

Summary of Q&A Session at Financial Results Briefing **for the First Quarter of the Fiscal Year Ending December 31, 2026**

This document compiles questions received from participants at the financial results briefing held on May 15, 2026, including those that could not be answered on the day. Responses were provided by GMO Internet President and CEO Ito. Please note that some questions and answers have been added or supplemented by the IR department.

【About Performance Progress】

- 【Q1】 Q1 saw installation costs for new GPU servers, and active units are expected to ramp up in H2, making the profit plan appear back-half weighted. How do you view the Q1 actual results — 25% profit progress against your internal plan?
- 【A1】 Progress is broadly on track with our plan. Our plan was not built assuming
(Ito) 100% GPU server utilization, but current utilization is close to that level. H200 is progressing well, and customer response to B300 is also positive, so we are achieving results broadly in line with our assumptions.
For existing businesses, this profit level reflects increased advertising and promotional spending, so we view the overall situation as satisfactory.
- 【Q2】 The year-on-year profit decline at the Internet Advertising & Media Business appears to have stopped. Can we expect this to continue? If so, is it because the drag from declining net sales has eased, or because cost improvements have progressed? What is driving this profit level?
- 【A2】 Net sales are down ¥0.6bn year-on-year, yet we are maintaining this profit
(Ito) level, so cost reductions have been the primary contributor.
We have essentially reduced costs to a level that prevents losses, which limits downside risk compared to last year.
Given the possibility of changes in market conditions, we are prioritizing initiatives to increase the proportion of recurring-type products.
- 【Q3】 Is it correct to understand that the Internet Infrastructure Business excluding GPU Cloud posted a profit increase again this quarter, and that no profit decline is factored into the forward plan?
- 【A3】 Existing businesses within the Internet Infrastructure Business actually posted a
(Ito) slight profit decline versus the prior quarter in Q1. The reason is increased advertising and promotional spending.
We have absorbed this at the consolidated level. Last year, being the first year under the new structure, we proceeded with caution, but 15% growth in existing businesses is our foundational target, and to sustain it we need to further expand our customer base across both the Domain & Rental Server Business and ISP Business.

We intend to balance advertising investment within overall profit and continue growing our existing businesses.

【About GMO GPU Cloud】

【Q4】 Will all 42 B300 units from the announced additional investment be available for service starting in October? Also, have customers already been secured for these additional 42 units?

【A4】 Services will be made available sequentially as each server is delivered and (Ito) tuning is completed. As deliveries are not expected to arrive all at once, service launch will also be sequential.

While we cannot share specifics, sales activities for the additional units are progressing well. Inquiries are very strong, and we placed this order with confidence that increasing inventory would not be an issue.

【Q5】 There have been reports of business alliances deals between domestic companies and overseas hyperscalers, and the competitive environment appears to be improving with supply increasing. Has there been no discussion of partnerships with overseas hyperscalers for your company? Is this because you are pursuing a different strategy? Also, are you considering price revisions due to rising memory costs?

【A5】 Since we do not own our own data centers, we believe we are currently not a (Ito) candidate for that type of partnership. That said, GPU market demand is at least better than last year, and we sense continued improvement ahead. We will pursue partnerships and initiatives to expand net sales in ways suited to us — not limited to overseas players. We continue to consider strategies involving external partnerships, though nothing is currently in progress.

On procurement costs, we recognize that data center and server equipment prices are beginning to rise due to supply-demand dynamics, yen depreciation, and rising memory costs. We are monitoring this with a sense of urgency. As for price revisions, while they may become necessary in the future, at this stage we believe it is more important to find customers with whom we can grow together over the long term. Given that our total units are still limited, it is critical to first get the service adopted by customers who can form long-term partnerships with us. Price revisions are something we can consider further down the road.

【Q6】 The procurement price for the existing 25 B300 units and the upcoming additional 42 units should differ. Will there be a change in margins as a result?

【A6】 The procurement price for last year's 25 units and this year's 42 units has (Ito) clearly changed, reflecting both yen depreciation and rising server equipment prices. We believe it will be necessary to consider passing on costs as we monitor market and supply-demand conditions.

At this stage, however, two priorities take precedence: long-term customer

commitments and utilization. Pushing unit prices too aggressively at the expense of utilization is something we want to avoid, so we will find the pricing level that maximizes profit at high utilization.

【Q7】 Compared to three months ago, demand appears to have increased quantitatively. Qualitatively, has the market changed — for example, with larger projects now using the service, suggesting a broadening customer base?

【A7】 Last year, use cases were somewhat skewed, but as more customers have become aware of our service and their projects have progressed, orders have increased — in that sense, the customer base is broadening.
(Ito) For H200, utilization is high and we sometimes cannot accommodate all orders, so we are directing some customers to B300 instead. We expect to see more cases where H200 customers — or those who considered H200 — also try B300 as their development and research work progresses.
The volume of inquiries has increased dramatically compared to this time last year, with a growing number of projects involving specific, concrete needs. In that sense, we feel the qualitative breadth of the market is expanding.

【Q8】 Have there been any impacts from external factors such as the situation in the Middle East?

【A8】 We are monitoring the situation carefully, but as of this year there has been no impact.
(Ito)

【Q9】 A competitor has announced plans to invest in large-scale computing capacity. Is this positive or negative for your company? On the positive side, the market has sufficient demand to justify such investment, so you could capture a share — sustaining higher net sales and utilization. On the negative side, competitors may invest in capacity exceeding demand, potentially causing you to lose market share. How do you view the competitive landscape?

【A9】 Market expansion is something we strongly feel in our own sales activities, and we see the same reflected in the moves of competitors and U.S. players.
(Ito) While temporary oversupply would be a negative, we want to be chosen by AI developers by continuing to offer high-performance, easy-to-use services that cater to their detailed needs. We therefore view the situation as fundamentally positive.

【Q10】 Given the competitive environment, is there an option to accelerate capital investment and lock in customers?

【A10】 Whether to take a short-term or medium-to-long-term view makes this a complex call, but we believe this business (GPU Cloud) will grow sustainably over the long term — just as the hosting and domain businesses grew alongside the internet industry.
(Ito)

From that perspective, we want to avoid scaling up individual investment tranches too large and disrupting our business environment with excess inventory. Since the industry is still in its early stages, we believe the right approach is to stay at the industry's leading edge by introducing the latest chips as we monitor customer conditions. B300 is the latest today, but it will not be in six months or a year. Our strategy is to advance investment while closely tracking chip performance, inventory, and utilization.

【Q11】 Of the funds raised in the public offering, will the remaining ¥9.6bn allocated for GPU investment also be used to purchase B300 units?

【A11】 We plan to use the funds to expand our GPU server fleet, but the best approach (Ito) is to invest in whichever chip is the latest at each decision point — not limiting ourselves to B300. If B300 is still the latest at the next decision point, we will invest in B300. If the next-generation chip is available, we will very likely pursue that instead.

【Q12】 Has the number of B300 customers increased? Or did you make the additional investment because existing customers are using more?

【A12】 Both apply. We are receiving additional orders from existing customers, and we (Ito) are also receiving a significant number of inquiries from new customers.