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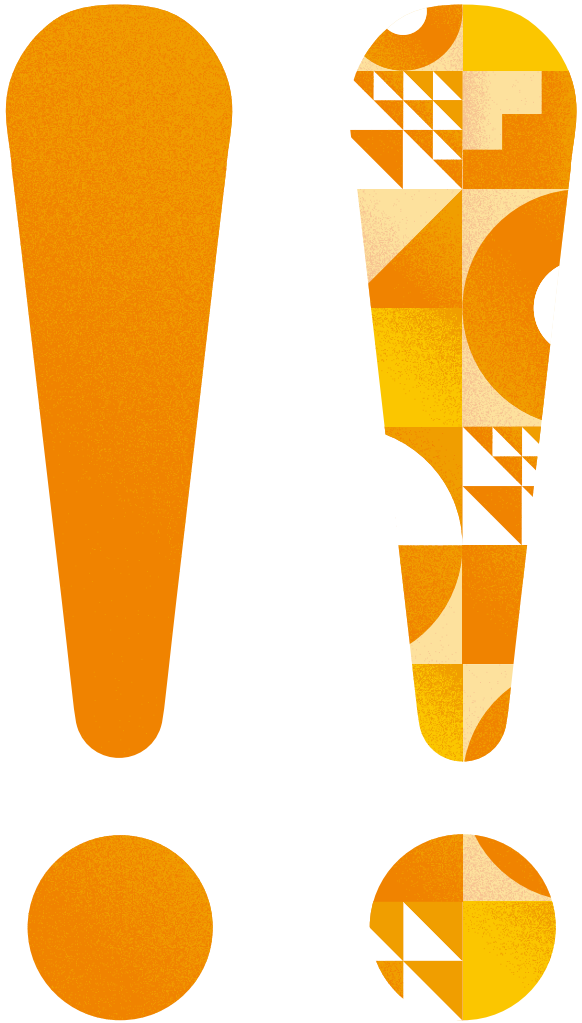
INTEGRATED REPORT 2026

RAKUS Co., Ltd.









Constantly helping companies grow their business by providing IT services

The "raku" in RAKUS means "ease" or "fun".
We want to "ease" the burden of complicated operations so that companies of all sizes and industries can focus more fully on the work they should be doing.
And so that working people can find "fun" in both their work and their lives.









Editorial Policy

The RAKUS Group has published this Integrated Report 2026, developed from its Sustainability Report 2025, with the aim of enhancing our corporate value and improving our sustainability evaluations.

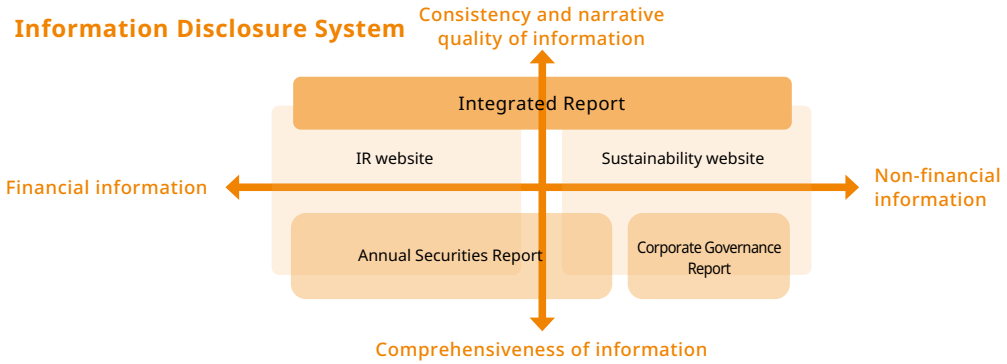
The editorial concept is to provide an "**integrated report that visualizes our sustainable corporate value creation through the integration of the financial and non-financial aspects of the RAKUS Group, which is striving to solve social issues with our cloud business through the implementation of our new Mid-Term Management Plan**" and present a vision of the future of the RAKUS Group by structurally organizing information and proactively disclosing it.

Centered around our corporate mission of "constantly helping companies grow their business by providing IT services", this report presents a story of value creation for the future and provides a concrete explanation of our growth strategy as a cloud company in the rapidly evolving AI era.

The chapter structure is as follows.
"About RAKUS" introduces our unique corporate culture and competitive advantages.
"Top Message" is a message from the President and Representative Director regarding the company's current position and future outlook.
"Value Creation Story" explains our initiatives aimed at enhancing corporate value over the medium to long term, centered on the new Mid-Term Management Plan launched this fiscal year.
"Strengthening Value Creation Capabilities" features the executive officers discussing their respective strategies based on the new Mid-Term Management Plan, followed by an introduction of the related initiatives.
"Foundation Supporting Value Creation" explains the governance foundation that supports our corporate soundness and growth, and is centered on a roundtable discussion between the outside directors.

Through this report, the RAKUS Group seeks to further enhance our corporate value by helping shareholders, investors, and other stakeholders deepen their understanding of the value we provide to society, our business operations, and our financial and ESG information, and increasing stakeholder dialogue.

Information Disclosure System



Referenced Guidelines

- International Integrated Reporting Framework
- Guidance for Collaborative Value Creation
- GRI Sustainability Reporting Standards

Corporate website

https://www.rakus.co.jp/

IR information

https://en.rakus.co.jp/

Inquiries: ir@rakus.co.jp

Reporting Scope and Period

The reporting scope covers RAKUS Co., Ltd. and its consolidated subsidiaries in Japan and overseas. Some information concerning other affiliate companies is also included. The reporting period is from April 2025 to March 2026.

* Some information from outside the reporting period is also included.

Forward-looking statements

Forward-looking statements contained in this report are based upon the information that is currently available, and actual results may differ due to various factors.

INTEGRATED REPORT 2026 RAKUS Co., Ltd.

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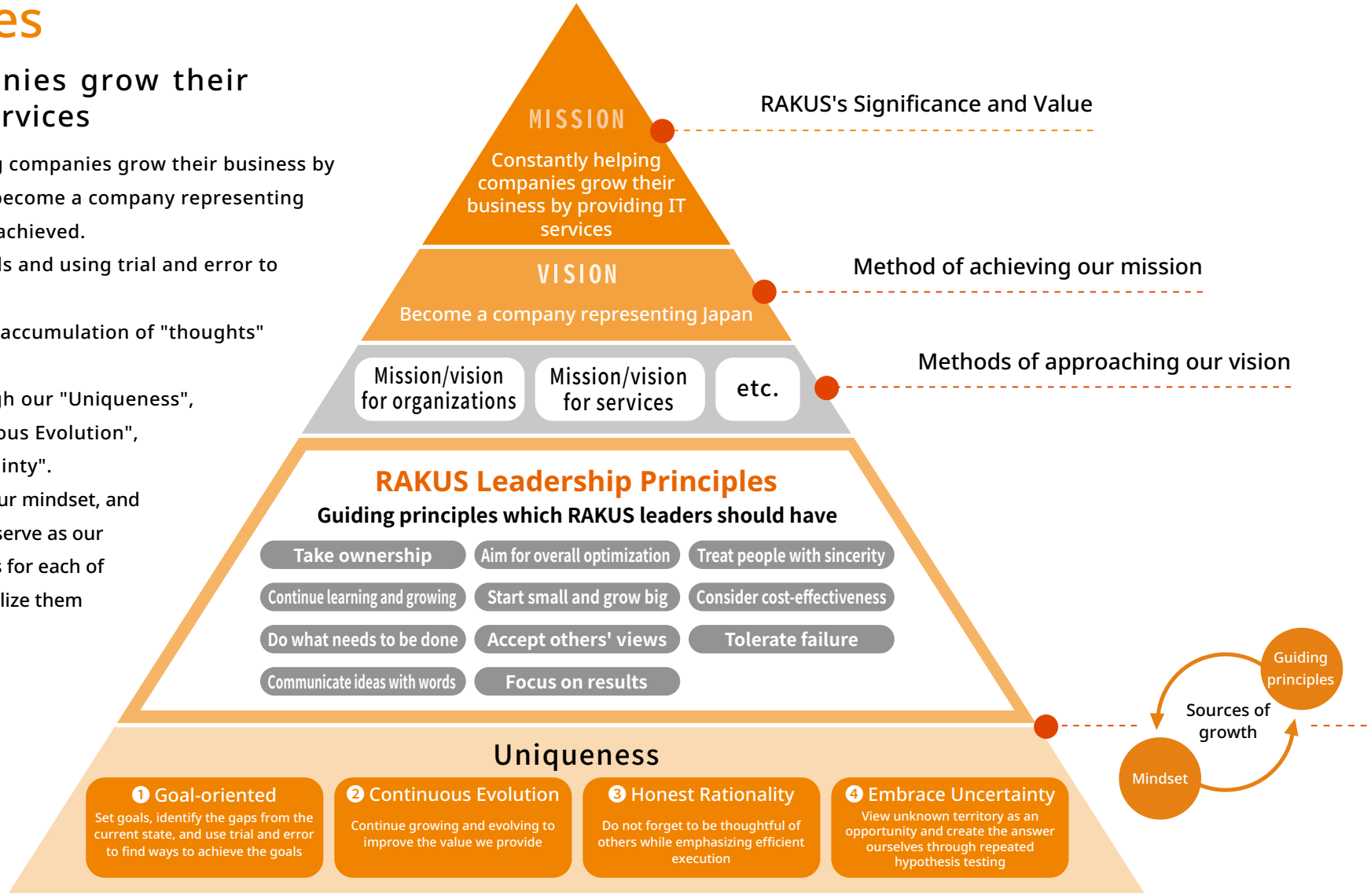
RAKUS's Objectives

Constantly helping companies grow their business by providing IT services

Our mission at RAKUS is "constantly helping companies grow their business by providing IT services" and our vision is to "become a company representing Japan", and we regard these as goals to be achieved.
We have a culture of constantly setting goals and using trial and error to ensure we achieve them.
We believe that culture is built through the accumulation of "thoughts" and "actions".
Our distinctive thinking is expressed through our "Uniqueness", which consists of "Goal-oriented", "Continuous Evolution", "Honest Rationality", and "Embrace Uncertainty".
Based on this Uniqueness, which represents our mindset, and the RAKUS Leadership Principles (RLP), which serve as our guiding principles, we set missions and visions for each of our organizations and services, and aim to realize them for RAKUS as a whole.



RAKUS by the Numbers

*FY2026.3 results, or as of March 31, 2026

Year founded

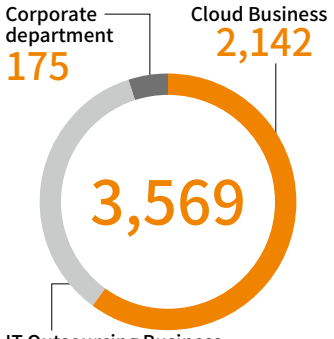
2000

Number of locations (as of August 2026)



12 locations

Number of employees



Parental leave uptake rate (consolidated, regular + non-regular)

Male 75.0%



Female 100.0%

Cloud Business

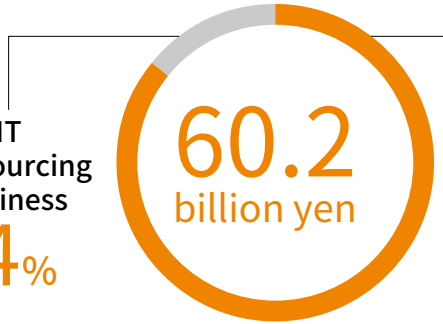
ARR
51.8 billion yen

Recurring revenue ratio
92.6%

Cumulative number of companies using our services
more than 108,000



Consolidated net sales



IT Outsourcing Business 14%

Cloud Business 86%

Operating profit	Ordinary profit	Profit attributable to owners of parent
17.3 billion yen	17.4 billion yen	13.2 billion yen

Paid leave utilization rate (consolidated, regular + non-regular)

87.9%

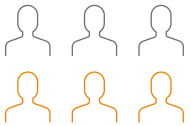


Paper reduction due to service adoption (Raku Raku Seisan, Raku Raku Meisai)

153 million sheets per year



Ratio of outside directors



50%

Ratio of outside Audit & Supervisory Board members



66%

Gender ratio of employees (consolidated, regular)

Men 66.5 : Women 33.5



Ratio of female managers (consolidated)

5.7%



Average monthly overtime hours (consolidated, regular + non-regular)

16.5 hours



Sponsored by the Great Place To Work® Institute Japan

"Companies that are the Best Workplaces" Top 100 ranking

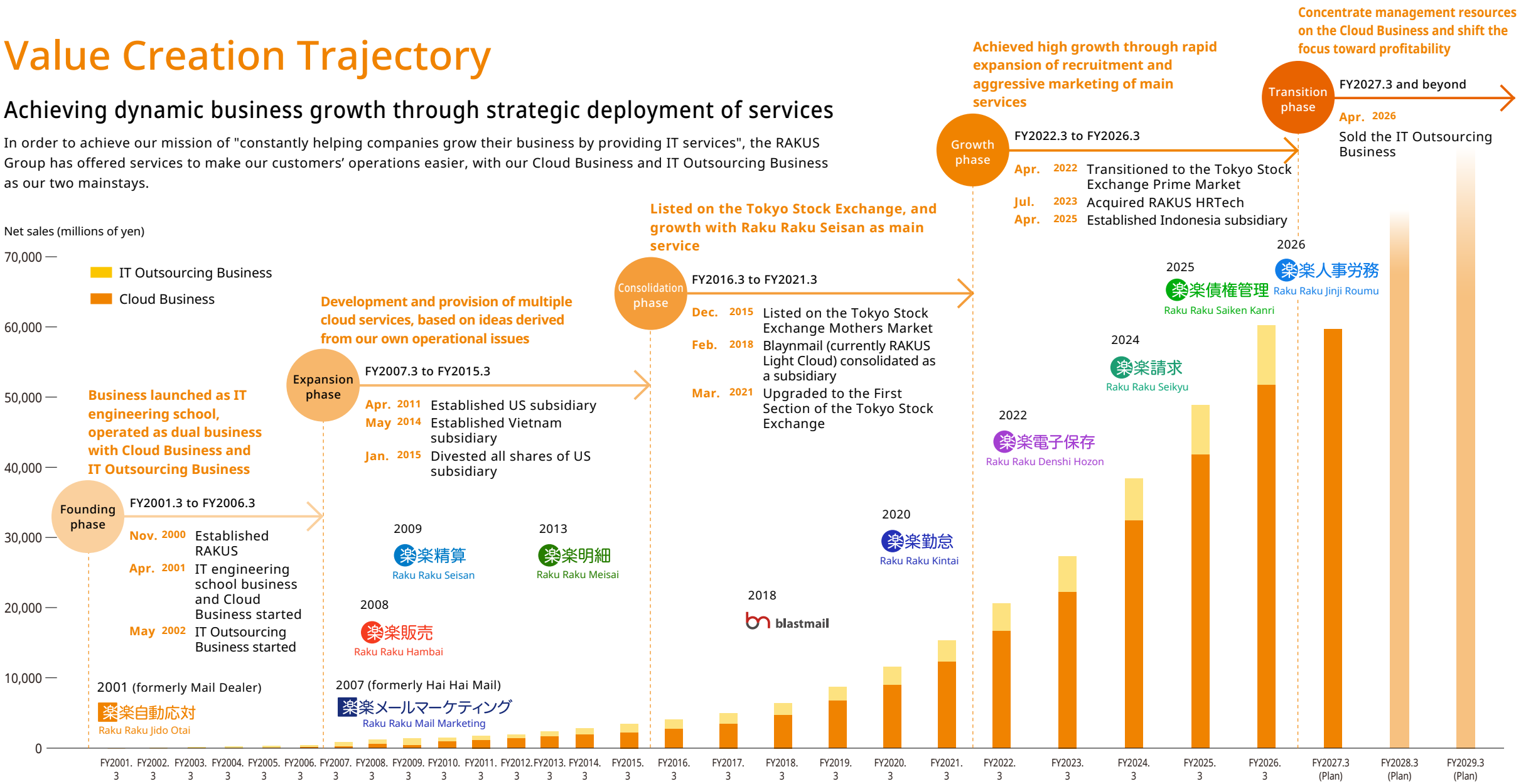
9th consecutive year



Value Creation Trajectory

Achieving dynamic business growth through strategic deployment of services

In order to achieve our mission of "constantly helping companies grow their business by providing IT services", the RAKUS Group has offered services to make our customers' operations easier, with our Cloud Business and IT Outsourcing Business as our two mainstays.



RAKUS's Corporate Culture

Our mission is "constantly helping companies grow their business by providing IT services" and our vision is to "become a company representing Japan". The foundation for achieving these goals is our unique organizational culture, born from the synergy between our "Uniqueness" mindset and the "RAKUS Leadership Principles" (RLP), our guiding principles.

Four thought processes of our "Uniqueness"

We have four thought processes that all our employees should have in common, which we call "Uniqueness". These serve as the basis for determining priorities and making decisions in our operations.

We have revised the components of our Uniqueness in response to changes in the market environment, including the rise of generative AI, and to achieve sustainable improvement in corporate value.

We updated "steady persistence" and "eliminating uncertainty" to "Continuous Evolution" and "Embrace Uncertainty" respectively, reflecting our intent to achieve constant growth even in a more rapidly changing environment.



Goal-oriented
Set goals, identify the gaps from the current state, and use trial and error to find ways to achieve the goals



Continuous Evolution
Continue growing and evolving to improve the value we provide



Honest Rationality
Do not forget to be thoughtful of others while emphasizing efficient execution



Embrace Uncertainty
View unknown territory as an opportunity and create the answer ourselves through repeated hypothesis testing



Eleven RAKUS Leadership Principles

The eleven RAKUS Leadership Principles (RLP) are the guiding principles for translating our mindset into concrete action. As our organization was growing, these principles were put into writing in 2014 to form a shared understanding of our leadership and ensure consistent conduct toward our stakeholders.

RLP (guiding principles)	Definition and expected behavior
Take ownership	Leaders should think of themselves as the owner of the company and always act with a sense of ownership. The long-term, continual sustainable growth of the company should be the priority. Speak up with conviction if you feel that a supervisor or an executive is making a decision that will negatively affect the company's growth.
Aim for overall optimization	Leaders should always think about what is important for the growth of the company as a whole and act accordingly. Do not focus solely on the interests of your own department or team. Actively gather information from other departments as well to optimize your activity.
Treat people with sincerity	Leaders should sincerely listen to each person around them. Consider matters not only from your own or the company's perspective, but also from the other person's perspective. Make every effort to ensure the other person is convinced and guide them toward a mutually agreeable outcome.
Continue learning and growing	Leaders should make relentless efforts to gain the new knowledge and experience they need to achieve their objectives. Stay in touch with the latest information and keep your knowledge current. Proactively learn from competitors and leading companies in other industries, and use those lessons to help your own company grow.
Start small and grow big	Leaders should actively take on new initiatives. You can never know whether a new initiative will actually work. Start with a small scope and a small budget to test whether the hypothesis is truly correct. Expand the scope and budget while making careful choices, and ultimately grow the initiative into something significant.
Consider cost-effectiveness	Leaders have the authority to execute a budget. Every budget must be reviewed to ensure that it delivers appropriate value compared to its cost. Executing a budget must not be treated lightly just because it is company money.
Do what needs to be done	Leaders should always think about what needs to be done. Do what is necessary to solve an issue faced by customers or the organization, not what you want to do.
Accept others' views	Leaders should accept others' views sincerely, even when they differ from their own ideas. Maintain a healthy skepticism toward yourself and consider what is truly right from an objective perspective. If you realize you are wrong, acknowledge it honestly and always strive to be moving toward the proper conditions.
Tolerate failure	Leaders should tolerate failure by those around them when based on a hypothesis. There are times when, even with the knowledge of something, it cannot be understood until it is actually experienced. Regard failure as a major learning opportunity and encourage people to make use of it.
Communicate ideas with words	Leaders should always communicate their own ideas in words. What you are thinking cannot be conveyed without words. If a message does not take hold, repeat it carefully until it is understood.
Focus on results	Leaders should be Goal-oriented and do their utmost to achieve their goals. When faced with difficulty, confront it head-on and do not compromise. Anticipate problems and always keep a fallback plan in mind.

Message from the President

Facing change and realizing the next transformation while guided by our mission to constantly help companies grow their business

Takanori Nakamura President and Representative Director



▶"RAKUS-ness" will remain a competitive advantage in the AI era

In Japan, where the population continues to decline, improving productivity has become an issue for society as a whole. Digitalization and the use of AI have become indispensable means to achieve this. Until now, we have supported corporate digitalization through the cloud. And now, as AI is added to this, the very nature of work is beginning to change.

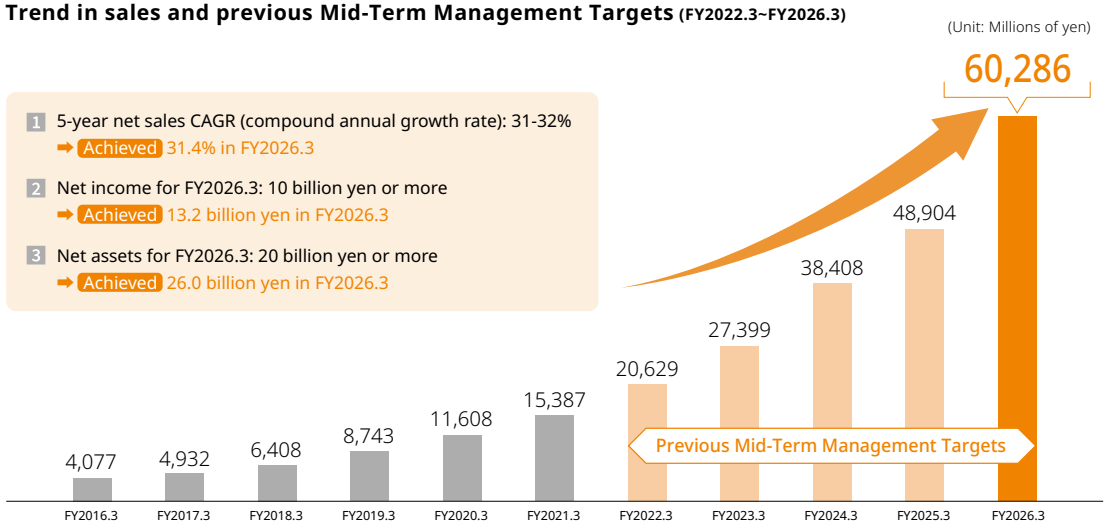
I do not view advances in AI as a headwind for the Cloud Business. At the beginning of 2026, the "SaaS is Dead" narrative swept the market, but I see it as an opportunity, not a threat. As consolidation of the industry progresses, the concentration of market share among players that can stay close to customers will instead be a tailwind for us. The development of AI-native products is also coming into view.

What matters is what is truly best for our customers. Deeply understanding each customer and delivering value at the right time and in the right way, according to their needs and circumstances. In the coming era in which AI will become widespread, I believe our mission of "constantly helping companies grow their business by providing IT services" will become even more necessary and remain a source of unwavering uniqueness.

Not choosing between the cloud and AI, but what the customer truly wants

Our continued refinement of both the ability to turn what customers truly want into products and a carefully crafted go-to-market strategy for delivering them has been behind our steady growth. Create good products, communicate their value, have customers use them, and then improve them further. We have captured the wave of digitalization by making this cycle function effectively. We are not satisfied with simply developing excellent products; we design them with consideration for how customers will use them and how they will experience the benefits. The more advanced technology becomes, the more important it is to start from the frontline operations of each of our customers and accurately deliver what they need.

Trend in sales and previous Mid-Term Management Targets (FY2022.3~FY2026.3)



In that sense, what matters to customers is not whether a service is cloud-based or AI-based, but whether it helps their own business operations. If the current way of doing things is functioning well, they can continue using it, or AI can be incorporated if that would make it better. Alternatively, there may be cases where the optimal approach is to use AI to connect multiple systems. The level of digitalization and AI adoption varies significantly from company to company. Some companies are already making full use of AI, some are utilizing the cloud only in limited areas, and others still manage attendance with time cards. Not all customers can be approached based on the same assumptions. Rather than imposing our own approach, we need to start by considering how the customer wants to use a service and how they can use it. I think that is what it all comes down to.

Questioning how to make use of the capacity created by AI

Simply making operations more efficient through the introduction of AI is not enough. It will not lead to productivity improvement in the true sense unless we also consider how to make use of the capacity that is freed up by AI, and how to redesign operations and roles for that purpose. In fact, there are many cases in which AI has been introduced but its benefits are not being fully realized. It is essential to look beyond to what customers want to accomplish and think through how to make it happen.

In the field of cloud services for SMBs, simply implementing superficial AI features is not enough to create differentiation. Maintaining high-touch customer engagement while remaining closely and thoughtfully engaged with the customer's frontline operations. I believe that the true value of our distinctive ability to provide such attentive, detailed support will be manifested in the age of AI. This is why I am devoting my own time to keeping our entire organization focused on our customers' ideas and true intentions. Taking a single cancellation of a service as an example, rather than stopping at the surface-level reason that the price was too high, we should dig deeper into why the customer felt that way, how their operations are running after they cancelled our service, and what is the cost of such. I believe that embedding a deep commitment to understanding customers across our organization enhances the quality of our support and leads to outcomes where we continue to be chosen by customers, even amid change.

Flexible "environmental adaptiveness" is RAKUS's reproducible strength

The environment is constantly changing, and how quickly we can respond to those changes is the source of our competitiveness as a company. During the previous Mid-Term Management Targets period (FY2022.3 to FY2026.3), in the first half we steadily captured market demand and were able to accelerate as a period of high growth. In the

second half of the period, however, the market shifted to the late-majority segment, and the pace of growth naturally began to ease. As a result of responding agilely to this change in the tide and advancing our shift toward a profit-oriented structure, in the third quarter of FY2026.3 we achieved an operating profit margin in the 30% range for the first time on a quarterly basis while maintaining stable growth in net sales. This "environmental adaptiveness" is our unique, reproducible strength.

In our new Mid-Term Management Plan (FY2027.3 to FY2029.3), our top priority is the achievement of the "Rule of 50". This standard, which aims for a combined net sales growth rate and operating profit margin of at least 50%, is a step above the industry's common "Rule of 40" and is also a declaration that we will pursue not only net sales growth but also improved operating profit margin at the same time.

The KPI we are focused on is sales per regular employee. It is essential to increase the productivity of each individual in order to shift from a phase of acquiring new accounts by adding people to a phase of accumulating accounts without increasing headcount. This is where the internal use of AI plays an important role.

In July 2025, we established the position of CAIO (Chief AI Officer), who is responsible for integrated leadership of company-wide AI utilization and strategic promotion. This reflects our intention to embed AI into management, rather than treating it as merely a technology, and we are promoting the use of AI across areas such as development, sales, and customer success, while also making our internal operations more advanced. AI is ultimately an assistant that supports people, and final decisions and responsibility rest with humans. Our stance of continuing to learn through trial and error while pursuing our own growth and contributions to society will remain unchanged.

Continuing to take action without complacency based on the foundation we have built

Regarding capital policy, how we use capital has become more important than ever now that we have accumulated free cash flows. I believe M&A is the core of our capital allocation strategy and companies in the cloud domain are the main investment targets. We will make flexible decisions by asking whether an investment will contribute to both scale expansion and improved profitability, and whether we can create meaningful value after the acquisition, while not insisting on making targets wholly owned subsidiaries, including investing in minority interests. Broadening our product lineup by working with partners that have strengths in specific areas will also increase our speed and expand the options we can offer customers. Meanwhile, I believe a more AI-native mindset is required when developing products in-house.

In April 2026, we sold the IT Outsourcing Business, one of our founding businesses. Although the business was performing well, synergies with the Cloud Business had become limited, and we concluded that it made sense for us to focus on the Cloud Business, based on the view that there is an operator that is best suited to each business.

From a portfolio perspective, as all of our services continue to grow steadily, we will place more emphasis on building a balanced mix than on trying to create the next pillar. A structure in which a large share of sales depends on a single product also carries a significant risk of that product being disrupted. I believe spreading that risk across multiple services is healthier in terms of both stability and continuity.

By continuing to engage with our customers over many years, we have built not only a financial foundation and customer base, but also our human resources and trust, which are difficult to express in numbers. Although this provides a solid foundation for our sustained growth, I do not intend to become complacent with that foundation. Precisely because our circumstances can be altered by changes in the environment, we will identify those risks in advance and continue taking action at all times. Establishing products to follow on from Raku Raku Seisan and Raku Raku Meisai is also an urgent priority, and we will devote our full efforts to expanding Raku Raku Kintai and Raku Raku Seikyu, which are still in the growth stage.

To support more customers and deliver greater efficiency across Japan, we ourselves must continue taking on challenges. Guided by our mission of "constantly helping companies grow their business by providing IT services", we will face the changes that lie ahead and realize the next transformation.



Value Creation Story

RAKUS contributes to improving corporate productivity by providing cloud services that make business operations easier.
The time and value created by streamlining customers' operations promote corporate growth and help solve social issues such as labor shortages.
RAKUS achieves sustainable enhancement of corporate value through this circulation of value.



New Mid-Term Management Plan (FY2027.3 to FY2029.3)

We have formulated a new Mid-Term Management Plan that covers the three-year period from FY2027.3 to FY2029.3. Although we have achieved a high growth rate to date, we are reviewing our business portfolio in light of changes in the business environment and shifting to a structure that concentrates management resources on the highly profitable Cloud Business. Under the new Mid-Term Management Plan and based on our business foundation, we will evolve toward management that places greater emphasis on profitability and aim to sustainably enhance corporate value.

Direction

Shift to profitability-focused **quality growth**

External Environment

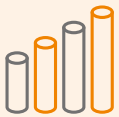
Although there is still demand for IT-driven efficiency improvements, **the domestic cloud market is maturing**
The business impact of generative AI is yet to materialize and **will be limited in the short term**

Mid-Term Policies

Achieve the **Rule of 50**[*1] through improvements in profitability and productivity while maintaining a growth rate that is expected of a growth company
Optimize capital efficiency while allocating management resources to **M&A and the development of AI-native products**

KPI

① Growth rate



Organic growth
in the Cloud Business
Sales CAGR: 15% or more[*2]

② Profitability



Achieve
the Rule of 50
(From FY2028.3 onward)

③ Productivity



Sales per regular employee
30 million yen or more
(FY2029.3)[*3, 4]

④ Capital efficiency



ROE: Maintain at or above 30%
Total payout ratio: 20% or more
Progressive dividend: Continue increasing dividends each year

*1 A target that seeks to achieve results that exceed the "Rule of 40", an indicator that investors in the cloud industry pay attention to, which considers the sum of the sales growth rate and operating profit margin exceeding 40% as desirable.
*2 Assumes no M&A or major price revisions; implementing such would provide additional growth upside.
*3 The number of regular employees used in the calculation is the average number throughout the fiscal year.
*4 Actual sales per regular employee for FY2026.3 were 23.66 million yen (excluding the IT Outsourcing Business).

Four Growth Strategies

As the Japanese domestic market matures, balancing growth and profitability has become a key management priority.
Under the new Mid-Term Management Plan, we will pursue four key strategies while fully leveraging the business foundation we have built to date. P.35

① AI strategy



Improve ARPU*1 and reduce churn rate by implementing functions

Productivity improvement through proactive internal use

AI-native product development

② Enterprise strategy



Solid business foundation in SMB/MMB

Challenge

Full-scale entry into massive markets in which IT budgets are large

③ Cross-sell strategy



Best-of-Breed Strategy

Evolution

Integrated Best-of-Breed Strategy

P.15

④ Investment strategy



Explore inorganic growth opportunities while maintaining capital efficiency awareness

RAKUS's ample funds → Selective investment → Competitive products

*1 ARPU (Average Revenue Per User): Average unit price per customer for each product

Integrated Best-of-Breed Strategy

Awareness of the business environment and the need for new strategies

Japan urgently needs to improve productivity due to the decline in its working-age population. In this environment, software investment by Japanese companies remains firm, but certain barriers still exist to achieving operational efficiency through digitalization. In addition to the high level of expertise required to independently identify operational issues, the difficulty of expanding digitalization achieved in a specific area to other areas is a factor hindering further progress.

RAKUS has rapidly gained market share, primarily among SMBs,*1 through our "Best-of-Breed Strategy" of providing products with the best functionality in specific areas. However, effective utilization of our existing customer base is an important issue as the market matures and customer acquisition cost (CAC) is expected to rise.

Against this background, to both reduce the burden on customers and achieve sustainable growth, we will shift to an "Integrated Best-of-Breed Strategy" that provides one-stop support for the digitalization of all operations.

Definition of "Integrated Best-of-Breed Strategy"

This strategy is our unique approach that combines the advantages of the "Best-of-Breed" model, which enables deep problem-solving, and the "suite" model, which excels in data integration.

The "Best-of-Breed" model created issues in the form of the operational burden on customers, such as master data management when using multiple products and configuring and developing integration between systems. On the other hand, the "suite" model had a weakness in being prone to inferior functionality in certain areas due to constraints in existing specifications.

The "Integrated Best-of-Breed Strategy" maintains the "highest level of functionality" in each area while "integrating convenience only" through a common ID infrastructure and automatic data integration between systems. This establishes superiority in both functionality and convenience, which creates a differentiating factor that is difficult to imitate.

Promotion measures

We will promote the following three measures to maximize the value provided.

❶ Common ID infrastructure "Raku Raku Jugyoin Portal"

Centralized management of ID information and employee master data to provide a seamless login environment for each Raku Raku Cloud product. This reduces the operational burden on administrative departments.

❷ Seamless data integration between products

Data integration reduces the manual input of data between products. We will pursue integration not only within Raku Raku Cloud but also with other products.

❸ Integration with fintech

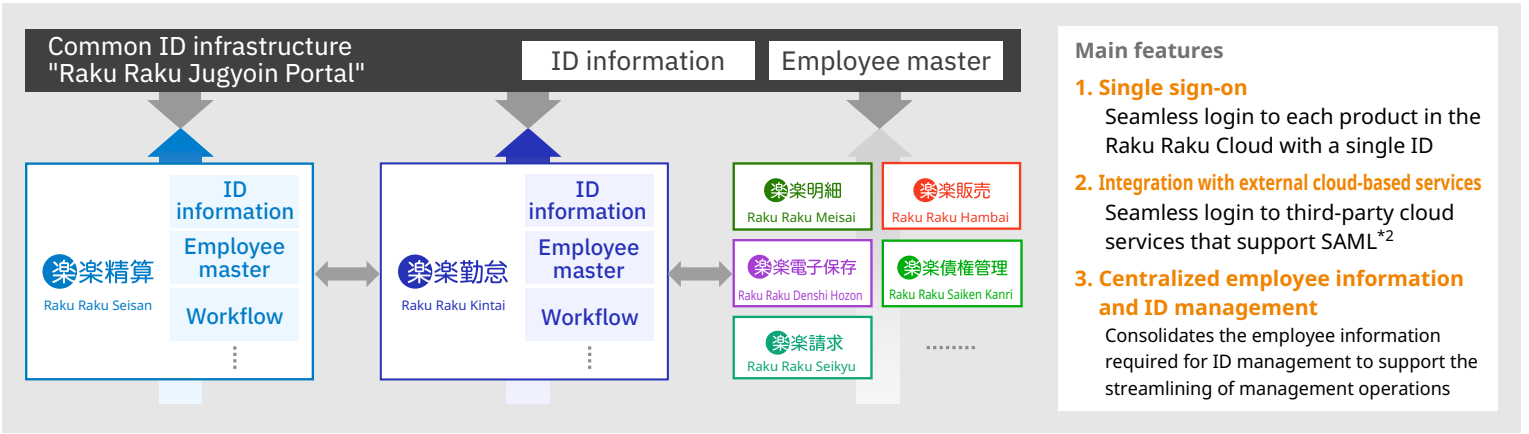
We will roll out "Raku Raku Business Card", an invoice credit card-payment service, and a bank transfer agency service. Our basic model will be a fee-based model in which we do not directly assume credit risk.

Sustainable growth and medium- to long-term outlook

The introduction of a common ID platform and improved convenience through data integration will lower the barrier to adopting multiple products, leading to a higher unit price per customer and a further reduction in the churn rate.

Over the medium to long term, we aim to expand the domains in which we provide products in order to continue supporting companies with complex operational challenges and achieve sustainable enhancement of corporate value.

Raku Raku Jugyoin Portal



Main features

1. Single sign-on
Seamless login to each product in the Raku Raku Cloud with a single ID

2. Integration with external cloud-based services
Seamless login to third-party cloud services that support SAML*2

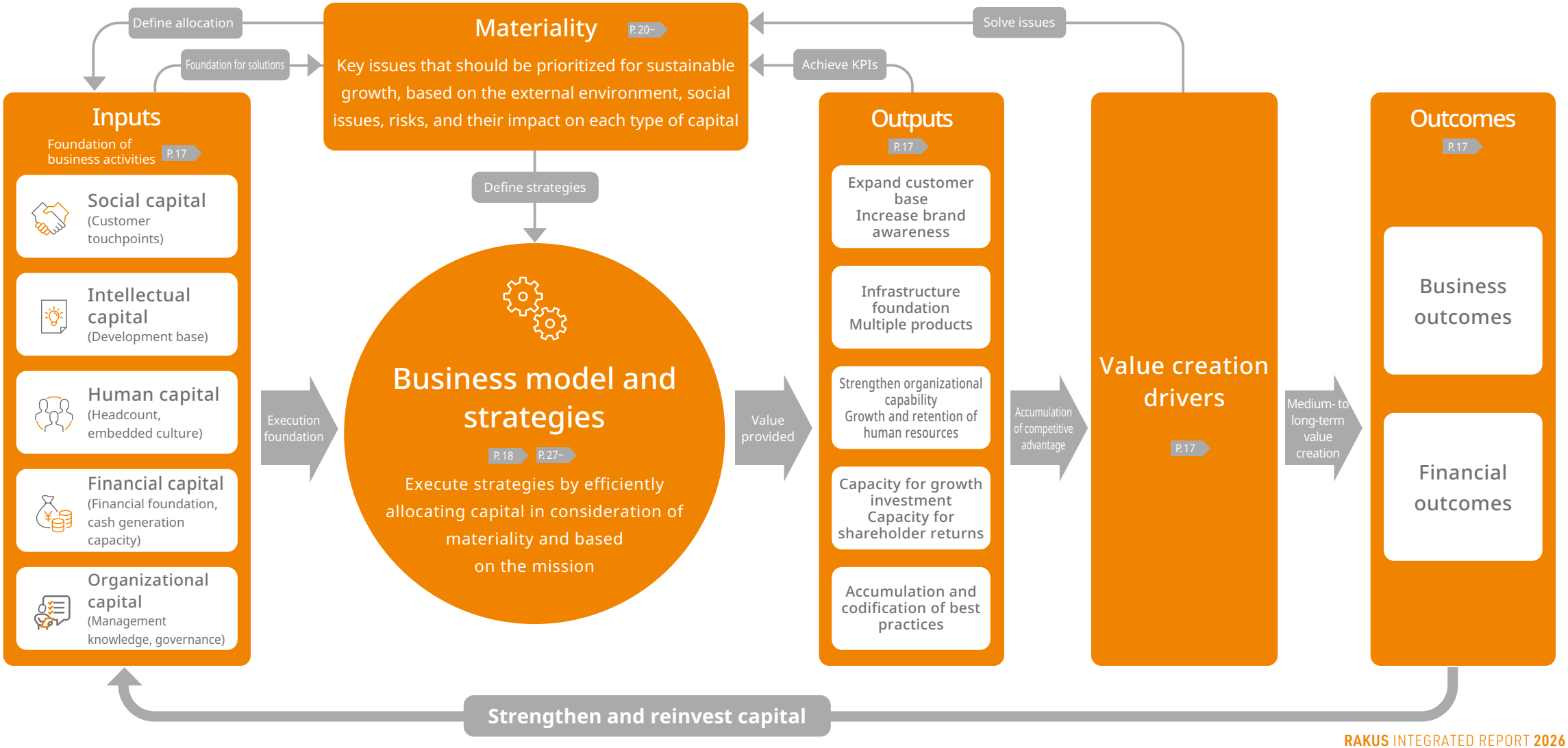
3. Centralized employee information and ID management
Consolidates the employee information required for ID management to support the streamlining of management operations

*1 SMBs (Small and Medium-sized Businesses): Companies with 30 to 999 employees, to which we mainly provide our products

*2 SAML (Security Assertion Markup Language): An XML-based standard for securely exchanging authentication information between different domains

Value Creation Process

MISSION **Constantly helping companies grow their business by providing IT services**



Flow from Inputs to Outcomes

	Inputs	Outputs
Social capital	●In addition to strategic investment in advertising and promotion and extensive customer touchpoints through our direct sales and partner networks, we possess organization-wide advanced sales and customer success know-how specialized for SMBs.	●Backed by high brand recognition and trust, the number of companies using our products has grown and we achieved the top sales share or the largest number of adopting companies across multiple products.
Intellectual capital	●In addition to a development structure that continuously improves products based on an understanding of our customers' operations, we have an infrastructure foundation that balances economic efficiency and agility.	●In addition to continuous functional improvements, we maximize customer satisfaction through competitive pricing while maintaining a stable delivery structure.
Human capital	●In addition to embedding our unique culture, we maintain and improve the quality of our human resources through initiatives to recruit and develop people with diverse experience and through management standardization.	●Sustained growth and retention of human resources enhance our organizational capabilities, enabling us to build an organization that continues to deliver consistently high performance without depending on the ability of individuals.
Financial capital	●Backed by strong cash generation capabilities and a solid financial foundation, we maintain a sound position that enables us to flexibly allocate resources to growth investments and shareholder returns.	●While maintaining financial discipline, we are pursuing both investments in business growth and stable, continuous shareholder returns.
Organizational capital	●In addition to the judgment needed to identify priority areas and the ability to articulate issues, we possess operational know-how and investment decision-making mechanisms cultivated through the growth of multiple businesses.	●We systematize and accumulate organizational know-how as “models” and achieve replicable business expansion by deploying the models to acquired businesses.

Inputs

RAKUS possesses various forms of capital as the foundation for its business activities, including customer touchpoints, development and technology infrastructure, human resources, financial foundation, and management knowledge. These forms of capital do not create value independently; they produce our competitive advantage by working in combination with one another.

Outputs

Through business activities that leverage these five forms of capital, we generate outputs such as enhanced brand recognition and expanded market share, high value-added products, an organizational foundation that produces results, optimal capital allocation, and the accumulation of organizational management know-how.

Value creation drivers

Our value creation is realized not through the simple accumulation of individual outputs, but through the "value creation drivers" that emerge when those outputs are combined. We generate results by organically linking all processes, from development through sales and support, centered around our unique business operation model.

Outcomes

The value creation drivers generate business outcomes such as a lower churn rate and higher ARPU, which in turn lead to financial outcomes such as sales growth and improved profitability. These financial outcomes also serve as a source of funds not only for reinvestment in advertising, human resources, and development for the next stage of growth, but also for inorganic growth such as expansion into new domains and M&A. We will realize sustained enhancement of corporate value by continuing to drive this cycle.

RAKUS's Business Model

At RAKUS, we strategically allocate our extensive management resources to all processes, from development and marketing to sales and customer success. This structure, in which professionals are assigned to each process and the entire organization engages with customers, is what gives us a competitive advantage over other companies.

Marketing: Strategic awareness building and creation of demand

We have established strong brand recognition in the market by continuously making large-scale investments in advertising and promotion. We continue to steadily create high-quality sales opportunities that serve as the starting point for growth by analyzing and utilizing the vast amount of data we have acquired.

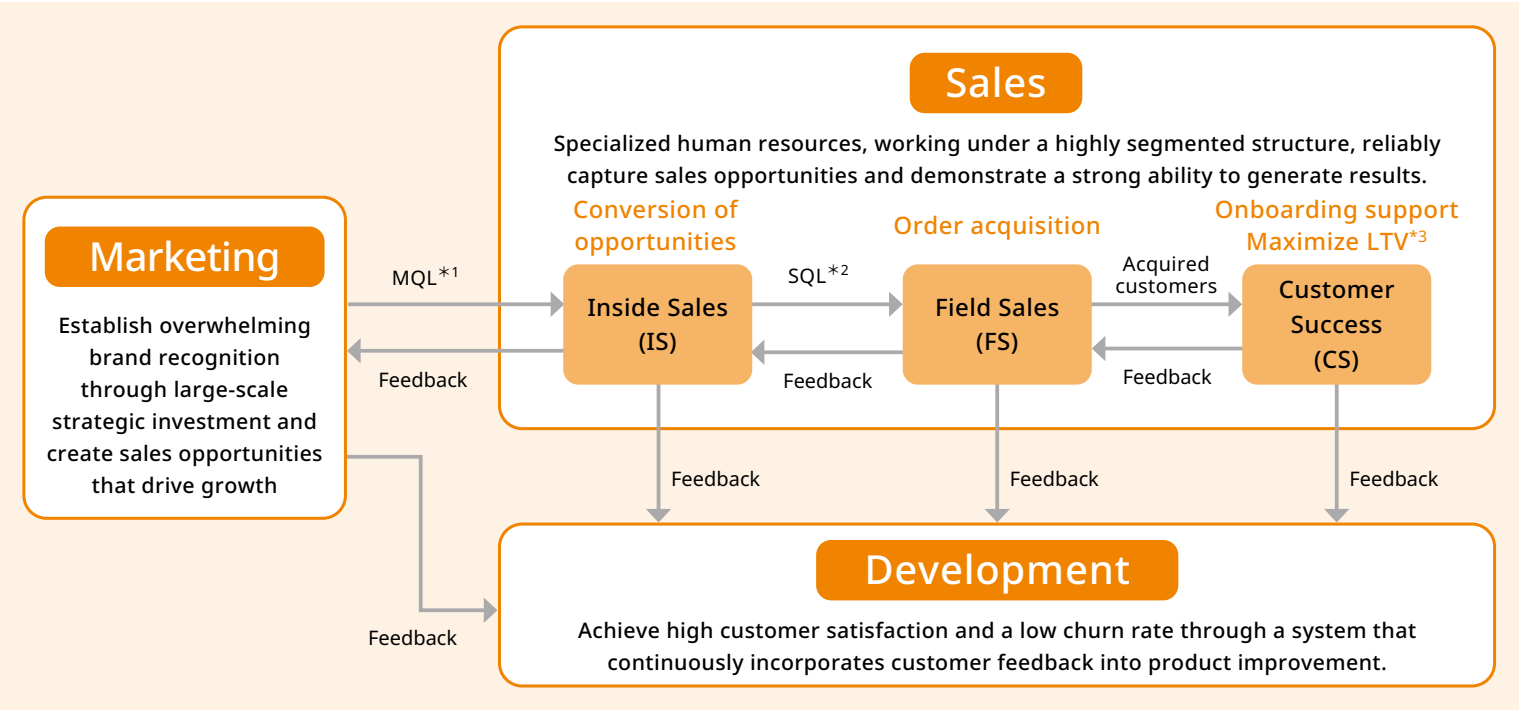
Sales: Maximizing value provided through specialized organizational collaboration

Inside Sales (IS): Acquiring sales opportunities

Customers' latent needs and issues are accurately identified by working closely with the marketing team and based on the analysis of a vast number of leads. This serves an extremely important role as the starting point for sales activities, as opportunities with a high probability of closing are acquired through the design of optimal sales opportunities.

Field Sales (FS): Contract acquisition

For each opportunity acquired by IS, in-depth interviews are conducted to understand the diverse issues each customer faces. Rather than simply introducing functions, concrete solutions are proposed which show how implementation will transform the customer's business. Our high level of expertise leads the customer towards adopting the service.



*1 MQL (Marketing Qualified Lead): Among acquired leads, high-quality leads that are likely to become sales opportunities
*2 SQL (Sales Qualified Lead): Among candidates for sales opportunities, high-probability opportunities for which it is determined that sales should work toward closing a contract
*3 LTV (Lifetime Value): Customer lifetime value. At RAKUS, calculated as monthly gross profit divided by monthly churn rate

Customer Success (CS): From implementation support to ongoing operational support

CS provides comprehensive support from configuring the service through to embedding it in internal operations. After operations begin, CS clarifies issues and makes additional proposals, guiding the customer toward "success". This hands-on support leads to expanded usage (upselling) and the adoption of other products (cross-selling). The presence of this CS supports improved ARPU and a low churn rate.

Development: Product strength that materializes customer feedback

We maintain a development structure that realizes a customer-oriented approach and quickly reflects customer feedback gathered from the sales frontlines into improvements. An agile development cycle that quickly incorporates market needs into services enhances our product competitiveness and forms the foundation that supports our top market share across multiple products.

Stakeholder Engagement

The RAKUS Group believes that in order to realize our mission of "constantly helping companies grow their business by providing IT services" it is essential that we co-create value not only with shareholders and creditors, but also employees, customers, business partners, local communities and various other stakeholders.

We promote a variety of activities based on the recognition that reflecting the expectations and issues identified through dialogue in our management and business activities, and appropriately distributing the earnings and outcomes created thereby to each stakeholder, directly leads to sustainable economic development and the medium- to long-term enhancement of corporate value. This section introduces specific dialogue initiatives with our major stakeholders.



Employees

Basic policy and approach

We regard human resources as our most important management resource and are striving to create an environment where all employees can work with peace of mind and continue to grow.

Human Resources Strategy P.41

Main initiatives

- Sharing the management vision and fostering a sense of unity through "Raku! Fest", an event all employees participate in
- Organizational improvement based on workplace feedback gathered through engagement surveys and the "Evaluation satisfaction questionnaire"
- Provision of development and training programs according to roles at each level, and executives conducting support interviews for managers
- Maintaining and promoting physical and mental health through the "Accumulated Fatigue Level Self-check" and thorough management of working hours
- Operation of various systems that support flexible work styles suited to individual lifestyles
- Appropriate operation of an anonymous whistleblowing system and strengthening of systems to prevent harassment
- Development of response systems and conduct of regular drills in preparation for disasters and emergencies

Customers

Basic policy and approach

Through the stable provision of safe and secure services, we are striving to support operational efficiency and sustainable growth through digitalization.

Main initiatives

- Provision of implementation and utilization support through highly specialized customer success
- Strengthening the support system by developing diverse customer touchpoints, such as inquiry contact points
- Rapid service improvement based on customer feedback
- Provision of information through various events, seminars, and our website

Business partners and other partners

Basic policy and approach

Through fair and honest transactions, we work to build appropriate collaborative relationships and information management systems with business partners and other partners, and strengthen the sound partnerships that support the provision of high-quality services.

Main initiatives

- Daily communication through purchasing activities
- Thorough compliance and risk checks
- Establishment and operation of operational rules for purchasing, outsourcing, etc., and promotion of proper transactions in light of amendments to the Act on Preventing Delay in Payment to Small and Medium-Sized Subcontractors
- Confirmation of subcontractors' safety management and information management systems

Shareholders and investors

Basic policy and approach

We are working to ensure accurate and fair information disclosure and the proactive creation of opportunities for dialogue in order to meet the expectations of our shareholders.

Main initiatives

- Timely and fair information disclosure in accordance with laws, regulations, and disclosure rules, and correcting information asymmetry through simultaneous disclosure in Japanese and English
- Dissemination of information through general meetings of shareholders, financial results announcements, timely disclosures, and press releases
- One-on-one and group meetings with domestic and overseas investors
- Enhancement and visualization of non-financial information, including through the Integrated Report
- Establishment of an IR inquiry contact point
- Feedback of dialogue to management and reflection in improvements to disclosure
- Financial results briefings by the President and Representative Director
- Establishment of a system to prevent insider trading and conduct of regular education and awareness-raising activities for directors, officers, and employees

Local community

Basic policy and approach

As a member of the local community, we are working to resolve social issues and create shared value through our business.

Main initiatives

- Creation of employment and development of human resources at locations in Japan and overseas
- Revitalization of regional economies by supporting the digitalization of local companies
- Contribution to reducing environmental impact by promoting paperless operations
- Donations to support disaster-affected areas and to the fields of education and welfare

Materiality

As the decline of Japan's working-age population progresses, it will be essential to take steps to raise the labor productivity of each person so that economic affluence can be maintained. RAKUS's aim is to make life and work more enjoyable for people working at companies, by providing services that make operations more efficient, or in other words, easier.

To make this a reality, we have identified 12 important issues to be addressed by RAKUS as the materiality. These are the starting point for all our business activities, and the driving force in carrying out our sustainability activities.

Re-evaluation of materiality

In recent years, the environment surrounding companies has changed significantly due to the rapid development of AI and other advances in technology, the evolution of human capital management, and heightened cybersecurity risks. In light of these changes in the external environment, in May 2026 we reconsidered the material issues and re-evaluated our materiality from the perspectives of relevance to our business as well as the risks and opportunities. In particular, AI is becoming even more important as both a key opportunity to accelerate our business growth and an area that requires appropriate controls. Based on these considerations, we have positioned AI as a new material issue.

Identification process

To respond flexibly to changes in society and the business environment, RAKUS has identified material issues (materiality) and will hereafter continuously monitor and review them.

1 Identifying social issues and selecting materiality candidates

We identify issues that are socially significant and highly relevant to our company through consulting international sustainability guidelines such as SASB and GRI, as well as communicating with stakeholders such as investors, customers, and employees, and organize such issues as materiality candidates.

2 Evaluating the importance of the issues and analyzing their impact

Each issue is evaluated from multiple perspectives, including its impact on society and the environment, its relevance to our business, and whether we can contribute to the solution, and its priority is verified.

3 Approval at the management level

The adequacy of the materialities is examined at a Board of Directors meeting and identified as such after final approval.

4 Monitoring and management

We regularly monitor the identified materialities to see how they are addressed, and manage KPIs and the progress of measures.

5 Re-evaluation and updating

Taking into account changes in social trends and stakeholders' interests, we evaluate the degrees of importance of the materiality each fiscal year, and update them at a Board of Directors meeting. If changes are made, they are adequately disclosed through the Integrated Report.

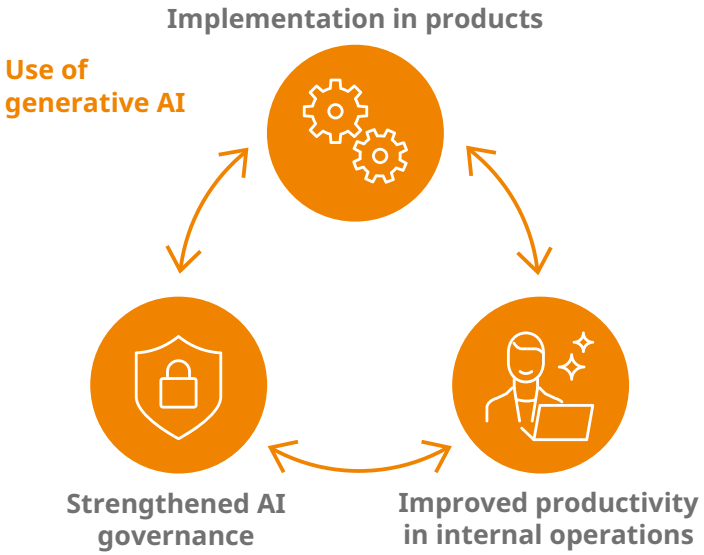
Shared elements of materiality

Risks	Opportunities	Response
Penalties, administrative guidance, social criticism, and loss of trust from stakeholders, and damage to corporate value due to inadequate response to each materiality	Improved social evaluation, and increased trust from stakeholders and corporate value through appropriate response to each materiality	Management and disclosure of risks and opportunities through adequate response in accordance with each materiality

Materiality of AI

Background to setting of materiality

In recent years, generative AI and other technological innovations have dramatically changed the way software delivers value. For RAKUS, which provides cloud services, AI represents a new business opportunity through operational efficiency and enhanced customer experience, and we believe it is important to prioritize its use both in implementing AI functions in products and in improving productivity in internal operations. On the other hand, it is also an area that requires appropriate controls in terms of information management, quality, and ethical compliance. In light of these opportunities and requirements, we have positioned AI as a new materiality and aim to enhance corporate value over the medium to long term by balancing the promotion of company-wide use that contributes to business growth with governance.



Risks, opportunities, responses, results, and targets

Risks	Opportunities	Response	Results (FY2026.3)	Indicators/Targets
● Delay in responding to the pace of evolution in AI technology, resulting in reduced product competitiveness and lost sales	● Strengthen product competitiveness and expand sales by improving customer experience and creating added value through "AI x Cloud"	● Increase ARPU by promoting the implementation of AI functions in each product and raise LTV by preventing churn	● LTV for Raku Raku Seisan: 19.07 million yen (17.04 million yen in FY2025.3) ● LTV for Raku Raku Meisai: 33.57 million yen (26.00 million yen in FY2025.3)	● LTV for Raku Raku Seisan: **higher level than the previous fiscal year's level** ● LTV for Raku Raku Meisai: **higher level than the previous fiscal year's level**
● Emergence of legal and ethical risks associated with AI use, including copyright infringement, bias, and privacy violations	● Avoid legal and ethical risks and build trust by ensuring thorough awareness of AI guidelines	● Build an AI governance framework centered on the CAIO (Chief AI Officer) and establish AI guidelines	● AI guideline reviews: conducted twice	● Frequency of reviewing AI guideline: **at least once per year**
● Decline in organizational strength and competitiveness due to delay in developing and acquiring advanced human resources with AI skills	● Improvement in organizational strength and competitiveness through the developing and acquiring of advanced human resources with AI skills	● Maintain a high level of literacy by developing proprietary e-learning programs on AI use ● Raise awareness of and promote AI use company-wide	● E-learning program completion rate: 100% ● Average monthly use of generative AI per employee: 248 times	● E-learning program completion rate: 100% ● Average monthly use of generative AI per employee: **180 times or more**
● Productivity decline caused by AI misuse and hallucinations	● Improvement of productivity not dependent upon IT proficiency, through AI implementation	● Promote implementation of functions premised on the risks of misuse and hallucinations	● Sales per regular employee: 23.66 million yen (excluding the IT Outsourcing Business)	● Sales per regular employee: **30 million yen or more by FY2029.3**
● Obstruction of productivity improvements due to delay in developing the environment for AI use	● Productivity improvement through the development of an advanced environment for AI use	● Develop the environment for AI use for all employees and promote its use	● Penetration rate of the environment for AI use among all employees: 100%	● Penetration rate of environment for AI use among all employees: 100%

* The details of our AI strategy are published on the following website. URL https://www.rakus.co.jp/ai_strategy/ only in Japanese

Materiality List

Materiality 01



Responsibility for addressing climate change and contribution to decarbonization through our products

We aim for the realization of a sustainable society and improvement in corporate value by appropriately identifying and managing climate-related business risks and GHG (greenhouse gas) emissions, disclosing relevant information, and contributing to the decarbonization of society through the provision of cloud services.

Materiality 02



Human capital development and employee engagement

Supporting the growth and career development of each employee and creating a rewarding work environment through fair evaluation.

Materiality 03



Growing societal interest in the soundness of labor environments and treatment

Aiming to reduce health risks for employees and improve productivity and hiring competitiveness by building a workplace where employees are physically and mentally healthy and feel a high level of psychological safety.

Materiality 04



Growing societal interest in human rights awareness and diversity, equity, and inclusion

Building an inclusive workplace with a high level of psychological safety where diverse human resources can fully demonstrate their abilities will lead to greater creativity and problem-solving capabilities.

Materiality 05



Legal compliance and manifestation of ethical risks

Working to prevent compliance violations and misconduct, improve management stability through early detection, and enable rapid decision-making and risk mitigation based on appropriate internal controls.

Materiality 06



Increasing demands for information disclosure and accountability

Gain insight into management issues and accelerate transformation in internal awareness and improvements in management through constructive dialogue with stakeholders and visualizing non-financial information.

Materiality 07



Emergence of business continuity risks stemming from natural disasters, infectious diseases, and system failures and other causes

We will develop and strengthen business continuity plans to prepare for unforeseen events and establish systems so that we can provide our services stably even in the event of natural disaster, infectious disease, system failure, or other disruption.

Materiality 08



Growing risks associated with information security and cyber attacks

We will strive to improve service availability and stability and earn stakeholder trust by strengthening our multilayered defense and vulnerability management.

Materiality 09



Growing risks related to privacy and personal information protection

We will strive to prevent information leaks through the development and implementation of information management rules, minimize their impact if they occur, and ensure rapid initial response and trust by establishing a complaints handling system.

Materiality 10



Delays in DX and digital divide in rural areas

We will enhance social productivity and contribute to closing the digital divide by providing services that help customers improve operational efficiency.

Materiality 11



Demands for management that is conscious of the cost of capital and stock price

We will promote the enhancement of corporate value through improvements in capital efficiency that exceed market expectations, appropriate capital policies, and continuous review and disclosure of our shareholder returns policy.

Materiality 12



Growing interest in new business opportunities and risks arising from AI utilization

We will respond to the evolution of AI and promote product value enhancement and operational efficiency under appropriate governance.

Materiality	Risks	Opportunities	Response	Results (FY2026.3)	Indicators/Targets
Materiality 01  Responsibility for addressing climate change and contribution to decarbonization through our products	• Decline in trust from domestic and overseas investors, customers, and society due to delays in responding to and disclosing information on climate change and GHG emissions • Decline in reputation as an environmentally responsible company and damage to corporate value due to insufficient visualization of actual emissions and reduction efforts • Risk of a sharp increase in GHG emissions, including Scope 3, associated with accelerated AI implementation, etc. • Risk of damage to the corporate brand and decline in sales opportunities and market competitiveness if we fail to meet the expectations of customers and markets that emphasize environmental responsibility, due to insufficient internal awareness of environmental conservation or inadequate legal compliance	• Improved trust and reputation among domestic and overseas stakeholders through proactive efforts to address climate change and manage GHG emissions, as well as advanced disclosure • Strengthened brand value as an environmentally responsible company and competitive advantage in capital markets through understanding actual emissions and promoting reductions • Redefine our major products as high value-added solutions with added environmental value by quantitatively demonstrating their contribution to society-wide GHG reductions that exceed our own electricity consumption through their effect on paper reduction, etc. • Opportunity to expand business and investment opportunities by gaining recognition from domestic and international markets and investors through fostering high environmental awareness and ensuring strict compliance with relevant laws and regulations	• Disclosure and continuous review and updating of environmental policies to identify, assess, and manage risks and opportunities • Promotion of product development with an awareness of environmentally friendly features • Quantitatively visualize the environmental contribution effects of products and provide information to stakeholders	• Environmental policy review: conducted once • Reduction in paper consumption across society through "Raku Raku Seisan": approx. 76 million sheets[*1] • Reduction in paper consumption across society through "Raku Raku Meisai": approx. 77 million sheets[*2] • CO_2 emissions: Scope 1: 0 (t-CO_2) Scope 2: 795 (t-CO_2) Scope 3: 1,456 (t-CO_2) Scope 1 + Scope 2 + Scope 3: 2,251 (t-CO_2)[*3] • Internal announcement calling for consideration of environmental conservation: conducted once • Number of violations of environmental laws and regulations: 0	• Frequency of reviewing environmental policy: at least once per year • Reduction in paper consumption across society through "Raku Raku Seisan": 92 million sheets (FY2029.3) • Reduction in paper consumption across society through "Raku Raku Meisai": 120 million sheets (FY2029.3) • CO_2 emissions: currently considering setting quantitative targets • Internal announcement calling for consideration of environmental conservation: at least once per year • Number of violations of environmental laws and regulations: 0
Materiality 02  Human capital development and employee engagement	• Stagnation of skills development and decline in engagement due to lack of growth opportunities • Decline in engagement due to unclear career vision • Decline in engagement due to distrust toward the evaluation system	• Acceleration in skills development and increase in engagement due to ample growth opportunities • Increase in engagement due to the establishment of career vision • Increase in engagement due to trust in the evaluation system	• Acceleration in skills development through the adoption of the "RLP" guiding principles • Conduct career questionnaires and coordinate assignments through supervisors • Improve acceptance of evaluation feedback through proper operation of the evaluation system and stronger feedback skills	• Ratio of scores of 4.0 or higher in Survey of RLP Practice: 96.4%[*4] • Employees who answered in the career questionnaire that they can envision their career within the company: 71.6% • Employees who answered in the Evaluation Satisfaction Survey that they are satisfied with evaluation feedback: 95.0%	• Ratio of scores of 4.0 or higher in Survey of RLP Practice: at least 90% • Employees who answer in the career questionnaire that they can envision their career vision within the company: at least 75% • Employees who answer in the Evaluation Satisfaction Survey that they are satisfied with evaluation feedback: at least 90%
Materiality 03  Growing societal interest in the soundness of labor environments and treatment	• Mental and physical health impacts and reduced productivity due to long working hours and insufficient leave • Outflow of human resources due to a lack of work-life balance • Risk of disputes and reduced engagement due to disparities in working hours and treatment • Reduced recruiting strength due to a perception of being a difficult company to work for • Outflow of core human resources and higher recruitment and replacement costs due to slower improvement in treatment compared to other companies	• Reduced mental and physical health impacts and improved productivity by promoting health and productivity management • Human resources retained through consideration for work-life balance • Disputes avoided and engagement improved through appropriate management of working hours and treatment • Improved recruiting strength due to a perception of being an easy company to work for • Recruitment and training costs controlled and knowledge accumulated by achieving a low turnover rate through improvements to the working environment, including continuous improvement to treatment	• Disclosure and continuous review and updating of workplace health and safety policies to identify, assess, and manage risks and opportunities • Improve the workplace environment through the Health Committee • Introduction of the RAKU Smile System[*5] • Promote utilization through planned paid leave management • Explain programs through meetings before and after maternity and parental leave • Introduce and promote flexible work arrangements • Obtain external certifications	• Occupational Health and Safety Policy: newly established • Health Committee meetings: held 12 times • Fatigue Accumulation Self-Check score below 4: 89.3%[*6] • Average monthly overtime hours: 19 hours • Paid leave utilization rate: 88.1% • Company-wide parental leave utilization rate: 83.5% • Parental leave utilization rate by men: 75.8% • Company-wide return-to-work rate after parental leave: 100% • External certifications obtained related to the working environment: 3 • Disaster drills conducted: once • Safety confirmation drills conducted: twice • Health checkup rate: 98.4%	• Frequency of reviewing Occupational Health and Safety Policy: at least once per year • Frequency of Health Committee meetings: at least 12 times a year • Fatigue Accumulation Self-Check score below 4 points: at least 90% • Average monthly overtime hours: 20 hours or less (non-consolidated) • Paid leave utilization rate: at least 90% (non-consolidated) • Company-wide parental leave utilization rate: at least 75% (non-consolidated) • Parental leave utilization rate by men: at least 70% (non-consolidated) • Company-wide return-to-work rate after parental leave: at least 90% (non-consolidated) • Obtain external certifications for the working environment • Frequency of disaster drills: at least once per year • Frequency of safety confirmation drills: at least twice a year • Health checkup rate: 100% (non-consolidated)

*1 Estimated based on the assumption that paper consumption is reduced by one sheet for each expense reimbursement processed. *2 Estimated based on the assumption that paper consumption is reduced by one sheet for each electronic document issued.

*3 Our CO_2 emissions are estimated based on certain assumptions, and are the total values for Scope 1, Scope 2, and Categories 6 (business travel) and 7 (employee commuting) of Scope 3 for our domestic sites. Scope 2 emissions are calculated by multiplying office electricity consumption by the regional emission factor. Within Scope 3, Category 6 emissions are calculated by applying factors to business travel expenses categorized by mode of transport, while Category 7 emissions are calculated using the number of business days, the number of employees, and applicable factors. Note that "t-CO_2" represents CO_2 (carbon dioxide) emissions in metric tons.

*4 The "RLP practice survey" is conducted to improve management quality by explicitly defining the mindset and behavioral guidelines required of our managers across 11 categories and visualizing the extent to which these are put into practice, based on evaluations by their subordinates. Every quarter, all subordinates rate their managers on each of these items using a scale of 1 to 6; the results are used to foster a management approach focused on consistently achieving high scores across all categories.

*5 The "RAKU Smile System" is a program for full-time employees who live with and are raising children up to the third grade of elementary school; it allows them to reduce their working hours by up to two hours (in 30-minute increments) and select corresponding performance evaluation criteria. In addition, employees with children under the age of three who are not enrolled in daycare are able to work from home.

*6 The "Accumulated Fatigue Level Self-check" is a system implemented for employees whose monthly overtime work exceeds 45 hours. Employees conduct a self-assessment regarding their subjective symptoms and work conditions over the past month, resulting in an overall score ranging from 0 to 7. Employees who score 4 points or higher are classified as individuals experiencing high levels of stress.

Materiality	Risks	Opportunities	Response	Results (FY2026.3)	Indicators/Targets
Materiality 04  Growing societal interest in human rights awareness and diversity, equity, and inclusion	• Rigid decision-making due to lack of diversity • Harassment and outflow of human resources due to lack of equity • Reduced recruitment competitiveness due to lack of diversity	• Enhanced creativity and problem-solving capabilities by embracing diverse human resources • Improved engagement and human resources retention through equitable treatment • Improved recruitment competitiveness through corporate understanding of diversity	• Disclosure and continuous review and updating of human rights and DEI policies to identify, assess, and manage risks and opportunities • Build a fair management system by embedding the RLP guiding principles • Establish and appropriately operate the whistleblowing system and consultation system • Recruitment activities designed to help eliminate bias	• Frequency of reviewing human rights and DEI policy: reviewed and revised once • Ratio of scores of 4.0 or higher in Survey of RLP Practice: 96.4% • Rate of starting investigation by the next business day after an internal report: 100% • Rate of completing response within 20 business days after an internal report: 100% • Ratio of women among new hires: 30.8% • Ratio of employees with disabilities: 1.6% • Completion rate of human rights and DEI training for all officers and employees: 100%	• Frequency of reviewing human rights and DEI policy: at least once per year • Ratio of scores of 4.0 or higher in Survey of RLP Practice: at least 90% • Rate of starting investigation by the next business day after an internal report: 100% • Rate of completing response within 20 business days after an internal report: 100% • Ratio of women among new hires: at least 30% • Ratio of employees with disabilities: at least 2.5% (until June 2026), at least 2.7% (July 2026 onward) • Completion rate of human rights and DEI training for all officers and employees: 100%
Materiality 05  Legal compliance and manifestation of ethical risks	• Litigation risk and management instability due to organizational misconduct and harassment • Decline in employee engagement due to the spread of a dishonest corporate culture • Delay in decision-making and errors in management judgment caused by deficiencies in internal controls • Delay in responding to local regulations associated with overseas expansion and expansion of new transactions • Risk of brand damage due to acquired companies' compliance standards not meeting our standards as investment accelerates	• Improve management stability by preventing and promptly identifying compliance violations and fraudulent conduct • Improve engagement by embedding a corporate culture of integrity and transparency • Prompt decision-making and risk mitigation based on appropriate internal controls • Ensure the security of overseas expansion and expanded transactions by appropriately identifying and responding to local regulatory risks • Opportunity to enhance a target company's social credibility and business continuity by rapidly applying our governance and compliance standards to the target company and standardizing its management foundation, thereby accelerating inorganic growth and the enhancement of corporate value across the Group	• Disclosure and continuous review and updating of the Compliance Policy to identify, assess, and manage risks and opportunities • Disclosure and continuous review and updating of the Anti-Corruption Policy to identify, assess, and manage risks and opportunities • Disclosure and continuous review and updating of the Basic Policy on the Elimination of Antisocial Forces to identify, assess, and manage risks and opportunities • Establishment of a whistleblowing system and operation of anonymity and anti-retaliation mechanisms • Periodic implementation of training related to legal compliance and ethics • Proper operation of organizational bodies related to internal control	• Compliance Policy review: reviewed and revised once • Anti-Corruption Policy review: reviewed and revised once • Basic Policy on the Elimination of Antisocial Forces review: reviewed and revised once • Rate of starting investigation by the next business day after an internal report: 100% • Rate of completing response within 20 business days after an internal report: 100% • Legal training for all regular employees, excluding those on leave: conducted once • Insider trading training for all regular employees, excluding those on leave: conducted once • Audit & Supervisory Board meetings: held 13 times • Internal Control Committee meetings: held 12 times • Compliance training for all officers and employees: conducted once • Completion rate of compliance training for all officers and employees: 100% (excluding those on leave)	• Frequency of reviewing Compliance Policy: at least once per year • Frequency of reviewing Anti-Corruption Policy: at least once per year • Frequency of reviewing Basic Policy on the Elimination of Antisocial Forces: at least once per year • Rate of initiating investigation and response by the next business day following an internal report: 100% • Rate of completing response within 20 business days after an internal report: 100% • Frequency of legal training for all regular employees, excluding those on leave: at least once per year • Frequency of insider trading training for all regular employees, excluding those on leave: at least once per year • Frequency of Audit & Supervisory Board meetings: at least 12 times a year • Frequency of Internal Control Committee meetings: at least 12 times a year • Compliance training for all officers and employees: at least once per year • Completion rate of compliance training for all officers and employees: 100% (excluding those on leave)
Materiality 06  Increasing demands for information disclosure and accountability	• Delayed recognition of management issues due to insufficient dialogue with stakeholders • Delayed reform of internal awareness and management improvement due to insufficient recognition of non-financial information • Decline in interest from long-term investors due to inadequate sustainability disclosure	• Gain an appropriate understanding of management issues through constructive dialogue with stakeholders • Accelerate reform of internal awareness and management improvement through visualization of non-financial information • Communicate intrinsic corporate value through enhanced sustainability disclosure	• Disclosure and continuous review and updating of the Disclosure Policy to identify, assess, and manage risks and opportunities • Conducting materiality reviews based on dialogue with stakeholders • Continued disclosure and enhancement of the Sustainability Report • Alignment with international disclosure frameworks and enhancement of disclosure • Promote management's own accountability	• Disclosure Policy review: reviewed and revised once • Materiality update: conducted once • Financial results briefing by the President and Representative Director: held four times • Number of delayed timely disclosures: 0 per year • Time from posting on TDnet to posting on the corporate website: same day • Rate of posting timely disclosure information on TDnet in Japanese and English simultaneously: 100% • Internal training on insider trading regulations for officers and employees: conducted once • Update and disclosure of sustainability information: conducted once	• Frequency of reviewing Disclosure Policy: at least once per year • Frequency of updating Materiality: at least once per year • Frequency of financial results briefings held by the President and Representative Director: at least four times a year • Number of delayed timely disclosures: 0 per year • Time from posting on TDnet to posting on the corporate website: same day • Rate of posting timely disclosure information on TDnet in Japanese and English simultaneously: 100% • Internal training on insider trading regulations for officers and employees: at least once per year • Frequency of publishing updated sustainability information: at least once per year

Materiality	Risks	Opportunities	Response	Results (FY2026.3)	Indicators/Targets
Materiality 07  Emergence of business continuity risks stemming from natural disasters, infectious diseases, and system failures and other causes	• Expanded damage and social impact due to outages caused by natural disaster, infectious disease, system failure, and other events, and delay in response and recovery • Delay in initial response caused by inadequate BCP (business continuity plan) preparation or insufficient regular drills, which leads to increased customer impact and human harm, and loss of corporate trust • Instability in the provision of cloud-based services due to vulnerable cloud infrastructure and backup systems • Suspension or delay in service provision due to stoppages at suppliers or external contractors	• Limit damage and social impact by avoiding outages caused by natural disaster, infectious disease, system failure, and other events, and rapid response and recovery • Limit customer impact and human harm and improving corporate credibility through rapid initial response based on the preparation of BCP and regular drills • Provide stable cloud-based services through robust cloud infrastructure and backup systems • Provide stable services through improved risk management across the entire supply chain	• Development and periodic review of the BCP • Conduct emergency response drills and ongoing educational activities • Develop a safety confirmation system and emergency communication framework • Develop a remote business continuity environment • Strengthen cloud infrastructure and server redundancy and backup systems • Check the BCP readiness of suppliers and outsourcing partners, and strengthen collaboration	• Training for response to major failures based on BCP scenarios: conducted once • Verify recoverability by conducting data recovery tests: conducted once • Backup of all customer data to servers physically separated from the actual service operating environment: conducted daily • Backup of all customer data to servers located in a geographic location different from the primary service delivery site: conducted weekly	• Frequency of training for response to major failures based on BCP scenarios: at least once per year • Frequency of verifying recoverability by conducting data recovery tests: at least once per year • Frequency of backing up all customer data to servers physically separated from the actual service operation environment: at least once per day • Frequency of backing up all customer data to servers located in a geographic location different from the primary service delivery site: at least once per week
Materiality 08  Growing risks associated with information security and cyber attacks	• Service outages and incidents due to vulnerable system configurations and operational management • Loss of stakeholder trust due to occurrence of incidents • Loss of contract opportunities with government agencies and large enterprises due to not meeting security requirements • Decline in human and technical response capabilities due to insufficient internal accumulation of security knowledge • Obsolescence of the security framework due to delay in responding to increasingly sophisticated cyberattack methods	• Improved service availability and stability through multi-layered defense and enhanced vulnerability management • Increased stakeholder trust through the implementation of high security standards • Expanded business opportunities with customer segments that have high security requirements, such as government agencies and major corporations • Development of human resources and formation of the foundation for business expansion by strengthening in-house expertise in the security field • Business development and improved competitiveness by leveraging accumulated capabilities for responding to cyberattacks	• Maintain and renew ISMS certification • Conduct targeted attack email training • Disclosure and continuous review and updating of the Basic Information Security Policy to identify, assess, and manage risks and opportunities • Proper operation of organizational bodies related to information security • Conduct regular training for all employees • Confirm security status that includes external services that are used	• ISMS certification: maintained and renewed • Targeted attack email training: conducted once • Review of the Basic Information Security Policy: reviewed and revised once • Systems Committee meetings: held 12 times • Security Committee meetings: held 12 times • Security training completion rate: 100% (excluding employees on leave) • Company-wide communication of corrective action policies for initiatives to be addressed throughout the year regarding ISMS: conducted once • Confirmation of the security status of all external services contracted to handle information assets related to the Group's critical business operations: conducted once	• ISMS certification: maintain and renew • Frequency of targeted attack email training: at least once per year • Frequency of reviewing Basic Information Security Policy: at least once per year • Frequency of Systems Committee meetings: at least 12 times a year • Frequency of Security Committee meetings: at least 12 times a year • Security training completion rate: 100% (excluding employees on leave) • Frequency of company-wide communication of corrective action policies for initiatives to be addressed throughout the year regarding ISMS: at least once per year • Frequency of confirmation of the security status of all external services contracted to handle information assets related to the Group's critical business operations: at least once per year
Materiality 09  Growing risks related to privacy and personal information protection	• Information leakage due to inappropriate operations, such as mismanagement or mis-sending of personal information • Decline in stakeholder trust due to inadequate privacy protection systems and opaque operations • Loss of contract opportunities with government agencies and large enterprises due to inadequate personal information management systems • Improper handling of personal information by employees and loss of trust resulting from insufficient training • Delayed response due to an inadequate privacy complaint response system • Expanded impact due to inadequate management at external services contracted to handle personal information	• Prevention of information leaks, and minimization of the impact if they occur, through the development and implementation of information management rules • Improved stakeholder trust by ensuring the transparency of the privacy protection system • Expanded business opportunities with customer segments subject to strict personal information protection requirements, such as government agencies and large enterprises • Improved accuracy in handling personal information and reduced risk through appropriate internal training • Faster initial response and ensured trust through establishment of a privacy complaint response system • Avoid risks through safety assessments of external services and establishment of a secure service provision system	• Maintenance and renewal of the Privacy Mark certification • Disclosure and continuous review and updating of the Personal Information Protection Policy to identify, assess, and manage risks and opportunities • Proper operation of organizational bodies related to personal information protection • Conduct regular training for all employees • Establishment of a contact point for privacy-related inquiries and complaints • Confirm security status that includes external services that are used	• Privacy Mark certification: maintained and renewed • Personal Information Protection Policy review: reviewed and revised once • Systems Committee meetings: held 12 times • Security Committee meetings: held 12 times • Security training completion rate: 100% (excluding employees on leave) • Company-wide communication of corrective action policies for initiatives to be addressed throughout the year regarding Privacy Mark certification: conducted once • Confirmation of the security status of all external services contracted to handle personal information: conducted once	• Privacy Mark certification: maintain and renew • Frequency of reviewing Personal Information Protection Policy: at least once per year • Frequency of Systems Committee meetings: at least 12 times a year • Frequency of Security Committee meetings: at least 12 times a year • Security training completion rate: 100% (excluding employees on leave) • Company-wide communication of corrective action policies for initiatives to be addressed throughout the year regarding Privacy Mark certification: at least once per year • Confirmation of the security status of all external services contracted to handle personal information: at least once per year

Materiality	Risks	Opportunities	Response	Results (FY2026.3)	Indicators/Targets
Materiality 10 Delays in DX and digital divide in rural areas	• Loss of market development opportunities due to insufficient appeal to segments that are yet to adopt DX • Increase in churn rate and decline in customer satisfaction due to a weak support structure during the initial implementation and adoption phases • Delayed business development due to insufficient brand recall and product awareness • Risk of expected productivity not being secured despite increased costs associated with opening new locations, reducing profitability and return on investment for the Group as a whole	• Capture market development opportunities by appealing to segments that are yet to adopt DX • Decline in churn rate and increase in customer satisfaction due to a comprehensive support structure during the initial implementation and adoption phases • Accelerated business development through improved brand recall and product awareness • Opportunity to secure undeveloped SMB segments early and expand market share through efficient market entry by strengthening partnerships with regional financial institutions and local governments, thereby gaining a long-term, stable revenue base and economies of scale	• Promote product design that is easy for SMB to adopt • Develop a highly specialized customer success structure tailored to each product • Promote proactive promotional activities with awareness of cost-effectiveness	• Cumulative number of companies using services in the wide-area sales sector: 12,602[*1]	• Cumulative number of companies using services in the wide-area sales sector: at least 23,000 (FY2029.3)
Materiality 11 Demands for management that is conscious of the cost of capital and stock price	• Corporate value harmed due to lower capital efficiency and failure to meet market expectations • Increased financing costs due to decline in market confidence	• Enhanced corporate value through improved capital efficiency that exceeds market expectations • Reduced financing costs due to increase in market confidence	• Continuous review of policies to realize management that is conscious of the cost of capital and stock price • Continue measures to realize management that is conscious of the cost of capital and stock price • Continuous review and disclosure of the Shareholder Returns policy	• Prepared for disclosure of measures to realize management that is conscious of the cost of capital and stock price[*2] • Achieved Rule of 50: 52.1% (revenue growth rate of 23.3% + operating profit margin of 28.8%) • Net sales CAGR (compound annual growth rate): 31.4% (five-year period from FY2022.3 to FY2026.3) • Sales per regular employee: 23.66 million yen (excluding IT Outsourcing Business) • ROE excluding extraordinary income/loss and other one-time factors: 52.8% • Shareholder returns: 71.3% total payout ratio (subject to the resolution at the annual general meeting of shareholders scheduled for June 2026); planned increase in dividends for the 14th consecutive year	• Frequency of reviewing measures to realize management that is conscious of the cost of capital and stock price: at least once per year • Achieve the Rule of 50 (from FY2028.3 onward) • Organic growth in net sales in the Cloud Business: CAGR of 15% or more (three-year period from FY2027.3 to FY2029.3) • Sales per regular employee: 30 million yen or more (FY2029.3) • ROE excluding extraordinary income/loss and other one-time factors: maintain at 30% or higher • Shareholder returns: total payout ratio of at least 20% and continued dividend increases every year
Materiality 12 Growing interest in new business opportunities and risks arising from AI utilization	• Delay in responding to the pace of evolution in AI technology, resulting in reduced product competitiveness and lost sales • Emergence of legal and ethical risks associated with AI use, including copyright infringement, bias, and privacy violations • Decline in organizational strength and competitiveness due to delay in developing and acquiring advanced human resources with AI skills • Productivity decline caused by AI misuse and hallucinations • Obstruction of productivity improvements due to delay in developing the environment for AI use	• Strengthen product competitiveness and expand sales by improving customer experience and creating added value through "AI x Cloud" • Avoid legal and ethical risks and build trust by ensuring thorough awareness of AI guidelines • Improvement in organizational strength and competitiveness through the nurturing and acquiring of advanced human resources with AI skills • Improvement of productivity not dependent upon IT proficiency, through AI implementation • Productivity improvement through the development of an advanced environment for AI use	• Increase ARPU by promoting the implementation of AI functions in each product and raise LTV by preventing churn • Build an AI governance framework centered on the CAIO (Chief AI Officer) and establish AI guidelines • Maintain a high level of literacy by developing proprietary e-learning programs on AI use • Raise awareness of and promote AI use company-wide • Promote implementation of functions premised on the risks of misuse and hallucinations • Develop the environment for AI use for all employees and promote its use	• LTV for Raku Raku Seisan: 19.07 million yen (17.04 million yen in FY2025.3) • LTV for Raku Raku Meisai: 33.57 million yen (26.00 million yen in FY2025.3) • AI guideline reviews: conducted twice • E-learning program completion rate: 100% • Average monthly use of generative AI per employee: 248 times • Sales per regular employee: 23.66 million yen (excluding IT Outsourcing Business) • Penetration rate of environment for AI use among all employees: 100%	• LTV for Raku Raku Seisan: higher level than the previous fiscal year's level • LTV for Raku Raku Meisai: higher level than the previous fiscal year's level • Frequency of reviewing AI guideline: at least once per year • E-learning program completion rate: 100% • Average monthly use of generative AI per employee: 180 times or more • Sales per regular employee: 30 million yen or more by FY2029.3 • Penetration rate of environment for AI use among all employees: 100%

*1 "Wide-area sales" refers to the 37 prefectures of Japan, excluding the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, and Saitama), the Chukyo region (Aichi, Mie, and Gifu), and the Keihan region (Osaka, Kyoto, and Hyogo).
*2 Disclosed in May 2026

Strengthening Value Creation Capabilities

In a rapidly changing business environment, companies need the ability to continue creating value.
RAKUS is working to expand the value it provides to customers and society by enhancing its value creation capabilities as its business evolves.



Message from the Chief Financial Officer

Identifying opportunities for growth investments and shareholder returns. Earning an appropriate market valuation through a disciplined financial strategy

Hitoshi Tomi

Executive Officer, Deputy Head of Corporate Management Division, and General Manager of Accounting and Finance Department



▶ Market maturity and changes in the business environment

During the previous Mid-Term Management Targets period (from FY2022.3 to FY2026.3), the environment surrounding RAKUS changed significantly. During the first half of the period, the market expanded rapidly on the back of demand for compliance with the Invoice System and the Electronic Book Preservation Act. In the latter half, however, special demand ran its course, and although demand for efficiency improvements remained, the domestic cloud market shifted to a phase of stable growth. At the same time, valuations in the capital markets also changed. At the time the previous Mid-Term Management Targets were formulated, net sales growth itself was being valued, and high valuations continued to be assigned. Since then, these expectations have been adjusted, and the focus has shifted toward placing greater emphasis on profitability and capital efficiency in addition to net sales growth. In addition, the rapid evolution of AI is changing views on the outlook for the business environment, as its impact on our business structure is expected to be limited in the short term but could affect product value and sources of competitive advantage over the medium to long term.

Amid these overlapping environmental changes, under the previous Mid-Term Management Targets, we achieved strong growth in net sales and improved profitability while also improving Return On Equity (ROE) and strengthening our financial foundation. However, it is difficult to say that these results have been fully reflected in our corporate value: our share price has remained sluggish, and our Price-to-Book Ratio (PBR) has declined. We understand this to be attributable not only to changes in the external environment but also to a gap between the market valuations and our capital efficiency and future growth potential.

▶ Closing the gap between our strengthened financial foundation and market valuation

To close this gap, under the new Mid-Term Management Plan, we will further strengthen our commitment to management that is conscious of the cost of capital and the stock price. We recognize our cost of capital to be 8-10%, and consistently exceeding this level is a prerequisite for creating corporate value. On this basis, the new Mid-Term Management Plan sets out a policy of maintaining ROE of 30% or higher, positioning this as financial discipline for sustaining capital efficiency. In FY2026.3, we worked to improve capital efficiency through the acquisition and cancellation of treasury shares. ROE is expected to rise in FY2027.3 due to one-time extraordinary income accompanying the sale of the IT Outsourcing Business, but we believe that continuously maintaining high capital efficiency will lead to enhanced corporate value.

What is important in maintaining this capital efficiency is our approach to capital allocation. Our recurring business model generates cash steadily, resulting in a structure in which capital readily accrues. We believe that the approach to capital allocation itself determines corporate value, because if capital is not allocated appropriately, shareholders' equity will expand and ROE will decline.

On that basis, the priority should be growth investments that strengthen our future earnings base. As the market continues to mature and acquiring new customers becomes more difficult, achieving sustainable growth requires not only strengthening the competitiveness of our own products but also capturing growth opportunities through investments in external companies. In particular, from an M&A perspective, we recognize that changes in the financing environment and the potential for market restructuring have broadened investment opportunities in companies with competitive products. With a strong financial foundation, high cash generation capability, and customer touchpoints and sales infrastructure, we are able to flexibly capture investment opportunities even amid these environmental changes. By leveraging this foundation, we will steadily advance initiatives that contribute to future growth while carefully assessing their significance.

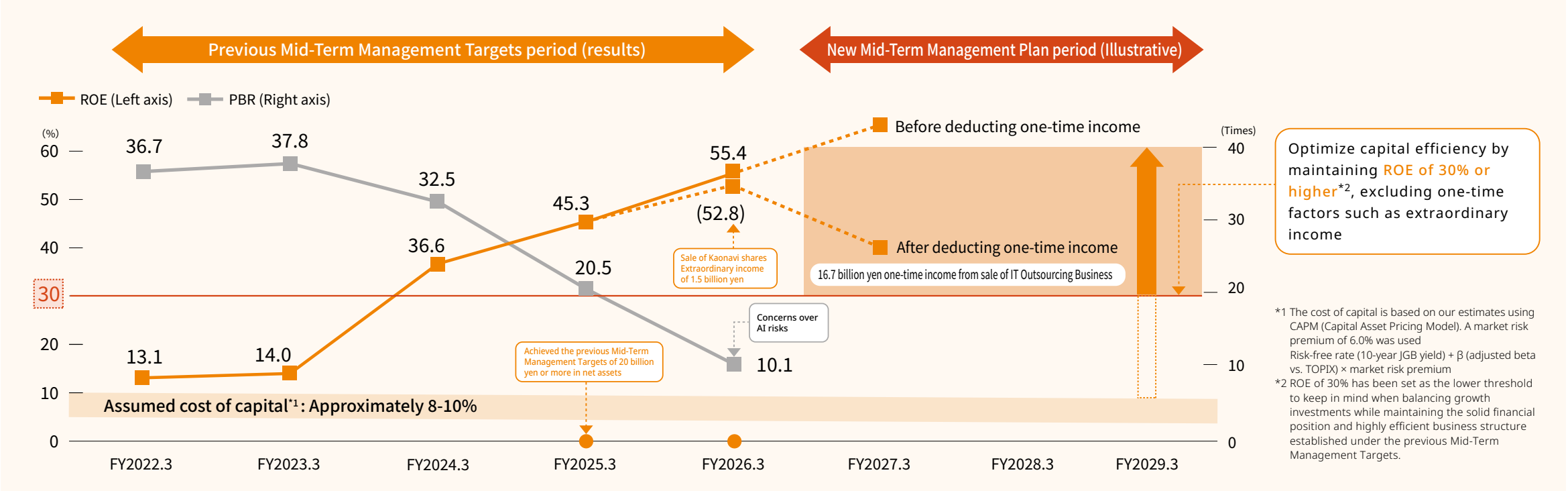
On the other hand, investment opportunities are not always consistent. We also place importance on combining growth

investments and shareholder returns in an optimal balance, and our policy is to provide shareholders with sustainable returns by maintaining progressive dividends, with a total payout ratio of at least 20% as a guide. We will thoroughly maintain capital efficiency by flexibly combining the two while assessing the quality and timing of investment opportunities.

▶ Disciplined financial strategy precisely because the environment is uncertain

Even with these initiatives in place, the environment surrounding RAKUS is by no means one that allows for overconfidence. We believe that uncertainty surrounding AI in particular will continue. However, precisely because of this environment, we believe the importance of management that is conscious of the cost of capital and stock price will become even greater. Even in an uncertain environment, we will steadily execute a disciplined financial strategy. We will then disclose the results of these efforts with a high degree of transparency and, through dialogue with investors, aim to earn an appropriate valuation.

Changes in ROE and PBR



*1 The cost of capital is based on our estimates using CAPM (Capital Asset Pricing Model). A market risk premium of 6.0% was used
Risk-free rate (10-year JGB yield) + β (adjusted beta vs. TOPIX) × market risk premium

*2 ROE of 30% has been set as the lower threshold to keep in mind when balancing growth investments while maintaining the solid financial position and highly efficient business structure established under the previous Mid-Term Management Targets.

Financial Strategy
(Capital Allocation)

Under the new Mid-Term Management Plan, we will place even greater focus on achieving optimal resource allocation to enhance corporate value, including not only growth investments but also shareholder returns.

Sources of funds

The sources of funds over the next three years will be operating cash flow and cash on hand. We expect to generate 60 billion yen or more in operating cash flow over this three-year period and consider the total of over 90 billion yen, together with approximately 30 billion yen in cash and cash equivalents at the beginning of FY2027.3, to be our basic funding capacity. On that basis, if additional funding needs arise for strategic M&A or similar initiatives, we will prioritize the use of borrowings from financial institutions. This will enable us to promote the optimization of our capital structure through appropriate leverage management while avoiding equity dilution.

Allocation of funds

Growth investment

We will make growth investment on the fundamental premise of achieving the new Mid-Term Management Plan's target of the "Rule of 50". The top-priority areas are the development of AI-native products and strategic M&A. In M&A, we will not pursue mere scale expansion. Instead, based on the premise that value enhancement can be expected by leveraging our sales capabilities and cost management expertise, we will focus on whether the target has a certain business scale and a business structure that is expected to achieve both growth potential and profitability over the medium to long term. With respect to investment structures, we will consider flexible frameworks, including minority investments, without necessarily insisting on making targets consolidated subsidiaries. We aim to capture inorganic growth opportunities by forming a "loose federation" with an eye to future industry consolidation. For all investment projects, we will thoroughly monitor and verify outcomes based on post-execution KPIs, and review funds allocation as necessary.

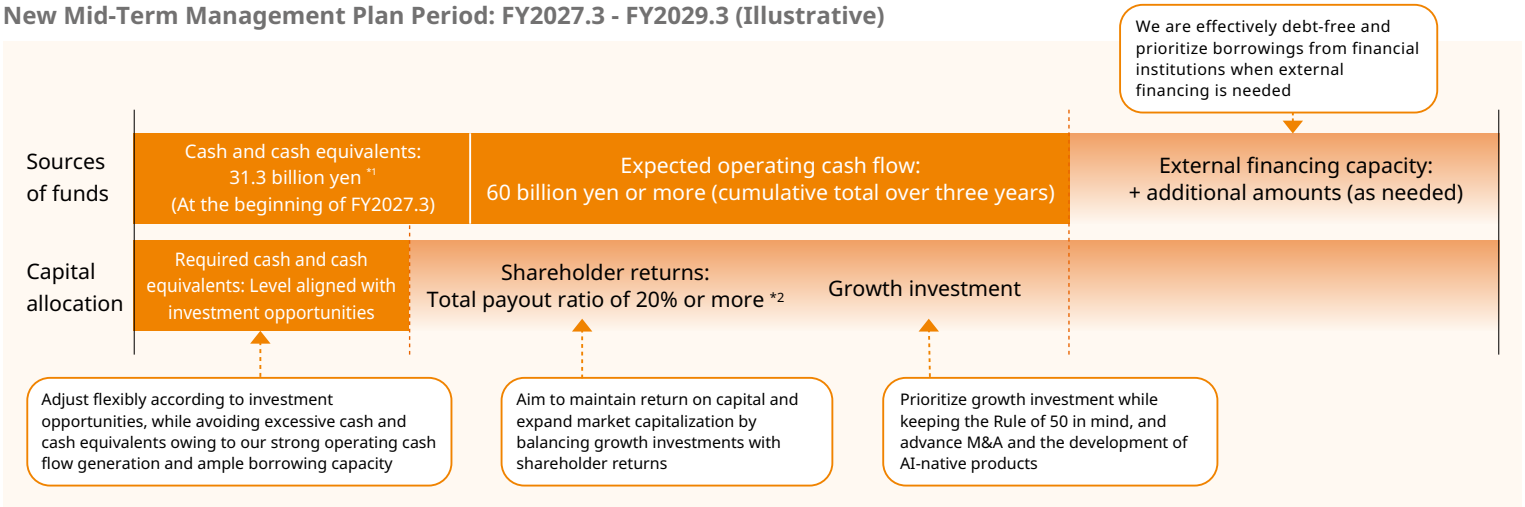
Shareholder returns

Shareholder returns are an important pillar of funds allocation, alongside growth investments. Our basic policy is to adopt a progressive dividend policy, aiming for a total payout ratio of 20% or more. This total payout ratio of 20% or more is set as a lower limit to prevent excessive capital retention, based on our financial capacity and ability to generate operating cash flow, while assuming growth investment. In addition, while considering the balance with investment opportunities, we will seek to optimize capital efficiency by considering flexible share repurchases when there are no immediate funding needs.

Required cash and cash equivalents

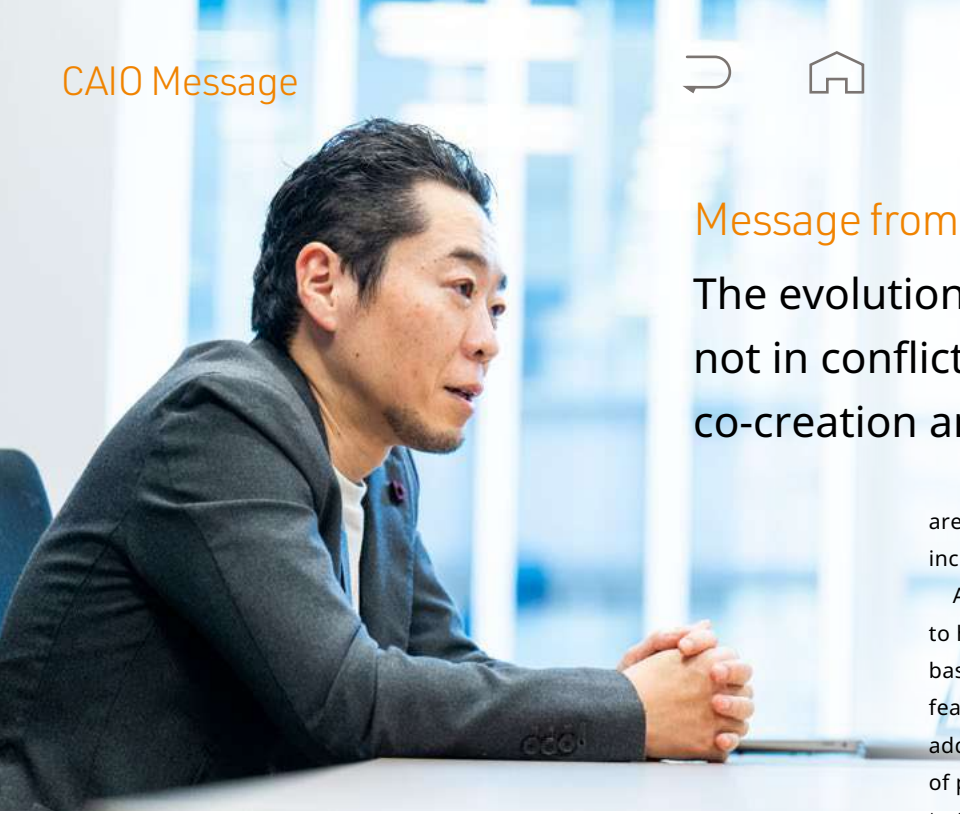
We will maintain an appropriate level of liquidity while ensuring the ability to respond quickly to unforeseen investment opportunities and changes in the market environment. The required level of cash and cash equivalents will not be set at a fixed level, but will be determined dynamically within the overall balance of capital allocation, based on the availability of investment opportunities and the outlook for funding needs.

New Mid-Term Management Plan Period: FY2027.3 - FY2029.3 (Illustrative)



*1 Cash and cash equivalents balance as of April 1, 2026. On the basis that factors in the consideration for the transfer of the IT Outsourcing Business and deducts cash and cash equivalents held by operating companies

*2 A total payout ratio of 20% or more is set as the minimum return level to avoid excessive capital retention, while prioritizing growth investment and taking into account financial capacity and operating cash flow generation.



Message from the Chief AI Officer

The evolution of AI and RAKUS's cloud services are not in conflict; rather, their relationship is one of co-creation and coexistence

Shinichiro Motomatsu CAIO

Executing AI strategy directly linked to management, going beyond the role of technology officer

Now that the evolution of AI is exponentially accelerating changes in the business environment, the responsibilities of the CAIO extend beyond that of a technology officer and involve taking the lead in executing AI strategies directly linked to management.

As a basic premise, we view AI and the cloud services that form the foundation of our business not as being in conflict, but rather as being in a relationship of co-creation and coexistence. There is no doubt that AI will have a major impact on cloud services, but we are convinced that combining the two effectively can dramatically increase the added value of cloud services.

AI will handle the tasks it excels at, while the cloud will continue to handle the areas where existing cloud services excel. On that basis, integrating AI into our cloud services will enable new features and solve problems that could not otherwise be addressed. AI excels at making inferences based on large volumes of past data and producing flexible outputs, but it is not well suited to the opposite: tasks where the answer is fixed. In tasks where the correct answer is determined by laws or internal company rules, such as monetary calculations and expense processing, results cannot be allowed to vary each time. These are precisely the kinds of tasks handled by the back-office cloud services we provide.

Areas that AI cannot replace: accuracy down to the single-yen level and the role of tacit knowledge

In a world where numerical accuracy and reproducibility are prerequisites and even a one-yen error is unacceptable, AI has structural limitations. Even if accuracy reaches 98%, 99%, or even a level surpassing humans, as long as the decision-making process is a black box, correctness cannot be objectively guaranteed. AI is a technology premised on hallucination, the phenomenon in which AI generates information that differs from the facts, and even as accuracy improves, a certain level of error is unavoidable. This becomes a major barrier, particularly in work involving money.

Furthermore, back-office operations involve many company-specific business rules and forms of tacit knowledge. Rules for time and attendance as well as expense processing differ by company, and in many cases irregular procedures that occur only a few times a year are not documented in manuals. It is not easy for AI to fully absorb and reproduce this kind of information, making human review and correction processes essential. User interfaces for that purpose will also continue to be necessary.

Even if AI makes development easier, the costs of maintaining systems, including addressing legal requirements as well as security and managing quality, will remain substantial. Cloud services can serve as a kind of insurance that allows these risks to be externalized at low cost through the collective use of a stable product.

The value of the trust gained through providing services remains unshaken

Our cloud services have supported the operations of a great number of customer companies over many years, and the correctness of their behavior has been proven in practice. If defects occur, we can respond to them responsibly. This assurance of proper operation and acceptance of responsibility is precisely the intrinsic value of cloud services. As companies determine which areas are suitable for AI and which are not, reliable cloud services will continue to be chosen by customer companies.

The Japanese market tends to be more readily accepting of labor-saving measures and redeployment than personnel reductions. For this reason, rather than replacing operations with AI, a more realistic approach is to use cloud services to gradually reduce work hours and improve cost efficiency through such measures as curbing overtime. This stems from differences in social structure rather than culture, and if operations are running stably, it is more practical to continue using cloud services in back-office areas.

At the same time, once our products have been introduced and embedded in a business environment, their structure makes it difficult to switch to competitors' products. The fact that they have already been adopted by tens of thousands of companies and span multiple products is one of our major competitive advantages. Having engaged with the market for more than 20 years, we have an advantage over new entrants thanks to our high brand recognition and strong customer base. Furthermore, we believe there remains the potential to tap into additional companies, as well as ample potential for synergies through cross-selling to existing customers.

Two axes for executing AI strategy company-wide and driving transformation

In executing our AI strategy, we are advancing initiatives along two axes to bring about a company-wide transformation of the business itself.

The first is improving productivity through the use of AI in employees' work. We will make appropriate use of generative AI to increase productivity per employee. This initiative is being advanced based on clear objectives. While we continue to hire human resources as we grow, productivity improvements will make it possible to curb future hiring and optimize staffing, thereby strengthening our profitability and earnings base. We believe that the extent to which companies can leverage generative AI will become a factor that differentiates them, and driving this forward is an important role of the CAIO.

The other axis is implementing AI in our products. By appropriately and quickly incorporating AI, we will be able to deliver features that were previously impossible and make labor-intensive operations easier. This will increase customer convenience, create room to charge additional fees, and lead to higher ARPU.

Meanwhile, under our Best-of-Breed Strategy, we have developed products specialized for each business operation. However, because the products are highly independent, this structure has made it difficult to expand multi-product usage. To address this issue, we are now moving forward with our evolution toward an Integrated Best-of-Breed Strategy. By strengthening collaboration between products, we will drive cross-selling and reduce the churn rate. Ultimately, by



combining these initiatives, we will improve LTV.

We have created and developed a new market for cloud services in an environment centered on on-premises systems. Leveraging this experience, we believe we can do more than develop products in new markets: we can launch them as businesses. In addition, backed by a strong financial foundation and ample cash flow, we will seize growth opportunities, including M&A and alliances, and lead the expansion of market share. Amid the major changes brought about by AI, we aim to be an organization that not only adapts to those changes but also forges a path toward the future.

Messages from the Officers in Charge of Each Business

Advancing customer value and evolving the growth model to support the next stage of growth



Koji Yoshioka
Senior Executive Officer
General Manager
Raku Raku Cloud Back Office
Business Division



Fumihiko Asano
Senior Executive Officer
General Manager, Raku Raku Cloud
Front Office Business Division
Director, RAKUS Light Cloud Co., Ltd.

Evolving the growth model starting from the customer base - Koji Yoshioka

Over the five years through to FY2026.3, RAKUS achieved high growth with a CAGR of 31%, driven primarily by the continuous acquisition of new customers. As a result of raising brand awareness through large-scale advertising investments, building differentiated direct sales structures for each product, and accumulating sales and support know-how, we have established a strong customer base and a solid market position.

Meanwhile, digitalization is advancing in major metropolitan areas, and the market is shifting into a mature phase. The difficulty of acquiring new customers is increasing, and we believe we have entered a phase in which sustainable growth will be challenging to achieve by simply extending our conventional strategies. In light of these environmental changes, under the new Mid-Term Management Plan, we will drive growth centered on leveraging our customer base and expanding into strategic domains.

First, we will promote cross-selling as a way to leverage our customer base. Currently, around 80% of customers use only a single product, leaving sales opportunities among existing customers. To this end, we will evolve our conventional Best-of-Breed Strategy into an Integrated Best-of-Breed Strategy P.15 and promote the use of multiple products, thereby increasing average revenue per customer and reducing the churn rate.

Next, as pillars of domain expansion, we will strengthen our initiatives targeting enterprise companies[*1] and regional markets. In the enterprise domain, we will accelerate market expansion by addressing the growing need to modernize legacy systems through enhanced product capabilities and tailored proposals from specialized teams. Regional markets also still offer significant room to improve productivity through digitalization, and we will accelerate adoption across Japan by leveraging the face-to-face support structure we have built through opening offices and by strengthening collaboration with partners.

We have established our position as a leading company in cloud products for back-office operations, but rather than rest on that position, we will define ourselves as a challenger and steadily execute our strategy. The new Mid-Term Management Plan will involve highly challenging initiatives, but by expanding our products with No. 1 market share and entering new business domains, we will continue to support the back-office operations of Japanese companies.

Advancing value creation with a sense of urgency - Fumihiko Asano

To date, front-office products such as Raku Raku Jido Otai and Raku Raku Mail Marketing have continued to grow steadily even in mature markets. We believe this is the result of our continued focus on solving customers' issues.

Meanwhile, growth in the number of contracts has recently been limited, and achieving sustainable growth going forward will require raising unit prices.

Under the new Mid-Term Management Plan, we will focus on winning higher-priced deals and promote cross-selling by leveraging the 2025 brand integration into Raku Raku Cloud. In addition, we will further evolve our AI features and link the enhancement of the value we provide to higher unit prices. Further, in light of changes in customer touchpoints driven by advances in AI, we will also work to enhance our marketing methods, including support for GEO,[*2] referrals,[*3] and the use of house lists.[*4]

To steadily advance this series of initiatives, we will thoroughly ensure swift decision-making and execution.

*1 Enterprise companies: companies with 1,000 or more employees.
*2 GEO: abbreviation for Generative Engine Optimization. A new marketing method designed to make a company's own content more likely to be cited or recommended as an answer by generative AI
*3 Referrals: acquisition of new customers through introductions from existing customers and others.
*4 House list: information on customers and prospective customers held by the company.

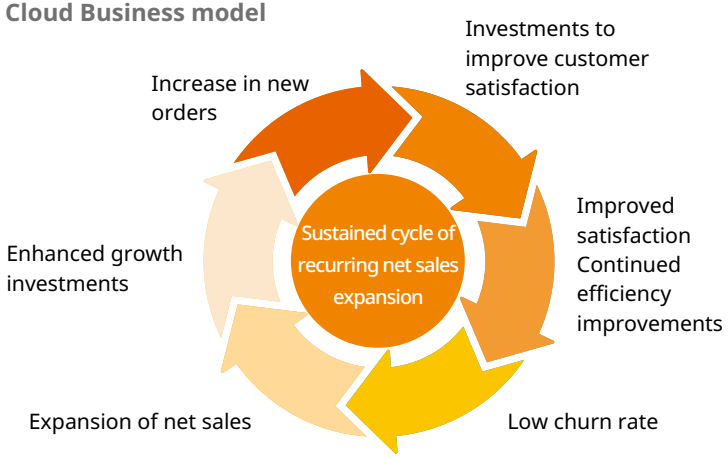
Business Strategy

Cloud Business

In the Cloud Business, we provide subscription-based products that support companies' operational efficiency through digitalization. This is a business model in which new contracts accumulate as stock, enabling stable net sales growth. We provide products that address customer issues at prices that make continued use easy, thereby achieving a low churn rate. Through a division-of-labor structure comprising marketing, which invests advertising costs to build awareness; inside sales, which converts inquiries into sales opportunities; field sales, which wins contracts; and customer success, which supports customers from implementation through operation, we comprehensively support customers through the entire process from consideration to implementation, utilization, and adoption.

By offering multiple products in different growth phases at the same time, we generate stable and sustainable growth and profits.

Cloud Business model



We will actively reinvest the profits generated by mature products such as Raku Raku Jido Otai (formerly "Mail Dealer"), Raku Raku Mail Marketing (formerly "Hai Hai Mail"), and Raku Raku Seisan into growth products such as Raku Raku Kintai and Raku Raku Seikyu, as well as into new product and feature development.

Business Overview for FY2026.3

In FY2026.3, we achieved steady growth in net sales. Annual Recurring Revenue (ARR), an indicator of revenue stability, surpassed 50 billion yen, further strengthening our revenue base.

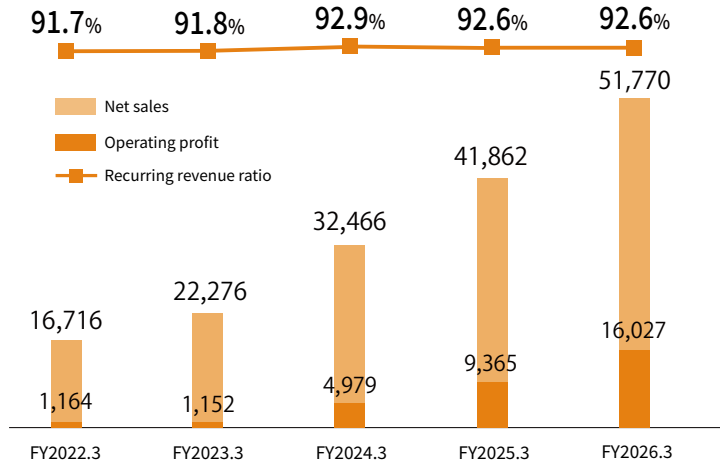
This growth was supported by the continued expansion of the customer base for each product and improvements in ARPU. Raku Raku Seisan maintained stable growth, supported by the steady accumulation of new orders even as the market continued to mature, as well as by the effects of price revisions. Raku Raku Meisai maintained a high growth rate even as the pace of market expansion was somewhat slower than expected. In addition, new orders for Raku Raku Hambai remained solid, and the temporary increase in the churn rate accompanying the price revisions also began to subside. Furthermore, Raku Raku Kintai continued to maintain high growth.

On the profit front, efforts to optimize advertising costs in light of the market environment, together with the impact of higher sales, resulted in a substantial increase in profit, and the operating profit margin improved significantly.

With an eye to future growth, we advanced various initiatives to enhance the value we provide. Specifically, we entered into a capital and business alliance agreement with Plus Alpha Consulting Co., Ltd., which is highly competitive in the HR tech field. We also advanced the implementation of AI features in each product and worked to enhance added value to support further efficiency improvements in customers' operations. In addition, as the value provided evolved beyond the framework of email through the use of AI technology, we renamed the former Mail Dealer and Hai Hai Mail as Raku Raku Jido Otai and Raku Raku Mail Marketing, respectively, and we also strengthened the integrated appeal of the Raku Raku Cloud brand.

Changes in net sales, operating profit, and recurring revenue ratio

(Millions of yen)



Sales by service

(Millions of yen)

	FY2022.3	FY2023.3	FY2024.3	FY2025.3	FY2026.3
Raku Raku Seisan	7,658	10,343	14,446	17,348	**20,723**
Raku Raku Meisai	2,260	3,735	6,840	9,966	**13,061**
Raku Raku Hambai	1,867	2,626	3,907	5,517	**7,157**
Raku Raku Kintai	–	–	–	1,490	**2,037**
Raku Raku Jido Otai formerly Mail Dealer	2,178	2,430	2,841	3,103	**3,429**
Email distribution	2,367	2,672	3,035	3,687	**4,101**
Other	384	468	1,394	748	**1,257**
Total for Cloud Business	16,716	22,276	32,466	41,862	**51,770**

* The decrease in the "Other" category of revenue in FY2025.3 is attributable to "Raku Raku Kintai" being disclosed separately.

Growth Strategy

RAKUS will advance its AI strategy, enterprise strategy, cross-sell strategy, and investment strategy to achieve the objectives of the new Mid-Term Management Plan.

AI strategy

We view AI as a growth opportunity rather than a risk to our business structure and have positioned the use of AI as a key pillar of our growth strategy. We will work to achieve renewed LTV expansion by implementing AI features in our products, improve productivity through the use of AI in internal operations, and create growth opportunities such as new product development.

P.31 CAIO Message P.21 Materiality of AI

Enterprise strategy

To further grow our market share, we will move forward with a full-scale expansion into the enterprise market. The enterprise market is mature, with significant IT investment but also a high penetration rate for systems. However, since our market share is low, we believe there is room for growth through the replacement of existing systems.

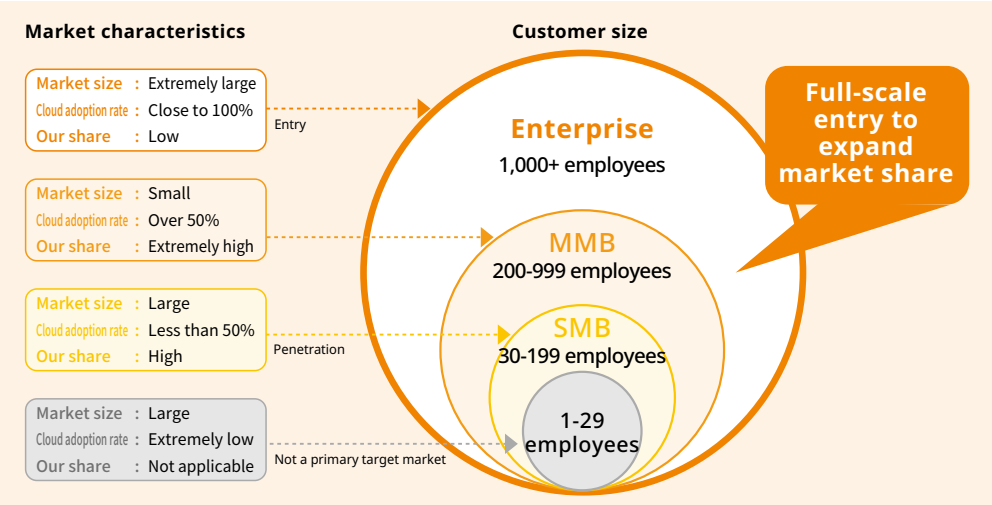
To this end, we will establish a specialized organization for our main product, Raku Raku Seisan, and strengthen our proposal capabilities to address enterprise-specific needs. Raku Raku Seisan has built up a range of features for MMB/SMBs, giving it the functionality needed to serve the enterprise market as well. In addition, on the sales front, alongside conventional lead-based sales activities, we have been putting in place a structure to pursue account-based sales methods targeting specific companies. Furthermore, we are working to meet the reliability and control standards required by enterprises. Leveraging these foundations and establishing an account-based sales approach will drive the acquisition of large-scale deals and improve ARPU.

Cross-sell strategy

As the market matures and acquiring new customers becomes more difficult, maximizing revenue from existing customers is increasingly gaining importance. To date, we have expanded our customer base through a Best-of-Breed Strategy of separately providing products optimized for each specific business issue. Going forward, by leveraging this customer base and promoting cross-selling under the Integrated Best-of-Breed Strategy P.15, we aim to increase the unit price per customer and reduce the churn rate. To achieve this, we will reform our organizational structure to facilitate simultaneous sales of highly compatible products and promote cross-product referrals. In addition, we will establish a dedicated cross-selling organization and build a sales structure that proposes multiple products from the initial sales meeting.

These initiatives will be managed using such KPIs as the number of products adopted per company, the number of cross-product referrals, and NRR.*1

Enterprise strategy



Investment strategy

We have positioned M&A and alliances as important growth drivers to further accelerate growth. Through a capital and business alliance with Plus Alpha Consulting Co., Ltd., we entered the HR and labor management domain and began offering Raku Raku Jinji Roumu in April 2026. Through this initiative, we will expand our product lineup in the back-office domain and further support customers in improving their operational efficiency.

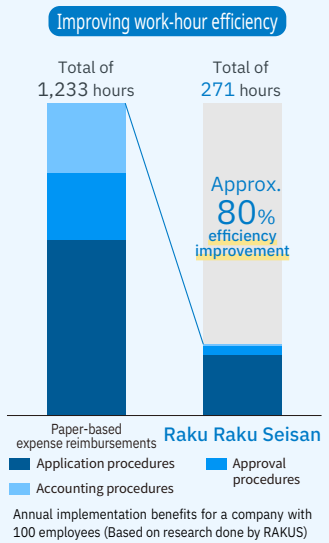
Going forward, we will leverage our strong financial foundation and high cash generation capabilities to consider flexible strategic investments, including minority investments, in addition to M&A, primarily in the cloud service domain. As parts of Japan's IT market are entering maturity, the competitive environment is intense, with many providers relative to the market size. Looking ahead to industry consolidation, which is viewed as inevitable over the medium to long term, we aim to serve as the core of such strategic partnerships through an agile investment strategy. At the same time, we will pursue disciplined investments, taking into account synergies with existing businesses and the balancing of profitability.

*1 NRR (Net Revenue Retention): An indicator that shows the status of revenue retention and expansion from existing customers. Calculated by deducting decreases due to cancellations, downgrades and down-selling, and including increases from upselling and cross-selling

Overview of Main Services

楽楽精算
Raku Raku Seisan

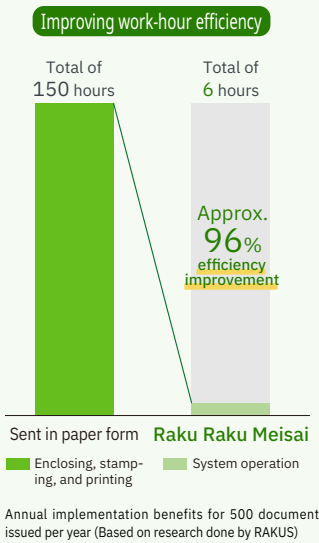
The workflow of expense claim, approval, and payment can be handled in a web browser, reducing paper-based work and administrative effort. This helps streamline operations by preventing policy violations and claim errors within the system.



Annual implementation benefits for a company with 100 employees (Based on research done by RAKUS)

楽楽明細
Raku Raku Meisai

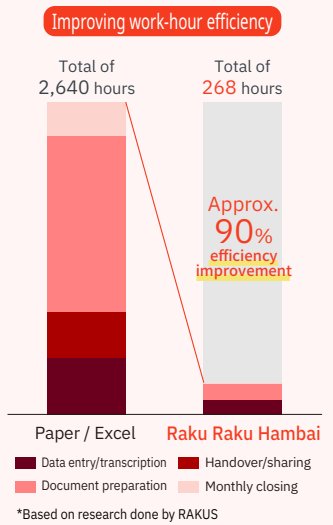
By simply importing billing data such as invoices and delivery slips, forms can be automatically issued according to the recipient's requirements. Data can be issued automatically in the system, thereby eliminating manual errors.



Annual implementation benefits for 500 documents issued per year (Based on research done by RAKUS)

楽楽販売
Raku Raku Hambai

Systemizes all sales management operations by combining a web database with workflows. It reduces errors by automating complex monetary calculations and monthly data creation tasks for sales management.



*Based on research done by RAKUS

楽楽電子保存
Raku Raku Denshi Hozon

Received electronic invoices and other forms can be stored electronically and placed under centralized management. It also supports the requirements of the Electronic Book Preservation Act, including requirements related to search, correction, and deletion.

楽楽請求
Raku Raku Seikyu

Invoices received through various issuance methods can be managed together. As manual entry of journal entries and payments for each invoice can be automated, it eliminates the effort of manual entry and concerns about errors.

楽楽勤怠
Raku Raku Kintai

Provides centralized management of attendance information such as clock-in and clock-out times, overtime, and leave taken. Reduces the time required for aggregation and verification by enabling quick access to the data needed for payroll calculations.

楽楽自動応対
Raku Raku Jido Otai

An automated inquiry response system enables past response information to be reused as a knowledge asset.

楽楽メールマーケティング
Raku Raku Mail Marketing

An email newsletter delivery service that makes everything from email creation to delivery easy.

blastmail

With intuitive operability and a simple design focused on basic functions, it makes email delivery operations easy to streamline.

楽楽人事労務
Raku Raku Jinji Roumu

楽楽債権管理
Raku Raku Saiken Kanri

blastengine



Message from the Chief Technology Officer

Accelerating value delivery by turning transformation into opportunity in an era when AI accelerates development

Masashi Kude
Senior Executive Officer, Head of the Development Division

Taking on a new phase through AI and technological transformation

The RAKUS Group is now in a new phase aimed at achieving both sustainable growth and profitability. To drive this transformation from the technological side, we have renewed the mission of the Development Division to "create and provide overwhelmingly easy-to-use cloud services that support customer growth" and set forth a new vision: "transform into an AI-native development organization capable of rapidly delivering value to customers and realize next-generation Integrated Best-of-Breed". "Next-generation Integrated Best-of-Breed" refers to a state in which AI features are implemented at an advanced level, products have the high reliability needed to meet the rigorous demands of enterprise companies, and data and feature integration between products has been strengthened.

Strategic background

Changes in the market environment are behind the push to transform into an AI-native development organization. First, as Japan's labor shortage is expected to continue to worsen, AI is positioned as an effective means of improving productivity. AI features are also no longer optional add-ons; they are becoming core features in cloud services. And with the dramatic evolution of AI, an era has arrived in which the ability to create products in an instant is becoming a prerequisite. We see this trend as an opportunity to strengthen our market competitiveness. To fully seize this opportunity and establish a sustainable advantage, we will advance initiatives from both the product and development process perspectives.

Transformation of products and development processes

First, on the product side, we will systematize AI feature development and rapidly scale the knowledge accumulated within the company across all products. It will be essential to integrate AI into cloud services moving forward. By further evolving our products through the implementation of AI features, we aim to redefine convenience in ways that were previously impossible and dramatically improve customer satisfaction. Transforming the development process is indispensable to realizing this evolution. We will shift the use of AI in development beyond mere coding assistance to standardize AI-driven development, transforming the entire development process into one that is fundamentally based on the utilization of AI.

Evolution of development organizations and human resources

We believe this change will significantly alter the very nature of development. As AI-driven development and automated infrastructure building advance, the creation processes that traditionally consumed much of development time, such as design, implementation, and testing, will be greatly shortened. As a result, we will be able to concentrate development resources on the most upstream part of the process: thinking through how to define and solve customer issues. As AI takes on more and more of the development work, engineers and designers will need greater ability to think deeply about customer value with a strong sense of the frontline reality. They must go directly to customers to gather feedback and make swift decisions based on a deep understanding of the essence of their issues. Fully embodying this customer-oriented approach is the key to delivering the value truly required in the AI era as quickly as possible.

Sustainable corporate value created through technology

For RAKUS, investment in technology is the engine of value creation that supports the sustainable enhancement of corporate value. By establishing a structure that can deliver value to customers at high speed as we move toward the successful completion of the new Mid-Term Management Plan, we will continue to expand the possibilities of our business through technology, support corporate growth, and create sustainable value together with our stakeholders.

Development Strategy

To achieve our mission and vision, we will focus on the following strategies in FY2027.3.

AI feature development

To maximize customer value through AI implementation, we will develop a common development platform and rapidly implement features across our products.

- **Development of a company-wide AI development platform**
  We will establish company-wide AI feature development standards. We will reduce the cost of developing AI from scratch for each product and roll out mechanisms such as harness design and AI accuracy evaluation in the development and design phases across the company.
- **Timely feature implementation**
  We will respond quickly to advances in AI as well as market demands and threats, and progressively implement features that improve the usability of each product. This will reduce customers' operational workload and improve the customer experience.

Enterprise support

We will advance product evolution and strengthen our trusted foundation to support enterprise customers.

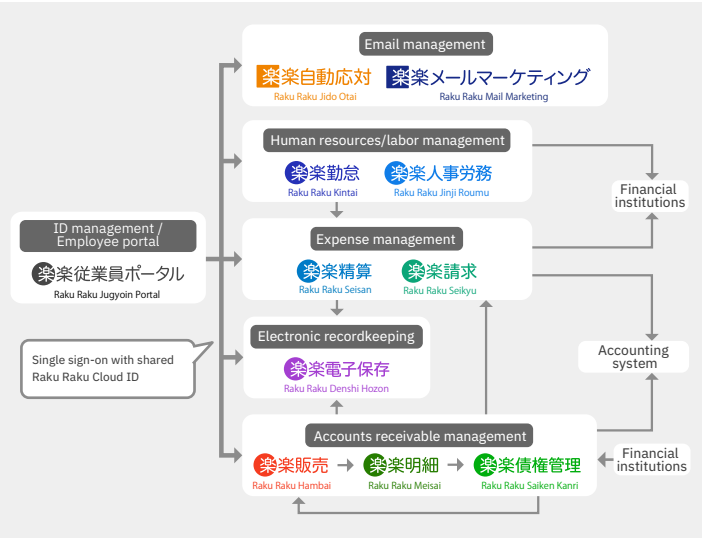
- **Enterprise support for Raku Raku Seisan**
  In addition to ensuring performance capable of supporting tens of thousands of users, we will expand complex approval flows and group company management features specific to enterprise use.
- **Establishment of a SOC (Security Operation Center) structure**
  To meet the security standards emphasized by enterprise customers, we will establish a SOC structure that monitors and detects threats in real time. Even in the event of an attack, this will enable a rapid initial response and minimize the spread of risk across products.

Integrated Best-of-Breed

We will maximize convenience through the use of multiple products.

- **Evolution of Raku Raku Jugyoin Portal**
  This will include integrated user information management, MFA (Multi-Factor Authentication), and automatic user account creation. In addition, we will standardize the UI/UX to improve convenience for both administrators and users.
- **Strengthening data integration between products**
  We will strengthen data integration between highly compatible products to promote cross-selling and reduce the churn rate.

Service linkage concept diagram



Advancing development through AI utilization and cloud-native on-premises

To transform into a rapid development organization, we will strengthen both the development process and the execution platform.

- **Standardization of AI-driven development**
  We will standardize AI-utilization methods across the company, establish a consistent and reproducible development process from design through testing, and promote the systematization and horizontal rollout of knowledge.
- **Promotion of cloud-native on-premises implementation**
  We are building a standard platform that supports all of our products by integrating cloud-native technology into our on-premises environment. By enhancing the developer experience through in-house managed services, we are shortening lead times for new development and feature updates, thereby establishing a development framework that rapidly delivers value to customers.

Global development

We will build a borderless development framework that unites locations in Japan and overseas.

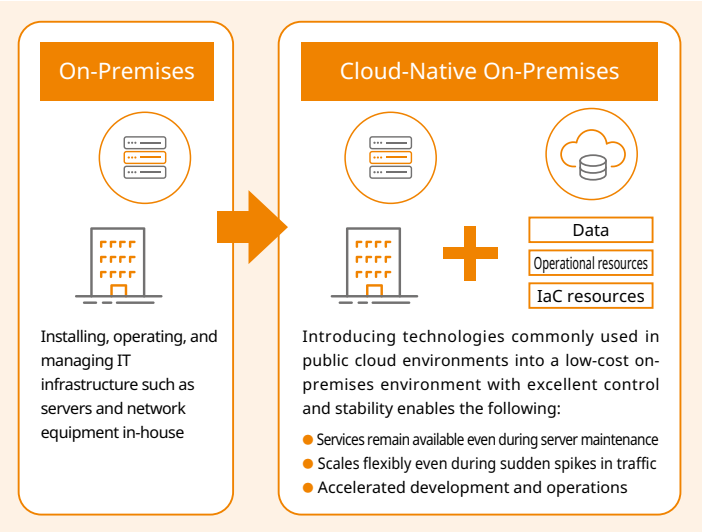
- **Cross-organizational knowledge sharing**
  We will align domestic and overseas development organizations under common goals and processes, promote cross-organizational knowledge sharing, and roll out effective development methods across the organization. This will raise the overall speed and quality of development.
- **Improving autonomy and technical capabilities**
  As generative AI lowers the barrier to acquiring domain knowledge, we aim to move away from the traditional division of labor between domestic and overseas operations and establish a structure where the global division can handle the entire development process in an integrated manner from upstream stages through to completion.

Cloud-Native On-Premises (CNOP) Strategy

We are promoting a Cloud-Native On-Premises (CNOP) strategy to minimize cost fluctuation risk by combining the "economic rationality of on-premises"*1 with the "agility of the cloud". We are expanding our market share through price competitiveness backed by a low-cost structure and fast-paced feature development.

Market environment and strategic necessity

Pay-as-you-go public cloud services*2 provided by external vendors have a cost structure in which costs rise proportionally as sales expand, and they also entail foreign exchange risk because the major vendors are overseas companies. Although public cloud services are easy for startups to use since they keep initial investment low, on-premises infrastructure is more profitable for us now that we have reached a certain business scale and can benefit from economies of scale. In addition, full-scale expansion into the enterprise market and deeper integration between products require both the ability to handle complexity and to act with agility. The core solution is the implementation of CNOP.



Structure of competitive advantage

Our competitive advantage is built on the fusion of many years of operational expertise with the latest cloud-native technologies.

Cost advantage

We maximize investment efficiency by consistently building our environments in-house and optimizing infrastructure configurations according to each product's business scale and impact on customer operations. In addition, because growth in the number of users under CNOP does not directly lead to higher costs, we can absorb fixed costs and keep the cost ratio under control. Furthermore, by using multiple products selectively rather than standardizing on a single infrastructure platform, we avoid lock-in and secure cost negotiation leverage.

M&A synergies

If an acquired product uses public cloud services, profitability can be improved by consolidating its infrastructure onto our CNOP platform.

Accelerated development and flexibility

By automating the process from testing through releasing into the production environment, we significantly shorten development timelines. In the future, we aim to establish a foundation that enables the seamless migration of applications across on-premises and public cloud environments, thereby creating a system capable of flexibly responding to sophisticated and complex requirements.

Risk management and response

To maintain an autonomous operational framework, we have implemented multilayered defense measures.

Fulfillment of social responsibility	A sense of responsibility for maintaining complete control over the infrastructure has become part of the organizational culture, leading to double- and triple-layered infrastructure configurations and rigorous measures against risks across multiple dimensions.
Adaptation to traffic fluctuations	Our major customers, which are MMB/SMBs, generate limited traffic per company, and the nature of the products makes it easy to predict periods when processing will be concentrated. Resource design based on load forecasting controls the risk of sudden system downtime.
Reduced risk of failure	We reduce the risk of hardware failures through server virtualization and redundant configurations, realizing stable system operations.
Establishment of recovery systems	Even in the event of a problem, the system recovers autonomously and minimizes the impact on services. In addition, an in-house engineering team operates a 24/7/365 monitoring system, enabling immediate response at our own discretion without going through external vendors. Furthermore, we have established a recovery system that uses remote sites and the cloud, and we verify the effectiveness of our BCP through regular drills using actual data.
Investment in human capital	We are promoting the improvement of technical skills and expertise for infrastructure engineers, including in the areas of the latest technology and security, through hands-on education and external training.

Future outlook

In line with the new Mid-Term Management Plan, we aim to complete the implementation of CNOP across all products running in existing on-premises environments by FY2029.3. Through this, we will deploy company-wide infrastructure that balances economic efficiency and agility, and establish a standard platform to support business growth.

*1 On-premises: A model in which information system equipment, such as servers and network devices, is installed in facilities managed by the company and built, operated, and maintained in-house.
*2 Public cloud: A model in which cloud service providers offer shared IT resources (servers, storage, etc.) to an unspecified number of companies and individuals via the internet. Representative examples include Amazon's AWS, Microsoft's Azure, and Google's Google Cloud.



Message from the Chief Personnel Officer

First moves and taking on new challenges to forge a path through uncertain times. Maximizing the potential of human resources to sustainably enhance corporate value

Takahiro Miyauchi
Director and Head of Corporate Management Division

▶ The organizational foundation and RAKUS culture that supported rapid growth

To realize its mission, the RAKUS Group has continued to invest in people as its most important capital. The number of employees in the Cloud Business expanded from approximately 800 at the end of FY2021.3 to more than 2,000 at the end of FY2026.3, building the organizational foundation that supported rapid growth.

Even as we expand in scale, the fact that such aspects of our culture as "Uniqueness" and "the RAKUS Leadership Principles" (RLP) (mindset and guiding principles) have taken root as decision-making criteria in the workplace is a source of our competitive advantage.

▶ Maximizing human resource value in the AI era

Under the new Mid-Term Management Plan, we will shift from a high-growth phase premised on "headcount expansion" to a phase that emphasizes "profitability and productivity". As the rapid evolution of AI changes the nature of work, sustainable growth will be difficult if we cling to past successes, and failing to respond to AI could also lead to a decline in human resource value. Without productivity improvement, neither higher corporate value nor returns to employees can be achieved. That is why, under the new Mid-Term Management Plan, we aim to create an organization where AI is used as a premise for business design, where people focus on core roles such as decision-making, and where the added value created by each individual is directly linked to overall competitiveness.

We have consistently emphasized "Goal-oriented" as an element of "Uniqueness": setting goals, clarifying the gap with the current situation, and using trial and error to identify actions for achieving those goals. This approach will remain unchanged. On that basis, in an era of rapid change, we need a flexible mindset that is not bound by conventional methods, as well as the skills to rethink operations with AI as a premise and generate high value-added outcomes.

▶ Human capital investment to accelerate speed and the drive to take on challenges

The foundation supporting this transformation is our initiatives related to human capital materiality. These remain unchanged foundations under the new Mid-Term Management Plan, and we will deepen them in response to changes in the environment. Through strategic recruitment and development, we will build a human resources portfolio of people who continue to update themselves autonomously, while fostering an organizational culture that encourages taking on such new challenges. In an uncertain environment, speed is what makes the difference. Precisely because we live in an era when no one knows the right answer with certainty, we aim to be an organization that does not stall in pursuit of perfection, but instead moves quickly at the outset and boldly takes on new challenges. Taking on new challenges often involves failure, but we welcome failure as an asset for the next step and encourage employees to learn from it. We believe that supporting these ambitious pursuits will become the driving force behind RAKUS' future growth. In addition, ensuring the foundational sense of safety and security is essential for employees to step confidently into unknown areas. Consideration for mental and physical health and the thorough implementation of fair and transparent evaluations are not merely improvements to the work environment, but essential investments that enable everyone to fully demonstrate their potential and support their efforts to take on new challenges.

▶ Sustainable value creation through qualitative improvement of human capital

Employee growth is the driving force that will take us to the next stage. We place emphasis on improving productivity through education and other initiatives, and intend to return the resulting gains to employees through higher salary levels as well as improved compensation and benefits. I believe my role is to balance the evolution of the organization with the growth and fulfillment of each individual. We will advance transformation without fearing changes in the business environment and help enhance corporate value by improving the quality of our human capital.

Human Resources Strategy

To realize its mission of "constantly helping companies grow their business by providing IT services", RAKUS regards human capital as one of its key management resources and promotes its human resources strategy based on the belief that human resources are the source of sustainable growth. As we continue to review our human capital-related measures, we have organized the initiatives focused on to date into three materiality themes. Going forward, through continued investment in human capital, we will maximize the capabilities of our human resources and strengthen organizational capabilities as we strive to sustainably enhance corporate value.

Developing human capital and employee engagement

Recruitment and appropriate placement as sources of growth potential

Hiring policy

RAKUS is constantly conducting recruitment activities to achieve sustainable growth and strengthen organizational capabilities. Compared to FY2026.3, in which we expanded our organizational base by hiring 500 new employees on a non-consolidated basis, in FY2027.3 we will optimize our overall pace of recruitment, premised on a dramatic improvement in business productivity through the active use of the latest technologies, including generative AI. Meanwhile, for management positions, we will strengthen recruitment of job-ready human resources capable of leading AI-driven operational transformation in addition to the recruits' business-driving and management capabilities. For staff-level positions (sales, customer success, development engineers, etc.), we will focus on hiring "AI-native" human resources capable of using AI proficiently as a tool and creating added value with a high level of autonomous execution capability.

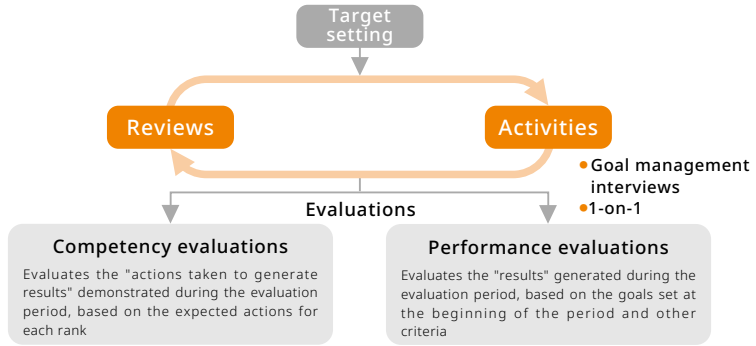
Human resources placement

We determine employees' suitability at the time of hiring and implement appropriate human resources placement. After assignment, we support employees' growth and achievement of results through 1-on-1 meetings, goal management interviews, and competency interviews. We also ask employees to report their career aspirations through questionnaires and support their career development. We also conduct regular career interviews with all employees and implement job rotations that take into account both business growth and each employee's career outlook. In addition, we operate an internal job posting system in which departments seeking to hire human resources solicit internal transfer applicants and employees can apply for those positions.

Training and evaluation

Training system

To support the growth of each employee, we provide development opportunities tailored to the roles expected at each organizational level, including competency enhancement, understanding commensurate to rank, and training for managers. We quantitatively assess the outcomes of these training programs through indicators such as utilization in operations[*1] and NPS,[*2] and use these results for continuous improvement. In addition to training led by the Human Resources Department, each business division provides job-specific training and onboarding programs, and we promote practical development together with daily OJT.



*1 Utilization: An indicator where participants rate the applicability of training content to their work on a 5-point scale.
*2 NPS: An indicator where participants rate their willingness to recommend the training to others on a scale of 0 to 10.

Evaluation system

In addition to evaluating employees along the two axes of competency evaluations and performance evaluations, we assess not only results but also the processes and actions that lead to sustained results, helping create an environment where employees can work with peace of mind.
After setting goals for each employee, we also hold goal management interviews to regularly review progress and issues together, supporting employee growth and their achievement of goals.

Next-generation leadership development and management enhancement

To enable employees to fully demonstrate their abilities and perform their work with a sense of fulfillment, we need systems that support their success. To build an organization that accelerates our business, we are focusing on improving the management capabilities of managers who play a central role in the organization.

Training for managers

- **Training for newly appointed managers**
  We provide training on the mindset and key considerations asked of our managers, as well as on our personnel system.
- **Management onboarding support interviews**
  In helping employees who join RAKUS mid-career in management positions master our culture and management approach as well as demonstrate their capabilities at an early stage, we conduct interviews with management members twice during their first six months after joining.
- **Training to strengthen managers' management capabilities**
  - **Evaluator training:** Learning skills for appropriately evaluating members and developing human resources
  - **Training to improve organizational driving force and competency development capabilities:** Acquiring the knowledge and skills to motivate members

- **Career development support training**: Learning how to think together with members about their careers
- **Training to enhance decision-making capabilities**: Learning the essentials of decision-making required of managers

Next Leader Program

We offer the Next Leader Program, an educational program that develops future managerial candidates in stages before promotion. Over four months, participants learn the knowledge and skills needed to build foundational capabilities as managers, from vision development to tactical planning, goal achievement, and human resources development. During this training period, veteran managers are appointed as mentors to support participants' growth through mentoring, including sounding board discussions, sharing perspectives, and providing advice.

RAKUS Leadership Principles (RLP) practice surveys

These surveys are conducted to improve management quality by visualizing, based on evaluations by their subordinates, the degree to which managers practice the RLP, the mindset and behavioral guidelines our managers should have. Each quarter, all subordinates rate their managers on a scale of 1 to 6, and in FY2026.3, we achieved our target of having 90% or more score 4.0 or higher. We have been able to maintain high management quality across the organization.

Management reviews

We visualize managers' management practices and promote initiatives to build better management and workplace environments.

Evaluation satisfaction surveys

We conduct surveys to measure how satisfied employees are with the evaluations conducted by managers.

*1 eNPS: An indicator that measures whether employees would recommend RAKUS to friends and acquaintances as a good place to work.

Engagement visualization and the improvement cycle

Conducting engagement surveys

To provide an environment where employees can continue working with confidence, we conduct engagement surveys three times a year to understand employees' views of the company and organization, identify organizational issues and individual concerns, and then make improvements. The engagement survey measures two axes: intent to be employed long term and eNPS.*1 The response rate for the engagement survey conducted in March 2026 was 97%, and we are taking company-wide and individual actions based on these results.

Analysis of results and outlook

The engagement survey results show that eNPS has improved from negative to positive territory over the past five years and has remained at around 10 in FY2026.3, a high level compared with the industry average. We analyze survey results by breaking them down into factors such as a sense of growth, confidence in career development, and compensation, and we recognize that improvements in these factors are contributing to higher scores. In addition, our analysis indicates that initiatives such as work hours management and the promotion of paid leave are also contributing to improved engagement. We will continue to monitor improvements in each metric and seek to further enhance engagement by advancing our initiatives.

Growing societal interest in the soundness of labor environments and treatment

Occupational health and safety policy

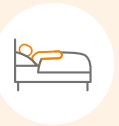
We view ensuring an environment where each employee can work safely and in good physical and mental health as a cornerstone for supporting sustainable corporate growth. Creating conditions in which employees can fully demonstrate their abilities is essential to achieving our mission. Based on this understanding, we enforce strict compliance with laws and regulations concerning occupational health and safety along with promoting initiatives to maintain employees' physical and mental health and ensure their safety.

Flexible work support tailored to lifestyle

Systems and programs



Monthly shift / timely shift system
To accommodate individual lifestyles, employees can choose their start time in 30-minute increments up to one hour earlier or later, either by day or by month.



Sick leave
This is a leave system for illness or injury affecting the employee or a family member living with the employee. Employees are granted five days per year in addition to annual paid leave.



Raku Smile System
This program allows employees to choose their work hours and evaluation style to make it easier to balance childcare and work.



Babysitter program
This program subsidizes babysitter costs for employees with children up to the third grade of elementary school, or up to the sixth grade of elementary school if the child requires care for healthy development.



Company-led childcare facilities
We have concluded corporate contracts with company-led childcare facilities to support employees in returning to work early.



Provision of family allowance based on number of children

The allowance is paid based on the number of children under the age of 18 who are listed as dependents of the employee.

Strategic office work / Wednesday work-from-home day

At RAKUS, we believe that OJT through close face-to-face communication and an environment where employees can ask questions easily will help corporate culture take root more quickly and contribute to faster individual growth and higher productivity. In addition, to achieve our ambitious growth targets, we welcome many mid-career hires each month. We also believe it is important to communicate quickly within the organization and within teams while sharing time and space in order to provide thorough training and onboarding for newly hired employees and swiftly resolve day-to-day business issues. And, to this end, we strategically utilize office work for this purpose.

Meanwhile, we have introduced an optional work-from-home system on Wednesdays to improve productivity through a well-balanced work style.

Health and productivity management

Work hour management and initiatives to reduce overtime hours

We thoroughly manage work hours appropriately to develop an environment where employees can continue working with peace of mind. Since FY2018.3, average monthly overtime hours have remained below 20 hours, and while we have maintained this relatively low level, we continue to strive for ongoing improvement. If an employee's overtime exceeds the statutory limit of 45 hours per month, we encourage improvement by asking the employee's supervisor to analyze the causes and submit measures to prevent recurrence. Furthermore, if multiple exceedances occur during the year, we provide stricter guidance to strengthen management. In addition, we analyze overtime hours by division each quarter and interview divisions with above-average levels or upward trends, leading to early correction and prevention of recurrence.

Efforts to encourage use of paid leave

We promote the planned use of paid leave from the perspective of maintaining employee mental and physical health and promoting productivity. We have set a target annual paid leave utilization rate of 90% or higher and are implementing company-wide efforts to achieve this goal. At the beginning of each fiscal year, we communicate our annual paid leave utilization goals to employees, and have established a system under which each employee sets a monthly leave plan. The Labor Affairs Section regularly monitors leave utilization and encourages employees who may fall short of their planned leave targets to review their schedules, while also working with their supervisors. We are also strengthening our organizational-level efforts by encouraging improvement in departments with relatively low utilization rates. Additionally, we provide individual follow-up to employees who have not met the legally mandated paid leave requirement, in order to ensure compliance.

Growing societal interest in human rights awareness and diversity, equity, and inclusion

Fostering an organizational culture based on our DEI policy

We recognize that promoting diversity, equity, and inclusion contributes to the growth of each individual employee and the sustainable creation of value by the organization. We incorporate DEI perspectives into organizational management based on this belief, and are working to create an environment in which diverse human resources can work with confidence and fully demonstrate their abilities. Specific efforts include DEI and human rights training for all officers and employees; harassment prevention training; the promotion of women's advancement; and the development of flexible work arrangements. Through these efforts, we seek to enhance our human capital and contribute to sustainable corporate growth and the creation of social value.

Initiatives to ensure equity

To ensure fair evaluation and equal opportunities, we are committed to equal pay for equal work, and addressing unreasonable gender-based disparities. In addition, we continuously verify the appropriateness of evaluations and management by visualizing the extent to which management is aligned with the RLP, as well as employee satisfaction with evaluations. We also promote fair organizational management through the establishment and appropriate operation of internal reporting and consultation systems.

Promoting the advancement of diverse human resources

Current status of and efforts for women's advancement

The ratio of female managers at our company was 5.8% in FY2026.3. We recognize that further improvement is needed in order to strengthen the organizational capabilities that support business growth. We aim to increase the ratio of female managers to at least 7.1% by FY2029.3. Given the limited impact that recruitment alone can have on this metric, we have identified the development and retention of internal human resources as key priorities.

Based on this understanding, we have formulated medium-term development plans for female employees identified as future leadership candidates. In addition to supporting the acquisition of the knowledge and skills required for management roles, we provide development programs that combine cross-divisional networking with opportunities for dialogue with senior employees. We are also working to alleviate career-related concerns through career interviews and internal communications, strengthen support for balancing work and personal responsibilities, and enhance the development and management capabilities of supervisors. Through these efforts, we support the advancement of female human resources from both perspectives: creating opportunities for promotion, and fostering an environment in which they can continue to thrive.

Foundation Supporting Value Creation

RAKUS's value creation is supported by its human resources, technology, and commitment to understanding its customers.
By continuously strengthening this foundation, we will enhance the value we provide and achieve sustainable growth.



Roundtable Discussion with Outside Directors

Supporting RAKUS's value creation through three distinct perspectives and areas of expertise

We invited our three outside directors to share their thoughts on topics such as sustainable corporate value enhancement in a rapidly changing market environment, and the effectiveness of the Board of Directors.



A steadfast management approach as the source of growth and profitability

Ogita: Over the past few years, RAKUS has achieved rapid growth while maintaining high profitability. Even from my perspective as an outside director, I can honestly say I'm impressed by the company's stability and ability to avoid shortfalls. Cloud services are typically built on a model in which substantial upfront investments are made and recouped over subsequent years. While some may view this approach as lacking in speed, I believe that this approach of starting small and carefully nurturing the business is precisely what has enabled this stable growth.



Saito: I became involved with RAKUS as a lawyer during its early days, and the essence of the company has remained unchanged ever since. It has always defined its goals, avoided unnecessary things, stayed away from low-profitability areas, and moved proactively whenever competitors emerged. It's an approach centered on identifying high-impact investments and allocating resources accordingly.

Kunimoto: I agree. One of RAKUS's strengths is its absolute commitment to making rational decisions. At the same time, RAKUS has set forth the highly ambitious vision of "become a company representing Japan", and I do not believe the company can afford to be content with being evaluated solely on the basis of its stability. With AI continuing to reshape the very structure of the industry, the real question moving forward will be how strongly the company can maintain a sense of urgency and avoid becoming complacent.

Supporting the effectiveness of the Board of Directors through outside perspectives

Ogita: The investment and M&A proposals brought before the Board of Directors appear to be thoroughly vetted. There have been cases where decisions were put on hold pending further clarification of conditions or additional review, as well as several proposals that were rejected at the Investment Committee stage, before reaching the Board. I believe the review function, including scrutiny by outside directors, is working as it should.

Kunimoto: One decision that stands out in my memory is when the company postponed its IPO while it was still private, and decided to reassess the direction of the business itself. Looking back, I am once again convinced that it was a decision made with an unwavering focus on the company's long-term interests. When it comes to such important management decisions, I believe it is essential for outside

directors to carefully review the materials shared in advance, and engage in discussions while maintaining an appropriate degree of independence from the management.

Saito: Sustainability has become an increasingly important topic in recent years, and I recall an occasion when Mr. Kunimoto asked President Nakamura directly about it. His response was clear: "Operate the company soundly, achieve profitability, and continue to live up to the trust of our employees, investors, and the market". I think it was a concise answer that captured the essence of the president's views on management.

As outside directors, we hope to support management decision-making by contributing the specific insights that we have as those outside of the organization.

Connecting diverse expertise to management decisions

Saito: At times, we are also asked to weigh in on decisions that cannot be resolved through legal analysis or numbers alone. For example, how much support should be allocated to different areas, such as employees who are welcoming a new child or are raising children, caring for family members, or who otherwise require special accommodations and what form that support should take. If a company only focuses on the needs of the most vocal groups, others may be left behind. I believe RAKUS approaches these situations thoughtfully, evaluating each case individually and presenting concrete options.



Kunimoto: I see my role as having two primary dimensions. One is in investment and M&A methodologies. In other words, technical advice on whether consideration should be paid in cash or shares, or how to structure risk-hedging measures. The other role comes earlier in the process. Even when the direction of a deal is largely settled, I intentionally ask questions like, "Why are we doing this?" and "How committed are we prepared to be over the long term?" These questions step into management philosophy, but they help clarify key issues and deepen discussions. As an outside director with practical M&A experience, I believe this is precisely the role I should be playing.

Ogita: I have a background in investment at operating companies, and have experienced firsthand the challenges of restructuring the systems of investee and acquired companies. The optimal form of integration differs from deal to deal: whether to carve out and acquire only the business, whether to bring in the entire company along with its employees, whether to replace leadership or reorganize operations. Going forward, I believe RAKUS is entering a stage where the post-M&A integration process will determine its pace of growth, and I make it a point to engage in in-depth discussions on these matters.

Realizing medium-to long-term value creation

Ogita: I think it is important to build up expertise in M&A and PMI in order to enhance corporate value over the medium to long term. There are many companies in the cloud services sector with annual sales of around 2 to 3 billion yen, and given the industry's tendency to require a certain scale in order to be viable, consolidation will continue across the sector. Additionally, steadily incorporating AI while continuing to refine existing cloud services will be essential to sustaining growth over the next five to ten years.



Kunimoto: Human capital will also be an important foundation supporting that growth. RAKUS originally began as a training and education business, and that heritage has been passed down through the organization. If the company can establish a cycle in which people who have gained diverse experience outside the organization strengthen it through their knowledge and perspectives, that will become a foundation for sustainable growth.

Saito: External perspectives are also very important. There are quite a few individual investors who directly convey their expectations for RAKUS at the Shareholders' Meeting. Few listed companies have this many supporters, and the source of that trust, in my view, is the company's consistent track record of achieving or exceeding its plans without shortfalls.

Kunimoto: That trust is the result of years of sound management. The company's unwavering and consistent approach is a value that should continue to be preserved.

Ogita: The company's management policies are clear, and its plans remain unwavering. I see RAKUS as a company that is making steady progress toward the direction it has set for itself. To live up to the trust of investors, the three of us will continue contributing to RAKUS's medium- to long-term value creation through sincere discussions that draw on our expertise and perspectives.



Message from an Audit & Supervisory Board Member

Maximizing corporate value through effective auditing and sound governance

Natsuro Abe
Outside Audit & Supervisory Board Member

Supporting effective auditing from a management perspective

Since assuming the role of Audit & Supervisory Board Member in 2014, I have monitored RAKUS's growth from a governance perspective, drawing on my practical experience as a business executive. I believe my role on the Audit & Supervisory Board, which brings together accounting and legal experts, is to provide broad expertise as a business executive. Rather than simply confirming compliance with laws and regulations, I participate in Board discussions with a focus on accurately understanding management's rationale and the context behind their decisions, and without being influenced by them, distinguishing between the risks that should be taken and those that should not, in pursuit of sustainable growth. Examining the appropriateness of decision-making processes from a neutral standpoint is, in my view, the key to effective auditing.

Role of the Audit & Supervisory Board in supporting growth strategy

As RAKUS continues to grow, the nature and location of risks continue to evolve. At Board meetings, I not only offer constructive opinions on management efficiency, but also question the appropriateness of growth strategies, the prioritization of investment decisions, and the validity of risk assumptions from a practical management perspective, thereby helping to refine the decision-making process. These recommendations are reflected in plan formulation and improvements to management indicators, helping translate effective auditing into tangible results. I believe an important duty for us as auditors is to continuously monitor and verify whether internal control systems are functioning effectively in practice, in order to prevent damage to corporate value before it occurs.

Enhancing audits through three-way audits and stronger collaboration

Effective auditing depends on both the quality of the information infrastructure used to gather timely information from across the organization, and the collaborative framework that enables information to be verified from multiple perspectives. At RAKUS, we are continuing to enhance our "three-way audit" framework, which brings together our Audit Department, accounting auditors, and Audit & Supervisory Board. We hold monthly coordination meetings with the Audit Department to share audit findings and complement each other's efforts, and thus identify emerging risks at an early stage. We also consult with accounting auditors as appropriate regarding the appropriateness of audit plans and significant accounting judgments. In this process, we combine the expertise of full-time Audit & Supervisory Board members and accounting professionals, who are well-versed in finance and accounting, with our own knowledge of organizational management, thereby improving the quality of our information analysis and evaluations.

Furthermore, the insights gained through these activities are shared with outside directors to deepen dialogue. Strengthening information-sharing among outside officers helps reduce information asymmetry and reinforces the Board's overall oversight function.

Maintaining neutrality through internal understanding and external perspective

Serving as an Audit & Supervisory Board member for over 10 years has given me a deep understanding of RAKUS's business structure, organizational culture, and past decision-making. Because I have such a detailed understanding of RAKUS's evolution, I can discuss from an objective standpoint whether current management decisions reflect lessons learned from the past, and whether they may create future liabilities.

At the same time, continually exposing myself to external perspectives and the latest management practices, and keeping my sense of market standards up to date, has been effective in allowing me to maintain an independent perspective.

I believe that combining a deep understanding of the company's internal context with the objectivity that comes from an independent position forms the foundation for effective and impartial auditing. Free from any particular vested interests, I will continue to support disciplined management while keeping the interest of all stakeholders in mind.

Strengthening governance to maximize corporate value

As RAKUS pursues a more proactive M&A strategy going forward, maintaining and enhancing governance standards across the Group will become a key challenge. As new organizations join the Group, we will continue to conduct effective and efficient audits to ensure that the same standards of discipline upheld by the parent company are established swiftly across these organizations. Viewing governance as a critical foundation for sustainable growth, we will strive to meet the trust placed in us by our stakeholders by maximizing corporate value under sound discipline.

Corporate Governance

Basic approach

The RAKUS Group strives to strengthen Corporate Governance in order to maintain an organizational structure capable of responding quickly to changes in the social and economic environment, and making appropriate decisions.

We believe that decision-making based on efficiency, equity, transparency, fairness, and speed will provide appropriate benefits to our diverse stakeholders, including not only shareholders but also employees, business partners, customers, creditors, and local communities.

Overview of corporate governance structure

RAKUS has adopted the Audit & Supervisory Board structure, believing it to be the optimal governance framework, with the audit functions of the outside directors and those of the Audit & Supervisory Board members and the Board itself serving as its two pillars.

The Board of Directors, chaired by President and Representative Director Takanori Nakamura, meets in principle at least once a month. In addition to formulating management policies and management plans and reviewing the status of business execution, the Board of Directors deliberates and resolves matters required by law as well as other important management matters, while overseeing the execution of duties by each Director.

Audit & Supervisory Board members attend important meetings, including Board meetings, and conduct independent audits of decision-making processes and business execution.

In addition, the Audit Department conducts internal audits of our departments and subsidiaries regarding their compliance with laws and regulations and the efficiency of business activities, and provides concrete advice and guidance for operational improvement.

Our corporate governance system is reviewed and updated as appropriate to ensure that it remains optimal in light of organizational circumstances and changes in the social and regulatory environment.

Nomination and Compensation Committee

We have established a Nomination and Compensation Committee to enhance the equity, transparency, and objectivity of procedures relating to the nomination and compensation of directors and Audit & Supervisory Board members, and to further strengthen corporate governance.

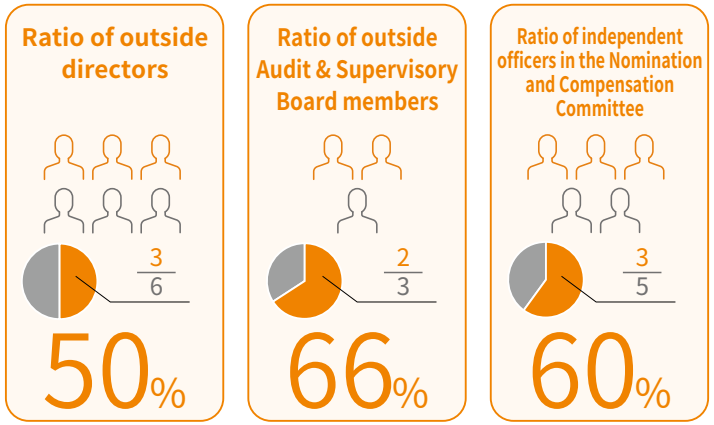
The Committee consists of three or more officers (directors and Audit & Supervisory Board members) appointed by the Board of Directors, the majority of whom are independent officers (outside directors and outside Audit & Supervisory Board members registered as independent officers with the Tokyo Stock Exchange). The chair is selected from among the committee members who are independent officers, by resolution of the Board of Directors.

Evaluation of effectiveness of Board of Directors

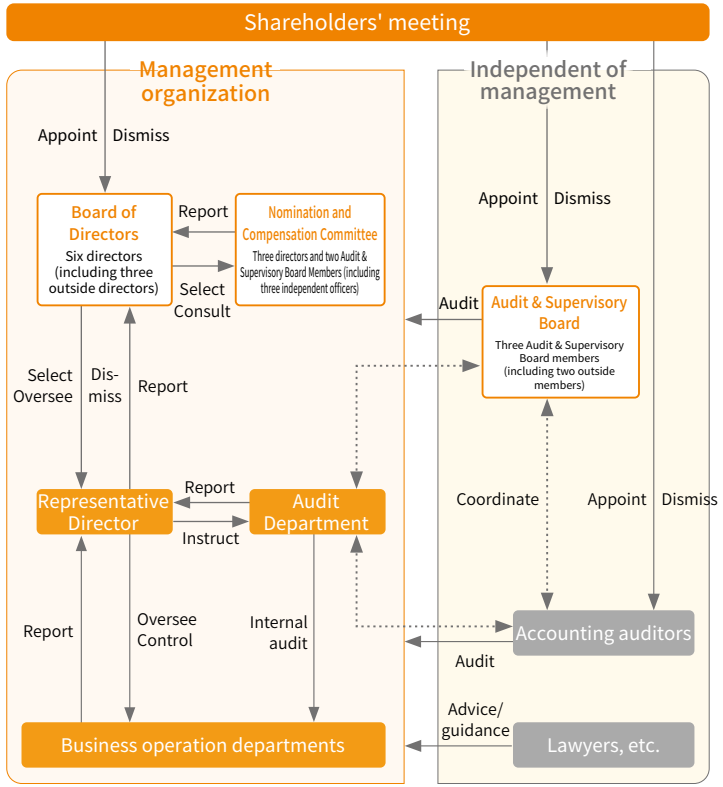
To enhance the function of the Board of Directors, we conducted a survey of all directors and Audit & Supervisory Board Members. The survey covered four areas, namely Board composition, Board operations, agenda items and strategy, and support systems and training, and also sought recommendations in free response format. The results were then analyzed and evaluated. All evaluation categories received scores of 4 or higher out of 5 (average score of 4.3), leading us to conclude that the Board of Directors is operating effectively.

We will continue our efforts to address the issues identified through this evaluation, and pursue further improvements to Board effectiveness.

Ratio of outside directors, Audit & Supervisory Board members



Corporate governance structure



Compliance

Basic approach

The RAKUS Group recognizes that ensuring compliance is a management foundation that supports sustainable growth, and is essential to building trust with all stakeholders. To this end, we have established our Compliance Policy, Anti-Corruption Policy, and Basic Policy on the Exclusion of Anti-Social Forces to ensure that we act not only in compliance with laws and regulations, but also fairly and with a high standard of ethics based on social norms. These policies reflect international frameworks such as the United Nations Global Compact and ISO 37001 and ISO 37301. By contributing to the resolution of social issues in line with "SDG 16: Peace, Justice and Strong Institutions" of the SDGs advocated by the United Nations, we seek to promote both organizational sustainability and a just society.

Promotion structure

Initiatives based on our Compliance Policy are promoted under the oversight of the Board of Directors. The Legal & Compliance Department serves as the secretariat, consolidating and reporting important compliance-related matters to the Board of Directors. In the event of a compliance violation or suspected violation, the department that discovers the issue is required to report it immediately to the department in charge and keep records of the process, from root cause analysis to the implementation of corrective measures. If a violation is confirmed, we take appropriate corrective measures, such as guidance for or disciplinary action against the individuals concerned, and disclose information on the matter to the extent deemed appropriate.

Key measures and disclosure of results

1. Thorough anti-corruption measures

We have established an Anti-Corruption Policy, along with related rules, to eliminate all forms of bribery, improper provision of benefits, money laundering, anti-competitive conduct, and similar activities, and ensure sincere and ethical business operations. We strictly prohibit the improper provision of benefits to public officials, as well as any entertainment, gifts, or other benefits that exceed socially accepted norms, and ensure transparency through the maintenance of accurate financial records. The Legal & Compliance Department serves as the department in charge, conducting ongoing risk assessments, reviewing measures, and ensuring transparent financial management through accurate records of all transactions. In terms of education, we provide training for all officers and employees at least once annually, and seek to raise awareness by setting a target completion rate of 100%. In the event of a violation, we respond rigorously through mechanisms such as the Disciplinary Committee, chaired by the representative director.

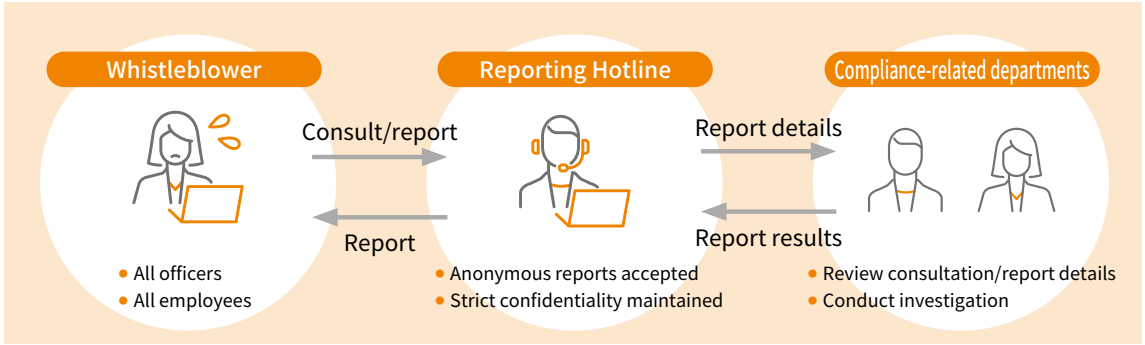
2. Operation of whistleblowing system

We have established and operate a whistleblowing system to facilitate the early detection and correction of any conduct suspected of involving legal violations, human rights violations (including discrimination and harassment), corrupt practices, or other misconduct, including matters covered under our Human Rights Policy and Anti-Corruption Policy. Employees may seek advice or submit reports anonymously, and we ensure strict confidentiality for all information received. Reports are shared with the representative director through the Audit & Supervisory Board Members (or with the Board of Directors if the report concerns the representative director personally), and are investigated promptly and fairly, with appropriate remedial measures taken as necessary. We strictly prohibit any form of retaliation or unfavorable treatment against whistleblowers and provide appropriate protective measures. To ensure the effectiveness of the system, we inform employees about the anonymous reporting hotline and whistleblower protections four times a year, and when compliance violations are confirmed, we take appropriate corrective measures, such as guidance for or disciplinary action against the individuals concerned. To ensure the effectiveness of the system, we have established and monitor the following targets: initiation of investigative action by the next business day following receipt of an internal report in 100% of cases; and completion of response within 20 business days of receipt of an internal report in 100% of cases. If one or more of these targets cannot be met due to unavoidable circumstances, we document and analyze the circumstances and work to improve the process.

3. Elimination of relationships with anti-social forces

Our basic policy is to eliminate any and all relationships with anti-social forces. Our Code of Ethics and Basic Policy on the Exclusion of Anti-Social Forces stipulate that all officers and employees must refrain from any involvement with such groups. We take an organization-wide approach in responding to unjust demands, under the strong leadership of our management, including our representative director. We also work closely with external specialist organizations to ensure an appropriate response even in emergencies. We regularly screen all new and existing business partners for suitability, and implement rigorous measures to address the possibility that a counterparty may be identified as an anti-social force after the business relationship has commenced, such as incorporating anti-organized crime clauses into commercial agreements and the terms of use for our cloud services. In addition, we conduct regular training and awareness-raising activities for officers and employees on appropriate response procedures, in order to reinforce awareness.

Whistleblowing system



Information Security

Basic approach

The RAKUS Group has built relationships of trust with many stakeholders through the provision of a wide variety of IT-related services. We recognize that protecting all information assets, including personal information entrusted to us through our business activities, from all threats and handling them safely and appropriately is an extremely important social responsibility. Based on this recognition, we have established our Basic Information Security Policy and Personal Information Protection Policy. By ensuring that all officers and employees comply with these policies, we aim to build a safe and secure foundation for our digital society, and to protect the rights of all people.

Promotion structure

We at the RAKUS Group position information security measures as one of our key management priorities and have appointed an information security officer designated by the representative director. To maintain and improve our information asset management system, we have established and operate an Information Security Management System (ISMS) and a Personal Information Protection Management System (PMS). We also obtain and maintain ISMS and PMS certifications and continuously improve these management systems, with reference to ISO/IEC 27701 (Privacy information management), the GRI Standards (GRI 418: Customer Privacy), and other standards.

Information security efforts are carried out under the oversight of the Board of Directors and in compliance with laws and regulations, government guidelines, and other relevant standards. We have established a CSIRT*1 and are a member of the Nippon CSIRT Association. In addition to leading incident prevention, detection, and recovery through the CSIRT, the Information Security Department, which serves as the department in charge, works closely with relevant departments to continuously monitor and evaluate the implementation of information security and personal information protection measures.

Key measures and disclosure of results

To ensure thorough information security practices, we implement the following key measures, assess their effectiveness, and disclose the status of these measures.

Maintaining and enhancing the information asset management system

To protect the information assets held by the RAKUS Group from a wide range of risks, we conduct systematic risk assessments on a regular basis and apply security measures based on the nature and impact of identified risks. When handling personal information, we clearly define the purpose and scope of its acquisition and use, handle it by lawful and fair means, and do not use it for purposes other than those specified. We also apply our prescribed evaluation criteria in selecting external service providers entrusted with information assets related to critical business operations, and maintain appropriate oversight through contracts, annual reviews, and other measures.

For these initiatives, we set and monitor management indicators, including conducting security assessments at least once a year for all external service providers entrusted by the company with handling personal information and information related to critical business operations.

Preventing information security incidents and reducing risks

We implement technical and organizational security controls to prevent incidents such as unauthorized access, leakage, loss, or alteration of information. We regularly provide all employees with education and training on the importance of information security and personal information protection (phishing attack training, e-learning, etc.), monitor completion and comprehension, and provide supplementary training as necessary to improve information security literacy and ethical awareness. In addition, we focus on preventing damage before it occurs by taking appropriate action as soon as signs of potential incidents are detected.

Should an incident occur despite these efforts, we promptly investigate the facts, implement corrective measures, and work to prevent recurrence. We have established a whistleblowing system through which employees can raise concerns or report incidents and violations related to information security, and have built a system in which the reports are shared with the representative director through the Audit & Supervisory Board members.

Specific management indicators include a 100% security training completion rate (excluding employees on leave), monthly meetings of the Systems Committee and Security Committee, and company-wide communication of corrective action policies for ISMS and PMS at least once a year, with achievement against these indicators rigorously monitored. The results of this monitoring are reported to management through management reviews and utilized for continuous improvement activities based on the PDCA cycle.

CERTIFIED JQA MANAGEMENT SYSTEM ISO/IEC 27001
ISMS-AC ISMS ISR001
JQA-IM1748
Design, development, and operation of cloud services
Tokyo Headquarters, 1st Office and 2nd Office,
Osaka Head Office

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*1 CSIRT (Computer Security Incident Response Team): A specialist organization that performs prevention, detection, response, and recovery for cybersecurity incidents.

Business and Other Risks

To ensure sound management through the appropriate management and operation of risks, RAKUS has established Risk Management Regulations and implements systematic management based on these regulations. We identify specific risk scenarios, assess the likelihood and impact of risks that could have a significant effect on management, and implement countermeasures.

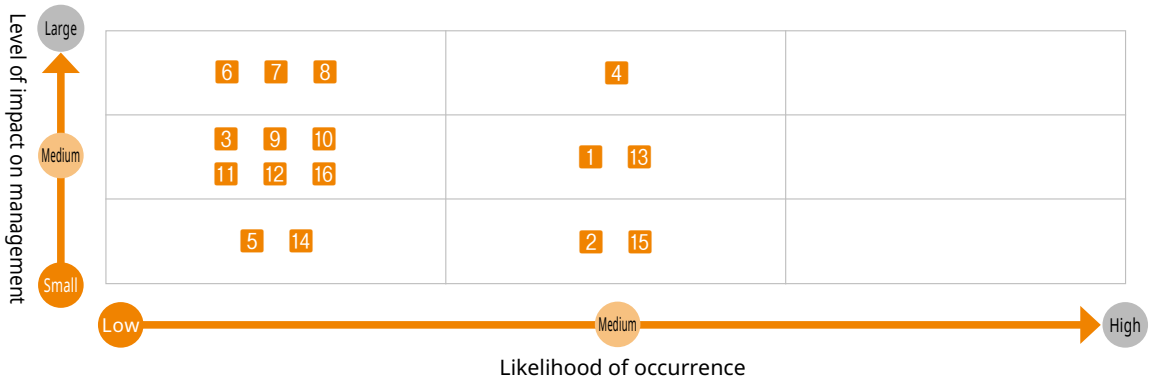
Likelihood of occurrence (High/Medium/Low): Evaluated qualitatively based on the expected timeframe in which the risk may materialize

High	Already materializing, or highly likely to occur within one year (within the next consolidated fiscal year).
Medium	Likely to occur within the period of the Mid-Term Management Plan (within the next 2-3 years).
Low	Unlikely to occur over the next three years, but could emerge over the medium to long term or occur unexpectedly.

Impact (Large/Medium/Small): Evaluated qualitatively based on potential financial impact

Large	Could have a severe adverse impact on consolidated net sales or operating profit. Or could jeopardize business continuity.
Medium	Would have a moderate adverse impact on consolidated financial results, but business could continue, with recovery expected.
Small	Would have a limited or minor impact on consolidated financial results, and can be absorbed within the scope of normal business operations.

Risk Map



List of RAKUS's Business and Other Risks

Risk Item	Likelihood of occurrence	Impact	Response
1 Risks associated with changes in management environment	Medium	Medium	While our ability to influence changes in the macroeconomic environment is limited, we will closely monitor trends and respond appropriately to changes as they arise.
2 Risks associated with competitor influence	Medium	Small	Although our business model benefits significantly from first-mover advantages, we will closely monitor market trends and take appropriate measures to address competition from other companies.
3 Risks associated with dependence on specific products	Low	Medium	In addition to developing products that can follow our main Raku Raku Seisan and Raku Raku Meisai products, we will work to balance our product portfolio and reduce dependence on specific products by improving the profitability of each product.
4 Risks associated with the need to adapt to technological advances, including generative AI	Medium	Large	By staying abreast of new technologies and incorporating them appropriately, we will seek not only to mitigate risks but also to accelerate business growth.
5 Risks associated with decline in cost-effectiveness of advertising and promotional activities	Low	Small	We will continue to invest in advertising and promotional activities while rigorously verifying their cost-effectiveness.
6 Risks associated with system failures	Low	Large	We will conduct regular vulnerability assessments by third-party organizations, establish an internal management framework through the acquisition of external certifications such as ISMS, establish a CSIRT, and conduct regular training and drills.

List of RAKUS's Business and Other Risks

Risk Item	Likelihood of occurrence	Impact	Response
7 Risks associated with information management systems	Low	Large	We have disclosed our Basic Information Security Policy and Personal Information Protection Policy, and will establish an internal management system through the acquisition of external certifications such as ISMS and PMS, establish a CSIRT, and conduct regular training and drills.
8 Risks associated with natural disasters	Low	Large	We will regularly conduct large-scale incident response drills based on our BCP scenarios, verify recoverability through data restoration testing, maintain backups of all customer data on servers physically separated from production environments, and maintain backups at geographically separate locations from our primary product delivery sites.
9 Risks associated with laws and regulations	Low	Medium	We will closely monitor changes in laws and regulations and respond promptly as necessary.
10 Risks associated with intellectual property rights	Low	Medium	We have disclosed our Intellectual Property Policy and will continue to protect the Group's intellectual property rights through our legal department and other functions, while also working to avoid inadvertently infringing upon the rights of other companies.
11 Risks associated with misconduct by employees and affiliates	Low	Medium	We have disclosed our Compliance Policy, Anti-Corruption Policy, and Basic Policy on the Exclusion of Anti-Social Forces, and will mitigate risks by conducting regular compliance training. In addition, any losses arising from misconduct will be addressed appropriately in accordance with applicable laws and regulations.
12 Risks associated with dependence on specific individuals	Low	Medium	To avoid excessive dependence on President and Representative Director Takanori Nakamura, we will strengthen our management system through information sharing among directors and the adoption of a divisional organizational structure.
13 Risks associated with recruiting and training human resources	Medium	Medium	We have disclosed our Human Rights Policy, DEI Policy, and Occupational Health and Safety Policy, and will promote appropriate human capital management.
14 Risks associated with overseas subsidiaries	Low	Small	Because our overseas subsidiaries do not provide products locally, the direct risk they pose to our financial results is limited; however, we will manage cross-border risks so that they do not affect product development.
15 Risks associated with fluctuations in securities prices	Medium	Small	When acquiring securities, we thoroughly scrutinize the financial condition and business plans of the target company, and rigorously examine the appropriateness of the investment. In addition, even after acquisition, we regularly monitor management performance, market conditions, and other elements of the target company in order to identify risks at an early stage.
16 Risks associated with impairment of goodwill and customer-related intangible assets	Low	Medium	When considering corporate acquisitions, we conduct comprehensive due diligence on the target company and carefully assess the reasonableness of business plans and the likelihood of achieving an adequate return on investment. Following the acquisitions, we promote early PMI to support the achievement of business plans, while regularly monitoring business performance and establishing systems that enable a rapid response to changes in the operating environment.

List of Officers

(As of June 25, 2026)

Guided by our medium- to long-term management strategy, we have composed our Board of Directors to ensure an appropriate balance of knowledge and experience.
Each skill category represents a perspective that the Company considers important for the Board of Directors to effectively oversee management, provide guidance, and make decisions that support sustainable growth and improvements to corporate value over the medium to long term.











		Takanori Nakamura	Shinichiro Motomatsu	Takahiro Miyauchi	Kenji Ogita	Yukihiko Kunimoto	Reika Saito	Toshihiro Nojima	Koji Matsuoka	Natsuro Abe
	Name				Independent	Independent	Independent		Independent	Independent
	Position	President and Representative Director	Director and CAIO	Director and Head of Corporate Management Division	Outside Director	Outside Director	Outside Director	Full-Time Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
	Qualifications						Lawyer		Certified public accountant and tax accountant	
	Significant Concurrent Positions	RAKUS Vietnam Co., Ltd. Chairman RAKUS Light Cloud Co., Ltd. Director Director, RAKUS Mirai Co., Ltd.	PT. Cipta Piranti Sejahtera Director	–	Representative Partner, Antelope LLC	Representative Director, Kips Co., Ltd.	Outside Audit & Supervisory Board Member, Grooves Inc. Director, Forum on Future Vision Outside Director, MAYA TECHNOLOGIES, Inc. Representative Director, My Tutor Co., Ltd.	RAKUS Vietnam Co., Ltd. Auditor Auditor, mj capital Inc. Audit & Supervisory Board Member, RAKUS Mirai Co., Ltd.	Outside Director, Rockwave Co., Ltd. Outside Auditor, Asahi Life Science Co., Ltd. Outside Auditor, Aisawa Construction Ltd. Outside Auditor, Adachi Co., Ltd. Auditor, Dream Factory Inc. Outside Director and Audit & Supervisory Committee Member, HouseFreedom Co., Ltd. Outside Auditor, Bio Research Center Co., Ltd. Representative, Matsuoka CPA Office Partner, Sogo Keiei Tax Accountant Corporation	Representative Director, Platform Holdings Co., Ltd. Director, ANDB Inc. Director, SOEL Inc. Director, Plus Smile Co., Ltd.
	Officer Since	November 2000 (Company founded)	June 2021 (Director) July 2025 (CAIO)	June 2023	February 2015	June 2020	June 2022	November 2000 (Director) June 2011 (Auditor)	November 2000	June 2014
	Number of Shares Held	120,913,200	17,628,600	105,400	128,000	–	–	2,340,000	1,012,000	128,000
Attendance at Committee Meetings	Board of Directors	20/20 times	20/20 times	20/20 times	20/20 times	20/20 times	20/20 times	20/20 times	20/20 times	20/20 times
	Audit & Supervisory Board	–	–	–	–	–	–	13/13 times	13/13 times	13/13 times
	Nomination and Compensation Committee	4/4 times	–	4/4 times	4/4 times	–	–	–	4/4 times	4/4 times
Skills	Corporate Management & Strategy	●	●	●	●	●	–	–	●	●
	Business Strategy & Marketing	●	●	–	●	●	–	–	–	●
	Legal & Risk Management	●	–	●	–	–	●	●	–	–
	Finance & Accounting	–	–	●	–	–	–	●	●	–
	Human Resources & Development	●	●	●	–	–	–	–	–	–
	Digital Transformation & Technology	●	●	–	–	–	–	–	–	–
	ESG (Environmental, Social, and Governance)	●	–	●	–	–	●	–	–	–

About the Skill Matrix

	Definition of Skill Category	Reason for Selecting Skill Category	Role Expected Based on Expertise
Corporate Management & Strategy	Knowledge and experience in corporate management, formulation and promotion of management strategies, and organizational operations	To achieve sustainable growth and enhance corporate value over the medium to long term, it is important for us to appropriately assess the balance between growth investments and profitability, as well as the appropriateness of our business portfolio and allocation of management resources, while taking into account changes in the business environment.	Expected to provide oversight and advice on the direction of medium- to long-term management policies and key measures, while enhancing the effectiveness of management decisions aimed at sustainable growth.
Business Strategy & Marketing	Knowledge, practical experience, and management experience in market development, sales/marketing strategies, business development, and new businesses	To maintain growth in existing businesses while expanding our operations into new customer segments and the provision of new forms of value, it is important to possess the knowledge and experience to accurately identify changes in market conditions and customer needs, and evaluate the appropriateness of sales/marketing and business strategies.	Expected to provide oversight and advice on the direction of sales/marketing strategies, customer acquisition, measures to deepen relationships with existing customers, etc., while taking into account market conditions and the competitive circumstances.
Legal & Risk Management	Knowledge, practical experience, and management experience in corporate governance, legal affairs, compliance, internal controls, and risk management	As our business environment changes and operations expand, issues related to legal affairs, compliance, information management, and internal controls are becoming increasingly diverse. It is therefore important to maintain a system that supports appropriate decision-making while ensuring sound and transparent management.	Expected to provide oversight and advice that supports the appropriateness of the Board of Directors' decision-making, from the perspectives of legal compliance, internal controls, risk management, and corporate governance.
Finance & Accounting	Knowledge, practical experience, and management experience in finance, financial management, and accounting	To pursue sustainable growth investments while maintaining an appropriate balance among profitability, financial soundness, and capital efficiency, it is important to have the knowledge and experience to ensure the reliability of financial reporting and verify the appropriateness of investment decisions and capital allocation.	Expected to ensure the integrity of financial reporting and provide expert oversight and advice on management practices that balance growth investments, profitability, financial discipline, and shareholder returns.
Human Resources & Development	Knowledge, practical experience, and management experience in human resources strategy, human resources development, organizational development, and human resources/labor management	To achieve sustainable growth, we must secure and develop human resources capable of supporting business expansion, and enhance organizational capabilities and productivity. To do so, it is important that we have the knowledge and experience that enable appropriate oversight and advice on human resources and organizational challenges.	Expected to provide oversight and advice on initiatives to strengthen human capital and the direction of organizational development, thereby contributing to the reinforcement of the organizational foundation that supports sustainable growth.
Digital Transformation & Technology	Knowledge and practical experience in the use of digital technologies and AI, product development, business transformation, and information security	Advances in technology continue to influence our product development, the value we provide our customers, and the nature of our internal operations, and developments in new technologies, particularly AI, are amplifying this impact. It is therefore important to possess the knowledge and experience necessary to evaluate the appropriateness of policies regarding the use of digital technologies and AI, while properly assessing both business opportunities and risks.	Expected to provide expert oversight and advice on key issues such as enhancing product value, improving operational efficiency, and addressing information security concerns, while taking technological trends and advances in AI into account.
ESG (Environmental, Social and Governance)	Knowledge and practical experience in sustainability and ESG management, addressing environmental and social issues, strengthening non-financial capital, and the relationship between non-financial factors and financial performance	To enhance corporate value over the medium to long term, we must pursue not only business growth, but also respond appropriately to societal expectations, strengthen governance effectiveness, and establish a sustainable management foundation. It is also essential to have a perspective that links the strengthening of non-financial capital, including human and intellectual capital, to future growth, profitability, and other financial outcomes. Thus, we place importance on knowledge and experience that enable management issues to be viewed from both financial and non-financial perspectives over the medium to long term.	Expected to provide oversight and advice to the Board of Directors from the perspective of addressing sustainability issues, developing the governance structure, and strengthening the management foundation based on the relationship between stronger non-financial capital and financial performance. In doing so, they are expected to help maintain and improve stakeholder trust and enhance corporate value over the medium to long term.

Remuneration Decision-making Process for Officers

Decisions regarding director compensation are made by the Board of Directors, taking into account the company's overall performance and each individual director's contribution to management, while also considering the views of the outside directors. We have established a Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors in order to enhance the equity, transparency, and objectivity of procedures related to the nomination and compensation of directors and Audit & Supervisory Board members.

In addition, the monetary compensation of internal directors is set to approximately 4.1 times the average annual salary of employees to ensure that the pay disparity does not become too large, while also driving motivation to enhance corporate value.

Officer Category	Total Remuneration (Millions of yen)	Total Amount of Remuneration by Type (Millions of yen)			Number of Officers Covered
		Fixed Compensation	Performance-linked Compensation	Non-Monetary Compensation	
Director (excluding outside directors)	82	81	–	1	3
Audit & Supervisory Board Member (excluding outside members)	4	4	–	–	1
Outside Officers	14	14	–	–	5

"Non-Monetary Compensation", under "Total Amount of Compensation by Type", represents the difference between the company housing located within commuting distance of the workplace, and the company housing usage fee charged in accordance with RAKUS standards.

Adoption of Share-based Remuneration System with Restrictions on Transfer

RAKUS has introduced a restricted stock compensation system for directors and executive officers, excluding outside directors, in order to provide them with incentives for the sustainable enhancement of corporate value and to further promote the sharing of value with shareholders. This system is designed so that directors share both the benefits and risks associated with fluctuations in the company's share price with shareholders, thereby strengthening their commitment to improving medium- to long-term financial results and corporate value, and encouraging sustained efforts toward that objective.

Environment

Basic approach

As an IT service provider, the RAKUS Group recognizes it as an important social responsibility to promote digitalization and operational efficiency across society and to contribute to reducing environmental impact through paperless operations and other means. To this end, we have established an Environmental Policy. Under this policy, we view environmental conservation as a key issue that is fundamental to our business, and practice environmental management. Through these efforts, we will continue to address environmental considerations in our business activities, prevent pollution, and conserve biodiversity. These activities contribute to the achievement of the Sustainable Development Goals (SDGs) advocated by the United Nations, particularly "SDG 7: Affordable and Clean Energy", "12: Responsible Consumption and Production", and "13: Climate Action".

Promotion structure

The effectiveness of our Environmental Policy is ensured under the oversight of the Board of Directors, with company-wide cross-functional coordination led by the General Affairs Section of the General Affairs and Labor Department. Its scope extends beyond all officers and employees of the Group. We expect our business partners to understand the purpose of this policy, and to support and cooperate with us as we work to raise environmental awareness throughout the supply chain. We will be transparent about disclosing information on the status and progress of our environmental efforts, while emphasizing constructive dialogue with our diverse stakeholders and pursuing continuous improvement.

Key measures and disclosure of results

To ensure thorough environmental consideration in our business activities, we implement the following key measures, assess their effectiveness, and disclose the status of these measures.

1. Reducing environmental impact in business activities

To optimize energy consumption and reduce GHG emissions associated with our business activities, we calculate and disclose the following management indicators based on reasonable assumptions and available data. We will work to improve environmental performance while also taking into account the increase in energy consumption associated with the use of AI and other advanced technologies.

- Electricity consumption
- Water consumption
- Waste generated
- Paper consumption
- CO_2 emissions (Scope 1, Scope 2, Scope 3)

Through these efforts, we will progressively visualize our environmental impact and develop relevant indicators, thereby contributing to the realization of a sustainable society. In the future, we aim to achieve net zero emissions consistent with the Paris Agreement.

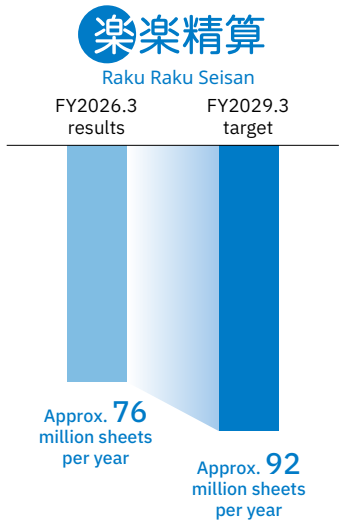
		Unit	FY2024.3	FY2025.3	FY2026.3
Input					
Electricity (total energy consumption)		GJ	6,535	6,796	6,733
Paper		kg	9,049	7,604	8,225
Output					
CO_2 emissions	Scope1	t-CO_2	0	0	0
	Scope2	t-CO_2	767	810	795
	Scope3*1	t-CO_2	872	1,181	1,456
	Scope1+2+3	t-CO_2	1,640	1,991	2,251
CO_2 emissions per net sales		t-CO_2/100 million yen	4.27	4.07	3.73
Water consumption		L	-	-	50,986,588
Waste generated		kg	-	-	189,712

*1 Category 6 (business travel) and Category 7 (employee commuting) only

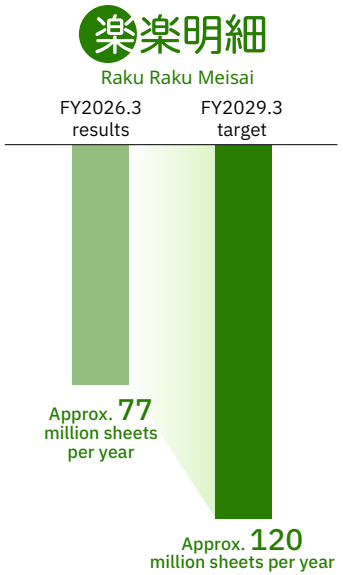
2. Contributing to the environment through products

The RAKUS Group is working to quantitatively visualize the environmental contribution effects of our main services, and proactively provide information to stakeholders. In promoting paperless operations in particular, we will set concrete targets and aim to reduce paper consumption across society as a whole.

Paper reduction by Raku Raku Seisan*



Paper reduction by Raku Raku Meisai *



*Paper reduction is calculated based on the following assumptions: each expense reimbursement processed reduces paper usage by one sheet, and each electronic document issued reduces paper usage by one sheet

To achieve these goals, we will make further efforts to promote and enhance our services.

Society

Multi-Stakeholder Engagement Policy

Basic approach

RAKUS believes that in corporate management, it is important to co-create value not only with shareholders but also with employees, business partners, customers, creditors, local communities, and various other stakeholders, and is committed to appropriate collaboration with each of them. We believe that appropriate distribution of the profits and value generated through value co-creation and productivity improvements contributes to the sustainable development of the economy, and thus place particular emphasis on returning value to employees and giving due consideration to our business partners and customers.

Promotion structure

We raise wages through appropriate methods based on the circumstances, in accordance with the fundamental principles governing wage determination. We also pursue broader improvements in employee treatment, including investments in education and training designed to enhance employee engagement and productivity, with the aim of delivering sustainable value to our employees.

In accordance with our Partnership Building Declaration, we will provide our business partners with products and services that contribute to operational efficiency and value creation, and build sincere, sustainable relationships with them. In addition, as part of our efforts to ensure fair pricing and business relationships, we have established the Service Price Revision Committee, which decides whether to approve or reject service price revisions after comprehensively reviewing compliance with the Antimonopoly Act, customer perspectives, overall business impact, and other relevant factors.



Employees gather at the company-wide meeting, RAKU! Fest 2026

Respect for Human Rights

Basic approach

The Group respects international human rights standards, including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). In addition, through the value we provide through our business activities, we contribute to resolving the human rights issues addressed in the United Nations Sustainable Development Goals (SDGs). We will strive to achieve sustainable business growth and a just society while maintaining alignment with international human rights requirements and societal expectations.

Key human rights areas

The Group identifies the following human rights issues as key areas in its business activities and value chain, and is committed to preventing violations of these rights.

- Prohibit discrimination and harassment (including for sexual orientation, gender identity, disability, etc.)
- Prohibit child labor and forced labor
- Respect workers' freedom of association and the right to collective bargaining
- Ensure fair wages, including living wages, and working hours
- Respect freedom of expression*1
- Prohibit improper surveillance and unauthorized acquisition of personal information, and respect the right to privacy
- Ensure a safe and healthy working environment (including mental health)

*1 We do not tolerate acts that infringe on the rights of others (discrimination, harassment, etc.), violate laws and regulations, or compromise confidential or personal information.

Promotion framework and due diligence

We recognize that our business activities may directly or indirectly affect human rights, and have established and published a Human Rights Policy to respect the rights of all people involved. Our Human Rights Policy is promoted under the oversight of the Board of Directors, with the Human Resources Section of the Human Resources Department in charge of working with the relevant departments to monitor and review the operation of related measures.

In addition, to prevent and respond promptly to human rights risks, we have established a Harassment Prevention Committee, which works to understand actual conditions, implement corrective measures, and develop an organizational response framework. We also continuously identify and assess human rights risks associated with our business activities and implement preventive and mitigation measures to minimize and prevent adverse human rights impacts. These measures are improved on an ongoing basis and reviewed as appropriate in light of changes in societal expectations, laws and regulations, and international human rights trends.

Education, awareness-raising, and disclosure of results

We believe that ongoing awareness-raising activities are essential to embedding a culture of respect for human rights throughout the organization. In addition to human rights training for all officers and employees, we strive to promote company-wide understanding through efforts such as harassment prevention training and compliance training. To ensure the effectiveness of these efforts, we have established the following management indicators, and will disclose our performance against them in an appropriate manner.

- Conduct human rights training for all officers and employees: At least once a year / 100% completion rate (excluding employees on leave)

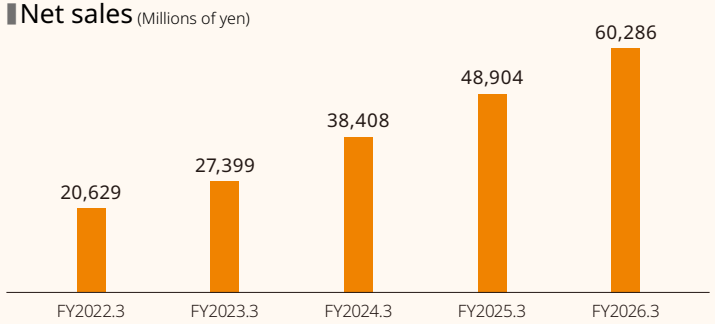
Data

In this section we systematically disclose financial and non-financial data, and quantitatively present the state of our management and the effectiveness of our Value Creation Process.

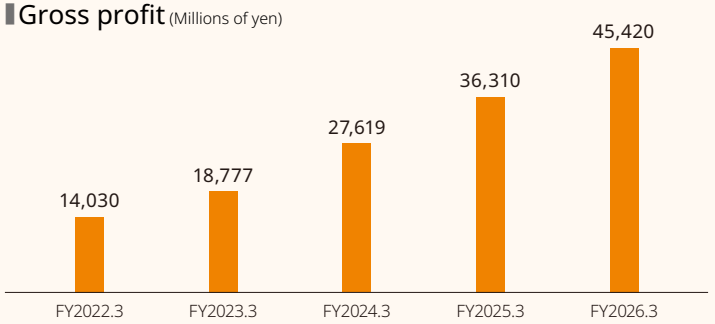


Financial Data

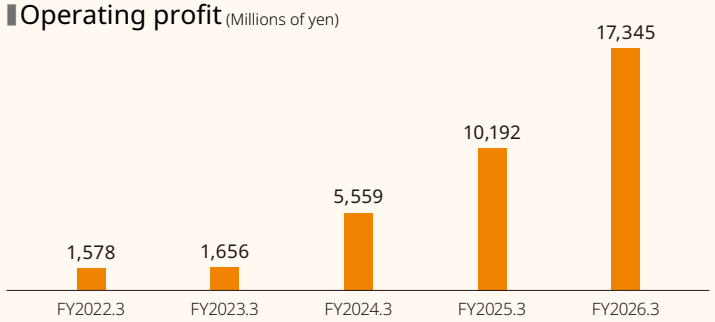
Net sales (Millions of yen)



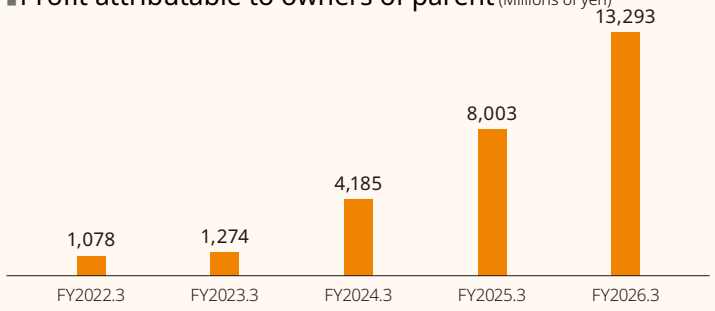
Gross profit (Millions of yen)



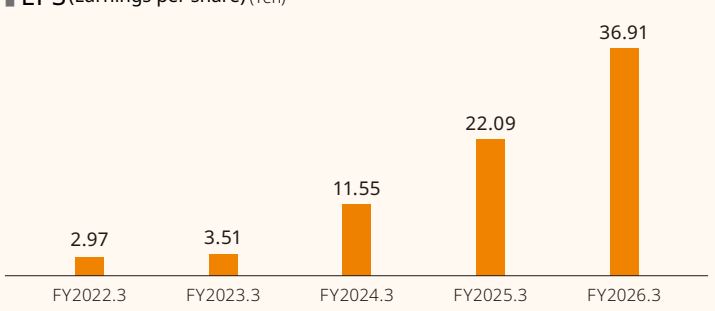
Operating profit (Millions of yen)



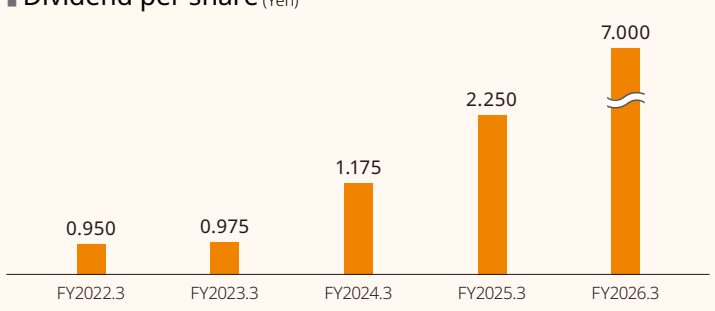
Profit attributable to owners of parent (Millions of yen)



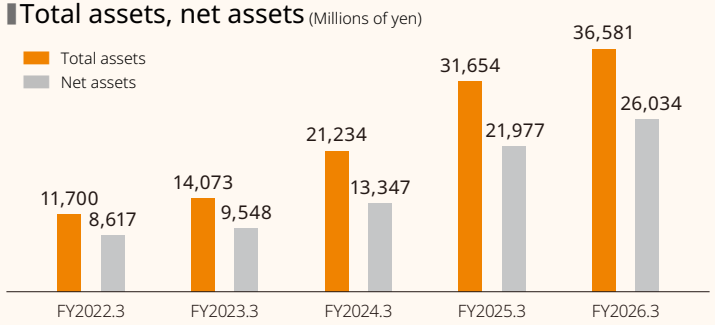
EPS (Earnings per share) (Yen)



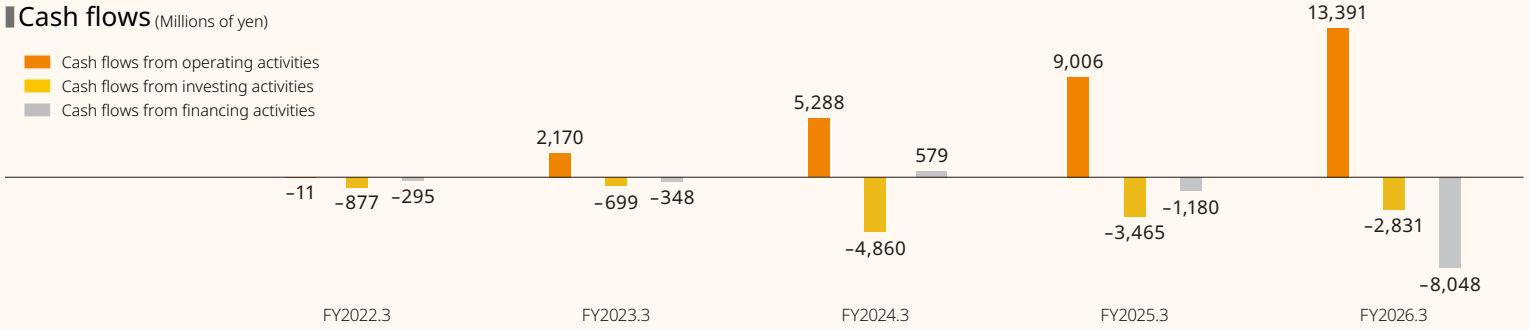
Dividend per share (Yen)



Total assets, net assets (Millions of yen)



Cash flows (Millions of yen)



ESG Data Social

* From FY2025.3, the scope of aggregation, which previously covered only regular employees, was revised to include non-regular employees, and prior-year data has also been restated based on the new criteria.

Personnel Data [Consolidated]

	Unit	Category	FY2024.3	FY2025.3	FY2026.3
Number of employees*1	Persons	Total	2,561	3,086	3,569
	Persons	Male	1,751	2,070	2,375
	Persons	Female	810	1,016	1,194
Ratio of female managers	%		5.5	4.8	5.7
Rate of employees with disabilities*2	%		2.53	2.15	1.62
Average length of service	Years	Total	3.0	3.1	3.2
	Years	Male	3.2	3.3	3.4
	Years	Female	2.7	2.8	3.0
Average age	Years	Total	33.9	31.6	31.7
	Years	Male	34.3	32.1	32.3
	Years	Female	33.0	30.6	30.6
Gender pay gap*3	%		78.7	80.5	80.2
Turnover rate	%		13.4	11.9	12.8
Paid leave utilization rate	%		90.4	86.5	87.9
Average monthly overtime hours worked	Hours		13.7	15.6	16.5
Parental leave uptake rate	%	Total	69.7	74.8	82.6
	%	Male	60.0	66.3	75.0
	%	Female	100.0	100.0	100.0
Parental leave return-to-work rate	%	Total	98.2	97.1	100.0
	%	Male	100.0	100.0	100.0
	%	Female	85.7	90.9	100.0

Personnel Data [Non-consolidated]

	Unit	Category	FY2024.3	FY2025.3	FY2026.3
Number of employees*1	Persons	Total	1,532	1,907	2,190
	Persons	Male	1,022	1,250	1,449
	Persons	Female	510	657	741
Ratio of female managers	%		4.9	4.3	5.8
Average length of service	Years	Total	2.8	3.0	3.2
	Years	Male	2.9	3.2	3.3
	Years	Female	2.5	2.8	3.1
Average age	Years	Total	32.6	32.8	32.9
	Years	Male	33.4	33.5	33.7
	Years	Female	31.1	31.4	31.6
Turnover rate	%		12.1	10.4	10.1
Paid leave utilization rate	%		90.1	89.5	88.1
Average monthly overtime hours worked	Hours		17.8	18.2	19.0

External Evaluations

Evaluations of our human capital management by external organizations

Great Place To Work®
"Companies that are the Best Workplaces" Top 100 ranking
(Selected for the ninth consecutive year since first participating; selected in the Large Company category for the past four consecutive years)

Great Place To Work®
"Companies that are the Best Workplaces" Women's ranking
(Selected in 2024 and 2025)
Great Place To Work®
Asia regional ranking
(selected in 2025 for the third time)

*1 The number of employees is calculated based on regular employees only.
*2 From the year ended March 2026, the record date used to calculate the ratio of employees with disabilities has been changed from the end of June to the end of March. Prior-year results have also been restated based on the same criteria.
*3 The ratio of women's wages compared to men's wages

ESG Data Environment, Governance

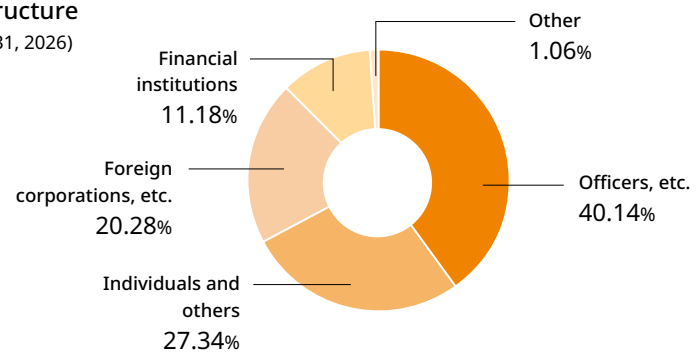
Environmental Data

Environmental Data	Unit	FY2024.3	FY2025.3	FY2026.3
Annual electricity consumption (Total energy consumption)	GJ	6,535	6,796	6,733
Annual paper consumption	kg	9,049	7,604	8,225
Annual water consumption	L	-	-	50,986,588
Annual waste generation	kg	-	-	189,712
CO_2 emissions				
Scope 1	t-CO_2	0	0	0
Scope 2	t-CO_2	767	810	795
Scope 3*	t-CO_2	872	1,181	1,456
Scope 1+2+3	t-CO_2	1,640	1,991	2,251
CO_2 emissions per net sales	t-CO_2/100 million yen	4.27	4.07	3.73
Reduction in paper consumption across society through "Raku Raku Seisan"	10,000 sheets	-	6,700	7,600
Reduction in paper consumption across society through "Raku Raku Meisai"	10,000 sheets	-	5,900	7,700

* Category 6 (business travel) and Category 7 (employee commuting) only

Capital Structure

(As of March 31, 2026)



Major Shareholders

(Top 10)

Shareholder's name	Number of shares held	Voting rights ratio (%)
Takanori Nakamura	120,913,200	34.15
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,774,700	6.43
Shinichiro Motomatsu	17,628,600	4.98
MSIP CLIENT SECURITIES	15,738,692	4.44
Yoshifumi Matsushima	14,771,000	4.17
Hideyuki Inoue	14,493,200	4.09
Fumihiko Asano	13,200,000	3.73
Custody Bank of Japan, Ltd. (Trust Account)	6,644,800	1.88
SSBTC CLIENT OMNIBUS ACCOUNT	5,019,670	1.42
Masashi Kude	4,460,400	1.26

Governance Data

	Unit	FY2024.3	FY2025.3	FY2026.3
Number of directors	Persons	6	6	6
Ratio of female directors	%	16.7	16.7	16.7
Ratio of outside directors	%	50	50	50
Number of Board of Directors meetings	Number	26	23	20
Attendance rate	%	100	100	100
Number of Audit & Supervisory Board meetings	Number	13	13	13
Attendance rate	%	100	100	100
Ratio of outside Audit & Supervisory Board members	%	66	66	66
Number of Nomination and Compensation Committee meetings	Number	4	4	4
Attendance rate	%	100	100	100
Ratio of independent officers	%	60	60	60
Human rights & DEI training participation rate	%	-	-	100
Compliance training participation rate	%	-	-	100
Security training participation rate	%	-	-	100

Company Profile, Group Structure

Company name	RAKUS Co., Ltd.
President and Representative Director	Takanori Nakamura
Established	November 1, 2000
Capital	378,378,000 yen
Fiscal year	April 1 to March 31
Number of employees As of March 31, 2026	Consolidated: 3,569 Non-consolidated: 2,190
Stock Exchange Listing	Tokyo Stock Exchange Prime Market
Securities code	3923
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation
Auditing firm	KPMG AZSA LLC

Group companies	Business	Shareholding ratio
RAKUS Light Cloud Co., Ltd.	Provision of cloud-based software services	100%
RAKUS Mirai Co., Ltd.	Office services	100%
RAKUS Vietnam Co., Ltd.	Development of cloud services	100%
PT. Reformasi Kerja Solusi	Development of cloud services	100%



Office Locations

