

SAKURA Integrated Report 2025

Yosuke Kosugi
Sales Department,
CS Division

Corporate Philosophy

Turning “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO”

Our vision is to create a society where, with enough passion and drive, we can turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO” with the internet.

We believe in the internet’s potential to make life better for individuals and for society, and we’re committed to sharing far-reaching approaches that transform ambition into achievement.

We understand the importance of envisioning a better future for everyone we’re connected with—starting with our customers, employees, and local communities.

Vision

Creating a future where every connection with SAKURA leads to success

We are committed to the success of everyone involved with SAKURA internet through a chain of success that includes our customers, business partners, employees, and all stakeholders.

Values

- Affirmation first
- Lead and follow
- Speak until the message is conveyed

All of our employees practice these three values, which serve as guiding principles designed to spark collaboration within teams, and in doing so, help shape our company culture.



Yume Takagi
Human Resources
Planning
Department,
ES Division

SAKURA Integrated Report 2025

Start with this guide if you are unsure how to read this report. For a more conventional reading experience, refer to the table of contents on the next page.



What does SAKURA internet do?

Our aim is to create, together with the internet, a society where anyone willing to take on new challenges can turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO” through services such as cloud computing.

Introduction

- 6 Message from the President
- 12 History of SAKURA internet



What sets SAKURA internet apart, and what’s behind our value creation process?

Grounded in human capital and ESG management, we create value and deliver trusted cloud infrastructure through a vertically integrated, in-house business model and a robust domestic operational framework.

Section 01

- 14 Value Creation Process
- 17 Our Strengths



Why has SAKURA stepped up its recruitment efforts? What human capital strategies does SAKURA employ to enable diverse talent to thrive and excel?

At SAKURA, we are strengthening our investment in people to ensure sustainable growth in the future. We seek to provide job satisfaction in a supportive work environment, highlighting what makes SAKURA unique and elevating the value of our talent. We believe that people are the source of value creation for customers and society.

Section 02

- 34 CHRO Interview

Features

- 43 The Unique Approach Driving SAKURA’s Long-Term Growth
- 46 Five Pillars Guiding Talent to Growth and Success
- 51 SAKURA’s Human Capital Management by the Numbers



Want to learn more about SAKURA internet’s vision and growth strategy?

We aspire to become a leading digital infrastructure company on a global scale. In a roundtable discussion, our president explores SAKURA’s vision for the future with engineers and business division leaders, and our vice president introduces growth strategies for the Government Cloud and Generative AI Services.

Section 01

- 19 Vision Roundtable

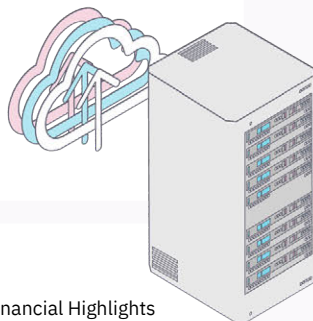
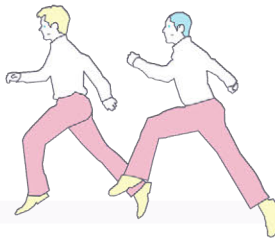
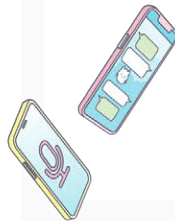
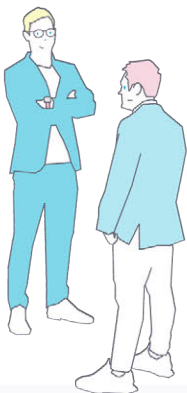
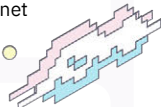
Section 02

- 24 Growth Strategy Practices and Medium-Term Management Policy

Section 05

- 74 Consolidated Financial Highlights
- 75 10-Year Financial Summary
- 76 Corporate / Stock Information

Please see Section 5 for financial data, company information, and stock details.



Contents

Introduction

- 2 Corporate Philosophy
- 3 Our Vision and Values
- 4 Guide to SAKURA Integrated Report 2025
- 5 Contents
- 6 Message from the President

Section 01 Our Vision for the World

- 12 History of SAKURA internet
- 13 Employee and Customer Success
- 14 Value Creation Process
- 15 Long-Term Vision
- 16 Our Businesses
- 17 Our Strengths
- 18 Overview of Our Services
- 19 Vision Roundtable

Section 02 Value Creation Initiatives

- 24 Growth Strategy
 - 24 Growth Strategy Practices and Medium-Term Management Policy
 - 25 Providing High-Value-Added Services
 - 27 Government Cloud
- 29 Channel Expansion
 - 29 Co-Creation Ecosystem
 - 31 Partner Interviews
 - 33 Cloud Certification
- 34 Investment Strategy
 - 34 CHRO Interview
 - 37 Generative AI Services
 - 38 Data Centers
- 39 CFO Interview

Features SAKURA’s Human Capital Management

- 43 The Unique Approach Driving SAKURA’s Long-Term Growth
- 44 Operating Capital
- 45 Three Values
- 46 Five Pillars Guiding Talent to Growth and Success
 - 46 Promoting the Success of Diverse Talent
 - 47 Shaping a Culture That Generates New Value Through Challenge and Leadership
 - 48 Creating a Culture of Knowledge Sharing and Professional Development
 - 49 Mental and Physical Health
 - 50 Flexible Workstyles
- 51 SAKURA’s Human Capital Management by the Numbers

Section 03 Co-Creation with Group Companies

- 54 Group Companies
- 56 Introduction to Group Companies
- 57 SAKURA internet Research Center

Section 04 ESG Initiatives

- 59 Promoting Sustainability
- 60 Governance
 - 60 Policy
 - 61 Initiatives to Strengthen Governance Structure
 - 62 Executive Appointment Policy
 - 63 Directors and Executive Officers
 - 65 Information Security Initiatives
 - 66 Message from the CISO
- 67 Environment
 - 67 Environmental Initiatives
- 69 Social
 - 69 Providing Educational Opportunities in the Digital Field
 - 70 Regional Revitalization and Digital Innovation
 - 71 Blooming Camp: Open Innovation Facility
 - 72 Shaping the Future with Startups

Section 05 Data

- 74 Consolidated Financial Highlights
- 75 10-Year Financial Summary
- 76 Corporate / Stock Information
- 77 Group Company Information



Editorial Policy

“SAKURA Integrated Report 2025” introduces the corporate philosophy of SAKURA internet Inc., the business strategies that support its sustainable growth, and the specific initiatives and efforts that bring them to fruition. We sincerely hope that all our stakeholders—including investors, customers, business partners, and local communities—will gain a deeper understanding of our company, and that this report will foster empathy and opportunities for co-creation.

Period: April 1, 2024 to March 31, 2025 (Some information outside of this period may also be included.)

Disclaimer

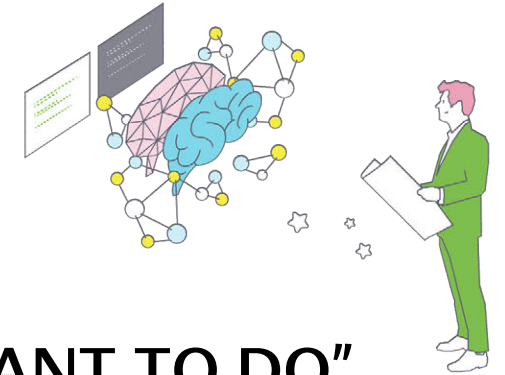
Forward-looking statements in “SAKURA Integrated Report 2025” include assumptions and forecasts that form the basis of future outlooks and plans as of the date of publication, and are not intended as guarantees of realization. Actual results may differ significantly due to various factors.

Message from the President



Message from the President

**Turning “WHAT YOU WANT TO DO”
into “WHAT YOU CAN DO” with Digital
Technology: Building a better society,
one step at a time**

**Kunihiro Tanaka** President and CEO

Born in Osaka, Tanaka currently resides in Okinawa. Tanaka founded SAKURA internet at 18 while studying at NIT (KOSEN), Maizuru College. Drawing on his entrepreneurial experience and engineering background, he is dedicated to fostering the next generation of entrepreneurs and IT engineers. He also serves as an outside director for several companies and as a project manager for the Information-technology Promotion Agency's (IPA) MITOU Program. In addition, he contributes to the advancement of the industry through numerous roles, including Chair of SAJ, Vice Chair of JAIPA, President of JDCC, and Deputy Director of BCCC. Recently, he has been actively exploring new ways of working, including embracing a multi-location lifestyle.

Message from the President



With the first and only domestic Government Cloud certification,* we are redefining what it means to turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.”

I founded SAKURA internet in 1996, when I was an 18-year-old student at a technical college. Inspired by the untapped potential of the early internet, I set out to make it accessible to everyone, so that anyone could turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.” Guided by this vision, I started a rental server business as a student venture. Now, with our cloud service becoming the first and only Japanese provider to receive Government Cloud certification, I believe we have taken another important step toward realizing the founding vision set out in our corporate philosophy.

*Approval is conditional, based on the requirement that all technical criteria are met by the end of FY2025.

In recent years, as generative AI has spread and digital transformation has accelerated, we have seen a rapid surge in the need for secure, high-performance, and highly functional cloud services. Until now, only foreign providers could meet these needs. With SAKURA's Government Cloud certification, there is now a “made in Japan” option, giving people greater confidence to leverage the cloud and turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.”

We have long embraced the word “alternative,” by which we mean providing customers with real choices. A market monopolized by a single company—especially a foreign one—not only deprives users of choice, but also contributes to Japan's digital trade deficit. This is not a healthy state for Japanese society or the economy as a whole. The ideal is an environment where both international and Japanese services coexist, and users have true freedom of choice. In other words, we should have an environment where Japanese companies play an essential role in enriching people's lives. In that sense, I hope to see more Japanese companies rise to the challenge, inspired by our example. If we can do it, so can others. Otherwise, there may be no place in Japan for young people who aspire to build cloud technologies. If that happens, Japan may well end up a country that can only consume these services, rather than create them.

With this certification as a catalyst, SAKURA internet will accelerate its efforts to become an essential leader in digital

infrastructure for society. That said, our goal is not short-term growth or a sudden surge in sales through rapid adoption by many municipalities. Instead, we intend to leverage the trust gained as the only domestic provider with Government Cloud certification, along with our advanced capabilities, to rival global providers and broadly serve the needs of the private sector.

With rising geopolitical and security risks, there is increasing demand for “sovereign cloud” solutions that secure data sovereignty in compliance with national laws. This creates a prime opportunity for SAKURA internet to expand into the enterprise market. Expectations for sovereign cloud solutions are high not only within Japan, but also throughout Asia. The ability to provide a uniquely Japanese alternative rather than American or Chinese, for instance, has profound significance both for our business growth and for realizing our corporate mission.

Accelerating co-creation with partners to capitalize on the growth opportunities in the expanding AI market

Looking at our most recent results, for the fiscal year ended March 2025, consolidated net sales rose by 43.9% year-on-year, and operating profit increased by 368.7%—both all-time highs. This record performance was largely driven by

Message from the President

the rapid growth of our GPU cloud services for generative AI. Amid global shortages of GPUs, our early experience in AI infrastructure allowed us to secure a stable supply of high-demand NVIDIA GPUs, enabling us to meet booming demand. In addition, our group companies' systems integration (SI) businesses, which include large-scale AI system builds and custom cloud projects, also contributed significantly to our performance.

For the fiscal year ending March 2026, we have had to significantly revise our consolidated earnings forecast downward. We now recognize that we underestimated shifts in the external landscape, and this has reinforced the need for us to further strengthen our adaptability and competitiveness. That said, our market continues to expand. It is not in decline. There are still plenty of opportunities for bold challenges, and we are determined to turn these lessons into fuel for our next phase of growth. To that end, we are strengthening our organization to make it leaner and more resilient. At the same time, the generative AI market is still in its infancy and poised for further expansion. Our aim is to secure first-mover advantages in this field and translate them into steady, long-term growth. To achieve this, we will continue investing in both people and assets, while also accelerating co-creation with partners in two key areas. First is the expansion of our sales channels. Until now, we have mainly relied on direct sales to our core customers, such as internet service providers and individual users. However, to

expand our market share in new sectors, especially outside IT, we must collaborate with partners who have established channels in those areas. That is why we are increasing the number of partners who offer our cloud and server solutions through programs like our partner program and cloud certification.

The second area is service creation that starts with the customer. Historically, our services have been product-driven, expecting customers to fit their needs to SAKURA's offerings. While this approach has worked up to now, as GPU supply increases, we must ensure customers choose us not just for any GPU, but specifically for SAKURA internet's GPUs. To that end, we are driving organizational transformation that integrates marketing, technical sales, and field sales into a unified team, enabling us to pivot to a market-in approach that fully understands the needs of users and the market. At the same time, we are deepening partnerships with system integrators and others who deliver our cloud and server solutions in user-friendly ways, aiming to co-create even better services as we rapidly build expertise and know-how.

Ultimately, our vision is to build an ecosystem where SAKURA, our partners, and our customers can create synergies and grow together. Going forward, we anticipate not only providing GPU servers but also increasing cases of co-creating AI solutions with partners and customers. Some of these solutions will succeed in global markets, fueling further growth in our GPU server business. This is the kind

of virtuous cycle we aim to achieve. That's why I constantly remind our employees that it is not enough to focus only on selling our own services. If there's something we can't do ourselves, we must proactively work with other companies to provide the right solution.

Empowering exceptional talent by pursuing both job satisfaction and a comfortable work environment

I am unwavering in my belief that investing in people is vital to advancing our growth strategy. This includes recruiting and skilling exceptional employees.

Our unique, vertically integrated, in-house approach has



Message from the President

long proven effective in developing talent, upskilling employees, and ensuring the right people are in the right roles. With a vertically integrated approach, business areas are clearly defined, enabling employees to shine in their fields of expertise. Because required skill sets remain largely consistent across roles, reallocating talent is also straightforward if we need to shift resources to our GPU and cloud businesses, for example. Another advantage is that, through our in-house approach, employees build valuable expertise by handling end-to-end processes themselves, making it easier for them to acquire new skills.

Building on this foundation, we have ramped up hiring in recent years, recruiting more than 200 new employees for the fiscal year ended March 2025. Thanks to a pool of 13,000 applicants, we have been able to attract all kinds of exceptional talent, which includes not only those with technical knowledge and skills but also those who understand our services and customers, as well as those who excel at self-management, even in remote work settings. Recently, we've also welcomed top talent from other leading companies in the industry. I feel a positive sense of responsibility: if these individuals do not achieve even more at SAKURA than at their previous companies, it would be a net loss for Japan as a whole.

I believe the reason we are able to attract so much talent is that we have created the kind of workplace I have always aimed for: a company where everyone can truly enjoy their

work. There are many difficult projects at SAKURA—whether those are tasks that no other company is doing, or whose outcomes are uncertain—but our employees take these challenges on with a sense of enjoyment. I believe this is because they can hone their skills in fields that interest them and experience the satisfaction of delivering value to society.

Naturally, we have also enhanced salaries and benefits. Exceptional people drive performance, and strong results make it possible to further improve rewards, but it is often difficult to gain enough momentum to make this virtuous cycle possible in the first place. The fact that we were able to achieve this cycle so quickly is due in part to favorable external conditions, which I recognize as a kind of temporary boost, and I am keenly aware that we must not become complacent. As CEO, I see it as my responsibility to ensure that every person who has chosen SAKURA can fully realize their potential and, together, provide value to society. That is why I remain committed to pursuing both job satisfaction and a comfortable workplace environment.

Committed to extensive dialogue with shareholders and investors and building long-term relationships of trust

Our growth scenario is built on two pillars: Government Cloud and infrastructure for generative AI, both of which are

aimed at enhancing our corporate value over the medium to long term. We intend to share the results of these efforts openly with our shareholders and investors.

Because our core business is in growth fields, we are recognized as a “data center stock,” “AI stock,” and “cloud stock.” With recent societal trends, we are also gaining attention as a “national policy stock” and “security stock.” As a result, our share price surged, and even after some stabilization, our PER^{*1} still remains above 60 × ^{*2}.

However, I feel that our business and medium- to long-term growth strategies are not yet fully understood. Our short-term performance may fluctuate, including revenue from our GPU cloud services, and it typically takes two to three years for investments in people and assets to be reflected in sales. That is why, rather than emphasizing short-term results, we must communicate clearly how we are preparing to enhance long-term corporate value, taking into account both internal and external factors. I would also like to stress that we prioritize sustainable growth together with society as a whole over short-term profits. We are increasing wages in line with government expectations, supporting employee reskilling, and, naturally, pursuing a low-carbon future by building zero-emission data centers. ESG principles remain central to our growth strategy. I believe that it is precisely because we respond to the needs of our country and society that we have the continued support of our shareholders.

^{*1} PER: Price-earnings ratio.

^{*2} As of June 26, 2025.

Message from the President

I once learned about the concept of “public interest capitalism” from entrepreneur George Hara. He explained that companies able to sustain medium- to long-term growth are those that prioritize society, customers, and employees and that this mindset ultimately leads to steady returns for shareholders. At SAKURA internet, we will continue to pursue the right path and conduct our business with integrity and a sincere commitment to society. I ask for your continued understanding and support as shareholders and investors.

Joining forces with believers in the power of digital technology to build a better society

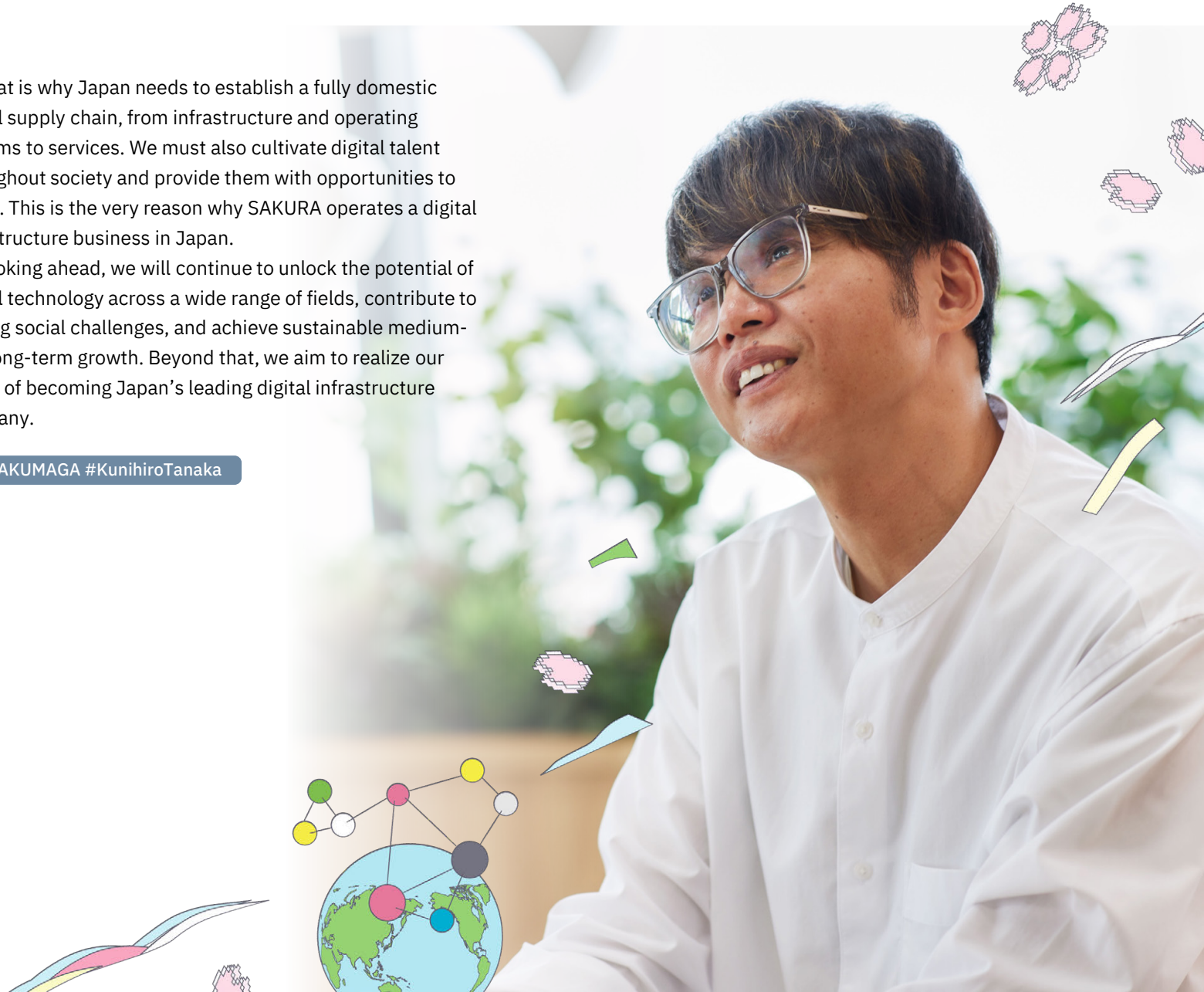
Since founding SAKURA, my belief in the transformative power of digital technology has never wavered. I am convinced that increased investment in digital transformation (DX) and green transformation (GX) will truly improve Japan's future.

Japan faces a declining population and, regrettably, increasingly serious social challenges. While solutions will not come easily, I believe that by harnessing digital technology to improve productivity and eliminate inconvenience and anxiety, we can enrich people's lives and create a more compassionate society.

That is why Japan needs to establish a fully domestic digital supply chain, from infrastructure and operating systems to services. We must also cultivate digital talent throughout society and provide them with opportunities to thrive. This is the very reason why SAKURA operates a digital infrastructure business in Japan.

Looking ahead, we will continue to unlock the potential of digital technology across a wide range of fields, contribute to solving social challenges, and achieve sustainable medium- and long-term growth. Beyond that, we aim to realize our vision of becoming Japan's leading digital infrastructure company.

➦ SAKUMAGA #KunihiroTanaka



Section 01

Our Vision for the World

- 12 History of SAKURA internet
- 13 Employee and Customer Success
- 14 Value Creation Process
- 15 Long-Term Vision
- 16 Our Businesses
- 17 Our Strengths
- 18 Overview of Our Services
- 19 Vision Roundtable

History of SAKURA internet

Since our founding in 1996, we have believed in the potential of the internet. By helping those around us turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO,” we have grown together, steadily expanding our community.

We will continue to embrace change and take on new challenges, moving forward step by step as we work to build and support Japan’s digital infrastructure.



- 1996** • Founded SAKURA internet
• Launched “SAKURA Web”
- 1997** • Launched dedicated server service
- 1999** • Established SAKURA internet Inc.
- 2000** • Merged SRS Inc. and Inforest LLC
• Changed company name to SRS SAKURA internet
- 2004** • Opened the Dojima and Higashi-Shinjuku Data Centers
• Changed company name to SAKURA internet Inc.
• Launched “SAKURA Web Hosting”
- 2005** • Listed on TSE Mothers
- 2006** • Obtained ISMS certification for housing services operations at Higashi-Shinjuku and Dojima Data Centers
• Opened the Nishi-Shinjuku and Daikanyama Data Centers
• Obtained PrivacyMark certification

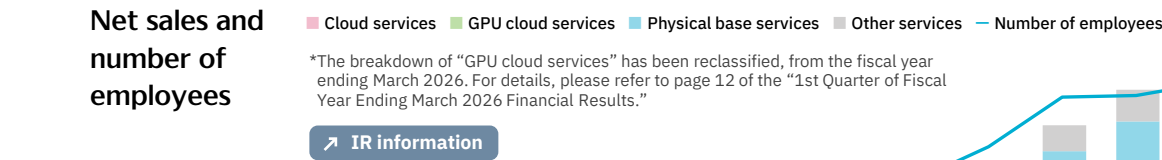
- 2009** • Expanded ISO27001/ISMS certification to all offices and data centers
• Established SAKURA internet Research Center
- 2010** • Launched “SAKURA VPS”
- 2011** • Opened the Ishikari Data Center
• Launched “SAKURA Cloud”
- 2012** • Launched “SAKURA Dedicated Server”
- 2015** • Acquired Joe’s Cloud Computing Inc. as a subsidiary (merger with bitstar Inc. in April 2019)
• Upgraded to the First Section of the Tokyo Stock Exchange
- 2016** • Acquired Gehirn Inc. as a subsidiary
• Established affiliated company S2i Inc. (liquidated in November 2023) and subsidiary SAKURA Mobile LIMITED
• Launched “SAKURA Dedicated Server Koukaryoku Series”

- 2017** • Acquired NCI Inc. (renamed ITM Inc. in May of the same year) and bitstar Inc. as subsidiaries
• Opened the Fukuoka office
• Launched “sakura.io”
- 2018** • Established subsidiary Prunus-Solutions Inc.
• Acquired IzumoBASE Inc. as a subsidiary
• Obtained ISMS cloud security certification for “SAKURA Cloud”
- 2019** • Enhanced data center backbone network, surpassing 1 Tbps in external connectivity
• Established joint venture BBSakura Networks, Inc.
- 2020** • Launched “SAKURA Dedicated Server PHY”
- 2021** • Registered “SAKURA Cloud” with ISMAP
• Established subsidiary Tellus Inc.
• Relocated headquarters to Umeda, Kita-ku, Osaka
- 2022** • Transitioned to the TSE Prime Market

- 2023** • Opened “SAKURA innobase Okinawa”
• Selected as Government Cloud service provider
- 2024** • Launched “Koukaryoku PHY” and “Koukaryoku DOK” services
• Relocated headquarters to Grand Green Osaka in Ofukacho, Kita-ku, Osaka
- 2025** • Launched “Koukaryoku VRT” and “SAKURA AI”
• Began operations of a containerized data center at the Ishikari Data Center
• Launched “SAKURAONE”

Fiscal year ended March 2025

Consolidated net sales
31.4 billion yen
Consolidated number of employees
997 employees



Employee and Customer Success

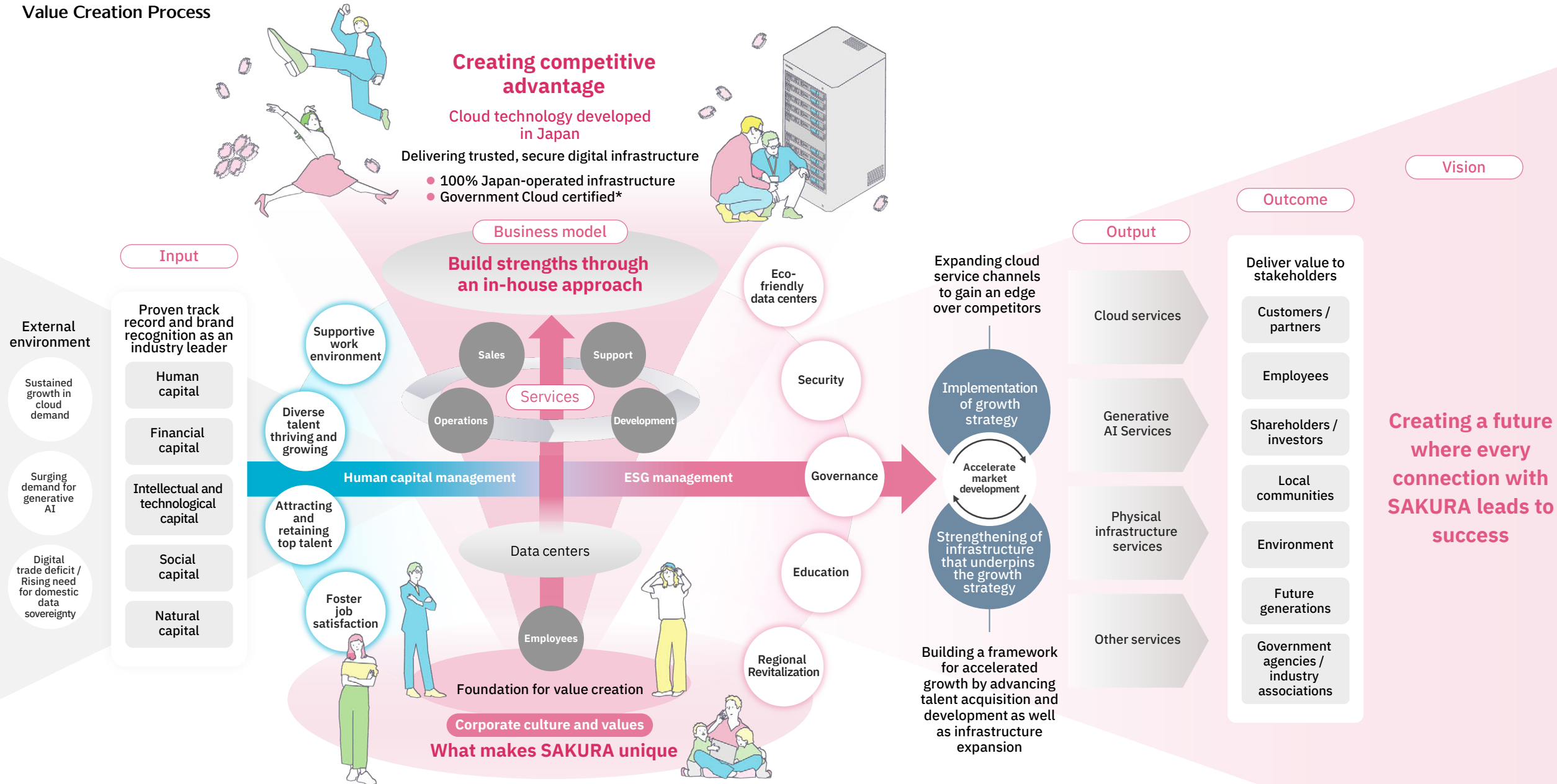
Value Creation Cycle

The foundation that fuels value creation and brings our mission to life

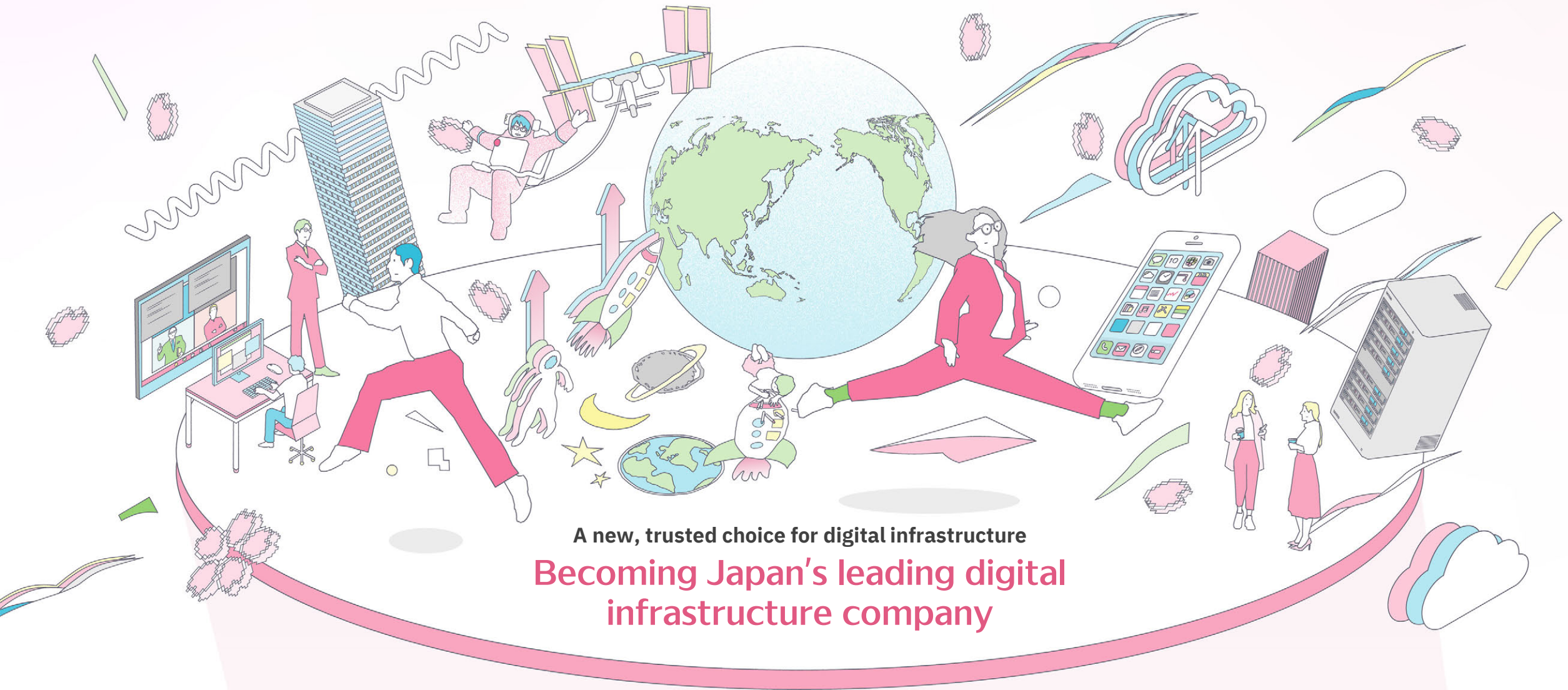
New challenges lead to customer success, and that momentum carries over to employee success—the start of an ongoing cycle of success.



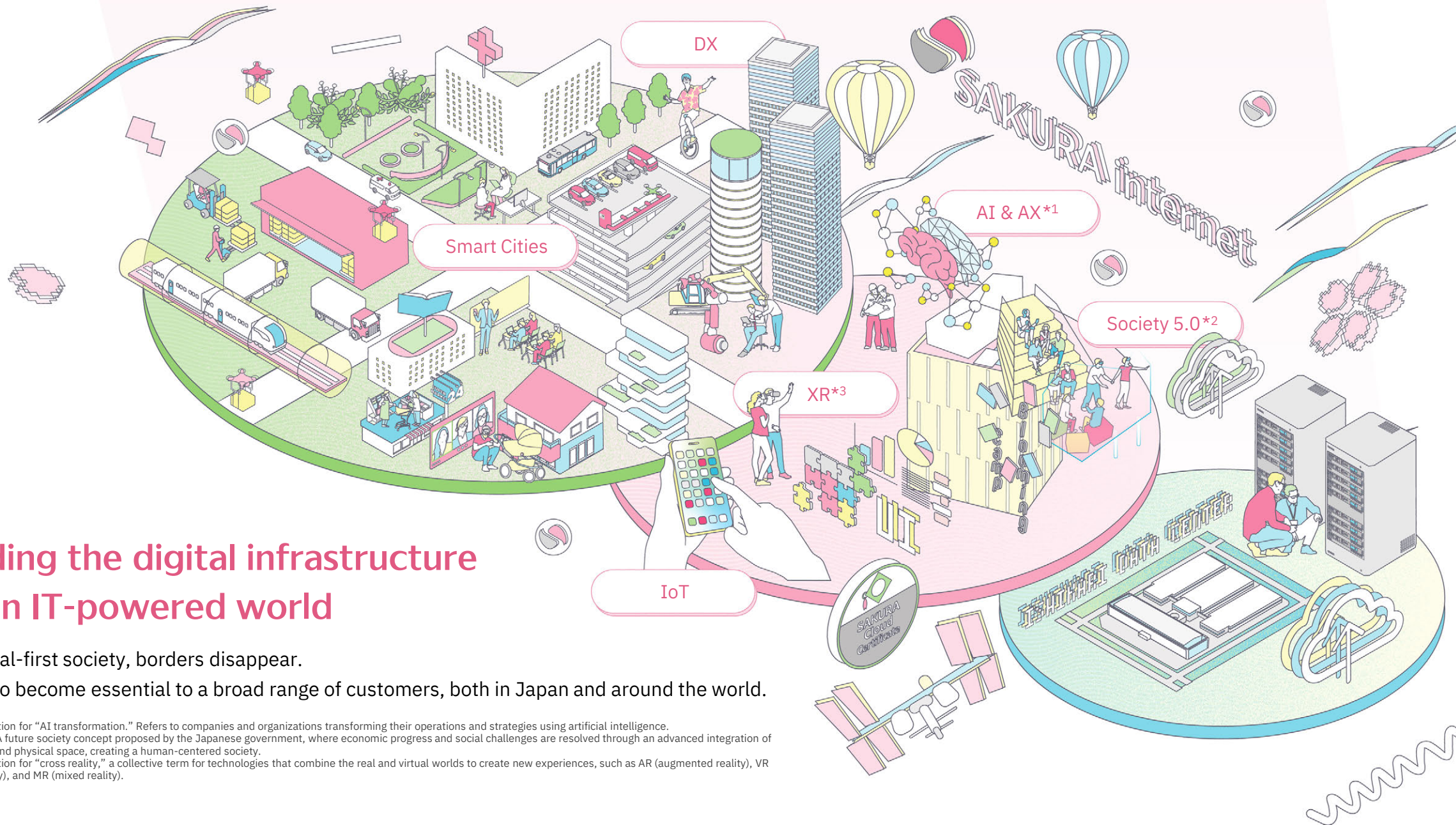
Value Creation Process



*Approval is conditional, based on the requirement that all technical criteria are met by the end of FY2025.



Our Businesses



Building the digital infrastructure for an IT-powered world

In a digital-first society, borders disappear.

We aim to become essential to a broad range of customers, both in Japan and around the world.

*1 AX: Abbreviation for "AI transformation." Refers to companies and organizations transforming their operations and strategies using artificial intelligence.

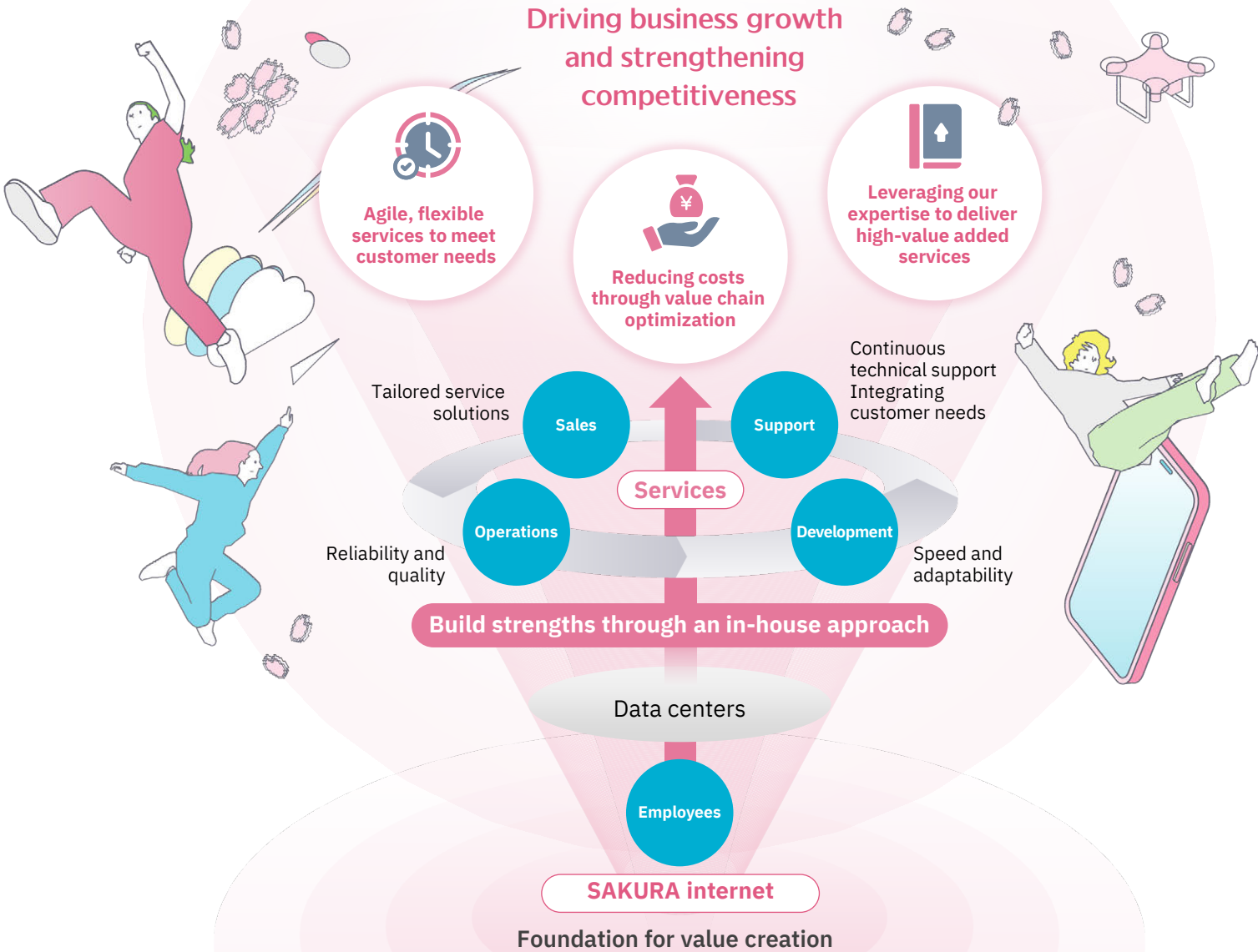
*2 Society 5.0: A future society concept proposed by the Japanese government, where economic progress and social challenges are resolved through an advanced integration of cyberspace and physical space, creating a human-centered society.

*3 XR: Abbreviation for "cross reality," a collective term for technologies that combine the real and virtual worlds to create new experiences, such as AR (augmented reality), VR (virtual reality), and MR (mixed reality).

Our Strengths

A unique, vertically integrated, in-house business model

We have established **a unique, vertically integrated business model** that covers every stage in-house, from owning our own data centers to service development, technical research, operations, sales, and support. This approach allows us to respond quickly to customer needs, deliver high-value added services, and optimize our value chain—empowering customers to turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.”



Overview of Our Services

A diverse service lineup that adapts to social change and customer needs

We have built a business model that covers everything in-house, from data centers and service development to technical research, operations, sales, and support. A key strength is our ability to develop and operate all of our services in-house, from our Government Cloud-certified “SAKURA Cloud”^{*1} to the “Koukaryoku Series,” a foundation for generative AI.



SAKURA Cloud

Certified for Government Cloud use

Trusted for everything from large-scale web services to public and educational infrastructure.

— **POINT** —

Data sovereignty in Japan

No data transfer fees

Intuitive controls and robust features

Generative AI Services



Koukaryoku Series

Koukaryoku PHY
Bare metal-type: a high-performance physical platform.

Koukaryoku VRT
VM-type: a virtual platform designed for adaptability and agility.

Koukaryoku DOK
Container-type: an operational platform specialized for data processing.



SAKURA AI^{*2}

Business platform for generative AI



SAKURAONE

Japanese cloud-based supercomputer for generative AI



SAKURA Web Hosting

A popular server service with over 560,000 users

Trusted for everything from corporate to personal websites, our rental servers are ready to launch in as little as two minutes.



SAKURA VPS

Offers greater flexibility than SAKURA Web Hosting

A popular choice for e-commerce sites with thousands of products, offering dedicated-server performance with the flexibility of shared virtualization.



SAKURA Dedicated Server PHY

A highly flexible, dedicated physical hosting service



IoT Services

A communication framework that connects devices and services



Tellus

A platform for leveraging satellite data

^{*1} Approval is conditional, based on the requirement that all technical criteria are met by the end of FY2025.
^{*2} Launched in May 2025 as "SAKURA Gen AI PLATFORM" and renamed "SAKURA AI" in September of the same year.

Vision Roundtable

DIALOGUE

Envisioning a World Where SAKURA is an Option for Everyone

As digital transformation accelerates, we aim to lead the future of Japan's top digital infrastructure company, guided by our corporate mission to turn "WHAT YOU WANT TO DO" into "WHAT YOU CAN DO." Here, President and CEO Kunihiro Tanaka, Cloud Business Division Head Yasuhiro Araki, and backend lead engineer Masataka Ikezoe sit down to reflect on what sets SAKURA apart. Since its founding, the company has supported the backbone of the internet. Now, they look ahead to the ongoing journey of innovation.

Kunihiro Tanaka (left)
President and CEO

Yasuhiro Araki (center)
Cloud Business Division

Joined the company in 2024 as a member of the Cloud Business Division. Prior to joining SAKURA internet, he worked at DeNA Co., Ltd. and joined Amazon Web Services Japan G.K. (AWS) in 2011, where he served as a Solutions Architect for 13 years. At SAKURA internet, he is engaged in cloud service development, customer engagement and business acquisition initiatives, as well as projects in collaboration with the Digital Agency.

Masataka Ikezoe (right)
Service Development Group Leader, Cloud Service Department, Cloud Business Division

Joined SAKURA internet in 2006, specializing in backend software development. He has managed IAM for "SAKURA Cloud," developed Japan's pioneering satellite data platform "Tellus," and overseen projects such as "SAKURA VPS" and "SAKURA Dedicated Server." His background spans data center operations, dedicated server OS/middleware development, and a wide range of software engineering.



Vision Roundtable

01 Where did the idea for SAKURA come from?

Steady growth as a multi-layered digital infrastructure company

Tanaka When I first founded SAKURA, the internet itself was a business opportunity, but today, it's taken for granted. The internet is now the foundation for layers like cloud, SaaS, and even newer business models. While most IT businesses have shifted to higher layers, we remain one of the few companies that continue to support the infrastructure layer of the internet itself. Ikezoe-san, what has SAKURA's growth looked like to you since you joined us in 2006?

Ikezoe When I joined 19 years ago, our main business was building physical servers. I even recall getting code directly from Tanaka-san to integrate into our services (laughs). "SAKURA VPS" ushered in an era of virtualization, which led to our cloud services, and since 2020, I've been involved with developing "Tellus." Looking back, I've grown through constant change, right alongside SAKURA's own evolution.

Araki I joined SAKURA in 2024, but having known Tanaka-san for some time, I had already been observing the company from the outside with great interest. During that period, while many other infrastructure-layer service providers either shut down or shifted their focus, SAKURA continued to uphold its

distinctive position in the industry. I saw it as a company that stood out—in a good way. SAKURA plays a dual role: acting as a hub for skilled infrastructure engineers nationwide, while steadily growing as a digital infrastructure company that covers all layers of IT. In fact, many of us, myself included, have come to work at SAKURA after our own experiences building private clouds and on-premise systems. Since SAKURA attracts some of the country's top engineers in digital infrastructure, I feel confident that as long as the company exists, Japan's digital infrastructure will continue to improve.

Tanaka So, rather than just staying at the foundation layer, it's more accurate to say that SAKURA has steadily broadened its scope vertically from physical infrastructure to the cloud and SaaS. That said, it's actually only in the past few years that we've been able to present ourselves openly as a digital infrastructure company. Like many others in the industry, there was a period when we considered using external services, since building



everything from scratch is such a tremendous undertaking. But in order to maintain the flexibility that defines SAKURA's services, we've insisted on continuing to build everything in-house.

Ikezoe I hope we can maintain our commitment to in-house development. Building our own products based on our own ideas is what makes engineering here so rewarding, and I believe it's also one of SAKURA's core strengths. Looking back on all the challenges and changes we've faced, I think our growth today comes from taking the time to learn, even in tough technical situations, and never shying away from the unknown. I also believe that SAKURA's continual pursuit of technological challenges itself has led to increased trust from our customers.

Vision Roundtable

02 Who is SAKURA?

Evolving beyond the internet with in-house development and a customer-oriented approach

Araki Our name may still include the word “internet,” but in practice, we’re doing much more than that. In fact, SAKURA has already turned nearly every kind of network beyond the internet—including Japan-specific closed systems—into a service. Going forward, I think we can focus more on this broader sense of networking and make it one of our strengths.

Tanaka Exactly. I believe we’re entering a period of significant business evolution and major transformation. Who knows, maybe in the distant future, even the word “internet” in our name will change (laughs). The openness and flexibility of internet culture remain important concepts to us, but as a technology, the internet is no longer central to what we do. Setting the name aside, as we work to elevate SAKURA’s standing as a company, I want us to carefully discern which parts of our culture should evolve and which should be strengthened, and to engage in conceptual, fundamental discussions about what SAKURA aspire to be.

Ikezoe In addition to our strength in in-house development,

I want SAKURA to become even more responsive to society’s expectations for us. Until now, SAKURA has followed a bottom-up approach, where someone in the company comes up with an idea, starts developing it, and over time, it grows into a service. Moving forward, I want us to do a better job of incorporating user feedback. Right now, we have so many talented engineers, and together we’re experimenting with new ways to improve our development process. In terms of internal structure, I feel this is the most significant period of change since I joined the company.

Araki It’s true that methods like tailoring services to user needs by adding new features, or developing products with a large prospective user base in mind, aren’t really part of our culture yet. Going forward, I’d like us to adopt more user-driven approaches and actively put them into practice. I also want to create a positive cycle where customers use SAKURA’s technology to grow their businesses, and in doing so, help us grow as well.

Tanaka With more and more people like Araki-san joining the team who are able to capture user feedback, I think

now is the time to actively drive forward a customer-oriented mindset. At the same time, we need to develop solutions to organizational issues, such as the fact that we still haven’t effectively connected users with our development teams. For example, we’ve recently begun transferring technically knowledgeable engineers from technical solution roles into sales, in order to strengthen our ability to make tailored proposals to users. Customer-oriented development is something we’ve hardly addressed so far, and I see it as having great potential for growth.



Vision Roundtable

03 Where is SAKURA Headed?

Pursuing global leadership in digital infrastructure

Tanaka Considering how much more difficult it has become in recent years to build computing infrastructure from scratch, I believe SAKURA's value will continue to increase, both in Japan and around the world. Araki-san, could you share your own interpretation of what it means to be a top digital infrastructure company?



Araki To me, the idea of being “on top” is like standing at the foot of a mountain. It’s the goal right in front of you. But once you reach one summit, another will always appear ahead of you. Take the Government Cloud certification, for instance. It’s just one of many milestones for us. As the market comes to recognize that we’ve integrated the range of technologies needed to support the Government Cloud, the opportunities for what SAKURA can do will only expand. By continuing to innovate and push past each “peak,” I want SAKURA to become an irreplaceable partner, a place customers can come to first—or last—when facing IT challenges. I hope to build a future where SAKURA is the first name that comes to mind because people know that we can handle it all, from the cloud to the internet and beyond.

Tanaka That’s true. I want us to remain flexible as we respond to ongoing changes in technology and society. Ikezoe-san, what kind of future are you envisioning?

Ikezoe To me, the ideal vision of a “top digital infrastructure company” is one that has the technology to help solve the challenges facing Japanese society. To make that possible, we first need to stay focused on developing services that position us as a company capable of delivering even greater value to society. I’m also looking forward to seeing how technology will evolve after we receive official certification for the Government Cloud. After certification, I hope we’ll

listen to user feedback in earnest and use it to create more advanced features and services. And by adding SAKURA’s domestic Government Cloud to the list of available options, I want to help create a future where every user can choose the best solution for their needs.

Tanaka Exactly. Computer resources have become the lifeblood of modern industry. As we continue to build and maintain the computing foundations that everything depends on, our role becomes increasingly vital and purposeful. It’s no longer enough to simply possess infrastructure. We also need advanced operational capabilities, such as high-level security measures, and that’s precisely where our decades of experience in digital infrastructure are more valuable than ever before. In today’s rapidly evolving world, companies shouldn’t be forced to rely solely on hyperscalers. I want SAKURA to be recognized as a true third option, not just in Japan, but around the world. For me, being a “top digital infrastructure company” isn’t about market share. It means being a viable alternative, an option with substance and value. I want us to create an environment where innovative talent can truly thrive and boldly take on new challenges. We are committed to becoming a company with an unmistakable presence—one that turns heads around the world and earns a reputation as a Japanese company doing extraordinary things.

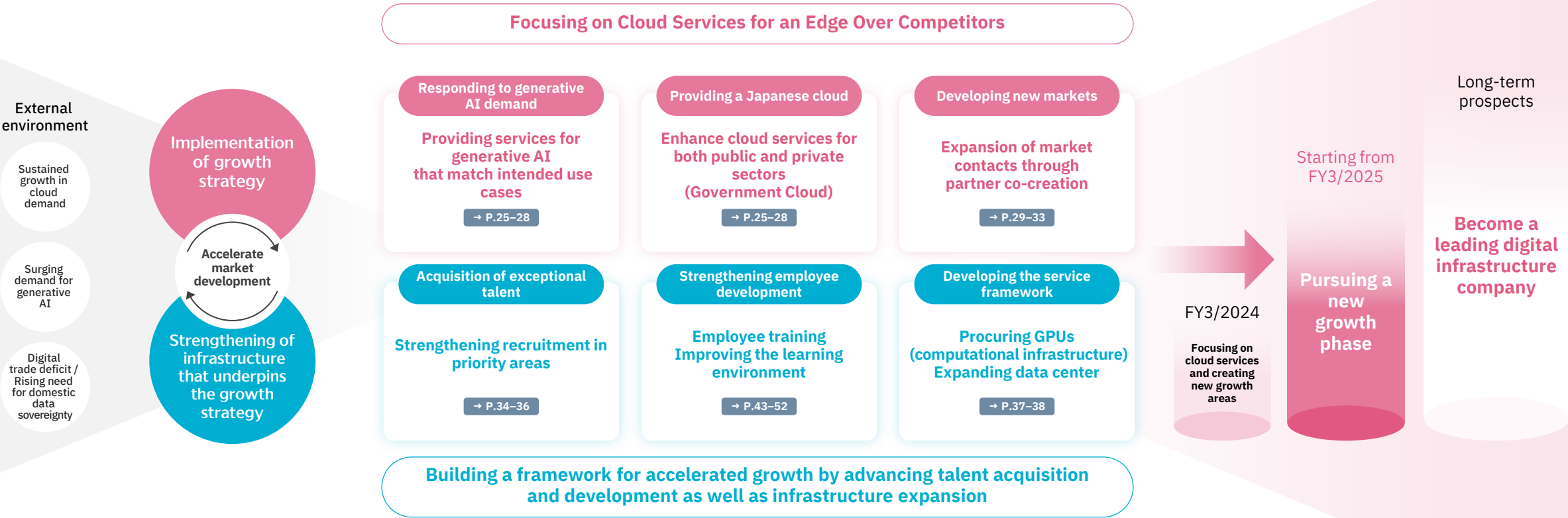
Section 02

Value Creation Initiatives

- 24 Growth Strategy
 - 24 Growth Strategy Practices and Medium-Term Management Policy
 - 25 Providing High-Value-Added Services
 - 27 Government Cloud
- 29 Channel Expansion
 - 29 Co-Creation Ecosystem
 - 31 Partner Interviews
 - 33 Cloud Certification
- 34 Investment Strategy
 - 34 CHRO Interview
 - 37 Generative AI Services
 - 38 Data Centers
- 39 CFO Interview

Growth Strategy for Cloud Computing for Japan Through Vertical Integration and Partner Co-Creation

The rapid evolution of generative AI and the emergence of new domains, such as Web3 and smart cities, are further accelerating the digitalization of society. As the pace of change increases, what is needed now is flexible, reliable, and ready-to-use digital infrastructure. To meet these demands, we are pursuing a unique growth strategy as a trusted cloud infrastructure provider from Japan.



Growth Strategy | Providing High-Value-Added Services

**Masaaki Tateno** Vice President / Senior Executive Officer

Born in Ibaraki, Japan. After graduating from Kanazawa University with a degree in economics, he joined Ajinomoto Co., Inc., where he spent 10 years in sales, mainly in the domestic food business. He joined SAKURA internet in 2002 and was appointed Executive Officer in 2004. Since then, he has been involved as a planner and business manager in nearly all of the company's businesses and services. He became Vice President in 2008. He currently serves as Senior Executive Officer, overseeing company-wide business product development. He also serves as a director of Gehrin Inc.

Growth
Strategy

01

Supporting the Next Generation of Industry with Stable, Secure, and Sustainable Digital Infrastructure

The key to our growth is Generative AI Services and the Government Cloud. These are not separate services, but core strategic elements that complement each other to form the digital infrastructure that Japan needs. This is underpinned by our unique “vertically integrated business model,” which allows us to handle everything in-house, from design and procurement to operations. Vertical integration has enabled us to establish a competitive advantage. Leveraging the strengths of our Japanese cloud, we are expanding value across a wide range of fields through co-creation with diverse stakeholders.

Supporting businesses with Generative AI Services

As AI evolves, a powerful computational infrastructure to support large-scale training and inference has become essential. In response to this demand, in January 2024, we launched the bare-metal “Koukaryoku PHY” as the first offering in our generative AI “Koukaryoku Series.” To date, we have launched three product lines to meet the diverse needs of research institutions, startups, and large companies.

However, what we offer is more than just resources. GPUs are simply a means to an end. The true value lies in the AI business itself.

We provide infrastructure that supports the adoption of generative AI in society by leveraging our strengths in in-house design and operations. At our Ishikari Data Center, we are expanding and adding container-type facilities dedicated

to GPUs. Of our total 113 billion yen investment plan through FY2030, 56.5 billion yen is expected to be supported by the Cloud Program of the Ministry of Economy, Trade and Industry.

Our GPU cloud combines speed, reliability, and supply capacity. Its supercomputer-like architecture and high-availability design allow us to differentiate ourselves in a highly competitive market.

Providing domestic platform services leveraging our vertically integrated, in-house approach

The AI market consists of three layers: (1) infrastructure (IaaS), (2) platform (PaaS), and (3) services (SaaS). Since last year, we have been strengthening our infrastructure and are now focusing on improving the platform layer. Going forward, we will move up

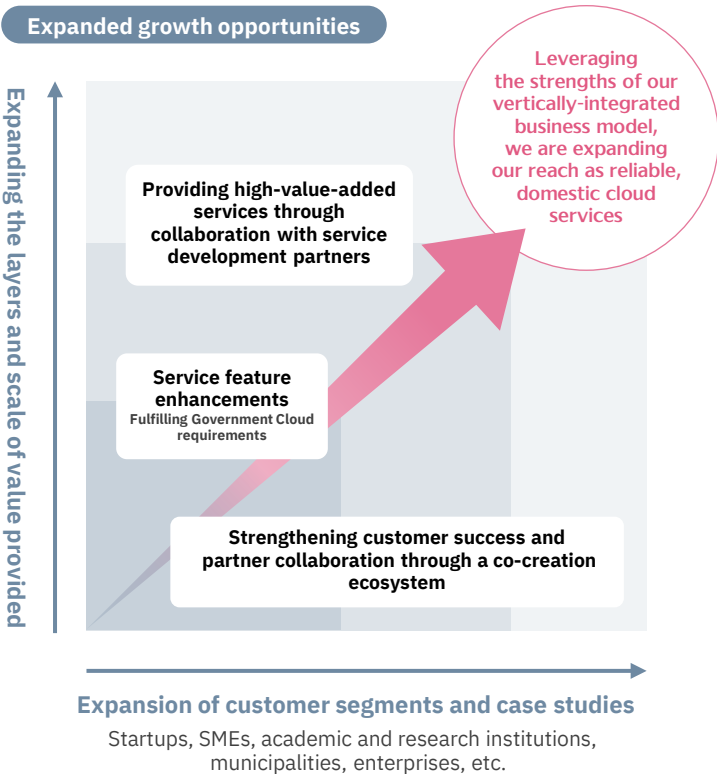
Growth Strategy | Providing High-Value-Added Services

to the service layer, creating an environment that accelerates AI adoption and utilization.

As a key part of this strategy, we launched “SAKURA AI” in May 2025.* By integrating GPU Cloud, the Government Cloud, Ishikari Data Center, and partner collaboration, we are delivering an autonomous end-to-end AI infrastructure in Japan. This concept is attracting significant attention amid growing needs to manage critical data domestically and increasing trust in Japanese-made solutions. In particular, by partnering with companies developing Japanese LLMs and providing business development support, we are moving beyond simple infrastructure provision to offer co-creative problem-solving solutions. By working alongside our users and building an ecosystem for shared success, we are enabling sustainable growth.

Why we can expect growth while focusing on cloud services?

This is because our growth strategy is structured to extend along both vertical and horizontal axes. Vertically, we are moving up the stack from IaaS to PaaS to SaaS and strengthening partnerships with developers to enter higher value-added areas. Horizontally, we are expanding our customer base from small and medium-sized enterprises and research institutions to include municipalities and enterprises, covering a broader market through enhanced sales and partner collaboration.



This strategy is only possible because of our vertically integrated model. Our system of in-house development, operations, and support, combined with the flexibility to respond quickly to customer needs, gives us a significant competitive edge in the fast-changing era of generative AI.

*Launched in May 2025 as “SAKURA Gen AI PLATFORM” and renamed “SAKURA AI” in September 2025.

Government Cloud: Built on trust

In 2023, we became the only Japanese company selected as the Government Cloud provider. This demonstrates that our cloud meets the stringent requirements demanded by municipalities and government agencies.

Currently, our entire company is focused on developing features to achieve official Government Cloud certification by March 2026, and we are receiving an increasing number of inquiries from public offices and local governments. We believe we are raising our profile as a cloud infrastructure provider while aligning with national procurement policies.

However, the Government Cloud, like our GPU offering, is merely a stepping stone—not our ultimate goal. Our goal is for “SAKURA Cloud” itself to become a trusted Japanese cloud that is widely chosen by users. We view this as a key milestone on the path to standing alongside global hyperscalers.

Contributing to Japan's future and supporting its digital infrastructure

Our growth strategy is not just about expanding sales. We aim to build infrastructure that contributes to Japan’s future, and to continually enhance our value as the domestic cloud of choice in terms of security, reliability, and sustainability. We envision a future where technology, services, talent, and partnerships are united to support Japanese digital infrastructure.

Growth Strategy | Government Cloud

**Sara Komatsu**

Senior Director, Government Promotion Office

Komatsu joined the company as a new graduate in 2017. After gaining experience as a field sales representative in the Sales Department, she was appointed Senior Director of the newly established Government Promotion Office in FY2022, in her sixth year with the company. She is advancing a project aimed at obtaining Government Cloud certification by the end of March 2026.

Growth
Strategy

02 Certification is Just a Stepping Stone for Providing Better Public Services

Building trust through trial and error

Our “SAKURA Cloud” is the only cloud technology developed in Japan to receive provisional certification as the Government Cloud for official government use, and we are now steadily progressing with final preparations toward achieving full certification by the end of March 2026. I have been involved in this initiative from the very beginning. What started as a three-person Government Promotion Office has now expanded into a fully integrated system capable of handling everything from strategic planning to post-order follow-up. In the absence of established systems or precedent, the days spent shaping things step by step alongside my colleagues have become a tremendous asset to me and continue to be a powerful driving force in my work.

The Government Cloud is crucial infrastructure that supports the digital transformation of Japan’s public sector. High levels of security and reliability are required, and meeting these standards is essential. However, we do not consider obtaining certification itself to be the end goal. Instead, we see our true mission as delivering a cloud service that goes beyond that—one that is genuinely useful in government settings and can be used with confidence over the long term. In the public sector, there are many institutional and budgetary constraints, and the same practices as in the private sector often do not apply. That is why

we need to be receptive to feedback from the field and remain flexible in responding to situations as they arise. Though not easy, I find deep fulfillment in the process of building trust through addressing each individual case with a sincere attitude. The trust and sense of solidarity that emerge as we carefully engage with ministry officials and local government staff and overcome challenges together hold irreplaceable value.

Supporting the future of public IT in an organization that grows together

The number of members in our Government Promotion Office has increased over the years, and with the addition of people with diverse expertise, the team has become increasingly capable of handling more complex and sophisticated issues. I feel that we are growing as an organization, and at the same time, I am constantly thinking about how, as a leader, I can support and empower my team. There is still a lot of room for future growth in this field. And the question now is how we can realize that potential through our technology and approach. The Government Cloud certification is merely one milestone along the way. Moving forward, we intend to advance steadily, step by step, united as a team, to enhance the quality of public services and support the digitalization of society as a whole from the ground up.

03 Expanding the Public Cloud with Strategy and Passion

Taking a step beyond sales to support the future of public service

The Government Cloud is one of the key business areas driving future growth for our company. I am in a strategic role, conducting proposal activities for clients across Japan, including local governments and government agencies. The public sector, unlike the private sector, presents higher hurdles in terms of institutional frameworks and procurement requirements. It is a world where comprehensive reliability—including high availability, security, and support systems—is rigorously tested.

Within this environment, what I value most is making proposals that closely align with the needs of the people doing the work. We engage with each challenge and background faced by central government ministries, local governments, and others, carefully listening through thoughtful dialogue to jointly explore optimal solutions. I believe that this accumulation builds trust, which ultimately leads to the creation of sustainable systems.

When formulating proposals, it is essential not only to have technical expertise, but also to understand institutional requirements and collaborate with partners. Sometimes I assist in organizing procurement requirements while keeping an eye on legal and regulatory trends. I feel that one of the most rewarding aspects of this job is the frequent opportunity to be involved beyond the conventional scope of sales.

My decision to join this company stemmed from being drawn

to an environment where I could dedicate myself to truly meaningful proposals. I was particularly inspired by Komatsu, the Senior Director of the Government Promotion Office, who was leading national-scale projects at such a young age. I distinctly remember feeling that SAKURA internet was an organization where, regardless of seniority or title, there were ample opportunities to challenge myself based on initiative and ability. Even now, I can vividly recall how this experience inspired me to test my own capabilities within the organization.

The responsibility and fulfillment of delivering the Government Cloud in the workplace

Currently, I am involved in a wide range of responsibilities, from designing strategies to hands-on field operations, as well as collaborating with partner companies. I find great fulfillment and responsibility in working within this area, knowing that my work contributes to supporting the foundation of society. Recently, I've been increasingly involved in proposals that leverage regional characteristics in collaboration with partner companies, which has broadened my perspective as a sales professional.

Going forward, I aim to stay abreast of societal changes, leverage our company's strengths, and further expand the potential of the Government Cloud. To become a trusted presence for people working in the public sector, I want to continue the dialogue, deepen my understanding, and make steady progress, one step at a time.



Shunsuke Hisada
Chief Strategy Officer, Government Promotion Office

Hisada joined the company as a mid-career hire in August 2023. He is currently working on strategic planning in government and projects to acquire Government Cloud certification. In his previous position at an IT-focused think tank, he was in charge of digital support for both the private and public sectors.

Channel Expansion | Co-Creation Ecosystem

**Takayuki Takahashi** Senior Executive Officer

Born in Tokyo, Takahashi joined SAKURA internet in 2006 after working as a customer support and pre-sales engineer. After working in on-site operations, he was appointed Executive Officer of Operations in 2011. In 2016, he transferred to oversee sales, launched the non-profit organization KidsVenture, served as CEO of a group company, and then managed the Technical Solutions Division, where he worked on developing partner strategies and providing user training support. Currently, as Senior Executive Officer, he oversees company-wide sales and marketing.

Channel Expansion

01

A New Approach to Sales Through Customer-Centric Perspectives and Co-Creation Ecosystems

We are evolving toward a new approach to sales, centered on achieving both customer and partner success. We believe the true role of sales is not merely to deliver products or services, but to create conditions where our customers and partners can achieve what they truly want to accomplish. To achieve this, a customer-centric perspective is essential. This means sincerely listening to customer feedback, deeply understanding the context of their business and operations, and then collaboratively identifying the optimal solutions. Furthermore, building a co-creation ecosystem with trusted partners is indispensable for delivering our value to every corner of society. We aim to make these two pillars work in tandem to turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.”

Enhancing the quality of proposals by listening closely to customer feedback

The most crucial element in evolving sales strategies is a true commitment to understanding customers. Proposals cannot be made without understanding customers. Our starting point is not to sell, but rather to thoroughly consider what is necessary for the customer's business to succeed.

This mindset is particularly vital for companies like ours, which provide infrastructure services such as cloud services, dedicated servers, and GPU cloud. Because our services are so closely integrated with our customers' systems and operations, it's not enough to focus on specifications or price alone. We need to dig deeper to understand why customers choose our services and how they intend to use them. What's needed for a proposal

isn't just price or delivery time. A successful proposal requires a complex mix of elements: technical expertise, industry insight, an understanding of customers' business challenges, and thoughtful attention to contracts and operational requirements. Therefore, we believe that the insights and discoveries gained through sales can drive the entire company toward customer success.

In today's rapidly changing world, sales is a role that demands ever more creativity and a broader range of skills. We aim to further strengthen the systems for gathering customer feedback (VOC), sharing it across the company, and using it to drive service improvements and develop new features. This creates a cycle where the entire organization works to increase customer satisfaction and the value we provide.

Channel Expansion | Co-Creation Ecosystem

Co-Creation Ecosystem for turning “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO”

There are limits to what a single company can achieve in solving customer challenges. That’s why we are expanding our co-creation ecosystem, which is capable building value together with our partners. This is a core strategy for ensuring our company remains a transparent infrastructure for society.

In FY2024, we established two pillars: the “Sales Partner Program” and the “Technical Partner Program.” We now collaborate with over 100 partners nationwide. By sharing roles such as collaborative project advancement, creating customer touchpoints, and technical support with our partners, we are building a framework that transforms our turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.”

Our partner programs are not merely about expanding sales channels; they are co-creation relationships aimed at growing together.

Our services are utilized across diverse environments, including SaaS vendors, IT solution providers, public institutions, and regional businesses. By combining our partners’ industry expertise and local insights, we are able to provide more optimal proposals and support.

For example, through joint participation in exhibitions, collaborative follow-up after lead generation, and co-hosting user seminars, we are steadily building a culture of tackling customer challenges together with our partners.



Creating frameworks that empower partners to operate independently

To sustain these collaborative relationships, supporting our partners’ growth is essential. We are currently building an environment that empowers our partners to become self-sufficient, through onboarding support, the “SAKURA Cloud Certificate,” the systematization of technical information, and enhanced support infrastructure. Among these, the “SAKURA

Cloud Certificate” is a core initiative.

Alongside on-demand learning materials, we provide extensive documentation, API specifications, pricing structures, and SLA guidelines, enabling anyone to quickly become proficient with “SAKURA Cloud.”

These efforts not only lower technical barriers, but are also among the reasons SAKURA Cloud is chosen as an “intuitive,” “user-friendly,” and “cost-effective” cloud service. Notably, compared to competitors, SAKURA Cloud offers highly flexible configuration and operational agility, enabling full-scale cloud utilization even with limited resources. Our partners and their customers highly value this aspect.

We and our partners are always on the frontlines with our customers, working together to solve problems and deliver value. That’s why we believe that the relationships we make as we work together, experiment together, and build on shared successes are our most valuable asset, something that can’t be measured by features or price alone.

Our sales team’s vision of the future for SAKURA internet

We see sales not only as supporting business growth, but also as delivering the value of our services to society, a role that balances customer success with sustainable social progress.

Turning “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO,” SAKURA internet continues to take on new challenges as we apply this philosophy on the front lines of our industry.

Channel Expansion | Partner Interviews



Kazuya Kochi
Manager
Partner Sales Group
Sales Department,
CS Division
SAKURA internet Inc.

Rio Fukasawa
Partner Sales Group
Sales Department,
CS Division
SAKURA internet Inc.

Takatoshi Atsushiba
Executive Director
Future Spirits Co., Ltd.

Wataru Kambe
Senior Manager
Sales and Marketing Dept.
Cloud Integration Services Div.
Future Spirits Co., Ltd.

[Future Spirits Co., Ltd.](#)

Future Spirits Co., Ltd.



Future Spirits targets a wide range of industries, offering IT solutions that include server infrastructure and cloud services. There have been increased opportunities in recent years for supporting the creation of government-oriented cloud services. This sparked our two companies' partnership working on SAKURA Cloud, an ideal cloud service for implementation at the local government level.

SAKURA: A reliable partner and ideal fit with Future Spirits' technology and customer base

Kochi Can you tell us about the background behind your decision to partner with SAKURA internet?
Atsushiba As you might expect, SAKURA Cloud's selection (conditional approval) for Government Cloud usage was a decisive factor. And in light of our focus on local government projects, the free transfer system was also very appealing, since this sidesteps the usage-based approach that can become a bottleneck. Furthermore, we have been involved in web hosting since our company's inception, and we see this system as highly compatible with our technology and customer base.

Kambe When we consulted with you on a local government project before signing our contract, we were pleasantly surprised by the strength of your proposal and the speed of your technical response. We also felt we could trust you, which further contributed to our decision.
Kochi Thank you, that's very kind of you to say! For our part, we have created 40 opportunities and completed 10 projects together as of the end of June 2025. This is a very meaningful achievement for us.
Kambe That's decent for first-year results, but it feels like there's still plenty of room to grow. Our co-hosted webinars have been well received, and we plan to further increase touchpoints going forward. As we continue to refine our proposal process, our strength—offering comprehensive services that span from infrastructure to applications—will only become more vital.

SAKURA Cloud's flexible pricing and design hold major promise for SMBs

Fukasawa We are also expanding our opportunities for approaching a more diverse range of customers. We have particularly high expectations for SMB-focused expansion, a promising new market for us. What is your take on this area?
Atsushiba Our small and medium-sized business clients are certainly showing more interest in generative AI and GPU cloud computing. Moreover, SAKURA Cloud's flexible pricing and design provide exactly the kind of infrastructure SMBs need. That said, much confusion remains about what these tools can offer. We hope to collaborate closely with SAKURA internet to establish a framework that supports users from the initial design of practical use cases through to implementation.
Fukasawa We want to work together to create a future where cutting-edge technologies like generative AI and GPU cloud computing are readily available to SMB clients as well. We'd also love to hear your thoughts on any other aspects of "SAKURA Cloud" that you appreciate in addition to its free transfer service.
Kambe Your fast, flexible response to partners' needs is by far the most important point for me. You make it easy to discuss costs and technology, enabling us to tackle customer issues together. The way you've set up the partner portal, and how quickly you roll out improvements, really make your reliability tangible in our daily work.
Kochi It really means a lot to us to hear you feel that way. We'll continue working together with our partners to grow and provide our customers with even more value. To close, can you please share your vision for our collaborations in the future?
Atsushiba We see so many possibilities for generative AI, the Government Cloud, and even expansion into overseas markets. When proposing GPU cloud solutions in particular, we believe the best approach is to explore uses together with customers who are still new to the technology. We hope to work alongside SAKURA internet to support clients from proposal to implementation. Our mission is "connect and weave the future." This partnership with SAKURA internet is a perfect example of that connection. We want an honest relationship where we can candidly share our thoughts, and hope to work from this framework to offer the best possible solutions for addressing the challenges faced by society.

Channel Expansion | Partner Interviews



Naoki Kako
Partner Relations Officer,
Government Promotion Office
SAKURA internet Inc.

Mai Saeki
Senior General Manager
Public Sector & Services Div.
Japan Business Systems, Inc.

Yuta Hashimoto
Vice Senior General Manager
Public Sector & Services Div.
Japan Business Systems, Inc.

Japan Business Systems, Inc.



Japan Business Systems (JBS) provides IT services, guided by its corporate mission of “bringing the best technology to everyone, everywhere.” While the company has built up its expertise in cloud-based solutions, its experience in the public sector is still recent. In its ongoing search for new tools to enhance its proposals, JBS entered into a partnership with SAKURA internet.

Combining strengths to further accelerate the government's digital transformation

Kako Please tell us about what informed your decision to partner with SAKURA internet.

Saeki We have only been in the public sector for a short while, so we are constantly searching for new ways to give our proposals an edge. When we heard that SAKURA internet was shifting to a partner model in the government sector, we were certain that our visions aligned and we could work toward a common goal.

Hashimoto “SAKURA Cloud” features all of the cloud solution-related knowledge we have accumulated over many years, as well as our strong affinity for this technology. We determined that combining our companies' strengths would enable us to more effectively promote the government's digital transformation, leading us to form our partnership.

Japan Business Systems, Inc.

Kako Having the support of JBS as we expand into new areas has been very reassuring. The Government Cloud sector is widely seen as a key growth market for the future. How do you see its potential going forward?

Hashimoto There are limits to how far local governments can go in building and operating their own infrastructure independently. Going forward, we expect demand to steadily increase for shared cloud platforms, especially those developed in Japan. A key advantage is the peace of mind that comes with security against information leaks and unauthorized access. At the same time, domestic cloud platforms hold promise to enhance the technical capabilities of domestic Japanese IT vendors, create new employment opportunities, and ultimately contribute to the growth of Japan's digital economy as a whole. However, cost and the degree of freedom in selecting services still currently hinge on the vendor, so increased transparency and a wider range of options will likely become increasingly important factors.

Supporting the public sector with IT to enrich all aspects of people's lives

Kako Cloud computing is not simply IT infrastructure; it has the potential to address social issues. Given JBS's deep understanding of the public sector, what expectations do you have for SAKURA in this field?

Hashimoto We are most excited for SAKURA's pricing model, which is unaffected by forex fluctuations and allows for use on a fixed-cost basis. Annual budget frameworks in the public sector are strictly defined, so a stable and predictable cost structure is essential for cloud adoption. SAKURA's strength—and what sets you apart from other companies—is your ability to address those needs.

Kako Thank you very much. Unlike foreign cloud providers, we are free from exchange rate risks and offer a transparent, easy-to-understand pricing structure, points we see as essential for being trusted in our role as social infrastructure. Could you touch on what kind of social value you aim to realize through our co-creation efforts?

Saeki Rather than something exclusive or specialized, we want cloud technology to become a fundamental part of infrastructure, something anyone can use effortlessly. To this end, we need to tailor our support to match the varying degrees of IT literacy found across local governments and staff members. Notably, the digitalization of public services is directly linked to increased convenience for citizens, as well as improved administrative efficiency. We will continue to actively support the practical application of IT so that this technology can help enrich people's daily lives. Our goal here is to establish a framework that channels the AI and advanced technology expertise accumulated in the private sector back into the public domain, enabling broader contributions to society.

Kako Listening to each and every customer's voice, pinpointing the underlying issues, and guiding them toward the best possible solution—this is the approach we truly value here at SAKURA. To us, JBS's initiatives represent a truly ideal example of co-creation. We would love to hear your thoughts on future collaborations.

Saeki At JBS, we place great value on co-creating with trusted technology partners. SAKURA internet is a trailblazer in Japan's domestic cloud industry, and you have continued to provide flexible and reliable services that deeply resonate with our own philosophy. Through our co-creation efforts, we will unite to build a safer and more sustainable IT infrastructure essential for our future society, while also supporting the digital transformation of public institutions.

Channel Expansion | Cloud Certification

[↗ SAKURA Cloud Certificate](#)Channel
Expansion

02 Cloud Strategy for Human Growth and Social Integration

Growing Japan's skilled user base of domestic cloud platforms

We created the "SAKURA Cloud Certificate" in 2023.

We believe it is essential to increase the number of people throughout society who are proficient in domestic cloud computing. This aspect of our growth strategy, combined with the Government Cloud's provisional approval, was a key factor in the creation of this certification. Our approach was to leverage education to address the shortage of people who could properly engage with domestic cloud computing. As the use of AI expands, we must broaden its horizons by increasing the number of people throughout the country who both grasp the fundamentals of cloud computing and can put this understanding into practice.

Our certification program offers educational content for systematically learning cloud fundamentals and how to use our platform. SaaS vendors, system integrators, local government officials, and others working directly with these services gain confidence in using the cloud effectively, which in turn boosts our overall reliability and credibility as a business. Being able to offer a domestic option for cloud computing has also opened up new business opportunities for both the SaaS and system integration industries.

These talent development initiatives are closely tied to our overall partner strategy. Successful certification develops our partners' talent, empowering them with the skills to sell, build,

and develop using "SAKURA Cloud," and thereby ultimately strengthening their ability to propose effective solutions to end users. We are currently working with our partner program to provide free assessment vouchers, helping to bridge the gap to practical, hands-on use.

Accelerating the co-creation cycle begins with certification

In April 2025, we collaborated with an education company to launch our cloud engineer training course, certified as a reskilling program by Japan's Ministry of Economy, Trade and Industry (METI). This hands-on learning program, built on the foundation of the "SAKURA Cloud Certificate," is designed not only for aspiring engineers but also welcomes working professionals and local community members seeking to reskill or deepen their understanding of cloud technology. We are proud of this initiative's valuable contribution to the social aspect of ESG, as our cloud infrastructure expands access to learning opportunities throughout society.

The cloud's evolution is not driven by technology on its own. It is only when people support and use this technology that value truly emerges. We will continue to drive the acceleration of our "Develop → Apply → Co-Create" cycle via our certification program, laying the foundations for cloud technology to connect with every corner of society.

Takashi Matsuda

General Manager, Technical Solutions Division

Mid-career hire, 2015. After working as an infrastructure and sales engineer, Matsuda spearheaded the launch and promotion of cloud certification. He is also an outside director of bitstar and an instructor at KidsVenture, a programming workshop for elementary school students.

Investment Strategy | CHRO Interview

Mariko Yabe
Executive Officer / Group CHRO

Born in Kitakata-shi, Fukushima Prefecture. Yabe joined SAKURA internet in 2012 after experience in sales at a manufacturing company, serving as an executive assistant, and working in recruitment, training support, and management at a human resources consulting firm. She has always been at the helm of the Human Resources Division, where she has worked on HR policy and value formulation, strengthening recruitment, workstyle reforms, and advancing diversity, equity, and inclusion. She currently promotes human capital management in addition to overseeing all human resource operations.

While maintaining our internet-native, autonomous organizational culture, we strive to achieve greater synergy between job satisfaction and business growth.

Identifying key talent profiles aligned with business growth and achieving recruitment targets

At our company, we position employee and customer success at the core of our corporate philosophy and place the highest priority on human capital. My role as the organization's head of HR is to drive long-term organizational strength through transformational change.

Our goal this fiscal year was to hire 200 employees, and as of June 2025, we had already hired 124, well ahead of schedule. The addition of diverse talent has brought new perspectives to the company, revitalizing our organization. We believe that this steady recruitment success stems from our uncompromising focus on the "SAKURA-like" personality and our strong emphasis on value alignment. We use a variety of recruitment channels, including direct, referral, and alumni recruiting. In particular, a high percentage of our

engineers join through referrals. Employees are intrinsically motivated to endorse the company from the standpoint of people who actually work here. Because candidates already resonate with our values before entering the selection process, mismatches are rare. This approach also helps new hires adapt quickly to the organization.

To keep pace with dynamic changes in our business, we identify and recruit key talent profiles that align with our growth strategy. For example, as our engineering team expanded to support the development of the Government Cloud, we faced a leadership gap. We addressed this by prioritizing the recruitment of engineering managers. In October 2024, as we launched our "Go To Market" strategy, expanding into emerging Asian markets became an urgent priority. We responded by recruiting core talent with experience in establishing overseas businesses. To respond swiftly to dynamic changes, we flexibly deploy key talent profiles according to business strategy, ensuring that our

Investment Strategy | CHRO Interview

recruitment efforts are closely linked to business growth.

Clearly defining these talent profiles directly supports recruiting people who align with our vision. Since receiving conditional Government Cloud accreditation, we have seen strong interest from engineers highly motivated to work on national projects. This has enabled us to connect with candidates who are clear about the role they want to play within the Government Cloud business. This fiscal year, we are making significant up-front investments in talent to

strengthen our Generative AI Services and prepare for the post-launch phase of the Government Cloud. To address the challenge of recovering recruitment and personnel costs, we are implementing strategies to minimize the time it takes for these investments to translate into business results. Specifically, we are also ramping up recruitment for sales roles. By providing robust onboarding, we aim to recover personnel and hiring costs within about six months of employment.

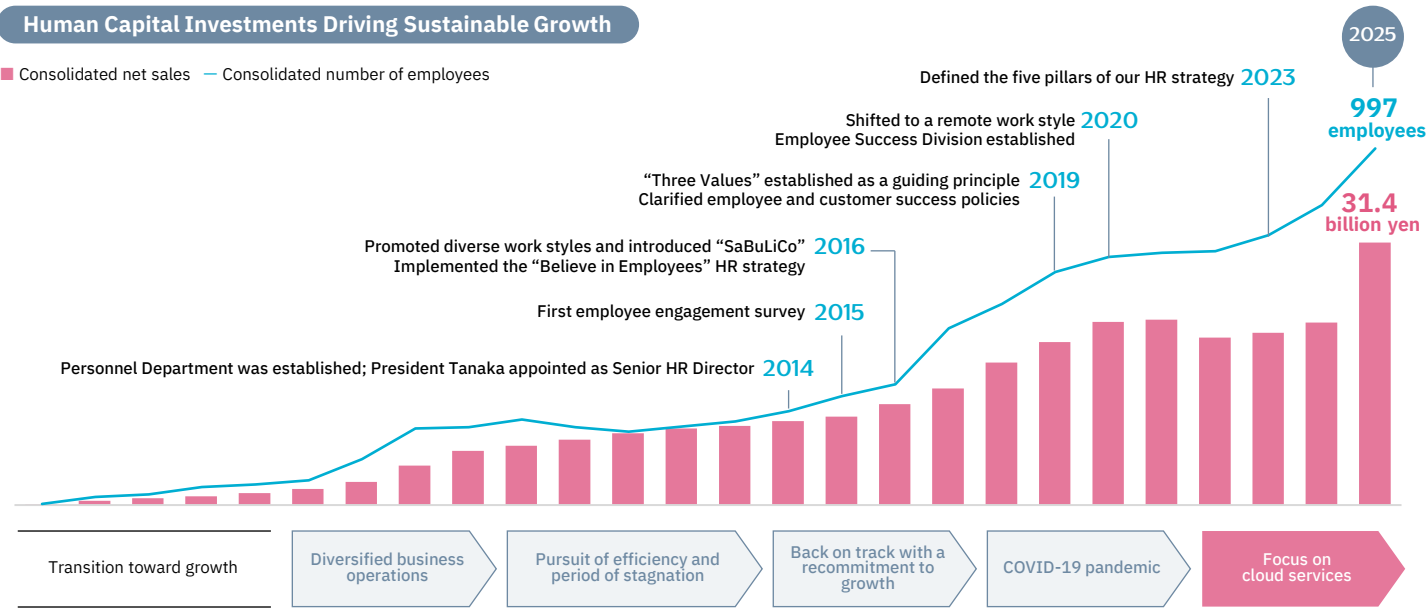
Achieving a record-high engagement score and maximizing the impact of talent investments

Our company is committed to balancing flexibility and job satisfaction, and we operate on the principle of lifetime employment, encouraging our people to build long-term careers with us.

To achieve a comfortable work environment, we are promoting internal improvements for flexible workstyles, such as the Sakura Business and Life Co-Creation (SaBuLiCo) system. As a result, our turnover rate was just 2.7% in FY2024.

In addition, we view this year's record-high engagement score as a positive outcome of our ongoing HR strategies—such as instilling our core values and cultivating a flat corporate culture. Positive changes are also evident in daily operations. For example, when a new employee proposes an idea or suggests a change, that feedback can now directly reach top management, including President Tanaka, regardless of position or tenure. We also consider the quality of our people and our organization's openness, traits that refuse to be quantified, to be among our greatest assets.

I recognize that it is my important responsibility to protect and nurture these qualities. At the same time, I recognize the need to take further HR initiatives to promote organizational revitalization and innovation. We must continue evolving our



Investment Strategy | CHRO Interview

→ Human Capital Management Special Edition P.42

systems and culture so that our current employees can thrive even more and truly feel their own growth, never settling for the status quo. One of our current key initiatives is promoting internal talent mobility. For example, we have an internal job posting system that allows employees to apply their skills to different roles within the company. With this system, open positions are posted internally and employees can apply, interview, and transfer to new roles. By making use of internal job postings, we have seen many examples where skills from different job types blend, generating new synergies across the company. We have also set up an in-house career counseling service, staffed by certified career consultants and qualified employees from throughout the organization. The benefits of this internal approach include helping employees find the intersection between their personal career goals and the company's direction, and making it easier to identify role models or mentors within the organization.

For example, we've seen legal specialists successfully take on PMO roles for Generative AI Services thanks to this system. Furthermore, bringing in people with fresh perspectives and new skills has helped break down entrenched mindsets and revitalize our organization.

Going forward, we will continue to pursue sustainable growth by fostering both organizational and individual development, maximizing strengths, and promoting talent mobility not just within the company, but across the entire group.

In April 2026, we plan to introduce a new HR system, which will be refined to support employee challenges and enable both change and growth—ensuring our company continues to evolve. We also aim to visualize the present and future of our talent portfolio in alignment with our business portfolio. Currently, we do not yet have a full grasp of our human capital, which encompasses the skills, abilities, and experiences of every employee. This makes KPI-setting a challenge. This fiscal year, we are focusing on making human capital visible, enabling better talent development and career planning going forward. This will help us more concretely forecast the impact of our talent investments.

SAKURA's vision: Inspiring adults nationwide to enjoy their work

While our company is cultivating a flat, employee-friendly environment, the 2010s saw insufficient optimization of human resources. There were times when we could not confidently say we were a company where everyone could work comfortably. To break out of this period of stagnation, in 2016 we introduced a new HR policy: "Believe in Employees." We also made proactive investments in our talent. Since then, nearly a decade of dedicated HR initiatives is finally starting to bear fruit. Today, we are recognized as a company chosen by outstanding talent,

having won multiple awards and recognition as a "great place to work."

Now that our foundation is in place, we aim to achieve an even higher level of balance between job satisfaction and corporate growth as an internet-native, autonomous organization. This means envisioning our goals, applying our collective wisdom, and working together with colleagues—and ultimately, finding customers who appreciate our services, seeing their smiles, and being rewarded for our efforts. This is what job satisfaction means to me.

The more wholeheartedly we pursue our work, the more fulfilling and enjoyable it becomes. This concept closely aligns with our core corporate philosophy of achieving both employee and customer success. We hope that as we pursue our ambitions and enjoy our work, we will inspire more adults throughout Japan to do the same.



Investment Strategy | Generative AI Services

Investment
Strategy

01 Pursuing Greater Value Creation Through “Designed Investments”

Enhancing internal capabilities for reliability as a core strength

We're no longer in at a point where simply deploying more GPUs is enough. For instance, obtaining cutting-edge GPUs like the H200 and B200 is now less challenging than before. What truly matters is the timing, configuration, and intended purpose for which these resources are provided. In short, the need for “designed investment” is greater than ever.

Our vision is to deliver a GPU cloud capable of serving diverse use cases, backed by an in-house structure for both development and operations, which sets us apart from our competitors.

While GPU clouds offer high performance, they also carry the inherent risk of hardware failure. This is precisely why we manage procurement, operations, and system design in-house, enabling agile and flexible response. We believe this internal capability is vital for ensuring stable, long-term service delivery and earning our customers' trust.

Recently, we have seen growing interest not only from research institutes and startups, but also from advanced sectors such as manufacturing, healthcare, and automotive, as well as from local governments and the finance sector. Our strengths are especially valued in sectors that demand strict security, as we provide options for closed network configurations and fully

domestic operations.

At the same time, competition in the GPU cloud market is intensifying rapidly. To maintain our edge in areas such as pricing, speed, and responsiveness, we must now make decisions with even greater foresight into trends for market demand and technological change. We are building systems to continuously monitor and visualize resource availability and utilization, laying the groundwork for true end-to-end optimization across sales and operations.

GPU clouds as the engine behind Japan's industry and society

With Japanese government-backed “Cloud Program” certification and the early launch of services such as “Koukaryoku PHY” and “Koukaryoku DOK,” we achieved a remarkable 3,054.8% year-on-year increase in GPU cloud service* sales, reaching ¥6.3 billion for FY2025. We will continue to take a “designed investment” approach, including initiatives such as the expansion of the Ishikari Data Center.

We believe GPU clouds are not mere a resource, but an engine capable of driving Japanese industry and society forward. We are committed to making meaningful investments and delivering value by anticipating changes in both the market and technology.



Jun Shimoda Executive Officer

Born in Tochigi Prefecture, Shimoda graduated from Tokyo University of Foreign Studies (majoring in Cambodian) in 2000. He worked for a heavy industrial manufacturer before joining Sojitz Corporation in 2007. He has worked on a variety of domestic and international projects, spanning industrial machinery, telecom infrastructure, urban development, and digital transformation. His work has taken him on overseas assignments to oversee industrial machinery in Germany and telecom base stations in Myanmar. He has been on secondment since April 2024. He is currently in charge of the CS Division and the AI Business Solutions Office.

*The breakdown of “GPU cloud services” has been reclassified, from the fiscal year ending March 2026. For details, please refer to page 12 of the “1st Quarter of Fiscal Year Ending March 2026 Financial Results.”



Takashi Shishido Executive Officer

Born in Osaka Prefecture, Shishido is a graduate of Kansai University's Faculty of Engineering. He joined SAKURA internet in 2000 after experience as a site manager in construction. Leveraging his project management expertise, he has overseen data center construction and backbone network operations for many years, becoming an executive officer in 2015. Recently, he has led the containerized data center project in Ishikari and provided advisory services on data center operations.

Investment Strategy | **02** Responsible Infrastructure Investment as the Foundation of Our Cloud Services

Facility operations to support cloud service competitiveness

Reliable, stable cloud services depend on a solid foundation, and our data centers are essential for this. We believe it is our duty to underpin cloud infrastructure with unwavering technology and resolve.

Our Ishikari Data Center has developed into a core infrastructure asset, benefiting from a cool climate and stable power. By utilizing natural cooling and renewable energy, we optimize both environmental impact and costs. Continued investment in advanced technologies, such as direct current power supply, has also allowed us to develop distinctive operational strengths and expertise in data center management.

In June 2025, we launched services through a containerized data center designed for generative AI and high-density computation. This facility is configured to share functions with our conventional data centers and is purpose-built for generative AI workloads. With the ability to be constructed in a matter of months and deployed flexibly to meet demand, this specialized structure enhances the competitiveness of our cloud services. And with the introduction of direct liquid cooling in our containerized data center, we can more efficiently cool high-heat

server components. This innovation is expected not only to reduce power consumption for cooling but also significantly improve operational efficiency, allowing up to five GPU servers per rack.

Ensuring stability and peace of mind no matter what

The true quality of a data center lies not just in its construction, but in its ability to provide stable, ongoing services. During the 2018 Eastern Iburi Earthquake in Hokkaido, our Ishikari Data Center maintained operations using in-house power, even amidst widespread blackouts. We view stable operations as the hallmark of infrastructure reliability, and we will spare no necessary investment to ensure this. At SAKURA internet, we remain flexible in meeting diverse cloud service needs, whether through urban expansion or leveraging partner facilities, choosing the best approach for every situation.

At the same time, we are exploring new possibilities for our own data centers in rural regions and seek to create spaces for co-creation with local communities, while addressing challenges like power supply and regional collaboration. We remain steadfast in our values, striving to deliver infrastructure that people can rely on with peace of mind.

CFO Interview

While we continue to act prudently in these times of change and uncertainty, our aim is to enhance medium- to long-term corporate value through forward-looking investments and sound financial management.

Creating new value. Adapting to the times.

At SAKURA internet, we have consistently evolved our business structure in step with social changes and technological advances. Starting with our web hosting services, we gradually shifted our core business toward housing and exclusive server service, and eventually to cloud services. Today, as a digital infrastructure company focused on cloud services, we are committed to creating new value. As a result, in the fiscal year ended March 2025, we achieved record-high net sales of 31.4 billion yen (up 43.9% year-on-year) and operating profit of 4.1 billion yen (up 368.7%). Notably, GPU cloud services* supporting the expansion of generative AI usage contributed significantly, with net sales reaching 6.3 billion yen (up 3,054.8% YoY).

Looking ahead, we will not only enable the use of large-scale computational resources but also expand the scope

and layers of our offerings, such as adaptable, agile virtual platforms and operational infrastructure specialized for data processing, while also broadening our customer segments and use cases. Through focused investment and resource allocation toward an AI infrastructure that can serve a broader range of customers, we aim to achieve more sustainable growth.

Positioning for the next wave of innovation

As digitalization and the adoption of generative AI across society continue to accelerate, SAKURA internet sees this trend as a key opportunity to enhance its medium- to long-term corporate value and shareholder returns, and we are making large-scale investments accordingly.



Masataka Kawada Director / CFO

Born in Tokyo. Graduated from the School of Commerce at Waseda University. After working in corporate lending at a city bank, he supported client growth through roles in an accounting firm and the launch of business support ventures. He joined SAKURA internet in 2005 and played a key role in its IPO. He then served as CFO and later Representative Director of the Japanese subsidiary of a U.S.-based cloud company, before rejoining SAKURA internet in 2008. As CFO, he is responsible for timely and appropriate fundraising and financial reporting. He also serves as a corporate auditor for Prunus-Solutions Inc.

*The breakdown of "GPU cloud services" has been reclassified, from the fiscal year ending March 2026. For details, please refer to page 12 of the "1st Quarter of Fiscal Year Ending March 2026 Financial Results."

CFO Interview

We invested ¥27.7 billion in capital expenditures in the fiscal year ended March 2025 and plan to invest ¥40.1 billion in the fiscal year ending March 2026. Of this, we have outlined a medium-term investment plan totaling approximately ¥100 billion for Generative AI Services, with ¥50 billion in subsidies expected. In FY3/2026, we will continue building containerized data centers and deploying next-generation GPUs such as NVIDIA’s H200 and B200.

We are also working company-wide to obtain official Government Cloud certification within FY2026. Following certification, we aim to expand our share in cloud services and further grow our Generative AI Services through a multifaceted approach that includes enhancing service functionality, expansion of sales channels, and strengthening our organizational structure. We are also focusing on strengthening human capital to support sustainable growth and will continue to invest in talent acquisition and development in FY3/2026.

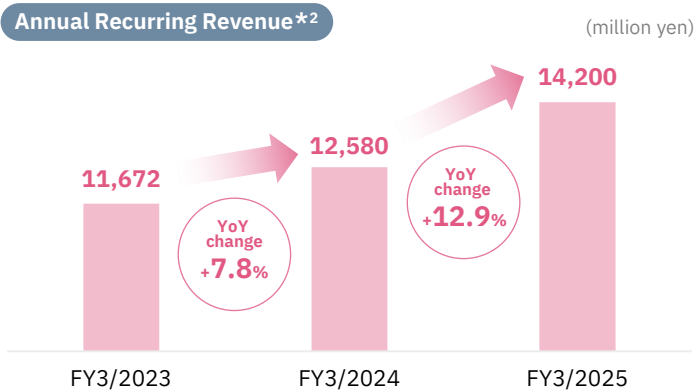
Actual and Planned Investments*1

(100 million yen)

Description of Investments	FY3/2025 (Full-year actual)	FY3/2026 (Plan)
Data center	32	107
of which, a containerized data center	24	60
Servers and network equipment	238	290
of which, Generative AI Services	214	228
Others (systems and office-related, etc.)	6	3
Total	277	401

*1 Amounts are rounded down to the nearest 100 million yen. Amount before deferred gain deduction.

Additionally, we are continuing efforts to strengthen our revenue structure. Our annual recurring revenue (ARR), which reflects stable, recurring income, reached ¥14.2 billion in FY3/2025 (up 12.9% YoY), demonstrating the continued expansion of our stable revenue base.



*2 Calculated by multiplying the monthly recurring revenue (MRR) at the end of each period by 12. This is a different metric from net sales. Aggregation covers cloud services, VPS services, and rental server services of SAKURA internet on a standalone basis. Cloud services are pay-as-you-go, but calculated according to the aggregation method for flat-rate services.

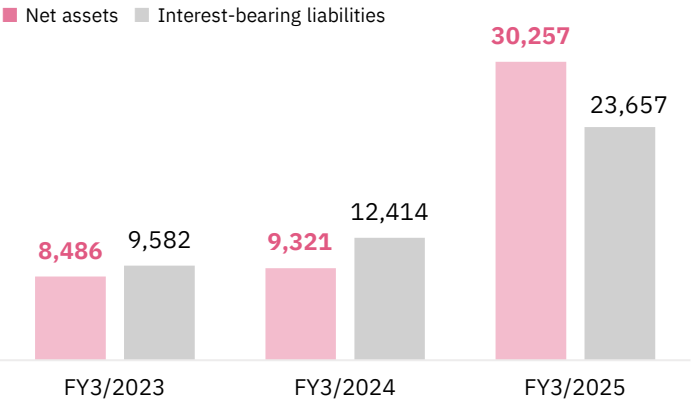
Optimizing capital utilization and maintaining a sound financial structure

As we move forward with our planned growth investments, we remain committed to maintaining a healthy financial position. Although interest-bearing liabilities increased in

FY3/2025 due to borrowings for GPU Cloud Service equipment investment, our equity-to-asset ratio remained at 36.9% following a public offering.

When raising funds, we carefully consider risks such as profitability and rising interest rates, and select optimal financing methods based on the purpose and duration of each funding need. For short-term working capital, we use a combination of internal funds and short-term borrowings to ensure liquidity. For large-scale capital investments, including data centers and GPU infrastructure, as well as for ongoing investments such as cloud service replacement, we appropriately combine and utilize a range of financing methods—internal funds, borrowings, subsidies, leases, and equity financing—taking into account the nature of each investment.

Trends in Net Assets and Interest-bearing Liabilities (million yen)



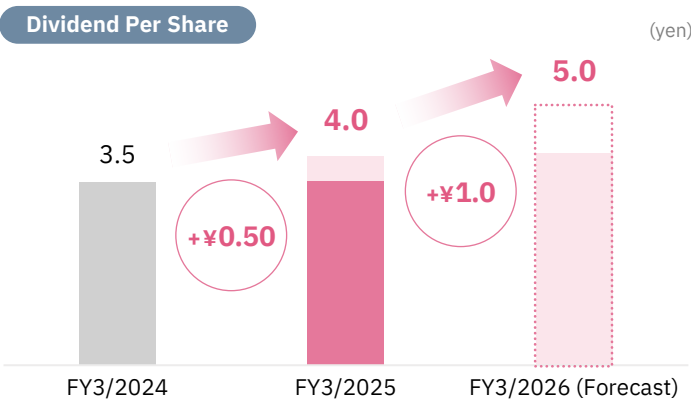
CFO Interview

Looking ahead, we may face increasing uncertainty due to changes in the competitive landscape and in the utilization of cloud and AI-related businesses. However, we will further advance the initiatives outlined above to diversify and stabilize our financing methods. In doing so, we aim to achieve both improved capital efficiency and a stable financial foundation.

Enhancing medium- to long-term corporate value through focus on growth areas

While we achieved record profits in FY3/2025, we revised our earnings forecast for FY2026, as announced in the first-quarter earnings release, due to a temporary slowdown in sales growth following the conclusion of a large-scale generative AI project that had been expected to continue. Looking ahead, we will concentrate our resources in growth areas, including high-value added Generative AI Services and the enhancement of our cloud services following official Government Cloud certification. We will also invest in sectors that will enhance future corporate value, aiming for an early return to a solid growth trajectory. Concerning shareholder returns, we maintained our stable dividend policy, setting the FY3/2025 dividend at ¥4 per share. We plan to increase it to ¥5 per share in FY3/2026. By maintaining an appropriate balance between forward-looking strategic investments and

shareholder returns, we will continue working to enhance medium- to long-term shareholder value.



Contributing to the sustainable development of society

At SAKURA internet, we aim to be a leading company in digital infrastructure, centered on our cloud business and guided by our corporate philosophy to turn “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.” From a financial standpoint as well, we intend to contribute to the sustainable development of society as a digital infrastructure company. We will continue to focus on sound management to meet the expectations of our stakeholders. We thank our shareholders for their continued understanding and support for this growth strategy.

IR Activity Policy

Aiming to enhance medium- to long-term corporate value, we place great importance on dialogue with investors. In FY2025, we held financial results briefings and conferences for institutional investors, as well as tours of the Ishikari Data Center. The number of annual IR meetings increased significantly to 203, up from 113 the previous year. This increase was driven by information disclosure regarding initiatives toward official Government Cloud certification and investment plans in high-performance GPUs and containerized data centers. As a result of these efforts, interest in our strategy and technological capabilities has grown, along with more requests for individual meetings.

At financial briefings, conferences, and site tours, members of management, including the President and CEO, CFO, and executive officer in charge of IR, also participate, engaging in open Q&A and exchange of opinions to promote two-way dialogue with investors. We will continue this approach to dialogue and work to further strengthen trust with our stakeholders.

Features

SAKURA's Human Capital Management

- 43 The Unique Approach Driving SAKURA's Long-Term Growth
- 44 Operating Capital
- 45 Three Values
- 46 Five Pillars Guiding Talent to Growth and Success
 - 46 Promoting the Success of Diverse Talent
 - 47 Shaping a Culture That Generates New Value Through Challenge and Leadership
 - 48 Creating a Culture of Knowledge Sharing and Professional Development
 - 49 Mental and Physical Health
 - 50 Flexible Workstyles
- 51 SAKURA's Human Capital Management by the Numbers

The Unique Approach Driving SAKURA's Long-Term Growth

Shaping the Future with SAKURA's Unique Tapestry of Talent

At SAKURA internet, we regard our employees' ambition and growth as the driving force behind the value we create for society and our customers. Our people are vital assets supporting our progress toward becoming a leading digital infrastructure company.

Our corporate culture is rooted in respect for individual diversity and in bringing out each person's unique strengths to drive organizational growth. This vibrant culture sustains our ongoing growth and empowers every individual's efforts to help shape the future.



How exposure to diverse perspectives transformed my communication skills

Through my work on medium-term business planning and management accounting, I've refined how I communicate quantitative insights. Constructive feedback from my manager and open conversations with many colleagues have fostered an environment where I can confidently take on new challenges.

Yoko Tsuzuku
Mid-career hire in 2020
Corporate Management Department,
Corporate Strategy Division



Working with truly inspiring colleagues

Through service proposals to clients, I've gained knowledge in new fields and can feel my skills growing every day. Working alongside colleagues I truly respect makes the job even more rewarding, and watching their dedication motivates me to keep improving.

Misato Shimizu
Mid-career hire in 2018
Sales Engineer Department,
Technical Solutions Division



How a career transition broadened my perspective

After joining as an engineer, I wanted to engage more directly with customers, so I transferred to the sales department. Drawing on that experience, I now work in the data utilization division, using both technology and data to help create new value for our business and its customers.

Atsushi Watanabe
Mid-career hire in 2016
Marketing Department,
Marketing Division



Finding fulfillment in growing together with our services

I joined the company to take on the challenge of web streaming technology. With the support of those around me, I've built up my technical skills and now also work in product management. Each year, when I look back, I'm amazed by how many new things I've achieved.

Nozomi Inanami
Mid-career hire in 2018
Internet Service Department,
Internet Service Division

How collaboration across roles has broadened my perspective

As a member of the customer support team, I collaborate with colleagues from various departments to deliver better experiences for our customers. Working with people from different roles and perspectives has helped me develop a more well-rounded view.

Kenji Kobayashi
New graduate hire in 2020
Customer Reliability Department,
Cloud Business Division



Acting with initiative and ownership

Shortly after joining the company, I was part of a project where I felt supported in taking on challenges, empowering me to take initiative out of the belief that even small contributions matter. That experience became a source of confidence and continues to drive my proactive approach today.

Yuta Tanaka
Mid-career hire in 2024
Legal & Governance Department,
Corporate Division



Open conversations, regardless of position

My work in network operations involves broad internal coordination, which can sometimes be demanding. But I'm supported by SAKURA's culture of open and honest communication. Through this, I've come to feel my own sense of responsibility and perspective evolving.

Chikara Ito
Mid-career hire in 2007
Platform Department,
Cloud Business Division



Empowering each individual to grow

I was entrusted with building and operating systems larger and more complex than anything I'd handled before, gaining knowledge and experience through hands-on work. I was also given the chance to manage streaming operations—an area I'd always been interested in—and even took on major projects such as shareholder meeting broadcasts.

Yukio Koizumi
Mid-career hire in 2008
Information Systems Management Office



A flat organization with the freedom to pursue your goals

SAKURA offers an environment where everyone embraces change and growth with a positive attitude. I'm currently working on launching a new team, taking part in developing strategies and building the framework. Being directly involved in shaping what comes next gives me a strong sense of fulfillment.

Sachiyo Shibuya
Mid-career hire in 2006
CEO's Office



A supportive team and an environment for challenge

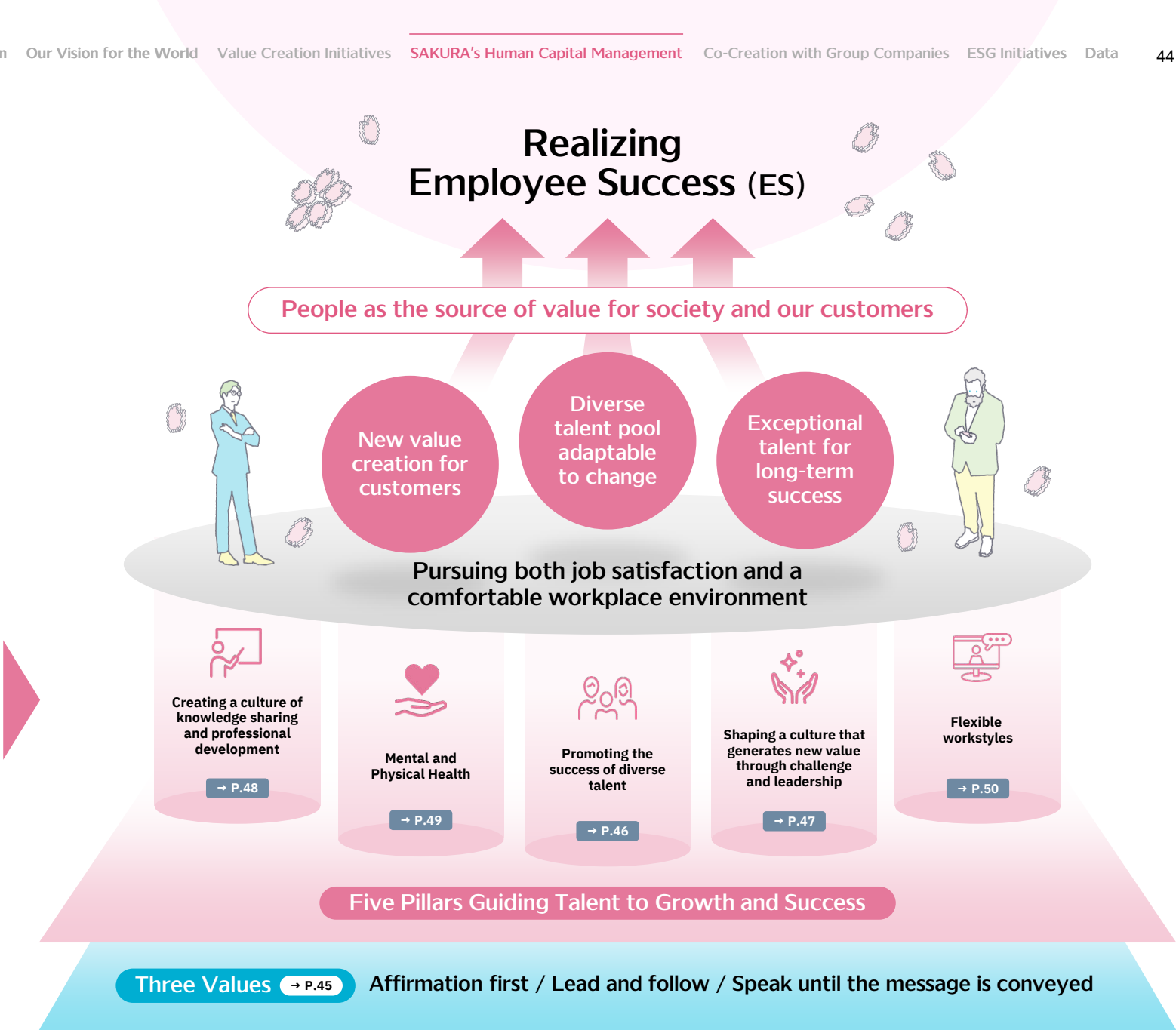
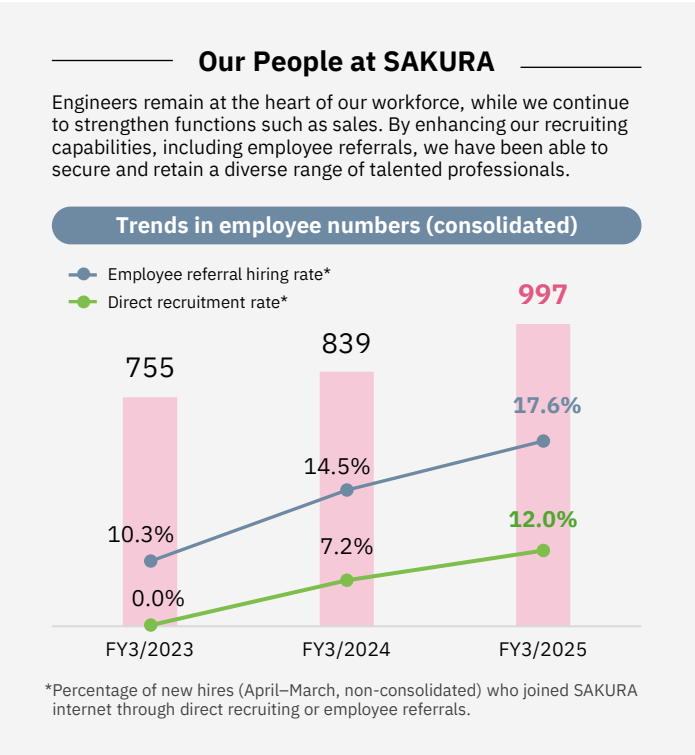
I believe I've developed both a willingness to embrace new challenges and the confidence to rely on those around me thanks to the opportunities I've been given and to the support of my supervisors and colleagues. I continue to be challenged with opportunities to plan new initiatives and feel myself growing every day.

Sumire Nagaoka
New graduate hire in 2023
Marketing Department, Marketing Division



Operating Capital

At SAKURA internet, we have made strategic investments in the cloud services field, strengthened our sales organization, and hired around 200 new employees to support initiatives driving sustainable growth. In addition to securing exceptional talent, we recognize the importance of developing our people and creating a supportive workplace where a diverse workforce can learn from each other and consistently perform at a high level. We are committed to investing in human capital that enables both a comfortable work environment and job satisfaction for all employees.



Three Values: Guiding Principles Designed to Spark Collaboration Within Teams

We are committed to building an organization that prioritizes psychological safety, creating an environment where new ideas and challenges naturally emerge. Our culture of open, flat communication encourages employees to share opinions and suggestions, which are readily heard and embraced.

Embedding Our Values

All of our employees practice these three values, which serve as guiding principles designed to spark collaboration within teams, and in doing so, help shape our company culture.

Affirmation first

As the foundation for genuine communication, we place importance on first receiving others' views with openness and acceptance before engaging in discussion or making suggestions.

Lead and follow

Both leadership and followership are vital to a team's success. Some take the lead in setting the vision and guiding others forward, while others offer full support and demonstrate strong followership. We value each individual's ability to act with autonomy—leading at times, supporting at others.

Speak until the message is conveyed

Many interpersonal issues stem from unspoken or misaligned expectations. By talking until we're on the same page and listening until we truly understand, we make expectations clear and prevent misunderstandings.

Company-Wide Meeting: "All Hands 2025"

"All Hands 2025" is our annual company-wide event held to share SAKURA's overall direction and future strategy. It offers a valuable opportunity to reaffirm where we stand as a company and where we are heading next. Despite our remote-first approach to work, around 800 employees from across Japan joined this year's event. In addition to sharing management policies, it provided a space for new connections and for strengthening our sense of unity as a team. Through such events, we continue to foster shared understanding and engagement across the entire group.



Five Pillars Guiding Talent to Growth and Success

Promoting the Success of Diverse Talent

At SAKURA internet, we strive to create an environment where every employee can find job satisfaction, regardless of gender, age, nationality, professional background, or lifestyle. Through the active participation of diverse talent, we aim to achieve sustainable organizational growth and create new value.



A Culture that Celebrates Achievements and Challenges

At our company-wide “All Hands 2025” meeting held in March 2025, employees voted to recognize their colleagues’ everyday contributions and efforts to take on new challenges. By making a spirit of challenge visible, we have fostered a positive ripple effect throughout the organization.



Achieving Diverse Workstyles (as of March 2025)

Percentage of female officers
(including executive officers)



By increasing the number of executive officers, we have enhanced our business execution framework while simultaneously developing future management talent. The appointment of female executive officers is expanding diversity within our leadership team and is expected to provide role models for the next generation of female leaders.

Average age of managers



As we do not employ the traditional seniority system, our management team is relatively young. The average age of section managers and above is 45.5 years, compared to the national average of 49.3 years for section manager level, according to the Ministry of Health, Labour and Welfare’s 2024 Basic Survey on Wage Structure. Many of our executive officers and senior directors in their thirties play central roles and drive the company’s growth.

Place of residence



To foster an environment where employees can work effectively regardless of location, we have adopted a remote-first approach to work. We have also restructured our workflows to remove the assumption of office attendance, leading to an increasing number of employees living and working in regions distant from our offices.

Five Pillars Guiding Talent to Growth and Success

Shaping a Culture That Generates New Value Through Challenge and Leadership

Employees demonstrate leadership by taking on business creation and new ventures. By creating opportunities and an environment where diverse talent can collaborate and pursue new challenges with creativity and freedom, we aim to deliver new value to our customers. The whole purpose of creating and launching new businesses is to deliver new value to our customers. By building the structures and culture to support this, we are shaping a company that celebrates those who take on challenges and act with initiative.

Continuous Organizational Improvement Through Engagement Survey Tools

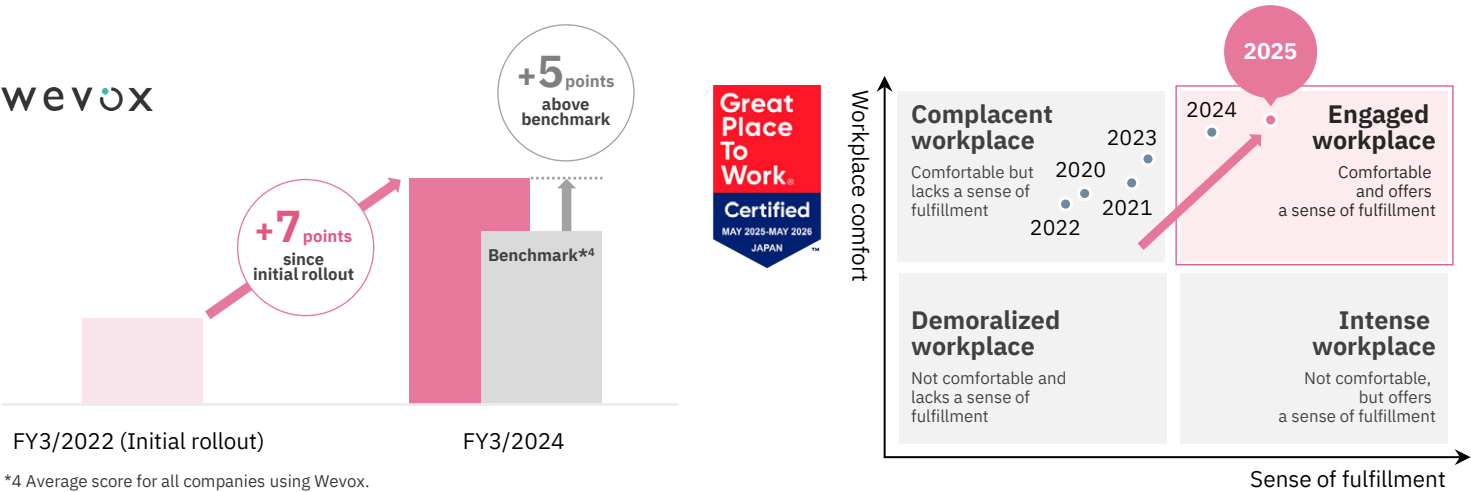
Engagement scores reach an all-time high

Our engagement scores reached a record high^{*1}, driven by ongoing initiatives such as the “SaBuLiCo” [→ P.50](#) program—which supports both broad career development and fulfilling personal lives, channeling the knowledge and experience gained from both into co-creation—and efforts to enhance employee motivation. Momentum from our Government Cloud certification^{*2}, the rapid growth of our GPU Cloud Services, and the recruitment of exceptional talent have strengthened organizational cohesion. As a result, our workplace has evolved from a “lukewarm environment” at the time of tool adoption into a “vibrant, energized workplace.”^{*3}

^{*1} Based on engagement survey results from “Wevox” (provided by Atræ, Inc.) and “GPTW (Great Place To Work®)” by the Great Place To Work® Institute Japan.
^{*2} Approval is conditional, based on the requirement that all technical criteria are met by the end of FY2025.
^{*3} Each question in the GPTW survey was classified as relating to “workplace comfort,” “job satisfaction,” or both. The average scores for these categories were plotted and analyzed in a four-quadrant matrix using SAKURA’s proprietary method.

First selection as a “GPTW Certified Company” by GPTW Japan

Each year, we participate in the “Great Place To Work®” survey conducted by GPTW Japan. This certification is granted to companies that meet or exceed defined standards based on survey results and evaluations of their corporate culture.



Top 3 Workplace Strengths Highly Rated by Employees^{*5}

- 1 Active encouragement of work–life balance
- 2 Excellent employee benefits and perks
- 3 Strong employment stability^{*6}

A “GPTW Certified Company” refers to an organization recognized by GPTW Japan—one of the world’s largest employee survey institutions—as having an exceptional work environment, based on survey results that surpass established benchmarks among participating companies.

^{*5} The above top three strengths were identified from our employee survey as relative advantages compared with companies of similar size.
^{*6} The original survey question was phrased as, “I feel I have job security at this company.”

Five Pillars Guiding Talent to Growth and Success

Creating a Culture of Knowledge Sharing and Professional Development

Through a wide range of educational programs and support systems—from digital skills training to career development—we enable employees to learn independently and generate new value. By supporting employees in maximizing their abilities and developing their own career paths, we expand individual potential while enhancing the organization’s overall value and adaptability to change.

Continuous Learning Opportunities for All Employees

Since May 2023, we have encouraged all regular employees to obtain the national “Information Technology Passport Examination” to enhance digital literacy across the company. In October of the same year, we expanded our recommended qualifications to include “Di-Lite,” which covers the Data Scientist and JDLA Deep Learning for GENERAL, in order to support talent driving DX initiatives, including in the field of generative AI.

Enhancing organizational problem-solving capabilities by broadening skills and knowledge

By deepening employee skills and broadening their knowledge, we aim not only to optimize operations, but also to enable personal growth, achievement, and the development of new career trajectories throughout the learning process.

Recommending the “Di-Lite” Qualification*



*“Di-Lite” refers to the scope of digital literacy that all business professionals should acquire in order to effectively use digital technologies.

Growth support programs

We actively support employees who are eager to learn and grow through a range of initiatives.

- 01 Career Consultation Desk
Advisors assigned according to consultation topic
- 02 Access to external online learning platforms
Accounts issued upon request
- 03 Financial support for qualification acquisition
Full reimbursement for textbook purchases and other related expenses
- 04 Full reimbursement for generative AI service usage fees
Eligible employees: Those who have passed the “Information Technology Passport Examination”

In-house education program: DX Journey

As a company that supports clients in their digital transformation (DX), we are working to increase the number of employees who can actively apply DX within our organization. Non-engineering employees also participate in specialized training covering programming, IT infrastructure, and other technical skills.

Course Structure Designed for Real-World Application

- Employees of various ages, particularly those in back-office departments, voluntarily participate in the program.
- Based on survey results, we have designed practical courses aimed at application in daily work.
- A new course has also been introduced to teach effective ways to utilize generative AI, which is increasingly essential for boosting productivity and driving business transformation.

Foundation

IT Literacy

Fundamental theories, computer systems, networks, security, and more

Application

Business Tool Utilization

Programming, automation, and related tools

Application

Business AI Communication

Technology trends, risks, and effective usage

Course offerings and duration

Business Tool Utilization	Total: 6 hours
Business AI communication	Total: 7 hours
IT Literacy	Total: 6 hours

Participant feedback

- The lectures were useful and easy to follow
- I'd like to learn more about AI tool guidelines and use cases
- I want to stay up to date with the latest technological trends
- I gained practical insights on tool usage



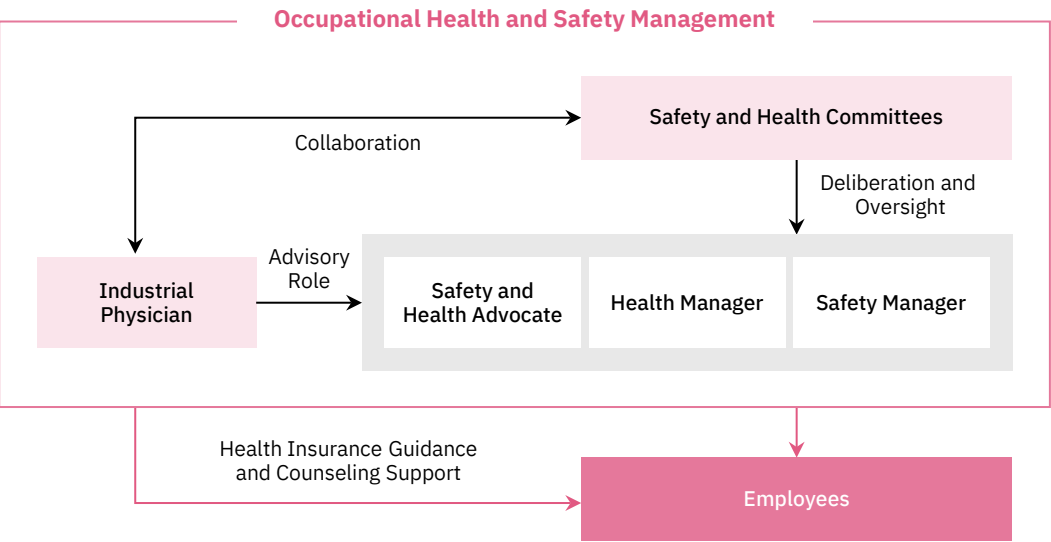
Five Pillars Guiding Talent to Growth and Success

Mental and Physical Health

Both mental and physical health are essential to ensure every employee can reach their full potential and find fulfillment in their work. At SAKURA internet, we believe that a healthy mind and body are the foundation for our entire business. By fostering an organizational culture that prioritizes safety, hygiene, health promotion, and care for both mind and body, we practice well-being management, aiming to achieve sustainable growth and success for both our employees and the company.

Occupational Health and Safety Framework

The well-being of every employee, both mental and physical, is the foundation of sustainable corporate growth. Guided by occupational health and safety principles, we work to prevent workplace accidents and illnesses, protect employee health, and continuously improve the work environment to enhance well-being. We also promote efficient and effective environmental, safety, and health initiatives across the organization. In particular, as remote work has made it more difficult to monitor employees' health conditions, we have strengthened initiatives that directly promote employee well-being.



Initiatives to support mental and physical health

We conduct lectures on how to interpret and use health check results, along with various wellness seminars. For mental health, employees have access to external counseling and telephone consultation services.

*Source: 2024 Monthly Labour Survey

Real-time monitoring and automated reminders for overtime, supporting autonomous time management

FY2024: Average overtime 10 hours 46 minutes
FY2024 Industry average (information and communications): 15.8 hours*

Health updates from company nurses via internal newsletters and a dedicated health consultation desk

"Nurse's Newsletter," a regular wellness column in the internal newsletter

Accumulated paid leave system for illness, injury, and caregiving

Hosting caregiving seminars and walking events

Conducting company-wide health surveys to improve organizational well-being

Five Pillars Guiding Talent to Growth and Success

Flexible Workstyles

We continue to support flexible workstyles through a range of internal policies, including remote work and parallel careers. We are also expanding support systems to make it easier for working parents to balance career and family, while actively promoting gender diversity, such as increasing the proportion of female employees and proactively appointing women to management positions.



Our initiatives for realizing both job satisfaction and workplace comfort are collectively known as “SaBuLiCo” (Sakura Business and Life Co-Creation). We regularly review and update these programs based on how employees use them, ensuring that they remain practical and easy to use.

Short 30
Early leave for seminars and other activities

Employees who complete their work early may leave up to 30 minutes before the official end of the workday

If daily tasks are completed, employees may leave at 18:00 instead of the regular 18:30 (our standard working hours are 9:30–18:30). Leaving early does not result in any pay reduction.

Refresh
Diverse leave programs

Leave programs designed to promote both physical and mental rejuvenation

Employees receive 125 annual days off and are granted 20 days of paid leave upon joining the company. Additional options include special leave for anniversaries, vacations, illness, and caregiving, as well as allowances for consecutive days of paid leave. We actively encourage employees to take time off to recharge.

Time Management
Enhancing motivation

Advance payment of overtime allowance equivalent to 20 hours

To promote efficiency and encourage early departures, all regular employees receive an advance payment equivalent to 20 hours of overtime each month, with any additional overtime paid in one-minute increments the following month.

Flex Time
Also available for personal use

Work hour adjustments allowed in 10-minute increments on the day

Employees can adjust their working hours in 10-minute increments around the core time of 12:00–16:00, with schedules ranging from as early as 7:00–16:00 to as late as 12:00–21:00.

Group Connect
From sports to gaming

Encouraging employee connection

To promote engagement and team connection, the company subsidizes part of the cost of non-work events and activities organized by employees for everything from sports to gaming.

Family Time
Supporting childcare and family needs

Flexible shorter working hours

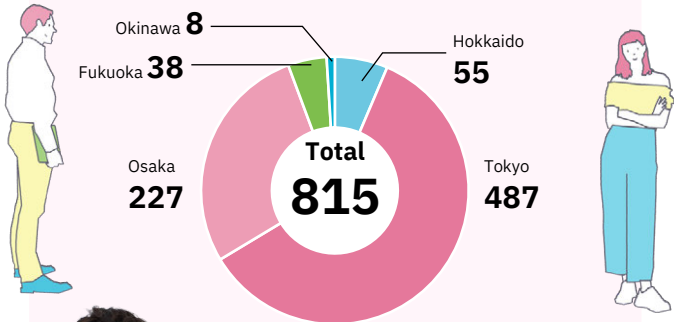
All employees, regardless of gender, can work reduced hours and smoothly transition back to work after parental leave. Combined with remote work and other flexible arrangements, this system supports diverse and adaptable work styles.

SAKURA's Human Capital Management by the Numbers

We are committed to creating flexible environments, including remote work and support for parallel careers, that empower every individual to reach their full potential. As a result, employees can take on new challenges and develop new skills, which in turn drives growth for the entire company. We also publish data on workforce composition and benefits usage to enhance transparency and have received “Gold” White Company certification and “Kurumin certification.” Our culture, which encourages both work-life balance and personal growth, has been highly recognized.

Number of employees

This figure indicates the total number of employees working in Osaka, Tokyo, the Ishikari Data Center, Fukuoka, and Okinawa.



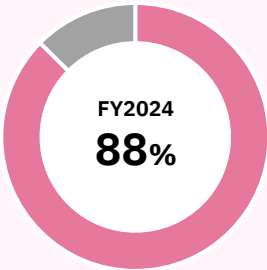
*The total of 815 includes only full-time employees and does not include seconded staff. The consolidated workforce totals 997, including seconded employees. (As of March 31, 2025)

Employee Voices

It's not just the systems. The genuine kindness and consideration of my colleagues is a big part of what makes this such a comfortable place to work. Through daily interactions and company events, I truly feel I am growing as a person.

Rikiya Akena
Mid-career hire in 2024
Corporate Communication Office

Percentage of mid-career hires



(Published as of March 2025)

We are strengthening our recruitment capabilities, including active use of referrals, to attract talent with diverse experience. While engineers remain our main focus, we are also expanding our sales team.



Paid leave utilization rate

Paid leave utilization rate (FY2024)

72.5%

Reference

FY2024 Information and Communications Industry
Average: **67.1%***

*Source: 2024 General Survey on Working Conditions

Employee Voices

The company's programs aren't just for show. Thanks to the "SaBuLiCo Short 30" initiative and a culture where taking paid leave is customary, I feel both comfortable and secure at work. My first impression from my job interview hasn't changed: there are many approachable and kind people here.

Sona Tanaka
Mid-career hire in 2024
Marketing Department, Marketing Division



Gender ratio in management

FY2024 Gender Ratio in Management

Male **86.0%** Female **14.0%**

Reference

FY2024 Average for Companies with 1,000–4,999 Employees
Female: **12.0%***

*Source: FY2023 Basic Survey of Gender Equality in Employment Management



Turnover rate

FY2024 Turnover rate

2.7%

Reference

FY2024 Information and Communications Industry
(First Half): **5.8%***

*Source: 2024 First Half Survey on Employment Trends

Employee Voices

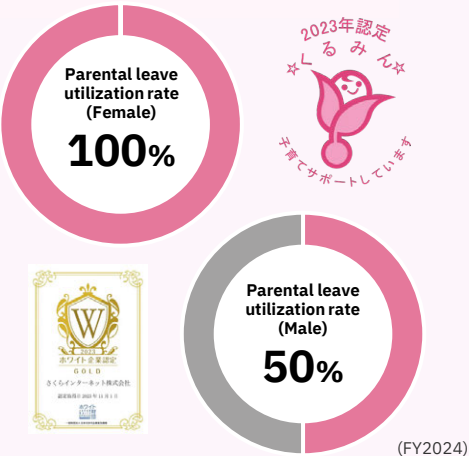
The first thing I noticed after joining was the open, welcoming atmosphere. It's not just the many programs for employee satisfaction. The culture of mutual respect and support also makes this a much better place to work.

Hiroyuki Takao
Mid-career hire in 2015
Customer Reliability Department, Cloud Business Division



SAKURA's Human Capital Management by the Numbers

Parental leave utilization rate



Employee Voices

I took maternity and childcare leave in 2023. The entire team sent warm messages of encouragement, and I experienced how supportive our company culture is during important life milestones. Prior to childcare leave, I worked in career recruitment. Now, I'm taking on new challenges, supporting career development through internal transfers. Every day, I strive to create an environment that brings out people's potential.

Rie Yano
Mid-career hire in 2018
Human Resources Planning Department,
ES Division

Overtime hours

Average overtime in FY2024

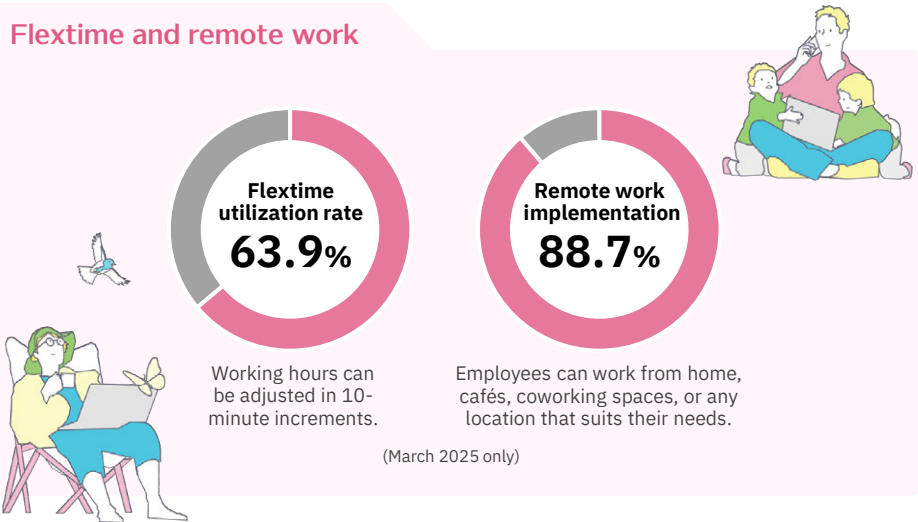
10 hours 46 minutes

Reference

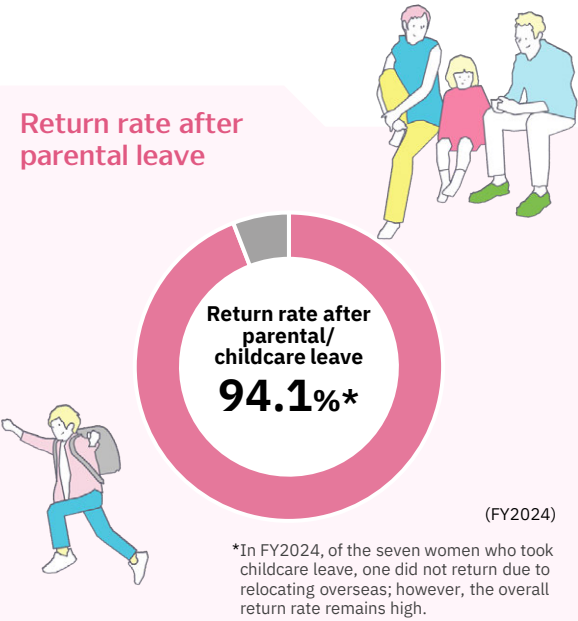
FY2024 Information and Communications Industry
Average: **15.8 hours***
*Source: 2024 Monthly Labour Survey



Flextime and remote work



Return rate after parental leave



Employee Voices

I returned to work after maternity and childcare leave and am now working while raising my five-year-old and newborn, taking advantage of options like reduced working hours. There's even a dedicated channel in our internal chat tool for employees raising children. It's easy to communicate across departments, so I never feel isolated. Our company's high rate of men taking parental leave is a key part of our unique culture. With the support of this environment, I hope to continue growing as an engineer.

Rina Yanagida
Mid-career hire in 2016
Platform Department, Cloud Business Division

Section 03

Co-Creation with Group Companies

54 Group Companies

56 Introduction to Group Companies

57 SAKURA internet Research Center

Group Companies (as of September 30, 2025, in no particular order)

Each SAKURA internet group company leverages its unique strengths to help customers achieve their goals and aspirations.

Prunus-Solutions Inc.

Proposing Total Package Solutions

As a data center-based system integrator, we primarily support projects in high-performance computing (HPC) for government agencies, research institutions, and private companies. We begin with consultations to understand customer use cases and objectives before proposing tailored solutions. We offer packages for storage, connectivity, high-speed networks, and operations. Leveraging our expertise in solution sales, we deliver “GPU Cloud” and “SAKURA Cloud” products to our customers.



CEO
Hironori Usui

IzumoBASE Inc.



CEO
Junpei Arakawa

Developing Storage with High Availability, Redundancy, and Security

As a developer of storage software products, we focus on developing security and privacy protection technologies such as encryption and secret sharing. Our flagship products include “IzumoFS,” a highly secure distributed file system, and “Mankai,” a tailored storage solution for “SAKURA Cloud.” Furthermore, we spearhead innovative initiatives in the generative AI domain, leveraging our group’s collective expertise. We are committed to evolving our business to serve as the crucial link between diverse systems, applications, and data ecosystems.

ITM Inc.

Focusing on the Development of Specialized Cloud and Security Service Offerings

To ensure safety and security in the digital landscape, we focus on developing two core business areas: cloud services and cybersecurity solutions. In our cloud business, we propose, build, and operate optimal cloud environments to provide value in supporting digital transformation for our customers. In our cybersecurity business, we offer vulnerability assessments, penetration testing, mobile app security measures, and more, all with “Security for Developers” as a key concept—delivering these services to service providers and development engineers. We also serve as a complementary partner and third-party provider for “SAKURA Cloud.”



President,
Representative
Director
Takeshi Kawamoto



System Integration



Storage



CEO
Akihiro Maeda

bitstar Inc.

Solving a Wide Range of Customer Challenges through IT

Our mission, “Turning problems into positives using IT,” drives us to assess client needs and to deliver comprehensive, attentive solutions. We offer seamless value across the entire IT spectrum, from infrastructure development to web design, system implementation, and ongoing operational support. We also spearhead in-house service development, showcasing innovations such as “PiPit,” a customizable childcare center management system with nationwide adoption, and “Tsunagaru+,” a disaster prevention app for sharing information in evacuation centers, currently being rolled out in Fukuoka-shi.



Operation /
Maintenance



System Development
and Operations



Group Companies (as of September 30, 2025, in no particular order)

SAKURA internet



BBSakura Networks, Inc.

Enabling a Connected Future Through Innovation

- Engaged in software development and operations for telecommunications services



President and CEO
Hiroyuki Kawabata

Software Development and Operations



Security



Data Utilization

Communications



CEO
Ryosuke Yamaguchi

SAKURA Mobile LIMITED

A Trusted Partner for IoT Solutions and Global Telecommunications

- Provider of connectivity solutions and licensing for the “SAKURA secure mobile connect” platform
- Strategic liaison and partnership management with international telecommunications providers

Gehirn Inc.

Making Japan a Safer Place: Fulfilling Our Mission with the “NERV Disaster Prevention” App

We position security as our core focus, conducting research and development in information security, infrastructure, and disaster prevention projects. We operate a distribution platform that connects to agencies such as the Japan Meteorological Agency via dedicated lines, receiving and processing disaster information, and sharing it via our proprietary “NERV Disaster Prevention” app, online media, broadcasters, and other outlets. As of August 2025, the “NERV Disaster Prevention” app had approximately 7.44 million downloads.



CEO
Daiki Ishimori

Tellus Inc.



CEO
Hideto Yamazaki

Creating New Value at the Intersection of Space and IT

Tellus Inc. is behind Tellus, a leading satellite data platform originating in Japan. The platform hosts the largest collection of government, commercial, and ground-based satellite data in Japan. Tellus is expected to be widely utilized in research, business, data utilization initiatives, and AI model training, and is powered by “SAKURA Cloud” as its platform. In 2024, the company was spun off from SAKURA internet to operate independently.

Together as the SAKURA internet Group, we are committed to earning the ongoing trust of our customers by meeting the evolving needs of society and those we serve.

Introduction to Group Companies

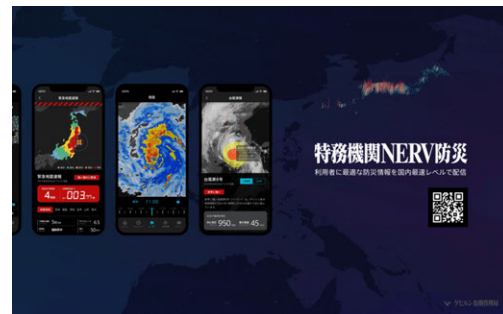
From Social Infrastructure to the Space Business: New Possibilities Pioneered by Our Group Companies

Gehirn Inc.

Making Japan Safer with Security as the Foundation of Society

Gehirn joined the SAKURA internet Group in 2016 and has since worked on strengthening security across group products, as well as conducting comprehensive security assessments for organizations. It launched the “NERV Disaster Prevention” app in 2019 and has since fully expanded into the disaster prevention sector. The application is handled in-house, covering all processes from design and UI/UX planning to system development and operation. As a government-authorized provider for meteorological services (specifically for seismic activity), we have a system and structure in place to deliver as much disaster prevention information as quickly as possible, including emergency earthquake alerts and weather warnings based on our own calculations through a dedicated line to the Japan Meteorological Agency. As of August 2025, the app has surpassed 7.44 million downloads and is widely used. These technologies are also used to provide disaster prevention information to major corporations, evolving into digital infrastructure that reaches an even broader audience. We are strengthening collaboration with the Japan Meteorological Agency and other government bodies, serving on ministry study committees on disaster information distribution and contributing to the development of disaster prevention infrastructure in Japan.

As a member of the SAKURA internet Group, we will further deepen our partnerships with government ministries and companies, continually strengthening our disaster information services and sustaining our commitment to supporting Japan's digital infrastructure.



Tellus Inc.

A Software-Driven Space Platform That Brings People Together

Tellus brings together satellite data from both government and private-sector sources, offering APIs that make this data easily accessible to everyone. With over 40,000 registered users, the platform is especially valued by engineers and researchers. We have also prioritized developing analysis environments and, in August 2025, launched the new “Tellus AI Playground” service to lower the barriers to AI development using satellite data. This enables efficient development and validation of AI models, including fine-tuning foundational models using satellite data. These technological foundations accelerate the social implementation of the space industry.

By lowering the barriers to data utilization, fostering talent, and collaborating with partners, we support the creation of new space businesses. In fact, deployment has already begun on platforms like “SAKURA Cloud” and the Government Cloud as we move onto the operational phase.

In addition, through our owned media, “SORABATAKE,” we are able to share information and case studies on the space business and satellite data utilization. As of July 2025, the site receives 120,000 page views per month, expanding public interest in the field. We continue to grow as a core company supporting Japan's space industry, while making space more accessible for everyone.

➤ Owned media “SORABATAKE”



SAKURA internet Research Center

CHECK!

SAKURA internet Research Center

SAKURA internet Research Center is our in-house research arm dedicated to advanced internet technologies. It supports our medium- to long-term competitiveness through the publication of research papers and the practical application of these technologies to our services. We continue to pursue research that leverages our unique strengths, with a focus on the future business landscape and technology trends five to ten years ahead.

Research topics are chosen flexibly in accordance with members' interests, allowing for a high degree of freedom and not limited to short-term commercialization. At the same time, we work closely with field teams, including "SAKURA Cloud," and are seeing more examples where collaboration accelerates the path from technical experimentation to practical services. This dynamic interaction creates a balanced research system—combining the exploration and practical application of knowledge.

Currently, we focus on themes that address both social needs and technological advancement, including generative AI and large language model (LLM) applications, AI for SDGs, information and communications infrastructure optimization, and next-generation system software. Through a dual structure of R&D and Product Development groups, we maximize results by taking a consistent approach from hypothesis building to implementation and practical validation.

While predicting the future is never easy, by identifying early signals and repeatedly testing our ideas, we can proactively develop the technologies and insights needed for the years to come. The SAKURA internet Research Center will continue to advance the evolution of the internet and expand social possibilities through independent and ambitious research.

At the training camp in July 2025.
Team members freely exchanged ideas, deepening both their knowledge and sense of community.



Service launched September 2025

Cloud-Based Supercomputer "SAKURAONE" Ranks 49th Worldwide in the TOP500 for Processing Performance



As demand for generative AI and large language models (LLMs) to streamline diverse tasks rapidly increases, high-performance supercomputers are becoming even more vital as the infrastructure supporting these technologies. Supercomputers are increasingly used as core infrastructure to accelerate AI research and development in industries such as manufacturing, healthcare, and finance.

Cloud-native supercomputer "SAKURAONE," which ranked 49th globally this year, was developed by SAKURA internet Research Center in collaboration with Prunus-Solutions Inc., a SAKURA internet group company specializing in high-performance computing (HPC) system integration.

Through a national research project for LLM development, the optimal system configuration for running LLMs was identified. This led to the design and construction of "SAKURAONE," a cloud-based supercomputer specialized for LLM training.

Notably, our previous cloud-based supercomputer ranked 54th in the world in 2019, but "SAKURAONE" now delivers more than ten times the computing power.

Section 04

ESG Initiatives

- 59 Promoting Sustainability
- 60 Governance
 - 60 Policy
 - 61 Initiatives to Strengthen Governance Structure
 - 62 Executive Appointment Policy
 - 63 Directors and Executive Officers
 - 65 Information Security Initiatives
 - 66 Message from the CISO
- 67 Environment
 - 67 Environmental Initiatives
- 69 Social
 - 69 Providing Educational Opportunities in the Digital Field
 - 70 Regional Revitalization and Digital Innovation
 - 71 Blooming Camp: Open Innovation Facility
 - 72 Shaping the Future with Startups

Promoting Sustainability

Our Approach

It is our responsibility to make cybersecurity a top priority in order to fulfill the vital role we play in society as a provider of digital infrastructure. Our data centers—the cornerstone of our operations—consume large amounts of electricity, so we also recognize climate change and decarbonization as critical issues that we are taking steps to address. Finally, we are actively investing in human capital to foster flexibility and job satisfaction for our employees in the workplace.



E Climate Change & Decarbonization

Environmental Initiatives p. 67-68

At our Ishikari Data Center—one of the largest suburban data centers in Japan—we have achieved the milestone of zero CO₂ emissions through targeted initiatives.

- **Establishment of SAKURA internet Photovoltaic Power Station in Ishikari** (2015)
Constructed to provide renewable energy for in-house operations.
- **Non-Fossil Certificates used to achieve virtually zero CO₂ emissions** (2022)
- **Switched to 100% renewable energy** (2023)

S Solutions for Social Issues

SAKURA's Human Capital Management p. 42

- **The five pillars guiding talent to growth and success**
We have defined five pillars for realizing our human resource strategy.
- **SAKURA's Human Capital Management by the Numbers**
We disclose results of our talent initiatives as quantifiable data, including efforts to improve the work environment.

Providing Educational Opportunities in the Digital Field p. 69

Regional Revitalization and Digital Innovation p. 70

G Sound Management

Policy p. 60

Initiatives to Strengthen Governance Structure p. 61

Executive Appointment Policy p. 62

Directors and Executive Officers Director and Corporate Auditor Skills Matrix p. 63

Information Security Initiatives p. 65

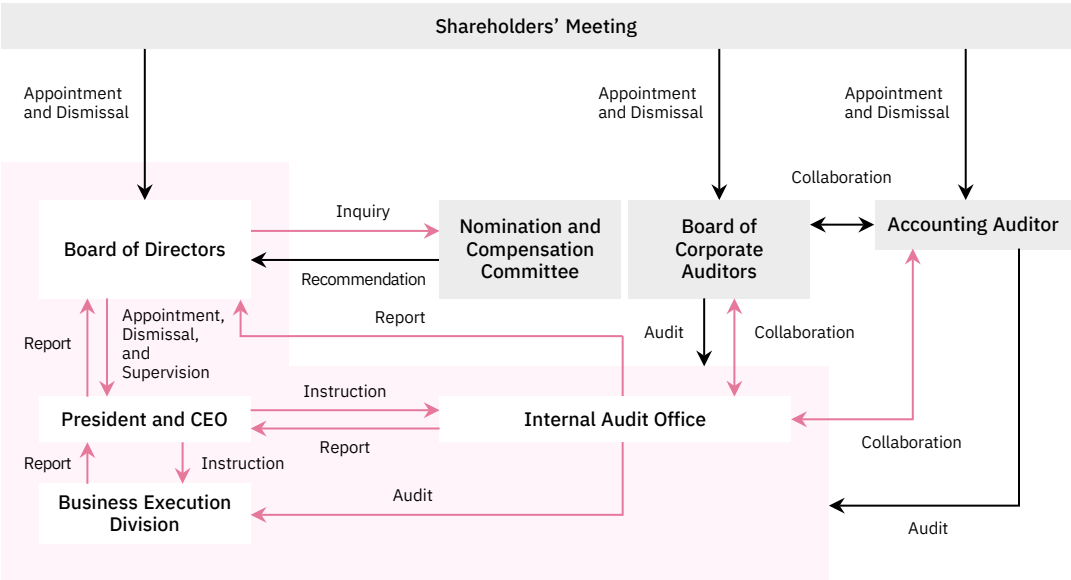
Message from the CISO p. 66

Our Basic Approach to Corporate Governance

Our basic approach to corporate governance is to strengthen our management and administrative framework as we grow our business, ensuring efficient and well-organized operations across all divisions while enhancing internal controls. This fundamental approach continues to underpin our efforts to this day.

The internet industry bears a greater social responsibility than other industries because it operates on a truly global scale, with its communication infrastructure open to countless unseen users and its market consisting of customers around the world. The corporate governance we have established forms the basis of our management, enabling us to fulfill this social responsibility.

The diagram below illustrates our corporate governance structure.



Outside Corporate Auditor Message

Yayoi Yamaguchi is entering her fifth year as one of our full-time outside corporate auditors. We asked her to share her thoughts on what role corporate auditors should play.



Yayoi Yamaguchi Outside Corporate Auditor (Full-time)

We assume the best about people, fostering a flexible work culture that respects employees' freedom and discretion. Freedom comes with responsibility, and we believe our strong compliance awareness across the organization is a natural outcome of this corporate ethos. However, while we strive to give the benefit of the doubt, everyone has their weak points. Few people actively do wrong, but circumstance may lead someone to commit misconduct. As corporate auditors, we approach our work from this aspect of human weakness—not from a mindset of “good” or “bad”—to encourage the establishment of systems, as well as to closely monitor the internal controls in place for proactively preventing issues before they occur.

We primarily work remotely but have established various internal systems to account for this. For example, in the unlikely event of an accident, we have a system in place that promptly shares details and response measures with appropriate company members. This system also allows corporate auditors to access and review this information at any time.

Our efforts are not limited to creating formal systems, as we also remain attentive to subtle insights and developments that are not easily articulated. As part of these efforts, we intentionally create opportunities for dialogue with employees through participation in management meetings, regular discussions with department heads, workplace visits, and daily exchanges via internal chat tools. We also draw on employee feedback from surveys to inform our initiatives. Ensuring a psychologically reassuring space where everyone can express themselves without fear is vital for preventing misconduct. Turning a blind eye or silently complying are ripe opportunities for misconduct. We remain vigilant against any atmosphere like this that might foster transgressions, and believe that these ongoing, day-to-day efforts are essential in supporting sound and ethical management decisions.

The mission of corporate auditors in management is to determine the rationality of management's decisions, as well as to objectively assess any habits or assumptions that have taken root in the organization. That being said, governance does not merely exist to limit management but should also provide a foundation to strongly encourage growth and taking on new challenges. By remaining vigilant against risks and providing sound oversight and support, I am dedicated to helping SAKURA sustain its growth as a company people can trust.

The Role of Outside, Independent Officers and Enhancing Corporate Governance

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

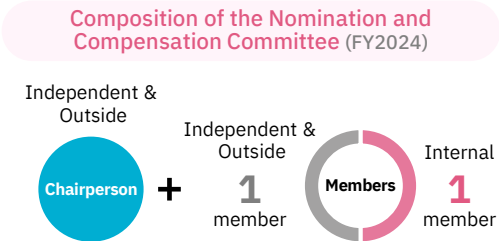
Enhancing the fairness, transparency, and objectivity of nomination and compensation procedures

Voluntary advisory committee led by independent outside directors

Our Nomination and Compensation Committee was established as a voluntary committee to advise the Board of Directors. We appoint the chairperson from among our independent outside directors, who constitute the majority of the committee. This further reinforces governance of the Board's functions concerning the nomination and compensation of directors, auditors, and supervisory board members.

The Nomination and Compensation Committee's main role

- The committee reviews the overall policies and procedures for determining the compensation of executive officers, directors, and corporate auditors.
- The committee also reviews policies pertaining to areas such as the determination of individual directors' compensation, which are submitted to the Board of Directors.



Outside and independent officers on the Board of Directors (as of June 30, 2025)



Meetings and operation status of the Board of Directors, the Board of Corporate Auditors, and the Nomination and Compensation Committee (FY2024)

Governing Body	Board of Directors	Board of Corporate Auditors	Nomination and Compensation Committee
Meetings*	14	13	5
Average attendance	100%	100%	100%
Main activities	Main resolutions - Financial matters such as financial results and budgets - Management strategy, including investment decisions - Organizational and human resources matters Main reporting items - Financial condition and execution status of key duties - Internal controls and audits	Key audit areas - Progress toward official certification of GPU cloud services and the Government Cloud - Business expansion-related risk assessment	Key advice in response to Board of Director inquiries - Revision of the determination policies regarding individual directors' compensation - Nomination and compensation of directors for FY2026

*Excluding meetings by written resolution

Revision to the policy for determining the remuneration of individual directors

We established a policy regarding the balance between directors' monetary and non-monetary compensation, as well as overall director compensation levels. Our compensation levels and structures are set to suitably reflect those of peer companies and the overall business environment, with the aim of securing outstanding talent and enhancing the company's value over the medium to long term.

Executive Appointment Policy

In response to an inquiry from the Board of Directors, the Nomination and Compensation Committee examined proposed revisions to the nomination policy for director and corporate auditor candidates and submitted its recommendations to the Board. Based upon these recommendations, the Board of Directors deliberated and resolved to adopt the following policies.

Director Appointment Policy

We nominate director candidates based on a comprehensive review of the following points.

a. Management Capabilities

- Should have thorough knowledge of our company's business
- Should possess the qualities and abilities that will contribute to improving our company's corporate value over the medium to long term, based on our company's management strategy and business characteristics
- Should be able to accurately understand current trends, the business environment, and market changes
- Should have an excellent ability to perform analysis and make decisions from an objective, company-wide standpoint
- Should be able to initiate change on their own and involve others in promoting change
- Should be able to constructively contribute to discussions and deliberations during meetings, including actively expressing their own opinions from a company-wide perspective
- Should possess the qualities to appropriately reflect stakeholder views at Board of Directors' meetings
- Should have experience in corporate leadership or have held managerial positions in publicly listed companies
- Should have professional expertise in key management issues (for example, corporate management, technology, legal and compliance, finance and accounting, marketing, global trends)

b. Humanity

- Should comply with laws, regulations, and codes of conduct, both internal and external, as well as possess the necessary judgment and fairness expected of a director
- Should understand and practice our corporate philosophy, and possess integrity that our stakeholders can trust
- Should understand and embrace diverse values and perspectives, and demonstrate behavior that respects individuality

Corporate Auditor Appointment Policy

We nominate corporate auditor candidates based on a comprehensive review of the following points.

a. Management Capabilities

- Should have thorough knowledge of our company's business
- Should possess the qualities and abilities that will contribute to improving our company's corporate value over the medium to long term, based on our company's management strategy and business characteristics
- Should be able to accurately understand current trends, the business environment, and market changes
- Should have an excellent ability to perform analysis and make decisions from an objective, company-wide standpoint
- Should possess the qualities to appropriately reflect stakeholder views at Board of Directors' meetings
- Should have experience in corporate leadership or have held managerial positions in publicly listed companies
- Should have extensive experience and insight to guide audits, or professional expertise in key management issues (for example, corporate management, technology, legal and compliance, finance and accounting, marketing, or global trends)

b. Humanity

- Should comply with laws, regulations, and codes of conduct, both internal and external, as well as possess the necessary judgment and fairness expected of a director
- Should understand and practice our corporate philosophy, and possess integrity that our stakeholders can trust
- Should understand and embrace diverse values and perspectives, and demonstrate behavior that respects individuality

Board of Directors Diversity and Structure

- We select director and corporate auditor candidates based on individual technical expertise, managerial competence, and personal abilities, regardless of age, gender, nationality, or other attributes.
- In determining the composition of the Board of Directors, we take into account the balance of knowledge, experience, and expertise across the Board as a whole. This ensures both the diversity required for effective decision-making and supervision of management, as well as a suitable size to enable the Board to function most effectively.
- We maintain the Board's ratio of independent outside directors at one third or more to strengthen supervisory functions and ensure objectivity. Furthermore, we include individuals with executive experience at other companies among our independent outside directors. Their insights enable us to more effectively anticipate changes in the business environment and reflect them in our management strategy. Corporate auditors shall include persons who have the requisite knowledge of finance and accounting.

Governance

Directors and Executive Officers (as of June 30, 2025)

Directors



Kunihiro Tanaka
President and CEO



Masataka Kawada
Director / CFO



Koichi Ise
Director



Akihiro Maeda
Director

Outside Directors

Hiroo Hatashita

Independent

Toshihiro Igi

Independent

Yukie Osaka

Independent

Tomomi Arakawa

Tatsuya Morita

Outside Corporate Auditors

Yayoi Yamaguchi

Independent

Full-time

Toshiyuki Umeki

Hiroyuki Hasegawa

Independent

Tomoyuki Hirose

Director and Corporate Auditor Skills Matrix

Introduction of Officers

	Attendance Record			Experience / Expertise					
	Board of Directors	Nomination and Compensation Committee	Board of Corporate Auditors	Corporate Management	Legal Affairs and Compliance	Finance & Accounting	Engineering Technology	Customer Success / Marketing	Global
Kunihiro Tanaka	100%	100%	-	●			●		
Masataka Kawada	100%	-	-	●		●			
Koichi Ise	100%	-	-				●		
Akihiro Maeda	100%	-	-	●			●		
Hiroo Hatashita	100%	100%	-	●		●			
Toshihiro Igi	100%	100%	-	●	●				
Yukie Osaka	100%	-	-					●	
Tomomi Arakawa	100%	-	-				●	●	●
Tatsuya Morita (Newly appointed)	-	-	-		●			●	●
Yayoi Yamaguchi	100%	-	100%	●		●			●
Toshiyuki Umeki	100%	-	100%	●			●		
Hiroyuki Hasegawa	100%	-	100%	●		●			●
Tomoyuki Hirose	100%	-	100%	●					●

*This skills matrix is based on the contents of the Annual Securities Report disclosed as of June 16, 2025. Please note that this matrix does not exhaustively list all skills and experiences of each director and corporate auditor.

Governance **Directors and Executive Officers (as of June 30, 2025)**

Executive Officers



Masaaki Tateno
Vice President /
Senior Executive Officer



Takayuki Takahashi
Senior Executive Officer



Takashi Shishido
Executive Officer



Yota Egusa
Executive Officer /
CISO / CIO



Masatoshi Yokota
Executive Officer



Toru Sawamura
Executive Officer



Hideto Yamazaki
Executive Officer



Akira Horimoto
Executive Officer



Yohei Ueno
Executive Officer



Masako Ohsaki
Executive Officer



Mamiko Tsukada
Executive Officer



Sayuri Masaki
Executive Officer



Mariko Yabe
Executive Officer /
Group CHRO



Jun Shimoda
Executive Officer



Sumito Ryuzaki
Executive Officer

Information Security Policy

At SAKURA internet, it is vital for us to uphold corporate ethics regarding information security and to protect both the information assets entrusted to us by our customers and those that constitute our own management resources from all possible threats to provide a wide range of solutions through the internet to everyone connected with our company. We address this challenge by establishing and continually improving our information security management system. To strengthen our security foundation, we have established and actively implement our Information Security Policy.

Employee Voices

Leveraging certifications and systems to consistently maintain high reliability

Ruiko Chiba
Information Security Management Group,
Information Systems Management Office

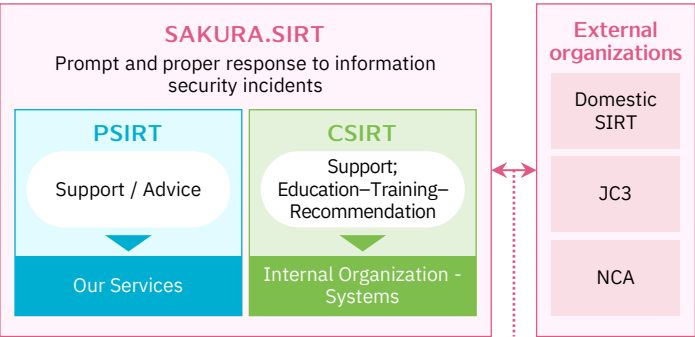


We maintain and operate certifications such as ISMS and PrivacyMark, while strengthening our information security framework through employee education, audit responses, and contractor management. As legal reforms and technological advances change the nature of security, we gather the latest information and work closely with relevant departments to respond diligently to internal consultations. We strive to prevent our systems from becoming mere formalities and work to maintain and further improve a highly reliable security environment for both employees and customers.

Cybersecurity Initiatives

SAKURA.SIRT

In May 2015, we established SAKURA.CSIRT to oversee internal systems, joining the Nippon CSIRT Association in July later that year. Then, we established SAKURA.SIRT to cover our services as well, with the mission of “making customers and the internet itself safer.” Together with internal and external specialists, we monitor, share, and leverage security information and trends.



Incident response training

To prepare for attacks on our servers, we conduct hands-on training focused especially on less experienced staff. By providing such training, we develop future core personnel, ensuring the organization as a whole can respond quickly and effectively to incidents.

Maintaining and Improving Information Security

Certifications and guidelines obtained

We are continually strengthening our information security management framework so that customers can use our services with confidence. As part of these efforts, we have obtained the following certifications and registrations in accordance with international and domestic standards.

ISMAP / ISMS / ISMS for cloud security / PrivacyMark / PCI DSS / SOC2 and SOC3

Scope and details

Launch of transparency reports

We recognize the importance of “personal information,” “freedom of expression,” and “confidentiality of communications.” When responding to requests, we are committed to protecting these rights by complying with relevant laws and guidelines, including the Act on the Protection of Personal Information, the Telecommunications Business Act, and the Provider Liability Limitation Act.

As part of these efforts, we ensure transparency by publicly releasing a transparency report that discloses the number of requests received and summaries of our responses. This report covers the following services: SAKURA Web Hosting, SAKURA VPS, SAKURA Cloud, SAKURA Dedicated Server PHY, SAKURA Domain, and Server Housing.

Governance Message from the CISO

SAKURA's Cybersecurity: Building Safety and Peace of Mind for All of Society

Yota Egusa

Executive Officer / Chief Information Security Officer (CISO) /
Chief Information Officer (CIO)

Born in Osaka Prefecture, Egusa founded the Robotics Research Club while attending St. Viator Rakusei Junior and Senior High School. They went on to study in the Division of Electronic and Information Engineering, School of Engineering, University of Osaka. Egusa has worked as an independent security consultant on system development and ISMS acquisition since their student days. They joined SAKURA internet in October 2014 and was appointed Executive Officer in July 2016 at the age of 25. Egusa oversees technology advancement company-wide and is a network, database, and information security specialist.



Security initiatives to support sustainable growth

Our services function as the foundation for a broad array of sectors, including government, education, industries, healthcare, and entertainment. Providing digital infrastructure means supporting what people and businesses rely on every day. However, a major security incident could have severe consequences not only for our customers, but for society as a whole. We recognize the gravity of this responsibility and regard security enhancement not simply as a cost or a defensive measure but as an essential investment in our foundation for ongoing business growth. By providing a secure environment for entrusted information, we build long-term customer relationships and attract new clients.

We continuously improve our security measures not only on the technical front, but also at the organizational and human levels. For example, in addition to our 24/7 operations team, we have established an incident response team (SAKURA.SIRT). Through obtaining certifications, we undergo external verification and maintain high-level security management across monitoring, analysis, and response. In the event of an incident, we promptly report to SAKURA.SIRT and follow predefined processes to identify the scope of impact and carry out recovery actions. We

subsequently analyze technical and organizational factors, establish recurrence prevention measures, review operational rules, and provide feedback to employees—facilitating organizational learning and growth.

Building peace of mind on our path to digital infrastructure leadership

We believe that for cloud infrastructure to function as social infrastructure, it is essential to incorporate security by design from the development stage. In addition to information security in the narrow sense, we also focus on broader business risks—such as protecting intellectual property, ensuring service brand reliability, regulatory compliance, and supply chain risk assessment.

We believe it is important to foster an environment where employees can take on new challenges with confidence, while maintaining both effective utilization and proper controls for security in our internal use of generative AI. We have established usage guidelines and maintain a secure environment by, for example, restricting the handling of input data. To enable flexible working styles, we are moving beyond traditional perimeter-based defenses*¹ and are strengthening authentication and access management based on the Zero Trust*² approach.

The mission of a Chief Information Security Officer (CISO) is to bridge management and frontline teams, fostering a culture and systems that accurately identify and minimize organizational information security risks. The CISO demonstrates how to balance convenience and safety, guiding the organization to make sound decisions. We believe that strengthening our ability to deliver peace of mind is the path to becoming a top digital infrastructure company. We will continue to advance comprehensive initiatives, including enhanced internal controls, transparent practices, and deeper collaboration with external partners.

*1 A system for preventing external attacks and unauthorized access by securing entry and exit points in an organization's network.

*2 A security principle gaining adoption in recent years, where no access is trusted by default; instead, each user and device is verified before granting access.

Building an Environmentally Conscious Data Center for a Decarbonized Society (Ishikari Data Center)

With the accelerated digitalization of society and industry, the importance of data centers continues to grow.

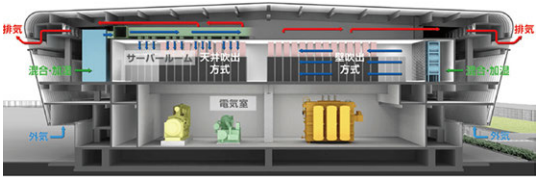
At the same time, data centers consume large amounts of electricity to power and cool servers. In recent years, the rapid adoption of generative AI and the commercialization of VR technology have further increased power consumption by high-performance servers. Recognizing the rising importance of global environmental preservation, including efforts to combat global warming, and in line with the SDGs, we are actively advancing initiatives to reduce our environmental footprint.



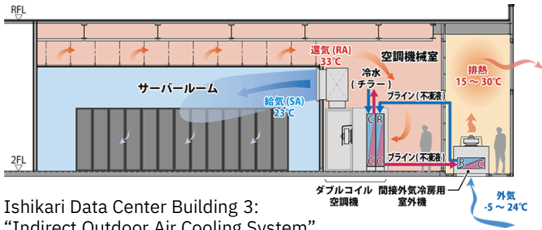
Decarbonization and energy efficiency initiatives at our facilities

At the Ishikari Data Center, we have implemented both direct and indirect outdoor air cooling systems, each utilizing Hokkaido’s natural cold air, both to cool the server rooms directly and to cool the refrigerant circulating between outdoor and air conditioning units. These systems reduce power consumption by about 40% compared to conventional urban data centers.

In addition, by procuring non-fossil certificates for our other data centers and offices, we have achieved net-zero CO₂ emissions from electricity use and will continue our decarbonization efforts going forward.



Ishikari Data Center Buildings 1 and 2:
“Direct Outdoor Air Cooling System”



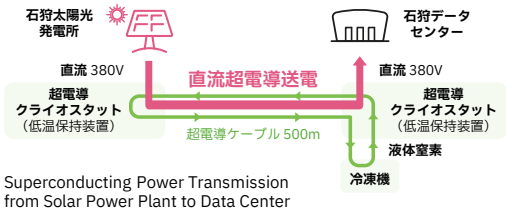
Ishikari Data Center Building 3:
“Indirect Outdoor Air Cooling System”

Examples of Past Initiatives

Adoption of superconducting power transmission to reduce environmental impact

By adopting a superconducting power transmission method—which leverages superconducting technology with zero electrical resistance—we have enhanced transmission efficiency and reduced electricity costs.

*This initiative was conducted as a demonstration project in the past and is not currently in operation.



Superconducting Power Transmission from Solar Power Plant to Data Center

Environment Environmental Initiatives

Reducing Environmental Impact through Diversified Operations: Advancing Next-Generation Digital Infrastructure

Toru Sawamura

Executive Officer

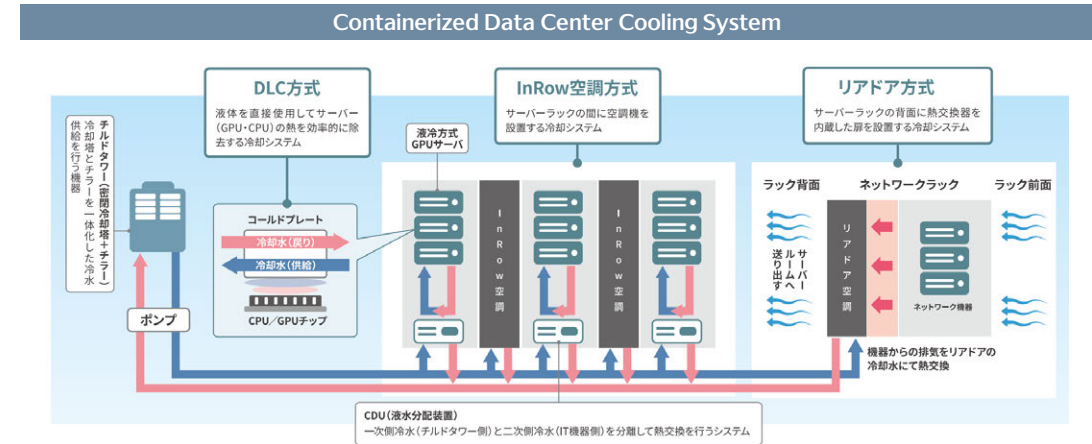
Born in Hakodate, Hokkaido. After serving as a store manager and buyer at a PC/AT-compatible specialty store and founding a PC parts import, manufacturing, and sales company, Sawamura joined SAKURA internet in 2005. He has held his current position since 2020, following 10 years as the director for data center operations. He is well versed in subcultures such as video games, animation, and internet memes. Leader, JDCC Human Resource Management Working Group; Technical Committee Member, NEDO (FY2019/FY2020).



Striving to balance facility expansion and environmental responsibility to meet market needs

As the growth of the digital society drives increased power consumption, we recognize that, as a digital infrastructure provider rooted in data centers, promoting climate change countermeasures and advancing decarbonization are both critical management priorities and responsibilities we must fulfill. We believe that such environmental initiatives not only help realize a sustainable society, but also position us for new business opportunities that include selection by environmentally conscious government agencies and companies.

With this awareness, our environmentally conscious, large-scale suburban Ishikari Data Center in Hokkaido switched to a contract plan using 100% renewable energy for all electricity from 2023, maintaining virtually zero CO₂ emissions. Most recently, the growth of generative AI has driven increased demand for advanced computing resources such as GPUs, making it an urgent challenge to balance facility expansion to meet market needs with environmental stewardship. To address this, we have installed a containerized data center utilizing direct liquid cooling (DLC) at the Ishikari Data Center, enhancing cooling efficiency and reducing environmental impact by minimizing large-scale on-site construction.



We have also achieved net-zero CO₂ emissions from electricity use at our data centers and offices outside the Ishikari Data Center through the purchase of non-fossil certificates.

Collaboration with local communities and other companies is key to realizing a green society

Furthermore, we believe that collaboration with local communities and other companies will enable us to operate with an even lower environmental impact. For example, in January 2025, we concluded a basic agreement with Preferred Networks, Inc. and Rapidus Corporation to provide domestic AI infrastructure that contributes to realizing a green society. In March 2025, in partnership with SOINN Inc., we launched a demonstration experiment at the Ishikari Data Center to automate air conditioning control using AI. By leveraging the green technologies and expertise of each company, we are verifying improvements in energy efficiency and streamlined operations.

We proactively share examples of our initiatives through presentations at JDCC (Japan Data Center Council) and HNDC (Hokkaido Nutoipia Data Center Forum), with the hope that our know-how will be adopted by other companies and contribute to the realization of a decarbonized society. Going forward, we will continue to advance initiatives for both a sustainable digital infrastructure society and a decarbonized society, collaborating not only within the company but also with local communities and other companies.

Social

Providing Educational Opportunities in the Digital Field

Offering Learning Opportunities for Students and Companies to Build Cloud Expertise

Amid Japan’s declining digital competitiveness,^{*1} SAKURA internet contributes to the Comprehensive Strategy for the Vision for a Digital Garden City Nation (as revised in 2023) by fostering and securing digital talent, aiming to build a society founded on digital technology.

Offering Opportunities to Learn Cloud Technologies

→ P.33

We are expanding the “SAKURA Cloud Certificate” program, which enables learners to acquire digital technology skills ranging from fundamental to applied levels.

- Online mock examinations were launched on January 31, 2025
- By the end of March 2025, more than 2,000 learners had used our official online learning materials
 - In April 2025, we established a dedicated learning support division with the goal of certifying 10,000 qualifying participants.

Outline of the SAKURA Cloud Certificate Program

SAKURA Cloud Certificate

This certification exam enables learners to acquire digital technology skills ranging from fundamental to applied levels. It is designed for beginners in IT infrastructure, individuals considering the use of SAKURA Cloud, and current users who wish to further enhance their technical skills. Participants can develop practical, job-ready skills with a primary focus on cloud architecture design.



Launching the “cloud engineer training course,” co-developed with zero to one, Inc.

- In February 2025, the program was officially accredited under the Ministry of Economy, Trade and Industry’s Fourth Industrial Revolution Skill Acquisition Course.^{*2}

Overview of the Cloud Engineer Training Course

Cloud Engineer Training Course

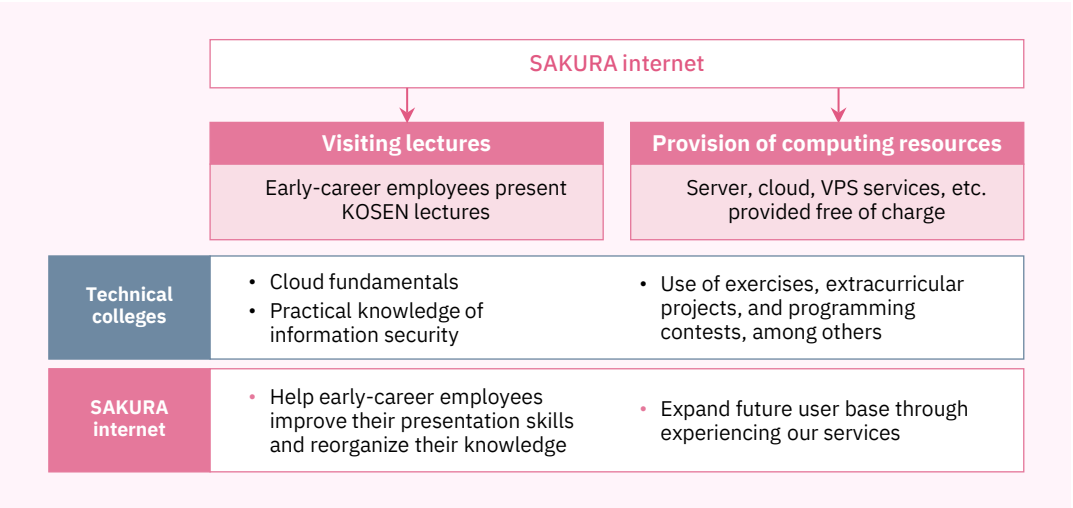
Centered on “SAKURA Cloud,” this course offers practical training in common technologies, terminology, and applications shared across cloud vendors, enabling participants to acquire advanced, highly specialized engineering skills beyond the level of “SAKURA Cloud Certificate.”



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

- Led by our employees, including visiting associate professors, we continue to deliver practical outreach through visiting lectures at KOSEN colleges nationwide, covering topics such as cloud fundamentals, containers, Docker, and information security.



- We also offer computing resources—such as servers, cloud, and VPS services—free of charge for use in hands-on exercises and extracurricular projects.
- We provide opportunities for early-career employees to present lectures at technical colleges, helping them enhance their presentation skills and deepen their understanding by reorganizing knowledge.

^{*1} Source: IMD World Competitiveness Center, “World Digital Competitiveness Ranking 2024.” Japan ranked 31st overall (out of 64 countries) and 67th in “Digital/Technological skills.”

^{*2} A certification system established by the Minister of Economy, Trade and Industry for specialized, practical training programs that enable working professionals to acquire advanced expertise and pursue career advancement in fields—such as IT and data—that are expected to drive future growth and job creation.

Social Regional Revitalization and Digital Innovation

Supporting the Ambitions of Next-generation Entrepreneurs and Advancing Open Innovation Initiatives Across Japan

By adopting remote-work practices and establishing offices nationwide to prevent over-concentration in Tokyo, SAKURA internet has built a regionally distributed organizational structure—a rarity among IT companies. We actively support region-based startups, focusing on the communities where our offices are located. By promoting local employment and engagement with local stakeholders, we help foster innovation originating in regional areas.

Extending Region-specific Solutions to New Communities

Solutions developed through regional startup support can often be shared and applied in other regions or countries facing similar challenges. As a cloud-based service provider, we see strong potential to accelerate society-wide digital transformation (DX) by supporting regional startups. We aim to help realize a new society founded on digital technology.

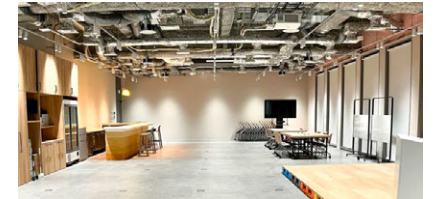


Osaka **Creating opportunities for communication**
Inside JAM BASE, Grand Green Osaka

Blooming Camp

We have opened “Blooming Camp” as a collaborative space designed to foster open innovation. A total of 353 events were held in the last year, organized by companies, startups, educational institutions, and various community groups.

Okinawa **A base for open DX**
SAKURA innobase Okinawa



Expanding regional hiring

With Okinawa Prefecture's strong IT strategy and top national rates for business creation and birthrate, the region provides an ideal environment for open innovation.

Fukuoka **Evolving into one of Japan's foremost startup-support hubs**
Inside Fukuoka Growth Next



Support for startups

Kyushu's local governments are proactive in proof-of-concept initiatives and cross-prefectural collaboration, making it an ideal region for activities aligned with our corporate philosophy.



President and CEO Kunihiro Tanaka and Fellow Osamu Ogasawara joined the “FGN” talk session to discuss the present state of Fukuoka's startup ecosystem and the initiatives required for the city to grow as a hub for startups.

DX人材育成
プログラムデジタル
イノベーション
の創出

We promote business development and support startups through open innovation with local companies, with an emphasis on Okinawa's unique technology and culture. Our goal is to nurture DX professionals and generate digital innovation from Okinawa.

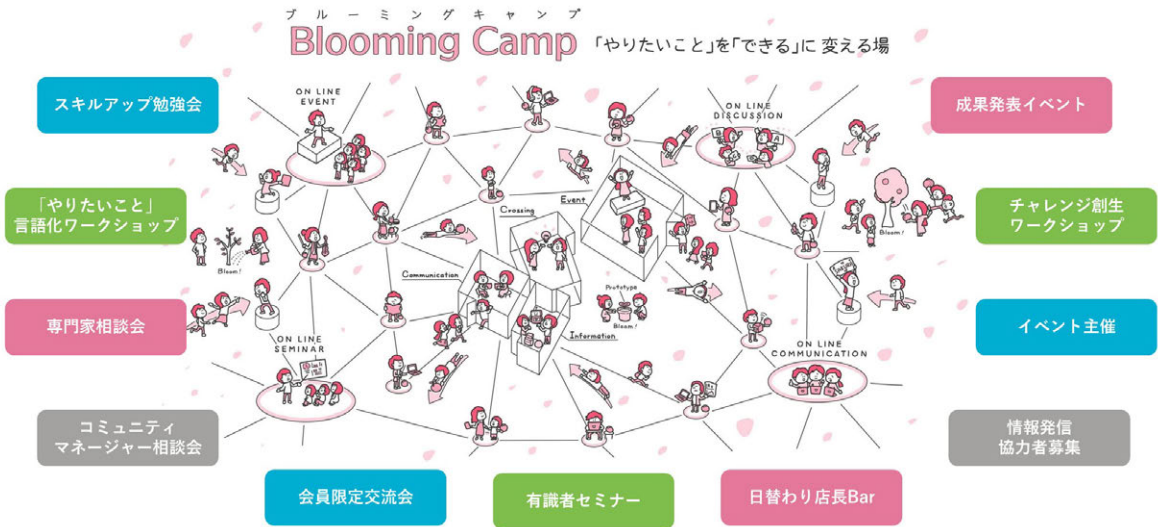
Social Blooming Camp: Open Innovation Facility

Connecting with Others, Sharing Ideas, and Growing Them Together to Give Shape to “What You Want To Do”

In September 2024, following the relocation of our headquarters, we opened “Blooming Camp” within Grand Green Osaka’s JAM BASE as a collaborative space designed to foster open innovation. Our goal is to create a place where anyone can bring “what they want to do,” nurture it, and turn it into “what they can do.”

Blooming Camp
Opened inside JAM BASE, Grand Green Osaka

Operated by SAKURA internet, this facility serves as a hub for open innovation. It functions as an innovation hub located within the Umekita 2nd Phase Development Project, “Grand Green Osaka.” Its concept embodies our corporate philosophy: turning “WHAT YOU WANT TO DO” into “WHAT YOU CAN DO.” We aim to create a space—both physical and virtual—where people can freely gather, connect, and take on new challenges.



01 Wide range of events, including workshops, study sessions, and networking meetups

Initiatives to generate innovation

Monthly average
50 or more events
Total
353 events

(From September 2024 to March 2025)

02 Short-term intensive programs

Blooming Camp members, known as Seed Members, can participate in short-term intensive programs designed to transform “WANT” (what they want to do) into “CAN” (what they can do). By combining “WANT” (their aspirations) and “HOW” (their strengths), members can “CHALLENGE” themselves (take action).

03 Launching proof-of-concept trials using the web application “Buddies”



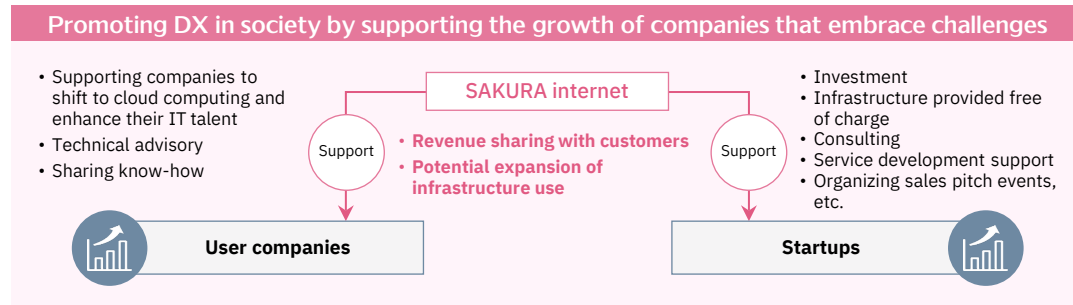
Leveraging the co-creation tool “Buddies,” we set up a limited-time booth at Blooming Camp to test the effectiveness of AI-driven innovation and gather experiential feedback.

Social Shaping the Future with Startups

Providing Hands-On, Partnership-Based Support That Helps Emerging Startups Transform “Want To” Into “Can Do”

Through co-creation with entrepreneurs, we promote active collaboration and networking to create new markets and realize sustainable, long-term growth. Our startup-support activities build valuable connections with promising potential customers and contribute to the broader advancement of digital society.

Investment and Development Support for Startups



Startup Co-Creation Program “Link up”

We provide comprehensive, all-in-one resources to build the infrastructure that accelerates startup growth.



1 Providing environments

Providing up to ¥10 million in SAKURA Cloud services for up to one year, customized to fit each business's size and growth stage. Also eligible for “ImageFlux,” “Koukaryoku Series,” and “SAKURA IoT.”



2 Technical cooperation

We provide priority support and access to experts across diverse fields, helping participants accelerate their growth.

- Technical advice
- Hands-on events
- Dedicated help desk

3 Business support

We promote collaborative problem-solving by offering opportunities for dialogue, joint proposals, and co-hosted events with partner companies.

- Support for alliances with partner companies
- Promotional opportunities
- Mentoring by startup supervisors

Aiming to generate economic returns and create value for the public through impact investing

Case study 1 Mirairo Inc.

We support the awareness and adoption of the “Mirairo ID,” a digital version of the “disability certificate” developed by Mirairo, in alignment with the company’s “Barrier Value”^{*1} philosophy.



^{*1} Mirairo Inc. advocates the belief that disabilities are not barriers to be eliminated but values that can be transformed into positive strengths.

^{*2} Karry Impact & Innovation No.1 Investment Limited Partnership.

Case study 2 Karry Fund^{*2}

Implementing impact investments through an Okinawa-based fund

We aim to address social challenges in Okinawa through collaboration with investors, social entrepreneurs, and diverse stakeholders.



Examples of Portfolio Companies

We are the official top partner of “FC Ryukyu Sakura,” the women’s team of J.League club FC Ryukyu.

Startup support in collaboration with local communities → P.70

Case study 1

Collaborative Operation of Fukuoka Growth Next



A startup support hub where entrepreneurs and supporters come together. Our employees are stationed onsite, supporting startup talent development and fundraising to drive the growth of the regional startup ecosystem.

Case study 2

SAKURA innobase Okinawa



A communication space dedicated to digital innovation, hosting events that support startup development and nurture talent for IT business creation.

Section 05

Data

74 Consolidated Financial Highlights

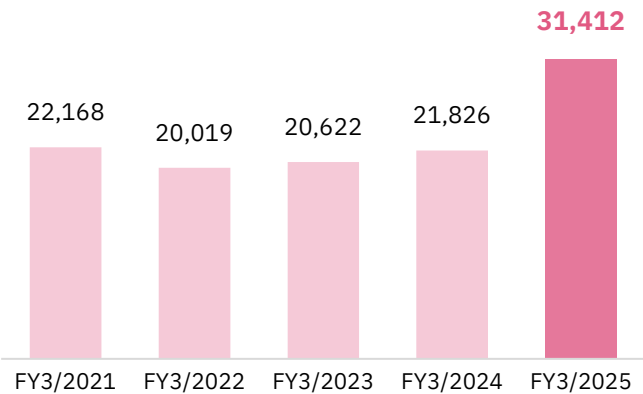
75 10-Year Financial Summary

76 Corporate / Stock Information

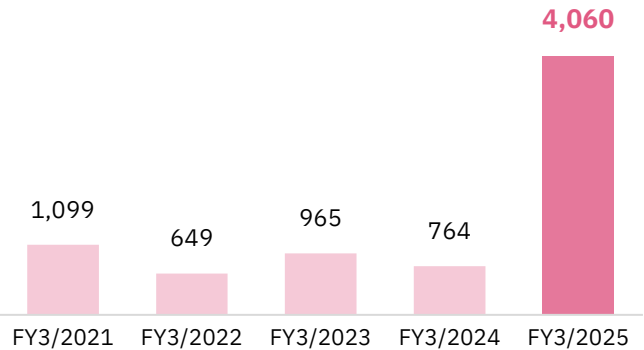
77 Group Company Information

Consolidated Financial Highlights

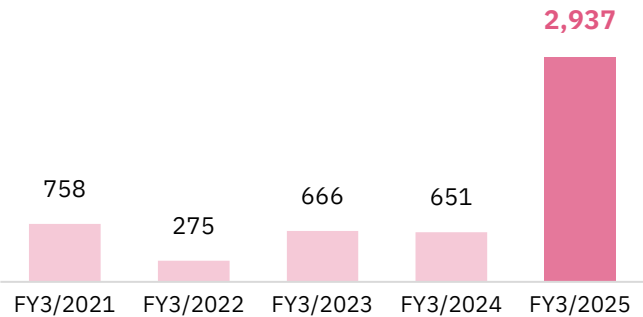
Net Sales (million yen)



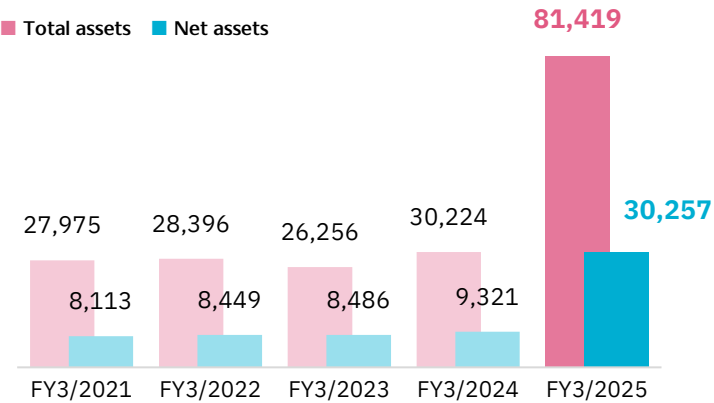
Ordinary Profit (million yen)



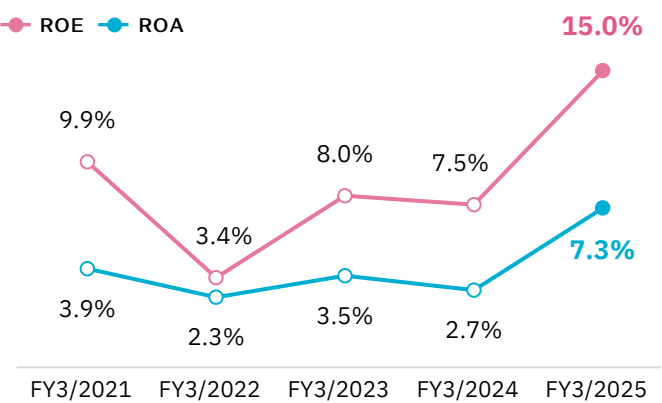
Profit Attributable to Owners of Parent (million yen)



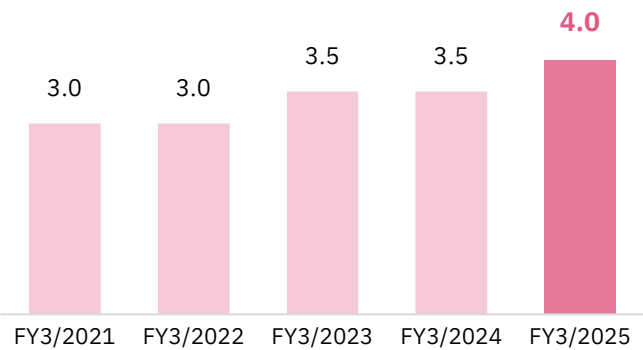
Total Assets / Net Assets (million yen)



ROE / ROA (%)



Dividend Per Share (yen)



10-Year Financial Summary

	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Operating Results (million yen)										
Net sales	12,086	13,961	17,033	19,501	21,908	22,168	20,019	20,622	21,826	31,412
Operating profit	976	1,018	745	567	939	1,372	763	1,093	884	4,145
Ordinary profit	822	804	574	395	789	1,099	649	965	764	4,060
Profit attributable to owners of parent	553	548	349	91	160	758	275	666	651	2,937
Cash flows from operating activities	1,547	1,852	3,067	2,231	4,582	4,110	3,957	3,963	2,884	5,787
Cash flows from investing activities	(2,550)	(5,410)	(1,382)	(2,576)	(2,973)	(1,359)	(1,674)	(606)	(2,025)	(8,323)
Cash flows from financing activities	1,940	4,349	(1,941)	1,237	(2,541)	(3,148)	(1,005)	(3,999)	(410)	26,763
Free cash flows	(1,002)	(3,558)	1,685	(345)	1,608	2,751	2,282	3,357	858	(2,535)
Financial Condition* (million yen)										
Total assets	18,588	26,005	26,111	31,158	28,787	27,975	28,396	26,256	30,224	81,419
Net assets	4,424	7,609	7,889	7,344	7,424	8,113	8,449	8,486	9,321	30,257
Interest-bearing liabilities	9,866	13,596	12,817	16,220	14,371	12,324	11,552	9,582	12,414	23,657
Per Share Data* (yen)										
Basic earnings per share	15.95	15.74	9.29	2.44	4.39	20.79	7.55	18.29	18.26	75.23
Net assets per share	127.46	202.26	209.03	199.06	201.10	219.41	228.01	234.10	255.82	751.36
Dividend per share	2.50	2.50	2.50	2.50	2.50	3.00	3.00	3.50	3.50	4.00
Ratios*										
Return on assets (ROA)	5.0%	3.6%	2.2%	1.4%	2.6%	3.9%	2.3%	3.5%	2.7%	7.3%
Return on equity (ROE)	13.2%	9.1%	4.5%	1.2%	2.2%	9.9%	3.4%	8.0%	7.5%	15.0%
Equity-to-asset ratio	23.8%	29.3%	30.1%	23.3%	25.5%	28.6%	29.3%	31.8%	30.2%	36.9%
Payout ratio (Consolidated)	15.7%	15.9%	26.9%	102.4%	57.0%	14.4%	39.7%	19.1%	19.2%	5.3%

*On June 21, 2024, new shares were issued via a public offering, increasing the total number of issued shares by 4,270,000.

Corporate / Stock Information (as of March 31, 2025)

➤ IR information

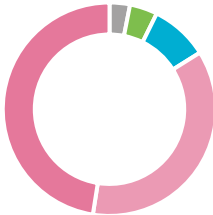
Corporate Name	SAKURA internet Inc.
Founder & CEO, President	Kunihiro Tanaka
Date of Foundation	December 23, 1996
Date of Incorporation	August 17, 1999
Capital	11,283,160,000 yen
Registered Office Address	6-38 Ofukacho, Kita-ku, Osaka-shi, Osaka 530-0011 Japan
Business Activities	Providing cloud computing services Operating data centers
Total Number of Issued Shares	41,890,700 shares
Stock Listing	Prime Market of the Tokyo Stock Exchange (Securities code: 3778)
Number of Employees	997 employees (consolidated)
Information Security Management	ISMAP ISMS ISMS Cloud Security Certification PCI DSS PrivacyMark SOC2 SOC3
Affiliations	KEIDANREN (Japan Business Federation) *Joined on April 1, 2025 Software Association of Japan Japan Data Center Council Japan Internet Providers Association and others
Osaka Headquarters	GRAND GREEN OSAKA North, JAM BASE, 3F 6-38 Ofukacho, Kita-ku, Osaka-shi, Osaka 530-0011 Japan
Tokyo Office	Sumitomo Fudosan Nishi-Shinjuku Bldg. 32F 7-20-1, Nishi-shinjuku, Shinjuku-ku, Tokyo 160-0023
Fukuoka Branch	Fukuoka Growth Next 2-6-11 Daimyo, Chuo-ku, Fukuoka 810-0041 *Relocated on April 1, 2025
SAKURA innobase Okinawa	Haseko Naha Bldg. 1F 1-2-13 Matsuyama, Naha-shi, Okinawa 900-0032

Stock Information

Total Authorized Shares	99,200,000 shares
Total Number of Outstanding Shares (excluding 1,618,258 treasury shares)	40,272,442 shares
Number of Shareholders	55,833

Share Distribution

Foreign investors	3.1%
Securities companies	4.2%
Financial institutions	8.8%
Other domestic companies	36.4%
Individuals and others	47.5%



*Treasury shares are included in the “Individuals and Others” category.

Major Shareholders

Shareholder Name	Number of Shares Held	Shareholding Ratio (%)
Sojitz Corporation	10,585,600	26.28
Kunihiro Tanaka	5,165,355	12.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,752,800	6.83
Ken Washikita	984,000	2.44
Nomura Securities Co., Ltd.	489,928	1.21
Custody Bank of Japan, Ltd. (Trust Account)	457,100	1.13
SAKURA internet ESOP	402,300	0.99
Rakuten Securities, Inc.	284,500	0.70
Custody Bank of Japan, Ltd. (Trust E Account)	271,200	0.67
SBI Securities Co., Ltd.	249,712	0.62

*The shareholding ratio is calculated after deducting 1,618,258 treasury shares.
*The number of shares held by our President and CEO, Kunihiro Tanaka, includes the shares held by his asset management company, Kunihiro Tanaka Office Co., Ltd., reflecting his effective ownership.
*The 271,200 shares of our company held by Custody Bank of Japan, Ltd. (Trust E Account) are part of a trust-type scheme modeled after employee stock ownership plan (J-ESOP) introduced by a resolution of the Board of Directors on July 28, 2022, aimed at enhancing employee motivation, morale, and driving the organization and business forward. These 271,200 shares owned by Custody Bank of Japan, Ltd. (Trust E Account) are not included in the treasury shares.

Group Company Information (as of September 30, 2025)

Corporate Name ITM Inc.**President** Takeshi Kawamoto**Head Office** Sumitomo Fudosan Nishi-Shinjuku Bldg. 32F
7-20-1, Nishi-shinjuku,
Shinjuku-ku, Tokyo 160-0023**Website** <https://www.itmanage.co.jp/>**Business Activities**

- Managed cloud and security service provider (MCSSP) business (system management services / cloud services / cybersecurity services)
- Data center business
- Network services business

Corporate Name SAKURA Mobile LIMITED**President** Ryosuke Yamaguchi**Head Office** 89 Queensway, Hong Kong**Business Activities**

- Provision of connectivity and licenses for "SAKURA secure mobile connect"
- Liaison and partnership management with international telecommunications providers

Corporate Name Gehirn Inc.**President** Daiki Ishimori**Head Office** Seki Bldg. 7F
1-3-6 Kudankita, Chiyoda-ku,
Tokyo 102-0073**Website** <https://www.gehirn.co.jp/en/>**Business Activities**

- Security consulting and vulnerability assessment
- Planning, management, operation and sale of rental server service
- Analysis and distribution of disaster and weather information
- Web development, design, management, planning, operation, and sales

Corporate Name bitstar Inc.**President** Akihiro Maeda**Head Office** Sapporo Otemachi Bldg. B1F
4-5-1 Minami-ichijo Nishi, Chuo-ku,
Sapporo-shi, Hokkaido 060-0061**Website** <https://bitstar.jp/>**Business Activities**

- Internet services business
- Service integrations business
- Consulting business (related to the businesses mentioned above)
- Virtual offices and shared offices business

Corporate Name Prunus-Solutions Inc.**President** Hironori Usui**Head Office** Sumitomo Fudosan Nishi-Shinjuku Bldg. 32F
7-20-1, Nishi-shinjuku,
Shinjuku-ku, Tokyo 160-0023**Website** <https://www.prunus-sol.co.jp/en/>**Business Activities**

- System integration focusing on the area of high-performance computing

Corporate Name IzumoBASE Inc.**President** Junpei Arakawa**Head Office** Sumitomo Fudosan Nishi-Shinjuku Bldg. 32F
7-20-1, Nishi-shinjuku,
Shinjuku-ku, Tokyo 160-0023**Website** <https://www.izumobase.com/#>**Business Activities**

- Development of storage software products
- Research and consulting on storage software technologies

Corporate Name BBSakura Networks, Inc.**President** Hiroyuki Kawabata**Head Office** Sumitomo Fudosan Nishi-Shinjuku Bldg. 32F
7-20-1, Nishi-shinjuku,
Shinjuku-ku, Tokyo 160-0023**Website** <https://bbsakura.net/en>**Business Activities**

- Network virtualization
- Provision of mobile communications
- Development and operation of connectivity platforms

Corporate Name Tellus Inc.**President** Hideto Yamazaki**Head Office** Sumitomo Fudosan Nishi-Shinjuku Bldg. 32F
7-20-1, Nishi-shinjuku,
Shinjuku-ku, Tokyo 160-0023**Website** <https://corp.tellusxdp.com/en/>**Business Activities**

- Various information provision services through the internet
- Planning, production, and sales of multimedia
- Information and data business consulting
- Planning, development, and sales of computer software
- Other businesses related to the above



SAKURA Integrated Report 2025

About the logo of SAKURA internet Inc.

The motif of the logo is based on two cherry blossom petals floating in a stream.
The flow of the petals represents the flow of data and the infrastructure that supports the flow.

