

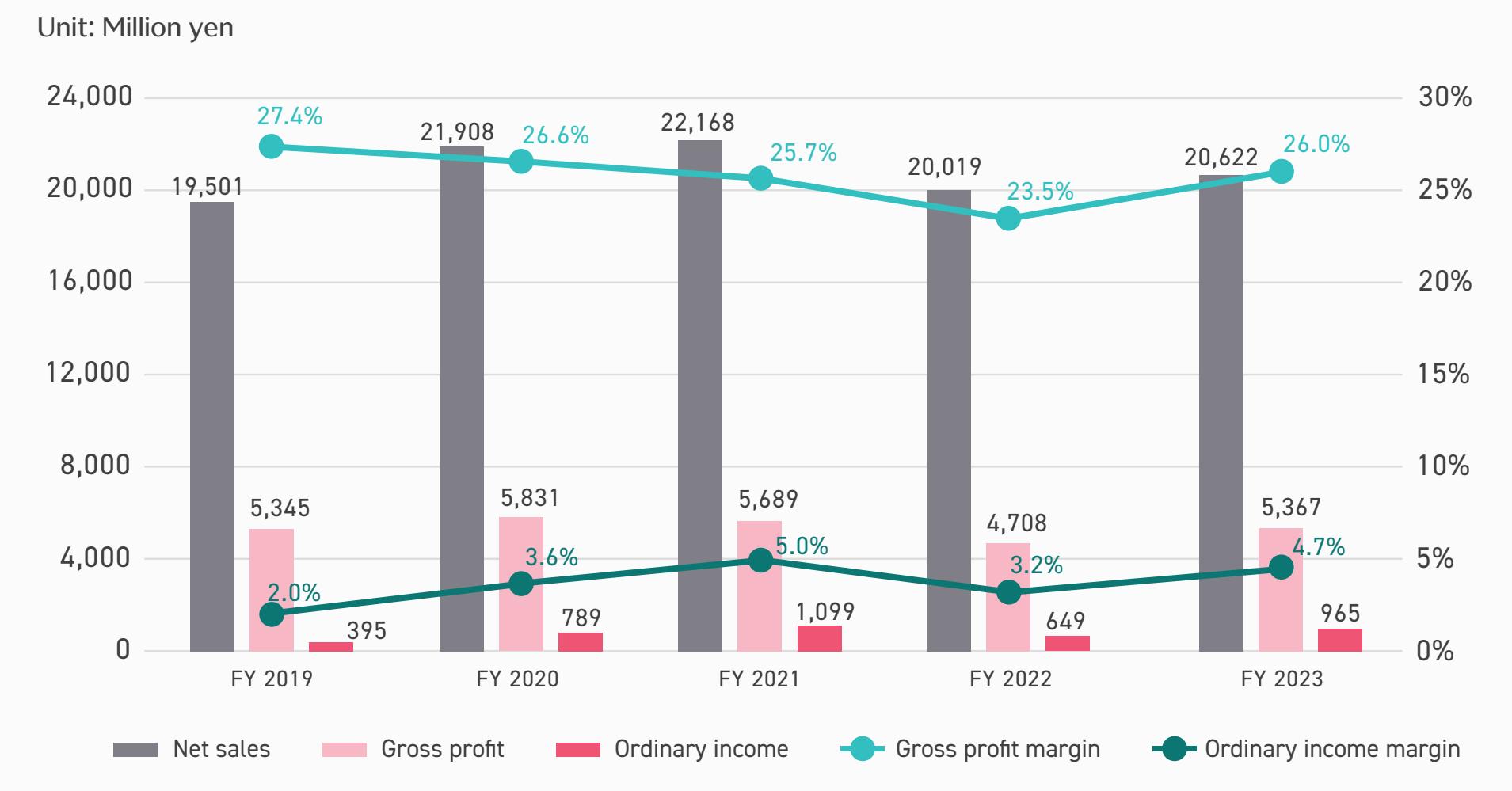
Company information

Introduction to our security initiatives, governance structure, business performance, and group companies.

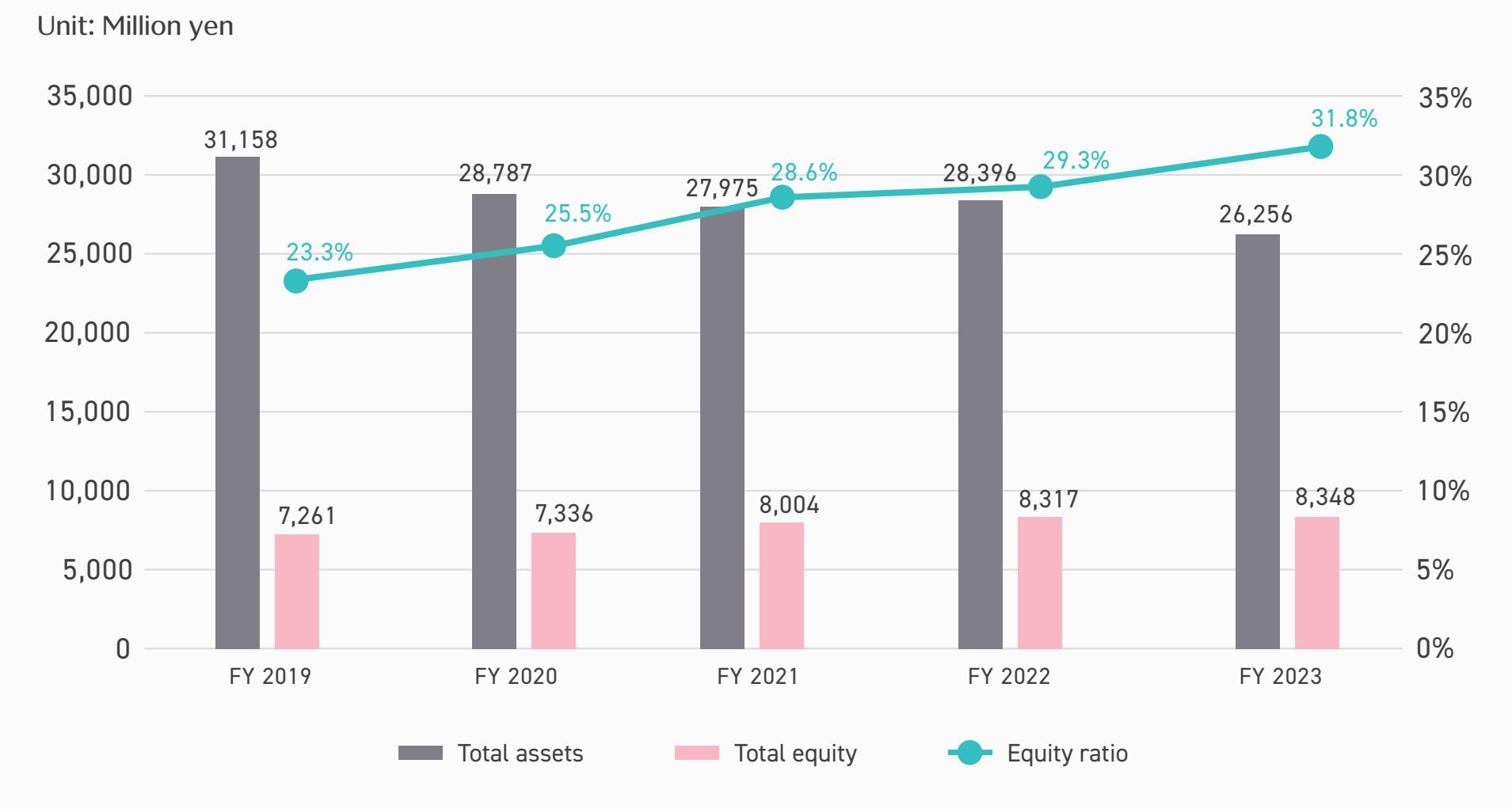
Consolidated performance highlights

Period	20	21	22	23	24
Financial year and month	March 2019	March 2020	March 2021	March 2022	March 2023
Net sales (Thousand yen)	19,501,463	21,908,899	22,168,022	20,019,177	20,622,900
Ordinary income (Thousand yen)	395,841	789,644	1,099,678	649,431	965,830
Net income attributable to shareholders of the parent company for the current fiscal year (Thousand yen)	91,639	160,091	758,363	275,451	666,551
Comprehensive income (Thousand yen)	148,501	206,464	780,586	303,671	678,736
Net assets (Thousand yen)	7,344,144	7,424,308	8,113,694	8,449,929	8,486,139
Total assets (Thousand yen)	31,158,936	28,787,225	27,975,406	28,396,327	26,256,109
Net assets per share (Yen)	199.06	201.10	219.41	228.01	234.10
Earnings per share (Yen)	2.44	4.39	20.79	7.55	18.29
Diluted earnings per share (Yen)	—	—	—	—	—
Equity ratio (%)	23.3	25.5	28.6	29.3	31.8
ROE (%)	1.2	2.2	9.9	3.4	8.0
PER (Times)	202.7	106.2	37.6	75.5	33.9
Cash flows from operating activities (Thousand yen)	2,231,274	4,582,193	4,110,636	3,957,746	3,963,420
Cash flows from investing activities (Thousand yen)	△ 2,576,277	△ 2,973,593	△ 1,359,506	△ 1,674,766	△ 606,129
Cash flows from financing activities (Thousand yen)	1,237,580	△ 2,541,492	△ 3,148,706	△ 1,005,276	△ 3,999,374
Cash & cash equivalents at the end of the year (Thousand yen)	5,505,373	4,572,321	4,174,765	5,452,592	4,810,628
Number of employees (Persons) [Others, average temporary employees]	652 [70]	694 [61]	706 [41]	710 [24]	755 [25]
Dividends per share (Yen)	2.50	2.50	3.00	3.00	3.50

Profit and loss transition (Consolidated)



Transition of assets (Consolidated)



Directors and Executive Officers



Founder & CEO, President

Kunihiro TANAKA

Areas of Expertise
General management and administration / Entrepreneurship and startup Mentor (startups/engineers)/ organization and work style reform



Director, Chief Financial Officer

Masataka KAWADA

Areas of Expertise
Finance and general management business



Director

Koichi ISE

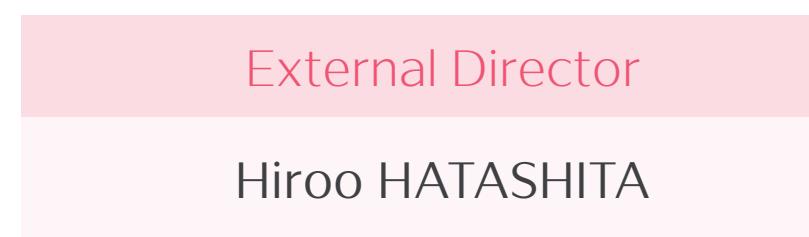
Areas of Expertise
Network computing / Design, construction, and operation of systems, and overall supervision and command



Director

Akihiro MAEDA

Areas of Expertise
General management and administration / Entrepreneurship and startup



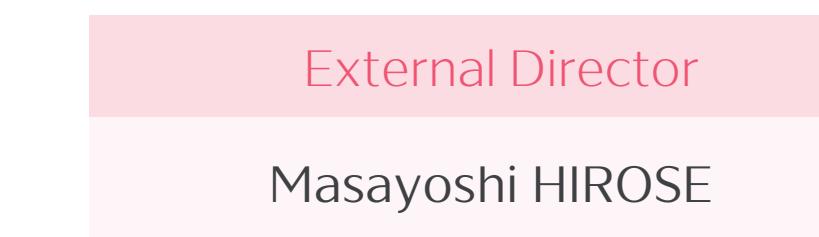
External Director

Hiroo HATASHITA



External Director

Toshihiro IGI



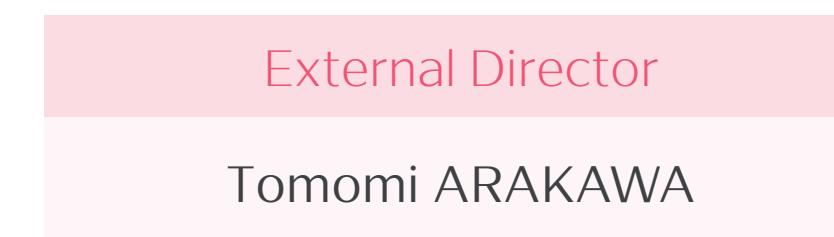
External Director

Masayoshi HIROSE



External Director

Yukie OSAKA



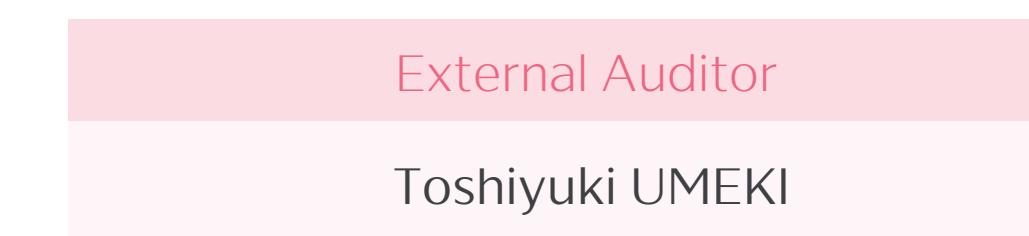
External Director

Tomomi ARAKAWA



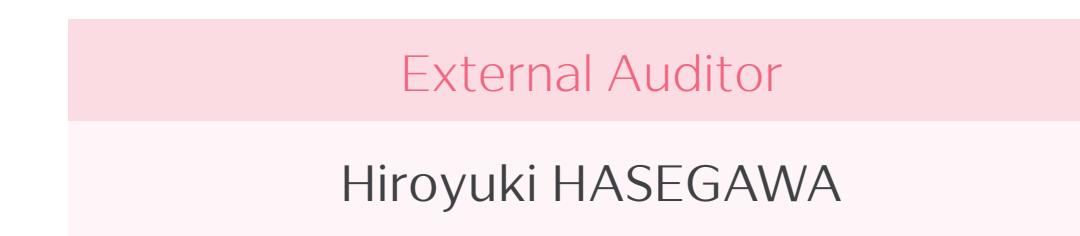
Full-time Auditor

Yayoi YAMAGUCHI



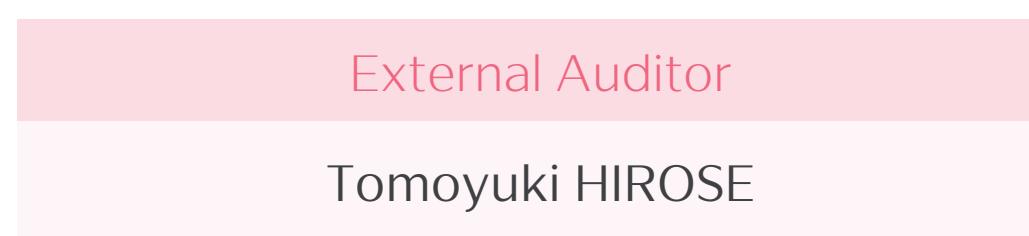
External Auditor

Toshiyuki UMEKI



External Auditor

Hiroyuki HASEGAWA



External Auditor

Tomoyuki HIROSE



Vice President / Executive Officer

Masaaki TATENO

Areas of Expertise
Product management / Business strategy, corporate strategy



Executive Officer

Takashi SHISHIDO

Areas of Expertise
Data center construction and operation / Project promotion



Executive Officer

Shinji UEDA

Areas of Expertise
General management / Business investment & M&A global business (North America & Asia)



Executive Officer

Toru SAWAMURA

Areas of Expertise
Data center markets / Server hardware / Information security



Executive Officer

Takayuki TAKAHASHI

Areas of Expertise
Customer success / General organization management



Executive Officer / Chief Information Security Officer / Chief Information Officer

Yota EGUSA

Areas of Expertise
System architect / Information security / Software / Server network infrastructure / Digital circuits & embedded systems



Executive Officer

Masatoshi YOKOTA

Areas of Expertise
General IT infrastructure trends / Presentations



Executive Officer

Hideto YAMAZAKI

Areas of Expertise
(Global) Project management / International negotiations / General space business

Security initiatives

SAKURA internet adopted ISMS, a comprehensive information security management system, in 2009 and has continuously enhanced its information security standards. We will continue with initiatives to maintain and enhance security to provide our customers with even better services in the future. We have obtained various certifications and comply with the guidelines given below.

Certifications obtained and compliance guidelines followed

ISMAP

ISMAP is a system in which the ISMAP Steering Committee evaluates and registers in advance the cloud services that meet the security requirements of the Japanese government. Cloud service providers registered with ISMAP must undergo audits by audit agencies based on auditing standards regarding the implementation of information security measures following the management standards and pass a conformance assessment by the ISMAP Steering Committee.

Registration number

C21-0030-2

Target services

SAKURA Cloud

Initial registration date

December 20, 2021

ISMS

We have obtained the certification standard JIS Q 27001:2014 (ISO/IEC27001:2013) of the Information Security Management System, an internationally recognized third-party conformity assessment system for information security, for all our offices and data centers. This standard defines standards for the handling and management of information that companies should address, and we will further improve the level of information security through continuous operation.



ISMS Cloud, Security authentication

We have obtained the ISMS Cloud Security Certification, a certification for information security specializing in cloud services. This service's scope includes providing IaaS services in SAKURA Cloud, object storage services with unlimited capacity, and CDN (Web Accelerator) services for content distribution, and we will continue to expand the scope of application and provide more secure services.



PCI DSS

This system complies with Requirement 9 and Requirement 1 regarding physical security of the total 12 requirements of PCI DSS Ver. 3.2, a security standard established to handle credit card information securely. Customers aiming for PCI DSS compliance can reduce the burden of compliance with physical security requirements by using our data centers.



Privacy Marks

We recognize the importance of personal information in carrying out our internet service business by owning internet backbone and data centers and complying with laws and regulations, national guidelines, and other standards regarding protecting and handling personal information. The company conforms to the Personal Information Protection Management System for protecting personal information that complies with JIS Q 15001:2017 and has been granted the Privacy Mark.



SOC2 SOC3

The System and Organization Controls (SOC) Report is an assurance report provided by an independent auditor that assesses the internal control over fiduciary services other than for financial reporting purposes following the Trust Services Principles and Criteria established by the American Institute of Certified Public Accountants (AICPA).

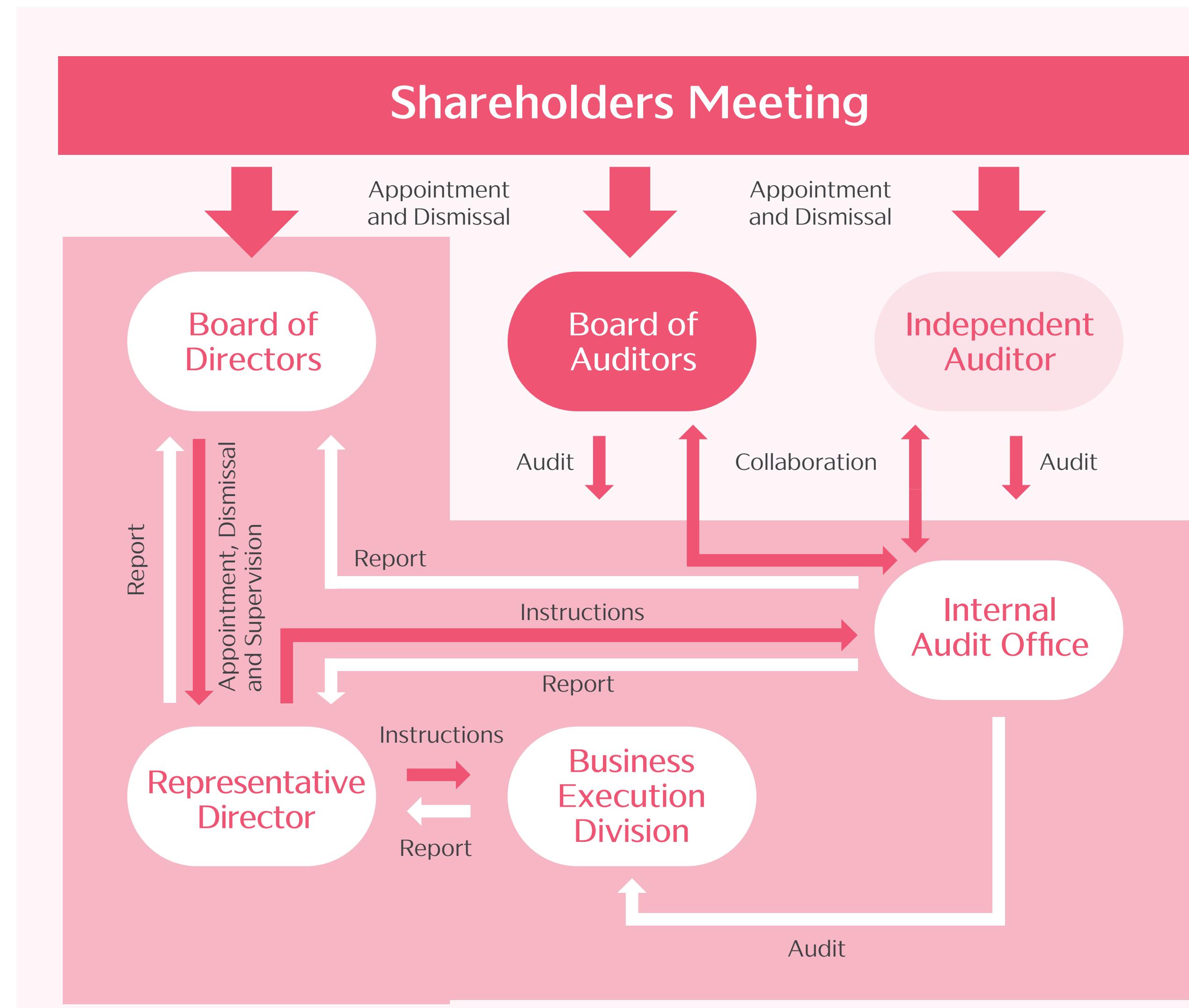
Our company has received the SOC 2 Type 2 Report and the SOC 3 Report from the audit firm, which covers the security and availability of the Data Center Common Service,¹ colocation service, and housing service provided by the Ishikari Data Center.

¹ Data Center Common Service serves as the platform for stable and secure operations of the services provided at Ishikari Data Center



Corporate governance

The corporate governance structure of SAKURA internet is shown in the diagram below.



Key principles for corporate governance

Our basic approach to corporate governance is to promote the establishment of management and administrative organizations as our company expands in scale, to ensure the efficient and organized operation of each department, and to enhance internal controls. We have been striving for these goals based on this fundamental principle since the company was founded.

The internet industry, in particular, carries greater social responsibility compared to other industries as it is a business that opens communication facilities to a large number of invisible users and is established with a market of internet users worldwide. We believe establishing corporate governance in our company will serve as the management platform that enables us to fulfill our social responsibility.

Handling of intellectual property rights

We regard intellectual property activities as important for the development of our business. We actively support creative activities within our company and promote the proper protection, management, and utilization of our intellectual property. We emphasize the importance of respecting the intellectual property rights of third parties by disseminating awareness in our company. We have established internal procedures for using third-party products, including software, to prevent infringements of intellectual property rights. We also educate our customers who use our services to prevent infringement of intellectual property rights. We have established a system to receive reports on intellectual property infringements and will respond appropriately in the event of inquiries or reports.

Company Profile

Group company

Trade Name	SAKURA internet Inc.
Head Office	11F Tokyo Tatemono Umeda Building, 1-12-12 Umeda, Kita-ku, Osaka-shi, Osaka 530-0001
Tokyo Branch Office	32F, Sumitomo Fudosan Nishi-Shinjuku Building, 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Fukuoka Office	7F Yomiuri Fukuoka Building, 1-12-15 Akasaka, Chuo-ku, Fukuoka City, Fukuoka 810-0042, Japan
Founded	December 23, 1996
Incorporated	August 17, 1999
Capital	2.25692 billion yen
Description of business	Data center operations providing cloud computing services, etc.
Total number of issued shares	37,620,700 shares
Stock exchange listing	Prime Market, Tokyo Stock Exchange (Securities code: 3778)
Number of employees	Consolidated: 755 employees (as of March 2023)
Certifications	ISMAP ISMS ISMS Cloud Security Certification PCI DSS Privacy Marks SOC2 SOC3
Affiliations	Software Association of Japan Japan Data Center Council Japan Internet Providers Association Others

Trade Name	ITM Inc.
President	Takeshi KAWAMOTO
Head Office	32F, Sumitomo Fudosan Nishi-Shinjuku Building, 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Website	https://www.itmanage.co.jp/
Trade Name	SAKURA Mobile LIMITED
Director	Ryousuke YAMAGUCHI
Head Office	89 Queensway, Hong Kong
Trade Name	Gehirn Inc.
Representative Director	Daiki ISHIMORI
Head Office	7F Seiki Building, 1-3-6 Kudan-ita, Chiyoda-ku, Tokyo 102-0073, Japan
Website	https://www.gehirn.co.jp/
Trade Name	Bitstar Inc.
Representative Director	Akihiro MAEDA
Head Office	B1F Sapporo Otemachi Bldg., 4-5-1 Minami 1 Jonishi, Chuo-ku, Sapporo, Hokkaido 060-0061, Japan
Website	https://bitstar.jp/
Trade Name	Prunus-Solutions Inc.
Representative Director	Hironori USUI
Head Office	32F, Sumitomo Fudosan Nishi-Shinjuku Building, 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Website	https://www.prunus-sol.co.jp/
Trade Name	IzumoBASE, INC.
Representative Director	Jumpei ARAKAWA
Head Office	32F, Sumitomo Fudosan Nishi-Shinjuku Building, 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Website	https://www.izumobase.com/
Trade Name	BBSakura Networks, Inc.
Representative Director	Hideyuki SASAKI
Head Office	32F, Sumitomo Fudosan Nishi-Shinjuku Building, 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Website	https://bbsakura.net
Trade Name	Tellus Inc.
Representative Director	Hideto YAMAZAKI
Head Office	32F, Sumitomo Fudosan Nishi-Shinjuku Building, 7-20-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan
Website	https://corp.tellusxdp.com



SAKURA internet