VALUE AWARD

We established the “Saburiko”<sup>\*</sup> program to promote a variety of work styles, and have worked to create a comfortable working environment. Some of these initiatives include the “Short 30” system, which allows employees to leave work 30 minutes before their scheduled time, and the “Refresh” system, which encourages employees to take continuous paid leave. As a result, we have achieved positive results, such as improved evaluations on career change review sites, an increase in referral recruiting and alumni hires, and the maintenance of a low turnover rate. These achievements allowed us to be recognized as an attractive company, and we received the “Excellent Work Style Company Award.” We will continue to enhance this environment in which employees can develop a broad range of long-term careers and further promote human capital-oriented management



\*Saburiko (Sakura Business and Life Co-Creation) is a general term for systems that aim to expand one’s career beyond the confines of the company, to enrich one’s private life, and to use the knowledge and experience gained through both to co-create

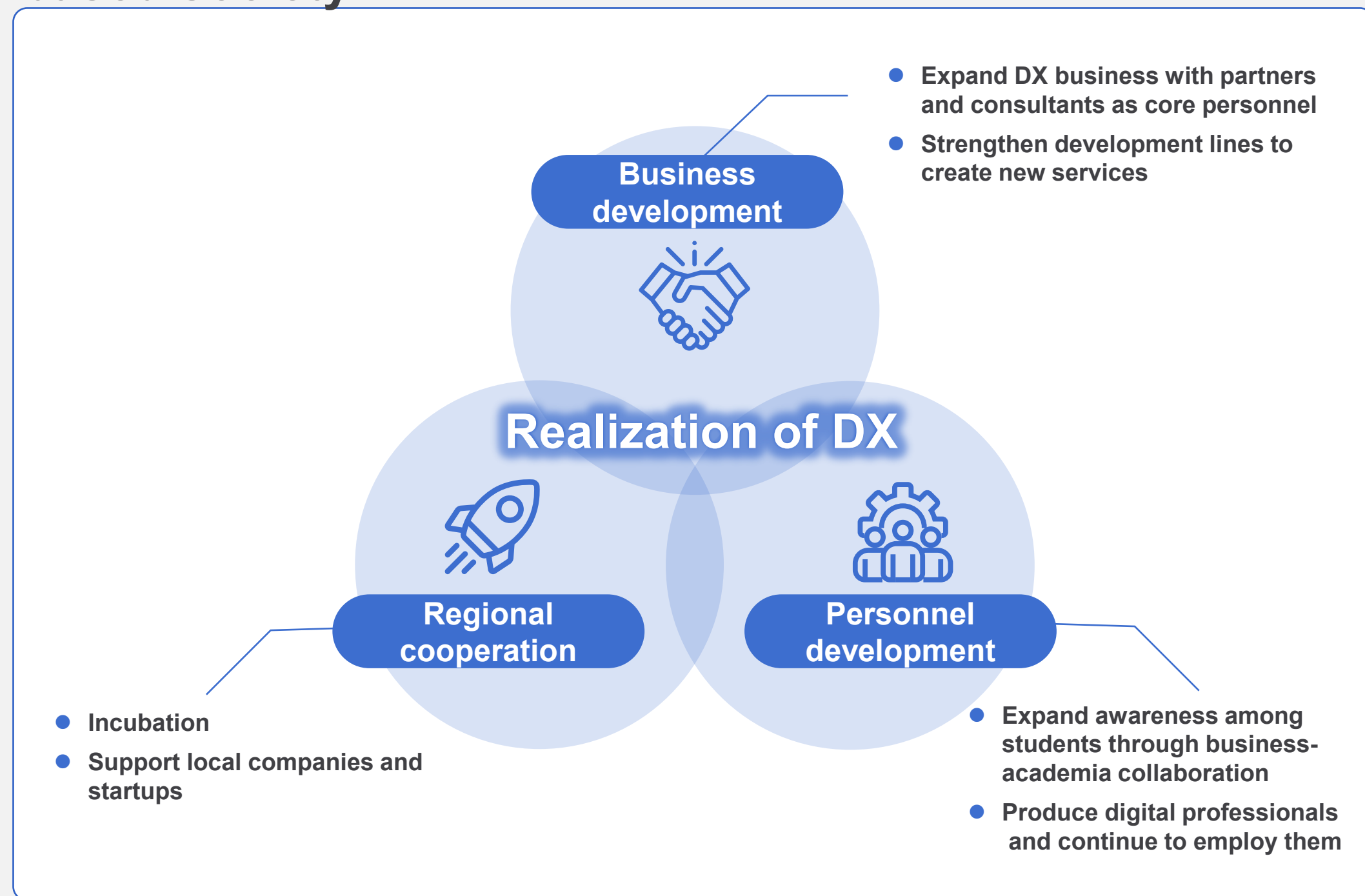
Please visit the Company’s website below for the Company’s initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

# Support the next-generation of entrepreneurs in tackling challenges and promote open innovation initiatives from various regions

## Local revitalization and creation of digital innovation

### Accelerate the efforts to drive open innovation

With focus on digitalization, education, local revitalization, and startup support, realize a new digital-based society



### Regional sites for open innovation



**Osaka**

At JAM BASE, GRAND GREEN OSAKA  
Opened in September 2024

**Create a place for communication**

The opening of Blooming Camp, an open innovation facility where people can freely gather and meet. More than 200 events are held annually, organized by companies, startups, educational institutions, and various communities

**Fukuoka**

Opened in Feb. 2017



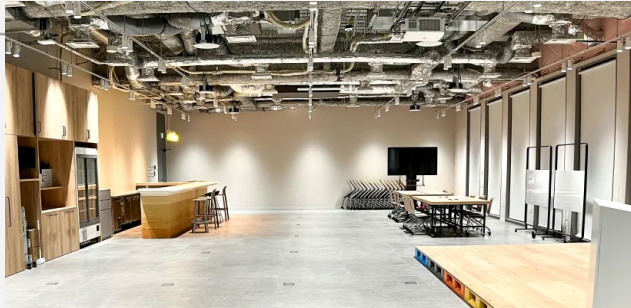
**Support start-ups**



**Okinawa**

**SAKURA innobase Okinawa**

Opened in September 2023



**Hire more local personnel**

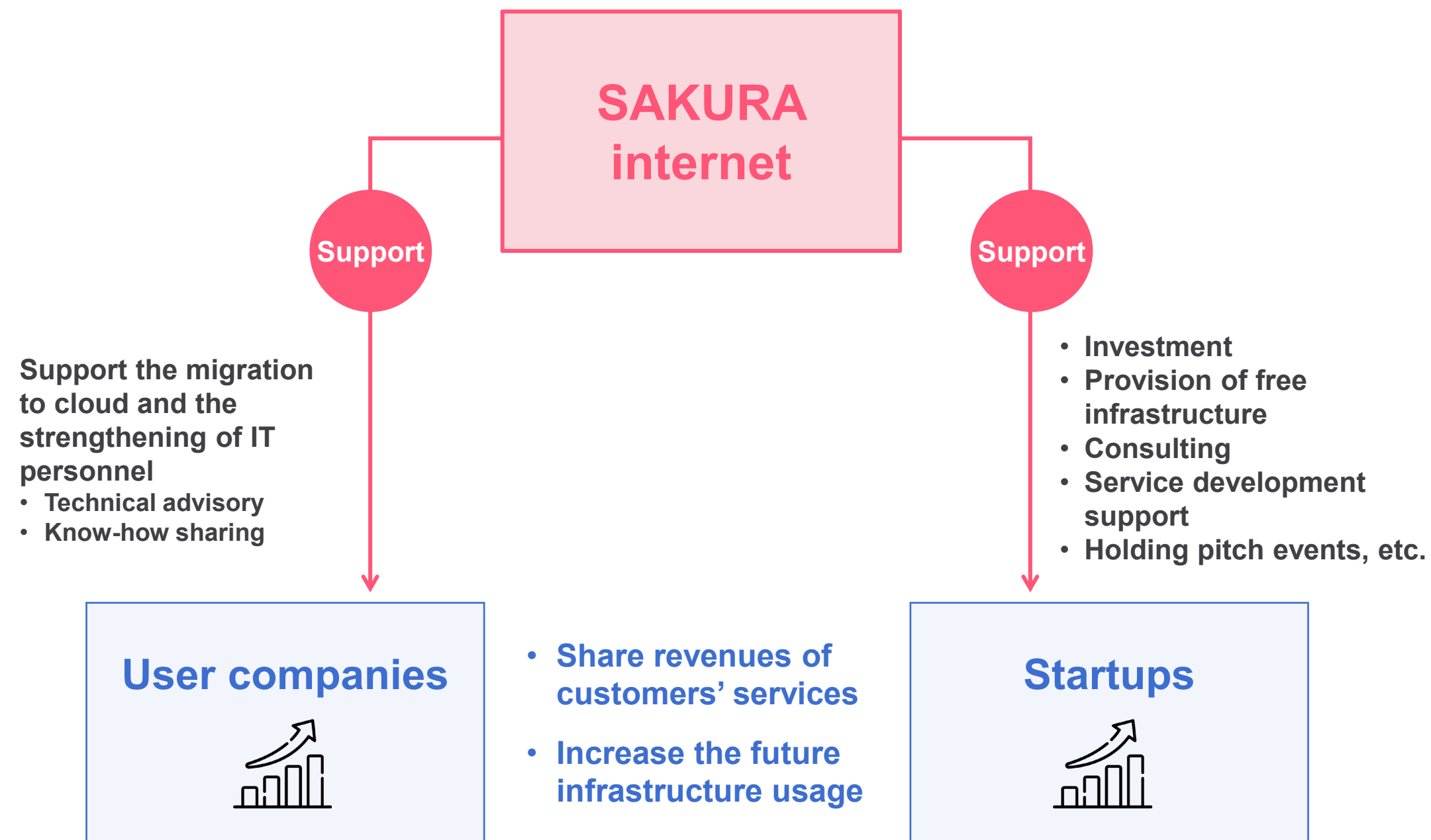
Please visit the Company's website below for the Company's initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

# Promote multi-dimensional support to back up efforts of next-generation entrepreneurs

## Startup support

### Investment and development support for startups

Promote DX of society by supporting the growth of companies that take on challenges



### Launched “Link up,” a startup co-creation program

Provides all-in-one resources to support the foundation that startups need to operate and deploy the infrastructure to accelerate their growth



#### 01 Provision of environment

Provide up to 10 million yen's worth of SAKURA's cloud suited for their business scale and growth for up to one year. ImageFlux, Koukaryoku GPU server, and SAKURA's IoT are also provided



#### 02 Technical support

Growth support service by preferentially handling inquiries and providing opportunities to attend meetings with sector experts

- Technical advice
- Hands-on events
- Dedicated contact

#### 03 Business support

Help resolve problems by providing opportunities to exchange opinions and proposals with partner companies and to co-host events

- Support alliance with a partner company
- Provide opportunities for promotion
- Mentoring startup personnel

Please visit the Company's website below for the Company's initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

# Environmental initiatives: Ishikari Data Center

Data centers, the essential part of our business, consume large amounts of electricity when operating and cooling their servers. Due to recent rapid advances, etc., of large language models (LLM), the amounts consumed by high-performing servers are also increasing \*. We strive to reduce energy consumption and have decarbonization, aiming to contribute to a sustainable society

## Strive for decarbonization and reduction of energy consumption

Ishikari Data Center, Japan's largest suburban mega data center optimized for cloud computing, has actively made efforts to improve sustainability since its opening.



Appearance of Ishikari Data Center (front: Building 3, left: Buildings 1 and 2)

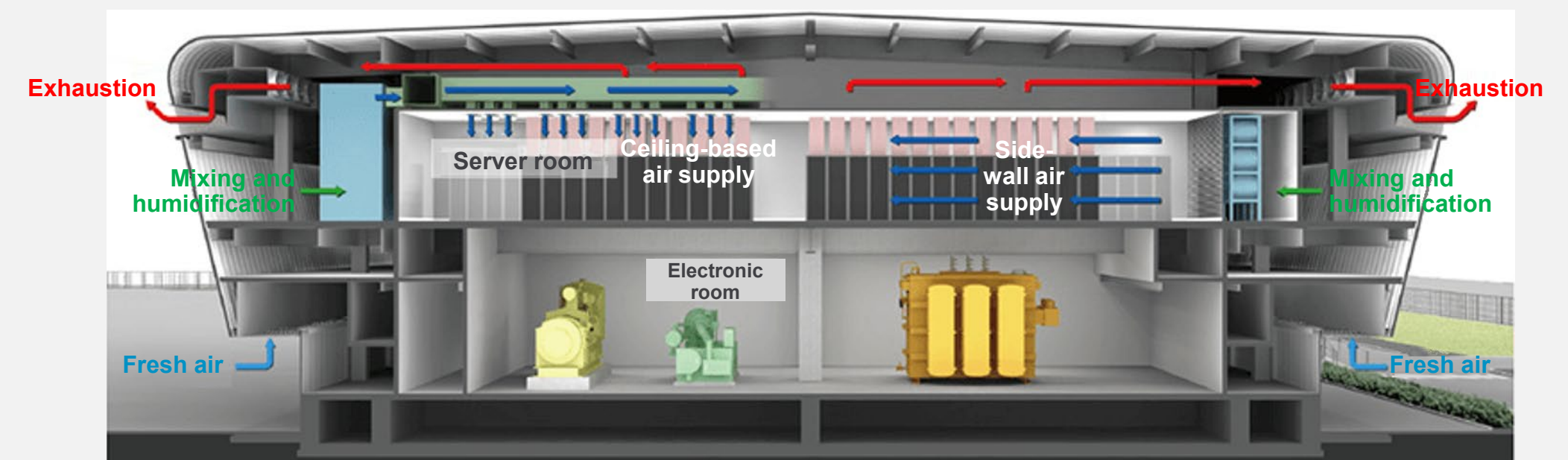
\* Reference: "Global electricity demand from data centers could double toward 2026" according to the IEA's Electricity 2024 <https://www.iea.org/reports/electricity-2024>

## Maintained 100% renewable energy

As part of our decarbonization efforts, we achieved virtually zero annual CO2 emissions at the Ishikari Data Center by shifting the power source to renewable energy sources

## Drastically reduced the energy consumption for air conditioning and improved the power supply efficiently

Installed air conditioners using a "direct outdoor-air cooling system" which incorporates the fresh outdoor air of Hokkaido into server rooms, and an "indirect outdoor-air cooling system" which cools refrigerant circulating between a compressor unit and an air conditioning unit. The electricity consumption was reduced about 40% compared with general data centers located in urban areas.



(Above) Conceptual diagram of the air conditioning system of Ishikari Data Center

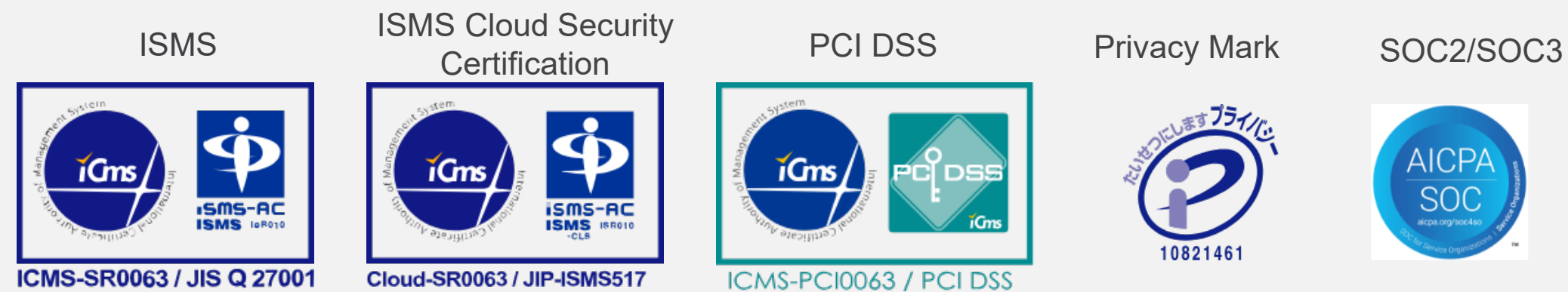
Please visit the Company's website below for the Company's initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

# Security Initiatives

## Maintain and improve information security

### Registration with various certification programs

- ISMS, a comprehensive information security management system, is applied to all companies 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

### 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 disclosed the Transparency Report, which contains the number of requirements and cases that have been addressed

## Cyber security Initiatives

### SAKURA.SIRT

Contributing to customer satisfaction by improving the Company, our service infrastructure, and customer security  
 Under the motto, “Secure the safety of customers and the Internet itself,” the Company cooperates internally and externally with professional engineers to assess and utilize security-related information and situations



### CASE Efforts to reduce the occurrence of human errors

We hold risk prediction training on a regular basis for data center staff as well as information security personnel in each division. This reduces the occurrence of internal human errors and provides more stable services



Please visit the Company's website below for the Company's initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>



# Utilize outside or independent officers and enhance corporate governance

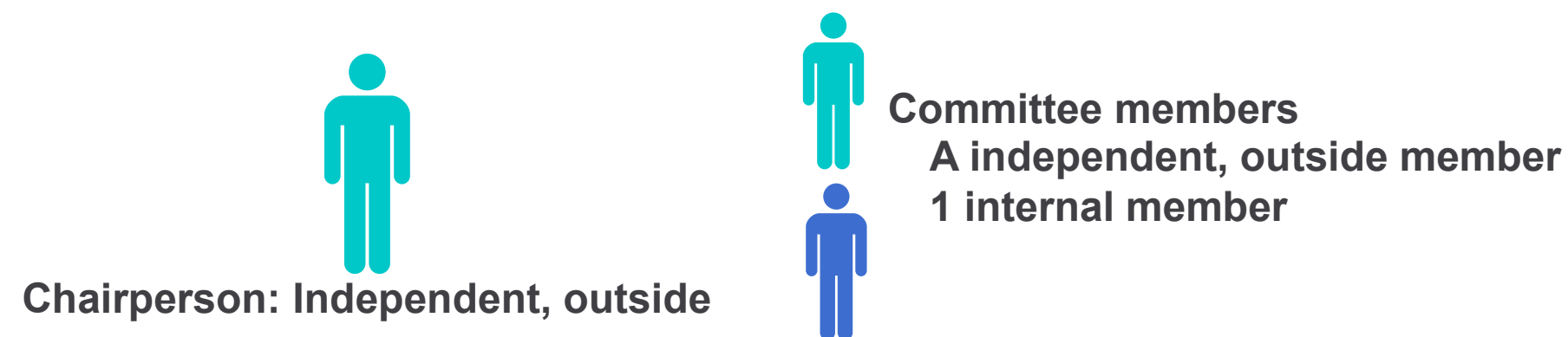
## Establishment of the Nomination and Compensation Committee and appointment of outside and independent officers

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

- A voluntary advisory body mainly consisting mainly of Independent Outside Directors

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 act as committee chairs, thereby providing greater governance than ever over the functions of the Board of Directors in relation to the nomination and remuneration of Directors and Auditors and related matters

#### Composition of the Nomination and Compensation Committee



#### Decide the policy to select Directors and Corporate Auditors

Based on a discussion and a recommendation of the Nomination and Compensation Committee, the Board of Directors discusses a policy on appointment of Directors and Corporate Auditors. The policy defines the management capability and personality required of a Director and Corporate Auditor, respectively, and sets the percentage of Independent Outside Directors to Directors at 1/3 or more.

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

(\*As of December 31, 2024)

#### 9 Directors



#### 4 Corporate Auditors



Percentage of external officers: **69%**

Percentage of independent officers: **38%**

Please visit the Company's website below for the Company's initiatives for ESG management at <https://www.sakura.ad.jp/ir/corporate/work/>

**appendix**

**Data/Company Profile**

# Consolidated Net Sales by Service Category (QoQ Change)

(Millions of yen)

Service category	FY 3/24				FY 3/25			QoQ change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Change	Change (%)
<b>Cloud services</b>	<b>3,096</b>	<b>3,152</b>	<b>3,204</b>	<b>3,320</b>	<b>3,375</b>	<b>3,437</b>	<b>3,543</b>	<b>106</b>	<b>3.1</b>
Composition (%)	60.6	60.2	60.3	53.8	56.9	46.9	43.6		
Cloud infrastructure	2,125	2,177	2,238	2,282	2,354	2,362	2,436	73	3.1
Cloud application	971	974	965	1,038	1,021	1,075	1,107	32	3.0
<b>GPU cloud services</b>	—	—	—	<b>201</b>	<b>427</b>	<b>1,591</b>	<b>1,728</b>	<b>137</b>	<b>8.6</b>
Composition (%)	—	—	—	3.3	7.2	21.7	21.3		
<b>Physical base services</b>	<b>881</b>	<b>906</b>	<b>901</b>	<b>900</b>	<b>932</b>	<b>935</b>	<b>931</b>	<b>(4)</b>	<b>(0.4)</b>
Composition (%)	17.3	17.3	17.0	14.6	15.7	12.7	11.5		
<b>Other services</b>	<b>1,127</b>	<b>1,179</b>	<b>1,209</b>	<b>1,745</b>	<b>1,200</b>	<b>1,371</b>	<b>1,922</b>	<b>550</b>	<b>40.1</b>
Composition (%)	22.1	22.5	22.8	28.3	20.2	18.7	23.6		

- Cloud infrastructure: Mainly includes cloud services and VPS services
- Cloud application: Mainly includes rental server services and application services
- Physical base services: Housing and exclusive server services

\* Figures for Q4 FY 3/2024 were changed due to adding a new category of “GPU cloud services” for FY 3/2025

# Consolidated Statement of Income (QoQ Change)

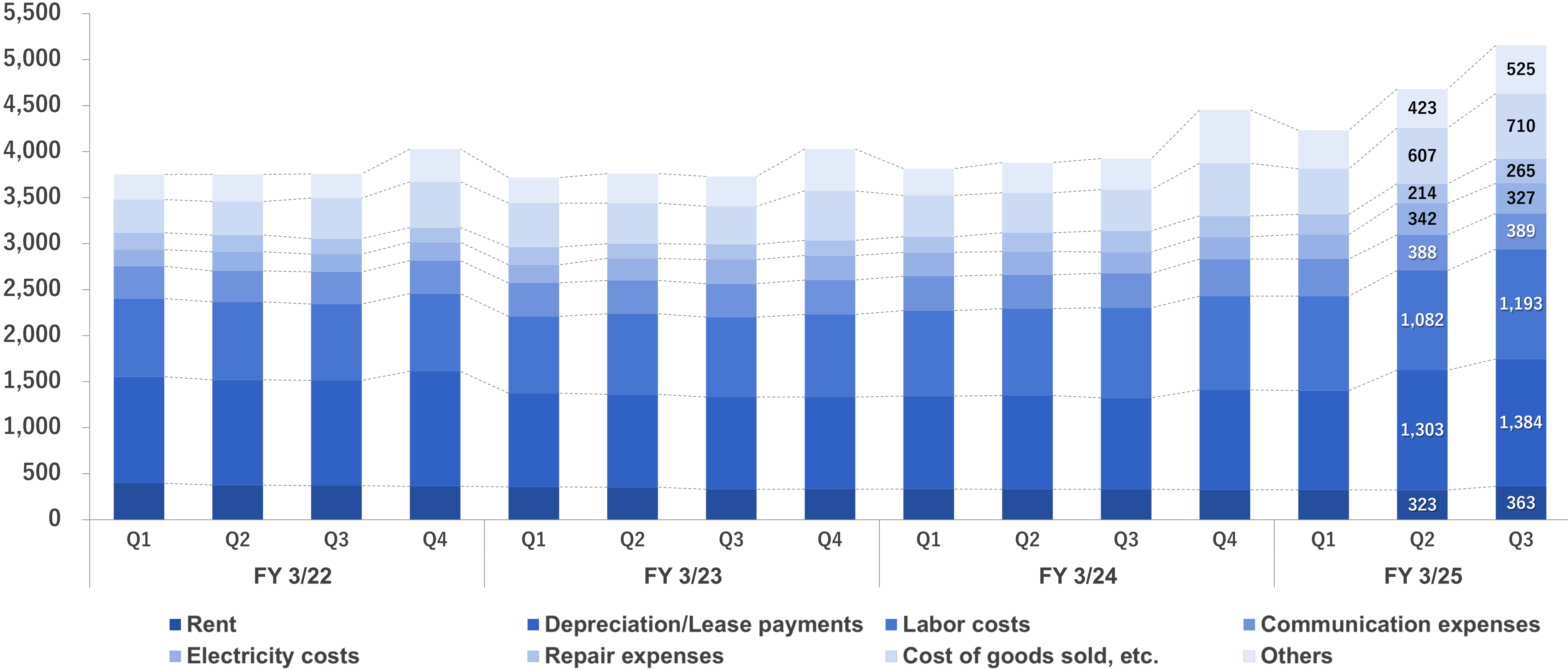
(Millions of yen)

Item	FY 3/24				FY 3/25			QoQ change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Change	Change (%)
<b>Net sales</b>	5,105	5,237	5,315	6,167	5,935	7,335	8,125	789	10.8
Cost of sales	3,819	3,884	3,929	4,457	4,236	4,685	5,159	473	10.1
<b>Gross profit</b>	1,285	1,353	1,385	1,710	1,698	2,650	2,966	315	11.9
SG&A expenses	1,181	1,208	1,186	1,274	1,467	1,586	1,676	90	5.7
<b>Operating profit</b>	104	145	199	435	231	1,064	1,289	225	21.2
Operating margin(%)	2.0	2.8	3.7	7.1	3.9	14.5	15.9		
<b>Ordinary profit</b>	73	99	147	444	95	1,006	1,386	379	37.7
Profit attributable to owners of parent	108	66	128	347	41	668	932	263	39.5
<b>EBITDA</b>	852	901	955	1,363	1,032	2,212	2,712		

# Breakdown of Major Costs (Consolidated)

(millions of yen)

## Breakdown of major costs



## Investments for FY 3/2025

(100 millions of yen)

Description of investment	Full-year plan	Full-year result
Data centers	56	27
Servers and network equipment	117	145
Others (systems and office-related, etc.)	7	5
<b>Total</b>	<b>181</b>	<b>178</b>

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

### ■ Breakdown of actual investments in servers and network equipment

Cloud services	Physical base services	GPU cloud services	Others	Total (actual)
7	3	(※) 132	1	145

\* Amount before applying reduction entry

## Number of personnel in FY 3/2025

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

[Number of persons hired]

	End of FY 3/24	'25/ 3 Q3
Number of employees*	839	956

### ■ Breakdown of changes

		Change (persons)
SAKURA internet	Engineers	+59
	Sales/marketing/new project planning	+26
	Administration	+10
Group companies		+22
<b>Total</b>		<b>117</b>

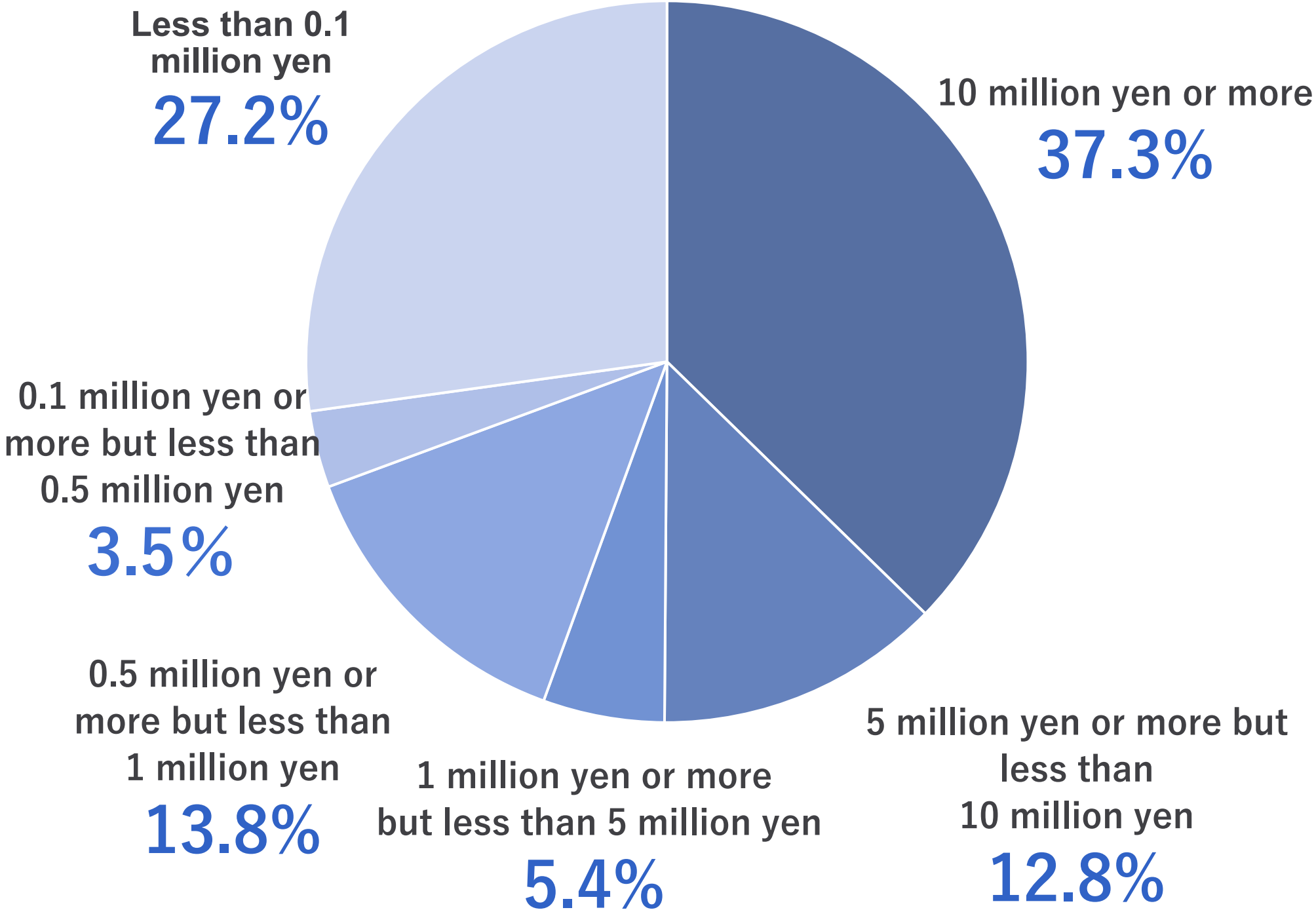
\* The figures exclude SAKURA internet employees seconded to other companies and include other companies' employees seconded to SAKURA internet.

The figure for the Group companies includes an increase caused by transfer from SAKURA internet due to the company split of Tellus Inc.

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

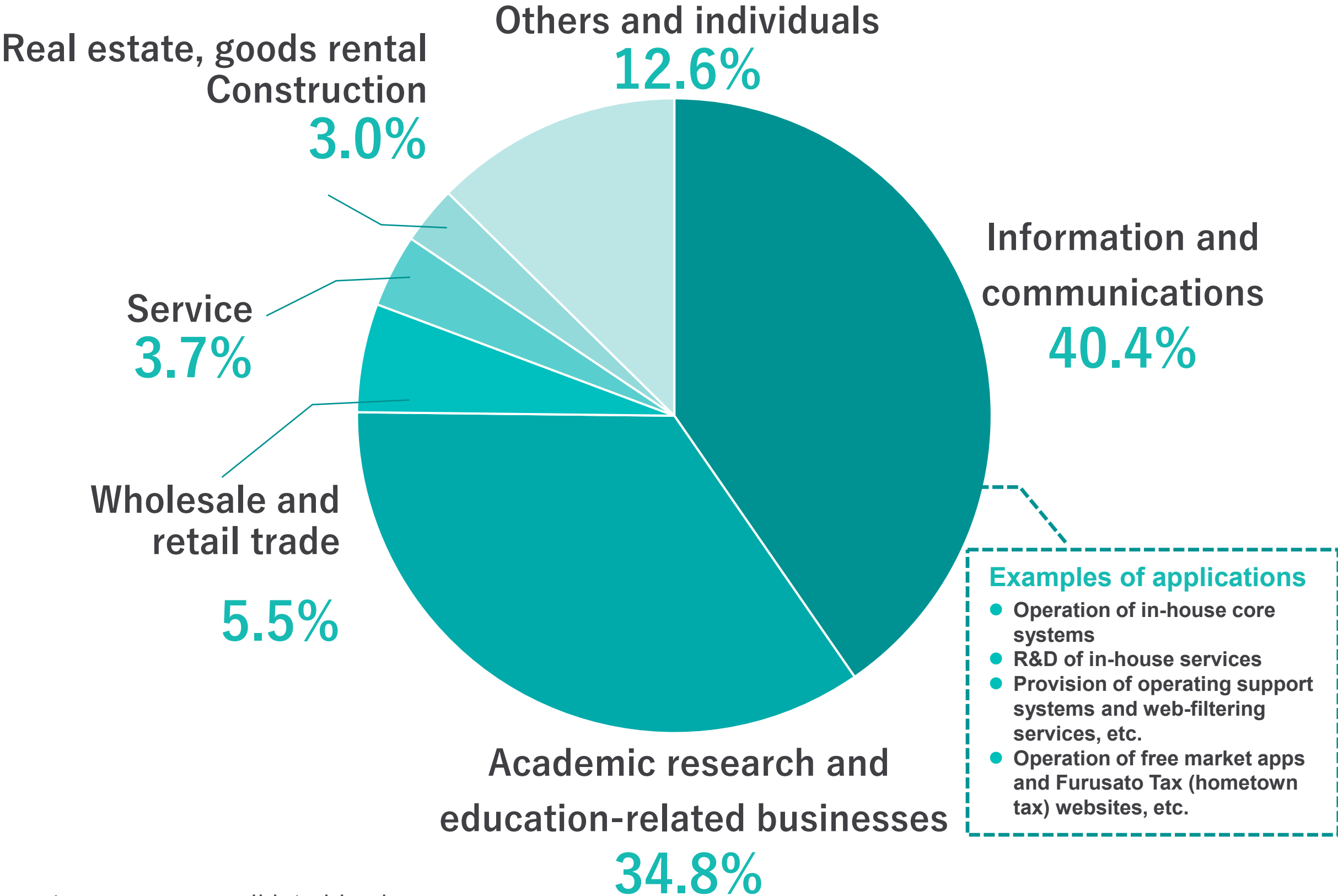
### Breakdown by monthly fee

(Composition by sales)



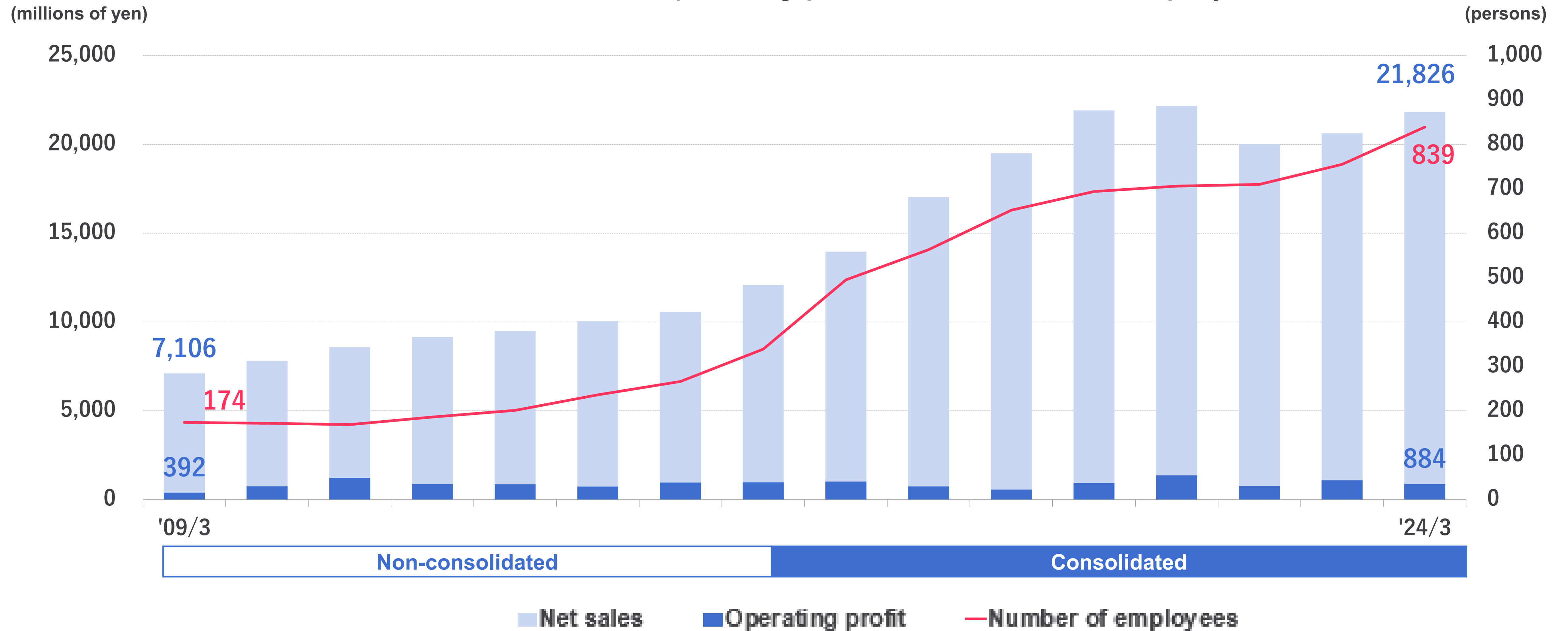
### Customer composition

(Composition by sales)



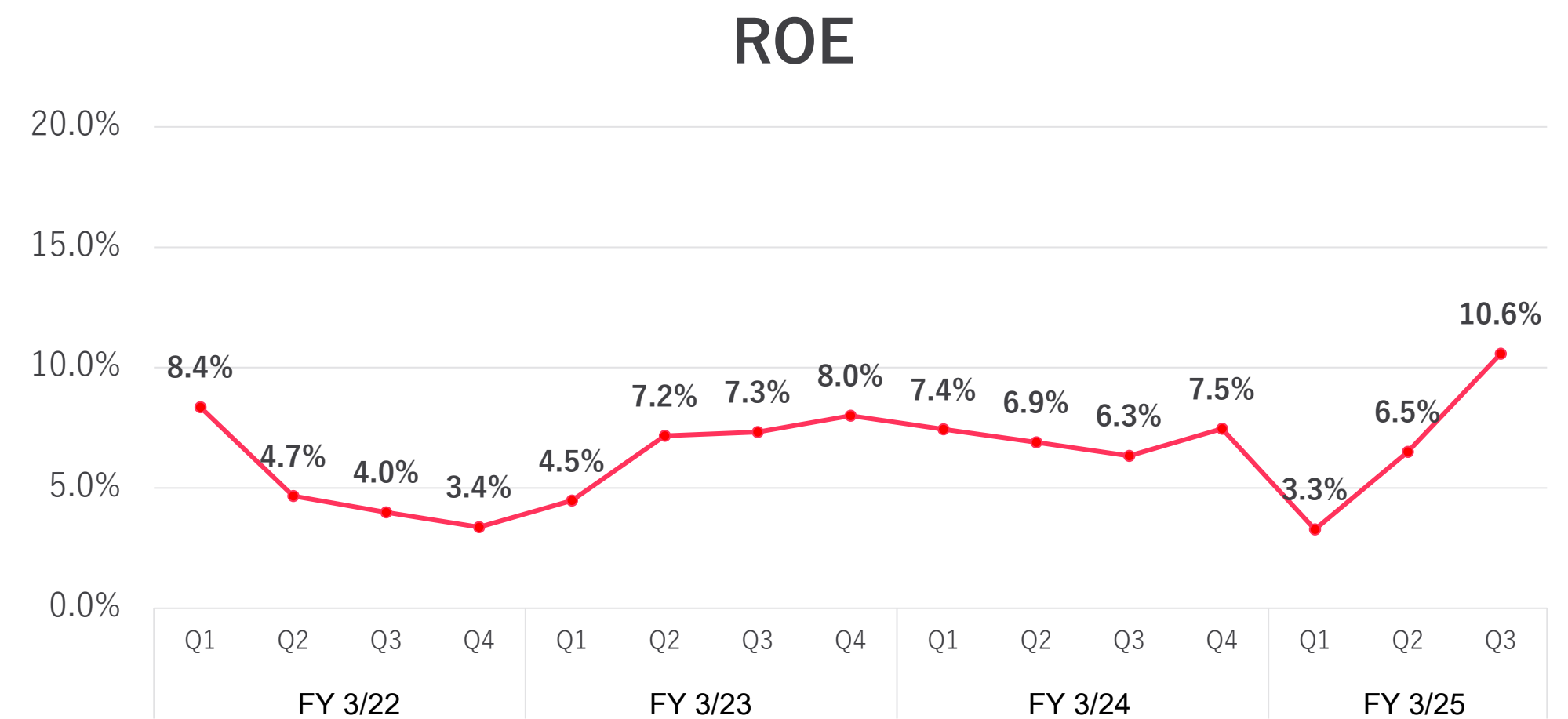
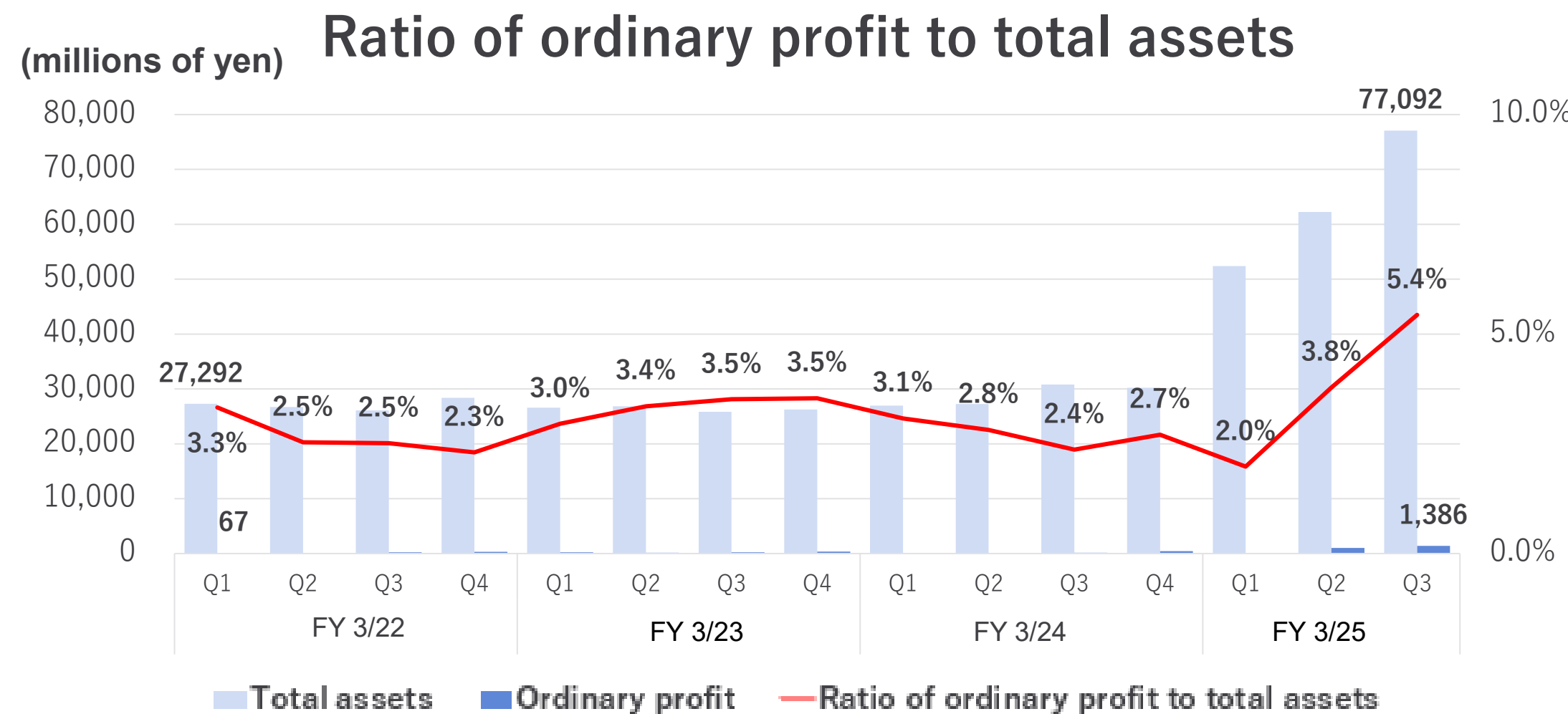
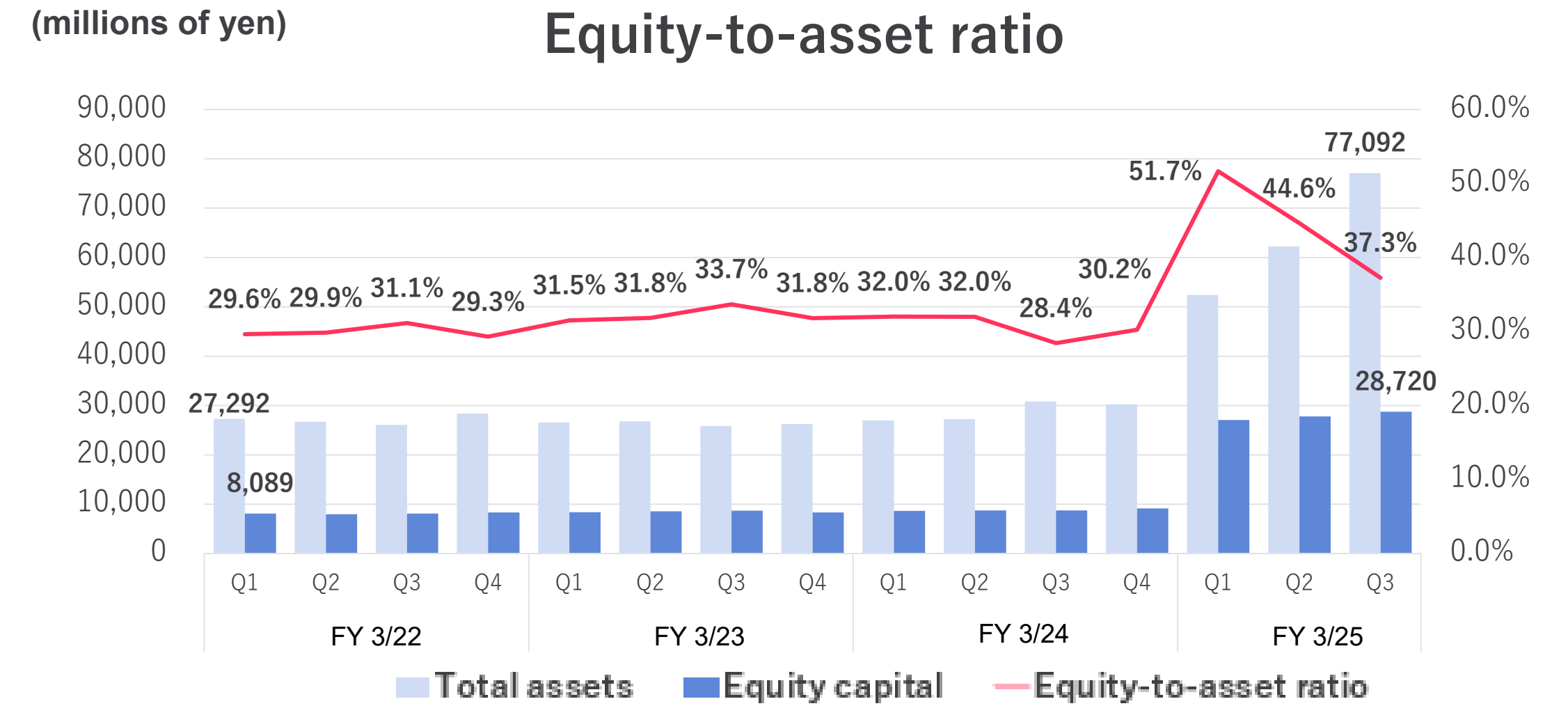
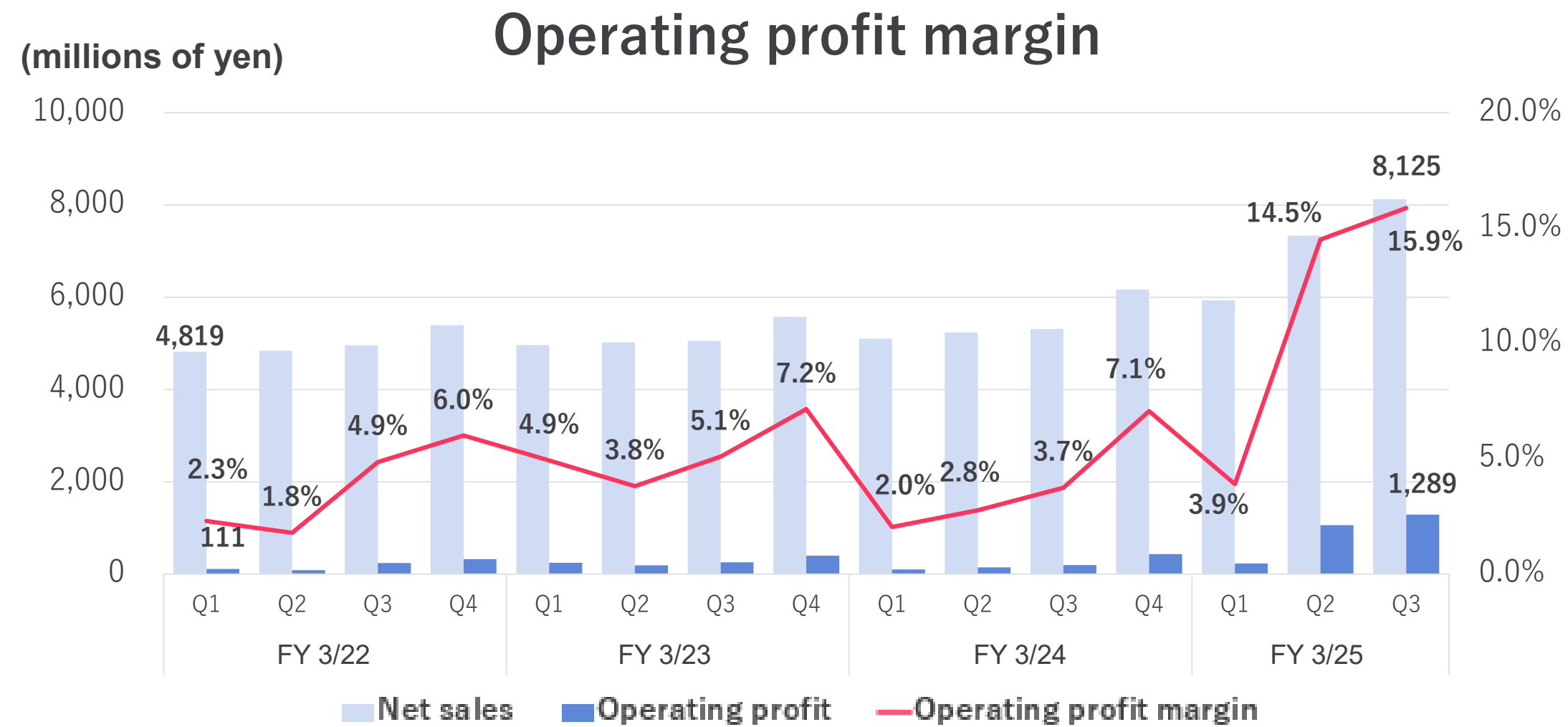
\*The figures represent SAKURA internet on a non-consolidated basis.

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



\*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.





## History

- 1996** ○ **SAKURA internet was founded**  
 Kunihiro Tanaka, founder & current CEO and President, founded Sakura internet as a school venture in December 1996 while in Maizuru Technical College.
- 1999** ○ **Establishment as a stock company / The first data center opened**  
 Established as a stock company in August 1999. The first data center was opened in Chuo-ku, Osaka in October.
- 2005** ○ **Listed on TSE Mothers**  
 Listed on TSE Mothers in October 2005
- 2011** ○ **Ishikari Data Center opened**  
 Japan's largest suburban mega data center opened in Ishikari, Hokkaido in November 2011.
- 2015** ○ **Changed to TSE 1st Section**  
 The listing market changed to TSE 1st Section in November 2015.
- 2021** ○ **25th anniversary**  
 25th anniversary in December 2021
- 2022** ○ **Changed to TSE Prime Market**  
 Changed to TSE Prime Market, a newly established market category of Tokyo Stock Exchange.
- 2023** ○ **Conditional government cloud certification**  
 We were selected as the first Japanese government cloud provider on the condition that technical requirements are met by the end of FY 2025

## 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>956 (consolidated)</b>

(Note: as of the end of December 2024)



## ■ 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 the 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.