Section 01

Value Creation Story

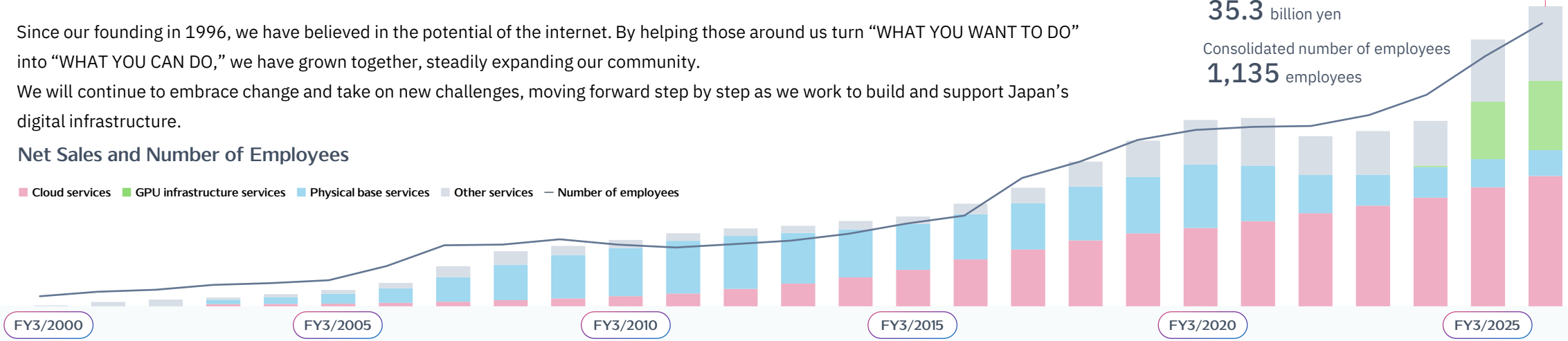
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History of SAKURA internet

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.

Net Sales and Number of Employees



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 service 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 (merged into 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 Branch
- Launched sakura.io

2018
- Established subsidiary Prunus-Solutions Inc.
- Acquired IzumoBASE Inc. as a subsidiary
- Obtained ISMS cloud security certification for SAKURA Cloud



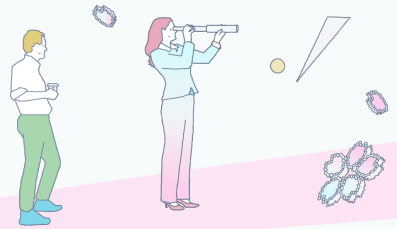
2019
- Enhanced data center backbone network, surpassing 1 Tbps in external connectivity
- Established joint venture BBSakura Networks, Inc.

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
- Conditionally selected as a Government Cloud service provider



2024
- Launched Koukaryoku PHY and Koukaryoku DOK services
- Relocated headquarters to Grand Green Osaka in Ofukacho, Kita-ku, Osaka
- Launched the SAKURA Partner Network and SAKURA Web Hosting Reseller Program
- Established the SAKURA Cloud Certificate

2025
- Launched Koukaryoku VRT, SAKURA AI, and SAKURAONE
- Began operations of a containerized data center at the Ishikari Data Center

2026
- Selected as a Government Cloud service provider
- Established the SAKURA AI Certificate

*Information for 2026 is current as of July 31.

SAKURA internet
celebrates its 30th anniversary in December 2026

SAKURA internet
30th Anniversary

Value Creation Process

Creating competitive advantage

Input → Business Model → Output → Outcome → Vision

External environment

- Sustained growth in cloud demand
- Surging demand for generative AI
- Digital trade deficit / Rising need for domestic data sovereignty

Proven track record and brand recognition as an established company

- Human capital
- Financial capital
- Intellectual and technological capital
- Social capital
- Natural capital

Business Model

Cloud technology developed in Japan

Delivering trusted, secure digital infrastructure

- 100% Japan-operated infrastructure
- Selected as the sole domestic Government Cloud provider

Services: Sales, Support, Operations, Engineering

Build strengths through an in-house approach

Data centers

Employees

Foundation for value creation

Human capital management

Supportive workplace / Empowerment and growth of diverse talent / Attraction and retention of top talent / Greater job satisfaction

Output

- **Cloud services**: Expanding cloud service channels to gain an edge over competitors
- **Generative AI services**: Implementation of growth strategy
- **Physical infrastructure services**: Strengthening of infrastructure that underpins the growth strategy
- **Other services**: Building a framework for accelerated growth by advancing talent acquisition and development as well as infrastructure expansion

Accelerating market development

Outcome

Deliver value to stakeholders

- Customers / partners
- Employees
- Shareholders / investors
- Local communities
- Environment
- Future generations
- Government agencies / industry associations

Vision

Creating a future where every connection with SAKURA leads to success

Environment

Eco-friendly data centers

Social

Education

Regional revitalization

Governance

Governance

Security

Corporate culture and values What makes SAKURA unique

Long-Term Vision



Long-term prospects

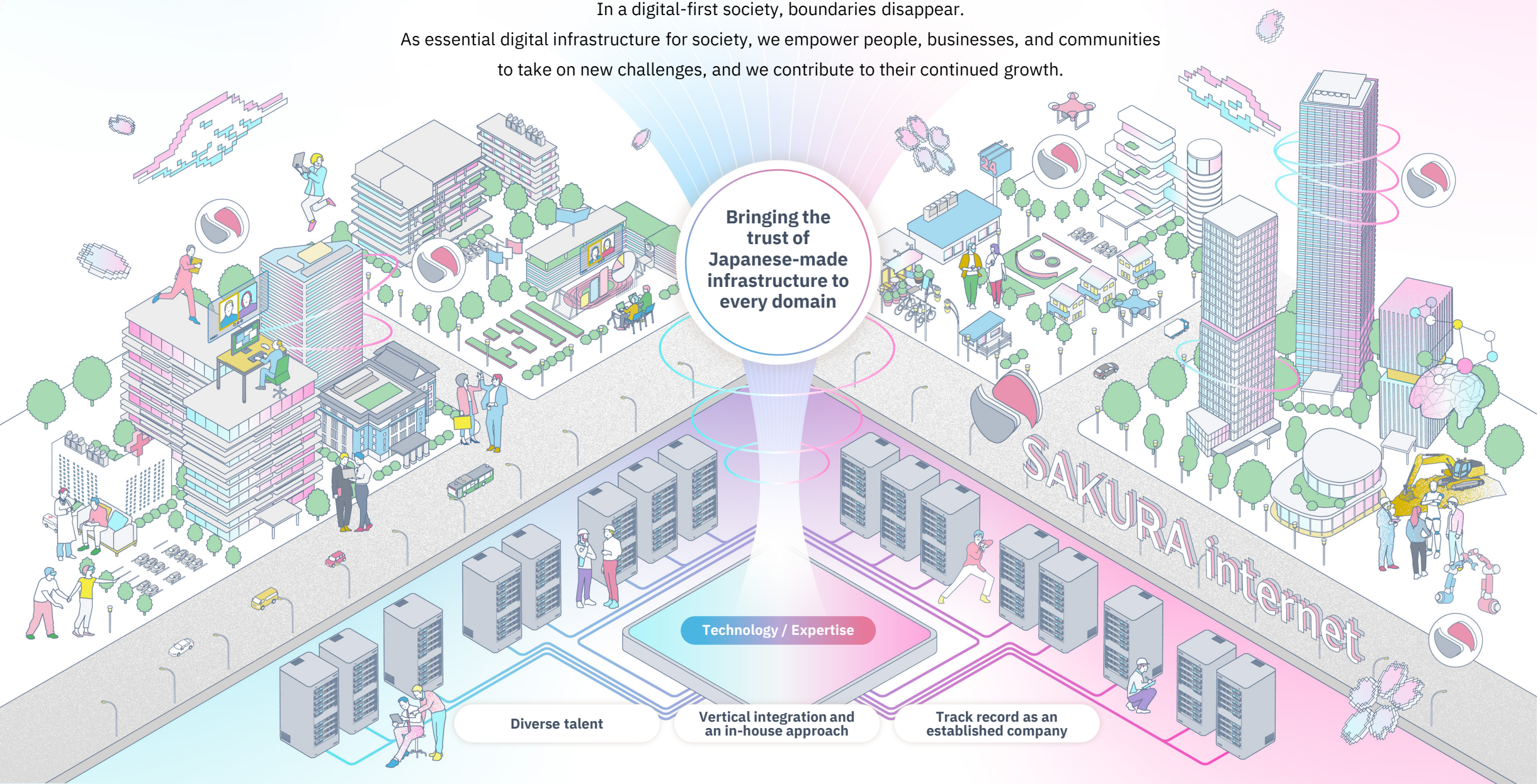
Becoming a leading digital infrastructure company

We are an alternative to global hyperscalers, offering infrastructure for public- and private-sector digitalization and driving digital transformation across industry and society.

Our Businesses

Building the infrastructure for a digital world

In a digital-first society, boundaries disappear.
As essential digital infrastructure for society, we empower people, businesses, and communities to take on new challenges, and we contribute to their continued growth.

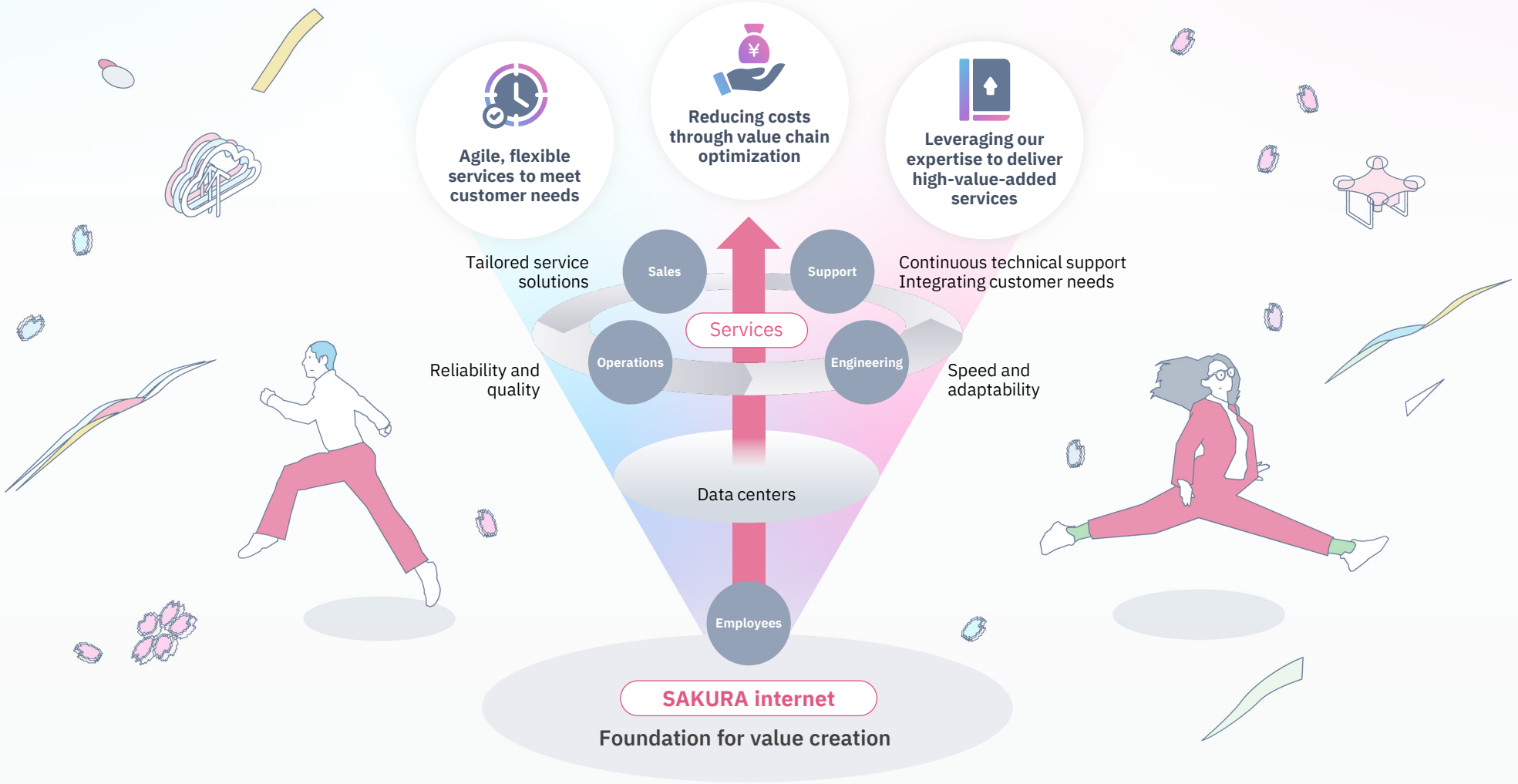


Our Strengths

High-value-added services, end to end in Japan

SAKURA internet has established a unique, vertically integrated business model that covers every stage in-house, from owning its own data centers to service development, technical research, operations, sales, and support.

Creating competitive advantage



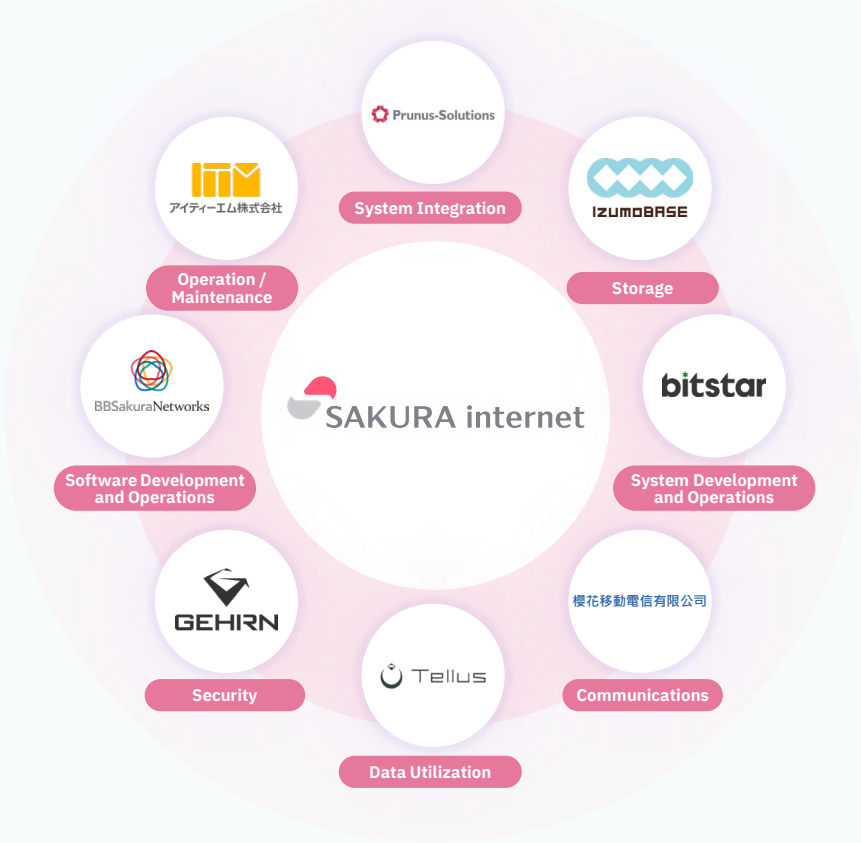
Group Companies & SAKURA internet Research Center (as of July 31, 2026)

Bringing together diverse expertise to meet evolving social needs and customer expectations

Drawing on the extensive expertise of our Group companies in their respective fields, we address a wide range of customer needs. Through research and development at the SAKURA internet Research Center, we are also exploring new possibilities for the digital society of the future.

Group Companies

The SAKURA internet Group brings together companies with expertise in a range of specialized fields, combining reliable technology and operations to help customers turn “WHAT THEY WANT TO DO” into “WHAT THEY CAN DO.”



SAKURA internet Research Center

We explore advanced internet technologies to create new value and strengthen our competitiveness over the medium to long term.

The SAKURA internet Research Center is a corporate research lab focused on advanced technologies with a three- to five-year horizon. Guided by its mission to “expand the possibilities for the future and turn ‘what you want to do’ into ‘what you can do,’” the Center is advancing research in areas including large-scale AI infrastructure that supports Japanese industry, high-performance computing (HPC), the AI4Science initiative, and physical AI and robotics. It also actively collaborates with universities and other external organizations. Its open research environment gives researchers the freedom to pursue new challenges and produce advanced research that creates value for businesses and society.

In June 2026, our managed supercomputer SAKURAONE ranked 22nd worldwide in the HPCG benchmark for AI and HPC infrastructure performance.

SAKURAONE was jointly developed by the SAKURA internet Research Center and Prunus-Solutions Inc., a SAKURA internet Group company. Since September 2025, it has been offered as a commercial managed HPC cluster service supporting AI development and R&D at companies and other organizations.
At ISC 2026 in June 2026, SAKURAONE ranked 22nd worldwide in the HPCG benchmark, which measures performance under workloads representative of real-world applications, including memory access and communication performance. It also ranked 63rd worldwide in the TOP500*, a global ranking of supercomputers by computing performance.
We are sharing the knowledge gained through this initiative in Japan and internationally, helping to advance technical capabilities across the industry. Going forward, we will continue to support R&D in advanced technologies by securing next-generation GPUs and providing high-value-added infrastructure, contributing to sustainable corporate value creation and the advancement of society.

*The TOP500 is a global ranking of supercomputers based on computing performance. The latest rankings were announced at ISC 2026, an international HPC conference and exhibition held in Hamburg, Germany.

↗ ISC Official Website