



ITbook Holdings

PIONEERING DIGITAL TRANSFORMATION AND GROUNDING SOLUTIONS
FOR SOCIETAL CHALLENGES IN JAPAN

Fueled by a sustained growth trajectory and a decade-long transformation in corporate governance, the remarkable ascent of Japanese stocks in 2023 is poised for long-term continuation, according to JP Morgan. One of Japan's most notable recent transformations is the shift from a stakeholder-focused to a shareholder-driven corporate landscape, embracing foreign investment and innovative management strategies. The Financial Times reports that the percentage of Japanese firms disclosing investor materials in English has surged to 97% from 80% in 2020. Simultaneously, legacy cross-shareholding models have reached a historic low, and approximately 99% of companies now have two or more independent directors, a significant increase from just 22% in 2014.

Since establishing the Digital Agency in 2021 under the slogan 'Government as a Startup,' Japan has made digital transformation (DX) a strategic anchor for its economic reforms. Under the Integrated Innovation Strategy 2022, Japan aims to strengthen its human resources, promote advanced and emerging technologies, and build an "innovation ecosystem." This multifaceted strategy comprises three crucial pillars: the creation of smart cities, the development of a robust platform for public-private collaborations, and the provision of agile solutions for disaster.

This paradigm shift is not just a response to Japan's shrinking population but a resounding call to action. Businesses across all industries are compelled to embrace DX, and the demand for those offering advanced digital solutions has never been higher. DX is not just an option; it's a necessity. It also plays a pivotal role in Japan's regional revitalization plan, a visionary initiative aimed at tackling pressing societal challenges through the innovative application of digital technologies and strategic public-private partnerships (PPPs).

At the forefront of Japan's DX revolution stands ITbook Holdings, an industry leader with a diverse portfolio of subsidiary companies. Of these, ITbook spearheads the charge in consulting, system development, and HR solutions, while SOMETHING excels in state-of-the-art disaster-prevention groundwork services, utilizing the latest technologies.

"We've always been committed to solving social issues," says Toshimori Mae, President of ITbook Holdings. "We leverage IT and DX technologies to maintain and enhance social infrastructure." As a partner to local government agencies and private enterprises, ITbook actively contributes to municipal DX. The company achieves this through the standardization of municipal systems, the facilitation of PPPs, and the provision of invaluable human resources to regional industries such as manufacturing, distribution, and education.

ITbook further accelerates the private sector's transition away from legacy systems by offering a range of DX solutions. Notable among them is the 'Smart Tool' product, a dynamic solution that empowers organizations to adapt to the changing digital landscape. The company also offers comprehensive consulting and digital services, including software development, IT infrastructure management, business system optimization, project management support, and IT governance.

When it comes to revitalization initiatives like smart cities, SOMETHING enables the Group to operate as a total solutions provider through its synergy with ITbook technology. SOMETHING offers a wide array of services, ranging from ground surveying and inspection to warranties, subsidence correction work, and soil investigation. All of these services are conducted with an unwavering focus on disaster prevention, sustainability, and the creation of a comfortable and resilient lifestyle. SOMETHING's multifaceted approach



Toshimori Mae
President

provides the ITbook Group with a significant competitive advantage, enabling it to cover the entire regional revitalization supply chain.

Supporting SOMETHING's efforts are two additional Group subsidiaries: Earth Prime, which specializes in soil quality analysis, and Tomei, a provider of excavation services. These subsidiary companies bolster the Group's operational capabilities, enabling it to streamline operations and complete everything required in-house.

"Looking towards the long-term, we want to continue improving and investing in our subsidiaries to expand their market," says Mae. As part of this, ITbook Holdings is eager to form strategic partnerships, particularly with tech firms specializing in

system development. These partnerships will be instrumental in advancing the digitization of the company's construction services. Given Japan's susceptibility to natural disasters, the ITbook Group's unique set of skills and its strong connections to local government entities present a significant opportunity for inbound investors looking to enter one of Japan's most promising markets. "We possess the knowledge and experience," Mae asserts, "and with the right partnerships, we could, for example, build a data and monitoring system to predict and prevent landslides. The market is substantial, and any business interested in coming to Japan and pioneering such technology would be an ideal fit for us."

By enhancing its strengths through strategic partnerships, Mae is confident that ITbook Holdings can evolve into a JPY 100 billion company. "We are a highly specialized group of experts. We aspire to be the leading advanced specialist company in all aspects related to groundwork," he affirms, adding, "This extends not only to Japan but also to our operations in Vietnam. The environmental conditions in the Mekong Delta are remarkably similar to those in Japan, particularly concerning soil quality. Our expertise is equally applicable there."

Financially, ITbook Holdings has made significant strides toward realizing Mae's vision. The company's recent strong performance has set it on the path to achieving JPY 100 billion in sales. In FY 2023, the Group's consolidated sales reached JPY 30.52 billion, with the majority coming from its ground investigation business, accounting for 56.2% of total sales. This marked an impressive 16.27% year-over-year increase. Moreover, the Group's operating income surged by 210% year-over-year to JPY 739 million. Promisingly, in the first quarter of FY24, the Group's sales and ordinary income surpassed the figures recorded in the same period of the previous fiscal year. These positive financial trends underscore the company's strength and resilience in a rapidly evolving economic landscape.

As Japan actively seeks to revamp its rural economy, companies like ITbook Holdings hold the key to unlocking its full potential. These businesses serve as a testament to the fact that, armed with the right digital tools and innovative approaches, Japan can transform its most significant societal challenges into opportunities for growth and leadership. ITbook Holdings is at the forefront of this transformative wave, shaping the future of Japan's business landscape.

