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May 28, 2024

To whom it may concern

Company name	ITbook Holdings Co., LTD.
Representative	Representative Director and President Mr. Toshimori Mae
	(Stock code: 1447 Growth market, Tokyo Stock Exchange)
Inquiry	Senior Executive Officer, General Manager of Management Headquarters and CFO Mr. Takashi Noma
	(TEL: 03-6770-9970)

Notice regarding the opinion of our board of directors regarding shareholder proposals

The Company received a written document (hereinafter referred to as the “Shareholder Proposal Document”) dated April 24, 2024 from Mr. Yutaka Onda (hereinafter referred to as “Mr. Onda”), a shareholder of our Company, stating that he will make a shareholder proposal (hereinafter referred to as the “Shareholder Proposal”) regarding the agenda at the 6th Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2024 (Tuesday). As we resolved to oppose this Shareholder Proposal at the board of directors meeting held today, we hereby would like to inform you as follows.

Details

1. Contents of this shareholder proposal

(1) Agenda

Election of seven directors

(2) Summary of the proposal and reasons for the proposal

As stated in the attached sheet. The relevant statements in the Shareholder Proposal Document submitted by Mr. Onda have been published in their original text, excluding company notes. Additionally, it has been stated that Mr. Onda has continued to hold more than 1/100 of the voting rights of all shareholders of the Company for the past six months, but as a result of the Company's confirmation of the ownership status, we found that it was not true. However, since he has continued to hold over 300 voting rights for the past 6 months (Article 303, Paragraph 2 of the Companies Act), we are allowing the exercise of shareholder proposal rights at this General Meeting of Shareholders.

2. Opinion of the Board of Directors of our Company regarding the Shareholder Proposal

The Board of Directors of our Company “opposes” this Shareholder Proposal for the following reasons.

3. Reasons for opposing this Shareholder Proposal

(1) The management structure proposed by the company is optimal for improving the corporate value of the company.

As announced in the “Notice of Changes to the Medium-Term Management Plan” dated May 16, 2022, we have set “social problem-solving company” and “selection and concentration” as our new management

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policy.

In the past, management centered around Mr. Onda, the director candidate proposed by the shareholder, which does not consider the financial condition of our Group, entered into unprofitable businesses such as the apparel business and the e-commerce mall business, resulting in large losses.

In order to improve such situation, after the new management team was approved at the general meeting of shareholders in June 2021, the executive directors including Representative Director and President Toshimori Mae have been operating our business following the above management policy based on the opinions and advice based on the extensive experience and knowledge of outside directors appointed to strengthen corporate governance,

As a result, the business results for the fiscal year ended on March 31, 2023 “(numbers published on August 31, 2023 titled “(Correction/Numerical data correction) Regarding partial corrections to the “Summary of financial results for the fiscal year ended on March 31, 2023 [Japanese GAAP] (consolidated)” had recorded sales of JPY 30,528 million, operating income of JPY 739 million, ordinary income of JPY 708 million, and net income attributable to owners of the parent company of JPY 162 million. In addition, for the fiscal year ended March 2024, although we were unable to achieve our initial plans due to the discovery of past accounting errors by our company and accounting fraud at a subsidiary in August 2023, as well as various changes in the business environment, we have achieved improved profit margins as a result of shifting to a profit-oriented management structure. We believe that further restructuring is necessary for the fiscal year ending March 2025. Therefore, for the fiscal year ending March 31, 2025, we have established a group policy of “establishing group governance and restoring trust in the capital market,” and although this is the final year of the current medium-term plan, we have formulated a “revised business plan for fiscal year 2024” (for details, please refer to the “Notice Regarding Revisions to the Medium-Term Management Plan” published on May 15, 2024). The budget formulation method has been changed to a bottom-up method, and based on the market environment and the performance of each company of the Group, our Corporate Planning Office has established an achievable budget in consultation with representatives of each Group company. We also have a system in place to discuss and implement countermeasures at the Group Management Meeting, which is the venue for managing budgets and actual results. We shall improve group governance and thoroughly manage the group’s budget and actual results.

Currently, our Group is promoting various reforms such as strengthening the Group management system, strengthening the management department of the company, and accelerating settlement of accounts in order to achieve further growth and improve corporate value. These reforms are essential for the ITbook Holdings Group to move up to the next stage. We believe that we need to continue to make accurate management decisions under the guidance of directors who have a good understanding of our Group.

(For reference)

(Unit: JPY million)

	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024	Fiscal Year ending March 31, 2025 Before revising planned value	Fiscal Year ending March 31, 2025 After revising planned value
Sales	30,528	29,270	42,000	31,300
Operating profit	739	713	1,750	1,090
Ordinary profit	708	767	1,600	970
Net income attributable to owners of the parent company	162	183	1,000	280

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(2) Regarding the scandal described in the “Reasons for Proposal” of this Shareholder Proposal

The Company deeply regrets some of the scandals listed in the “Reasons for Proposal” of this Shareholder Proposal, and will do our utmost effort to improve the governance of the Group by steadily implementing the improvement measures (hereinafter referred to as the “Improvement Measures”) which was announced in the “Notice Regarding Submission of an “Improvement Report” to the Tokyo Stock Exchange” dated October 26, 2023 and restore the trust of our Group's shareholders, investors, and stakeholders.

In addition, after consulting with the outside directors regarding this matter, we have taken action against the affected individuals, as we announced in “Notice Regarding Recurrence Prevention Measures and Disposition of Persons Related” dated July 25, 2023 and the “Notice Concerning Recurrence Prevention Measures and Disposition of Persons Related” dated September 26, 2023. We will continue to recognize our management responsibilities and strive to improve the corporate value of our Group.

Furthermore, regarding Mr. Onda, as announced in the “Notice regarding receipt of special investigation committee's investigation report” dated August 31, 2023, the inappropriate accounting treatments identified by the Special Investigation Committee include those made during his tenure of the former representative director, chairman and CEO of the Company (October 2018 to June 2021. Note that he retired as honorary chairman of the company in March 2022.), and issues such as internal control within the Group were pointed out as the cause of such case. In addition, inappropriate accounting practices have been found at ITbook Co., Ltd. and ITbook Technology Co., Ltd., where Mr. Onda served as representative director and chairman at the time. Therefore, as announced on January 30, 2024 in the “Request for Refund of Remuneration for Former Representative Director of the Company,” in order to clarify management responsibilities in the same way as directors of the Company, we have requested Mr. Onda to pay back a portion of his executive compensation at the time. However, as announced in the March 7, 2024 “(Progress of Disclosure) Request for Return of Remuneration to Former Representative Director of the Company,” there has been no response from Mr. Onda to voluntarily return compensation, and there is no such response from him at the present time. The Company finds it strange that Mr. Onda is acting as if he is unrelated, even though he also has management responsibilities.

In addition, the Special Investigation Committee's investigation report has stated that one of the causes of inappropriate accounting treatment was that Mr. Onda's comments and attitude towards the presidents of the Group's subsidiaries may have created a certain amount of pressure on the Group to achieve its budget and the insufficient structure of the Company's Internal Audit Office seems to have been influenced by Mr. Onda's intentions. On the other hand, the “Reasons for Proposal” states that “to aim to increase corporate value (stock price) by 10 times in three years.” To achieve this goal, there is a possibility that Mr. Onda shall set high targets and put pressure on companies and cut costs of administrative departments of the Company same as when he was in office. Such management policy of Mr. Onda is contrary to the Company's improvement measures, and there is a risk that scandals such as fraudulent accounting at each of group companies will occur again. Our company believes that it is necessary to build a more robust organization, placing priority on strengthening internal management systems and group governance. Furthermore, although Mr. Onda has set a goal of increasing the stock price 10 times over three years, we cannot see any specific measures in this Shareholder Proposal. We believe that it is easy to set goals based only on past performance without mentioning specific measures.

In addition, the “Reason for the Proposal” states that the company's misconduct was due to the “voluntary resignation of the auditing firm.” However the resignation of Nakachi, our former auditing firm (hereinafter referred to as “Nakachi”), has nothing to do with the recent scandals such as accounting fraud.

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Nakachi has been consulting with us since around the fourth quarter of the fiscal year ended March 2022 regarding the increasing trend of audit time due to the expansion of our business and the associated increase in audit fees. We have selected the current Zelos LLC Audit Corporation in consideration of Nakachi's audit fees and the audit period since the time of Something Holdings Co., Ltd. (currently Something Co., Ltd.).

(3) Regarding the content of Shareholder Proposals

Regarding the proposal to elect seven directors proposed by Mr. Onda, the Company conducted a direct interview on May 20, 2024 with some of candidates who had track record to have served as directors of companies and confirmed the facts. Consequently, we found and confirmed that such candidates had a request from Mr. Onda to lend their name and they did not consent it and they shall not assume the position even if they are elected as a director at the general meeting of shareholders. It goes without saying that even if a resolution for the appointment of a director has been passed but consent is not obtained to serve as a director, we have concern that power may be concentrated in the hands of Mr. Onda even if consent is obtained at the end and we believe that it will be difficult to achieve the envisioned goal of "recovering corporate governance by making accurate management decisions and improving inappropriate management," which is stated in this Shareholder Proposal.

(4) Conclusion

Based on these reasons, and after careful and thorough deliberation from the perspective of strengthening our internal management system and group governance, as well as increasing our corporate value, the Board of Directors of the Company believes that the selection of the seven director candidates announced today in the "Notice Regarding the Selection of Candidates for Directors and Substitute Audit & Supervisory Board Members" shall be the best in view of improving the sustainable corporate value of the Company and the interests of all stakeholders and has determined that the selection of the candidates proposed in this Shareholder Proposal is unnecessary.

Therefore, our Board of Directors "opposes" this shareholder proposal.

(Reference English Translation)

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Shareholder Proposal

April 24, 2024

3-2-24 Toyosu, Koto-ku, Tokyo 135-0061

Toyosu FORESIA 9th floor

ITbook Holdings Co., LTD.

Mr. Toshimori Mae, Representative Director and President

4-1-34-2306 Toranomon, Minato-ku,

Tokyo

Yutaka Onda

Shareholder Proposal

Yutaka Onda Rao (hereinafter referred to as “I”) has continue to be a shareholder acquiring over 1/100th of the voting rights of all shareholders of ITbook Holdings Co., LTD. (hereinafter referred to as “ITbook”) for the past six months.

Pursuant to Article 303, Paragraph 2 and Article 305, Paragraph 1 of the Companies Act, I have decided that the purpose of the general meeting of shareholders scheduled to be held in June 2021 is as stated in 1 below and we hereby request that the outline of the proposal and the reasons for the proposal described in 2 be included in the convocation notice of general meeting of shareholders and shareholder reference documents for the general meeting of shareholders.

1. Proposed agenda

Election of 7 directors

2. Summary of the proposal and reasons for the proposal

(1) Outline of the proposal

The seven director candidates listed below will be elected as directors.

(2) Reason for proposal

I was involved in the management of ITbook from November 2009 to June 2021, and it achieved remarkable growth during that time. After I left, ITbook's stock price fell by half, and the employees are not happy.

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ITbook has recently experienced a number of scandals, and about 20 executives, including presidents of six subsidiaries, have left the company. Furthermore, the auditing firm also voluntarily resigned.

The scandals occurred during the fiscal year ended March 2023 were as follows:

1. Embezzlement case by a subsidiary employee (JPY 67 million)
2. The securities report for the fiscal year ended March 2023 could not be submitted on time.
3. Voluntary retirement of the audit firm
4. Establishment of a special investigation committee to investigate inappropriate accounting treatment and publication regarding the facts of inappropriate accounting treatment.
5. Implementation of submission of “improvement report” requested by Tokyo Stock Exchange and “publication measures”
6. As a result of the recommendation of a surcharge payment order by the Securities and Exchange Surveillance Commission regarding securities reports, etc., the Financial Services Agency decides on a surcharge payment order. (JPY 109.29 million)

I believe that we cannot ignore this situation and believe that we have no choice but to reform the management team of the Company. Please note that even if I return as an officer, I will not receive any officer compensation.

By entrusting management to me again who dramatically increased the corporate value of ITbook (including ITbook Co., Ltd. before the integration) and by renewing other directors, we will make accurate management decisions, improve corporate governance by improving inappropriate management, realize appropriate dividends to ITbook's shareholders, and increase corporate value (stock price) by 10 times in three years.

Details

Director candidates are as follows:

1. Yutaka Onda

(1) Date of birth

September 17, 1934 (age 89 years old)

(2) Number of shares owned

305,900 shares

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(3) Career summary

April 1962	Joined Daiwa Securities Co., Ltd.
June 1989	Director of Daiwa Securities
May 1991	Managing Director of Daiwa Securities
June 1991	Chairman of the Standing Committee of the Securities Association Council
January 1996	President of KOBE Securities Co., Ltd.
April 2006	President and Representative Director of CIMA Co., Ltd.
November 2009	President of ITbook Co., Ltd.
October 2018	Representative Director, Chairman and CEO of ITbook Holdings Co., LTD.
June 2021	Resigned Representative Director, Chairman and CEO of ITbook Holdings Co., LTD

(Company note) Mr. Onda retired as CEO of the Company in June 2021, and also served as Honorary Chairman of the Company from June 2021 to March 2022.

(4) Reasons for selecting Mr. Onda as a candidate for director

Since becoming president of ITbook Co., Ltd. in November 2009, Mr. Onda has worked hard to manage the company and its holding company, ITbook Holdings, for approximately 12 years and eight months. As a result, the market capitalization of the Company, which was around JPY 300 million in 2009, increased by 100 times to JPY 31.8 billion in five years. This is the highest ever record on the Tokyo Stock Exchange. Utilizing such experience, Mr. Onda will take charge of management as a director, rebuild ITbook's current status, and will strive to improve ITbook's corporate value (stock price).

2. Mr. Tatsuyuki Saeki

(1) Date of birth

August 14, 1940 (age 83 years old)

(2) Number of shares owned

None

(3) Career summary

April 1964	Joined IBM Japan , Ltd.
April 1995	Representative Director and Vice President of IBM Japan
June 2000	Representative Director, Chairman and CEO of Nasdaq Japan Planning Company, Inc.
July 2002	Representative Director and President of EDS Japan Co., Ltd.
April 2003	Representative Director and President of IMS Japan Co., Ltd.
April 2008	Representative Director and Chairman of IMS Japan Co., Ltd.
April 2011	Representative Director and President of CA Japan, Ltd.

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January 2015	Representative Director and Chairman of TAM Co., Ltd. (current position)
June 2022	Outside Director of ITbook Holdings Co., LTD.
June 2023	Resigned Outside Director of ITbook Holdings Co., LTD.

(4) Reasons for selecting Mr. Saeki as a candidate for director

Mr. Tatsuyuki Saeki has long experience in the IT industry since joining IBM Japan, Ltd., and has a wealth of specialized knowledge and insight that can contribute to the management of ITbook, which has focused on IT business. In addition, he has a wealth of experience and wide-ranging insight regarding management cultivated through many years of corporate management. From such perspective, we believe that Mr. Saeki will be able to provide useful recommendations to improve ITbook's corporate value based on his experience and knowledge by assuming the position of director.

3. Junko Tateyama

(1) Date of birth

October 29, 1980 (age 43 years old)

(2) Number of shares owned

None

(3) Career summary

October 2006	Attorney registration
October 2006	Joined Foreign Law Joint Venture Law Firm Linklaters
April 2009 to April 2011	Worked at the Climate Change Division, International Cooperation Bureau, Ministry of Foreign Affairs.
October 2012 to present	Joined Daiichi Chuo Law Office (current position)

(4) Reasons for selecting Ms. Tateyama as a candidate for director

Ms. Junko Tateyama is a qualified lawyer and has advanced legal expertise. In addition, she has worked at the Foreign Law Joint Venture Law Office and the Climate Change Division, International Cooperation Bureau, Ministry of Foreign Affairs, and thus has international knowledge and experience, therefore we believe that she will be able to utilize this knowledge and experience in future business development and she will be able to make use of such information and provide useful suggestions to improve ITbook's corporate value. Furthermore, from the perspective of ensuring diversity, having Ms. Tateyama, who is a woman and a lawyer, as a member of the Board of Directors will energize the Board of Directors and we believe that this is a strength to help ensure ITbook's sustainable growth.

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4. Mr. Hideyoshi Nakajima

(1) Date of birth

January 21, 1958 (age 66 years old)

(2) Number of shares owned

None

(3) Career summary

April 1981	Joined Nippon Univac Co., Ltd. (currently BIPROGY Inc.)
May 1984	Joined Argo21 Co., Ltd. (currently Canon IT Solutions Inc.)
October 1987	Joined Waseda System Research Institute Co., Ltd. (currently Waseda System Development Co., Ltd.) (Successfully served as Director of Hokkaido Information Center, General Manager of Sales Planning Division at Tokyo Head Office, and Senior Managing Director)
April 2009	Joined Showa System Engineering Corporation
February 2018	Joined NCD Technologies Co., Ltd.
January 2023	Retired from NCD Technologies Co., Ltd.

(4) Reasons for selecting Mr. Nakajima as a candidate for director

Mr. Hideyoshi Nakajima has long experience in the IT industry and has a wealth of specialized knowledge and insights that can contribute to the management of ITbook, which has focused on IT business. Additionally, he had served as a director of multiple companies and has extensive experience and knowledge in corporate management. From this perspective, we believe that by appointing Mr. Nakajima as a director, we can expect him to utilize his specialized knowledge and experience to make useful recommendations to improve ITbook's corporate value.

5. Takanobu Nakagawa

(1) Date of birth

August 2, 1944 (age 79 years old)

(2) Number of shares owned

None

(3) Career summary

April 1968	Joined the Ministry of Finance (currently the Ministry of Finance)
June 1993	Director of Kobe Customs
May 1995	Director of Financial Inspection Department, Finance Secretariat
July 1997	Representative member of the Ministry of Finance, Bank of Japan Policy Committee
September 2001	Managing Director of the Second Regional Banks Association

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May 2002	Vice Chairman/Managing Director of Second Regional Bankers Association
June 2006	President and CEO of Tomato Bank, Ltd.
June 2014	Chairman of the Board, Tomato Bank, Ltd.

(4) Reasons for selecting Mr. Nakagawa as a candidate for director

After joining the Ministry of Finance (currently the Ministry of Finance), Mr. Takano Nakagawa held important positions such as a Representative member of the Ministry of Finance on the Bank of Japan's policy committee, Vice Chairman and Managing Director of the Second Regional Banks Association, and he has extensive experience and wide-ranging insight regarding corporate finance, financial market, and other aspects of the economy in general. Additionally, since 2006, he has been involved in management for many years as President and Chairman of Tomato Bank Co., Ltd., therefore we believe that he can carry out business management accurately, fairly, and efficiently based on the specialized experience and knowledge which he has cultivated over the years.

6. Mr. Sumio Sato

(1) Date of birth

March 19, 1958 (age 66 years old)

(2) Number of shares owned

None

(3) Career summary

April 1976	Tokyo Regional Taxation Bureau General Affairs Department
July 1987	Inspector of Tokyo Regional Taxation Bureau Inspection Department
April 1990	Chief Investigator of Tokyo District Public Prosecutors Office Special Investigation Department
April 1992	Served as Inspector, Chief Inspector, Assistant, etc. at Tokyo Regional Taxation Bureau Inspection Department
July 2006	Deputy Chief of Nishikawaguchi Tax Office
July 2008	Served as Special National Tax Inspector and Supervisor of Tokyo Regional Taxation Bureau Inspection Department
July 2011	Chief of Nagai Tax Office
July 2013	Director, Inspection and Hearing Division, Inspection Department, Tokyo Regional Taxation Bureau
July 2014	Director of Inspection Supervisory Section 2, Tokyo Regional Taxation Bureau Inspection Department
July 2015	Director, Inspection Management Division, Inspection Department, Tokyo Regional Taxation Bureau
July 2016	Deputy Director, Tokyo Regional Taxation Bureau Inspection Department
July 2017	Chief of Shiba Tax Office

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August 2018 Sumio Sato Tax Accountant Office

(4) Reasons for selecting Mr. Sato as a candidate for director

Mr. Sumio Sato has held important positions such as Chief Investigator of the Special Investigation Department of the Tokyo District Public Prosecutors Office and Deputy Director of the Inspection Department of the Tokyo Regional Taxation Bureau, and currently works as a tax accountant, and has advanced knowledge and experience in taxation and corporate accounting. Therefore, we believe that his participation in management will enable the Company to make accurate decisions based on tax benefits, risks, etc.

7. Mr. Akira Yoshimori

(1) Date of birth

January 29, 1949 (age 75 years old)

(2) Number of shares owned

None

(3) Career summary

April 1972 Joined Sumitomo Chemical Industries Co., Ltd.

April 1996 Joined Japan Ernst & Young Consulting Co., Ltd.

March 2003 Executive Vice President of Lush Inc. and President of Rush Japan Co., Ltd.

November 2006 Director of Kotobuki Co., Ltd.

April 2015 Representative Director and President of Kotobuki Holdings Co., Ltd.

June 2018 Director and President of NEW ART HOLDINGS Co., Ltd.

June 2020 Senior Managing Director of NEW ART HOLDINGS Co., Ltd.
(current position)

(4) Reasons for selecting Mr. Yoshimori as a candidate for director

Mr. Akira Yoshimori has been involved in the management of multiple companies in Japan and overseas for many years, and is well-versed in domestic and international economic conditions and also has a wealth of experience and wide-ranging insight into management cultivated through many years of corporate management. Additionally, he has deep knowledge and extensive experience in group management, and we expect him to contribute to improving the corporate value of the entire ITbook Group based on his global perspective.

(Note)

1. There are no special conflict of interests between each director candidate and ITbook.

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2. Mr. Saeki, Ms. Tateyama, Mr. Nakajima, Mr. Nakagawa, and Mr. Sato are candidates for outside director as defined in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Companies Act.
3. Ms. Tateyama and Mr. Nakagawa meet the requirements for independent officers based on the regulations of the Tokyo Stock Exchange, and are scheduled to be registered as independent officers.
4. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, ITbook has stipulated in its articles of incorporation that it may conclude a contract with its directors (excluding those who are executive directors) to limit liability for damages as provided in Article 423, Paragraph 1 of the same Act. Therefore, if this proposal is approved, we plan to conclude an agreement with Mr. Saeki, Ms. Tateyama, Mr. Nakajima, Mr. Nakagawa, and Mr. Sato that will limit the amount of liability for damages to the amount stipulated by law.