

Sukedachi Inc. Raises 1.85 Billion Yen in Funding Mainly From ESG and Impact Investors

Miwa Seki, Founding Partner of MPower Partners, Appointed as Outside Director

Sukedachi Inc. (head office: Shibuya-ku, Tokyo; President and CEO: Yoichi Wagatsuma; hereafter "we" or "Sukedachi") operates a service called "Sukedachi," a matching platform connecting construction professionals and construction companies. We are pleased to announce that we have raised a total of 1.85 billion yen through a third-party allotment of new shares to MPower Partners Fund L.P., Japan Impact Investment No. 2 Limited Liability Partnership "Hataraku FUND," and other investors, including existing shareholders. The capital raised also comes from convertible bonds with stock acquisition rights and loans from several financial institutions.

We are also pleased to announce that Ms. Miwa Seki, founding partner of MPower Partners, has been appointed as a new outside director to help establish an ESG-conscious management structure and strengthen governance.

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1.85 billion Yen Raised, Mainly From ESG and Impact Investors

New Outside Director
Miwa Seki
MPowerPartners Fund L.P.
Founding partner

MPOWER **はたらく FUND**
HATARAKU FUND

- Purpose of the Financing

We have been working to alleviate labor shortages in the construction industry by providing our core services, including our "Sukedachi" matching service and the "Sukedachi Recruitment" recruitment service designed for construction companies and construction professionals at construction sites. We have achieved rapid growth over the past year, increasing sales by 3.4 times and tripling the number of employees compared to the previous year.

In addition, more than 170,000 businesses are currently using Sukedachi to find new partners/suppliers and hire employees. Sukedachi supports businesses expand and grow.

The funds raised in this round will be used for additional recruitment, training, and marketing activities. We will continue to improve the functionality of Sukedachi and Sukedachi Recruitment while taking on the challenge of becoming an indispensable service for all the parties involved in the construction industry.

- The Sokedachi Vision for Solving Social Issues

Construction is a huge industry supporting Japan, with a market size of over 60 trillion yen and approximately 5 million workers. However, its workforce is aging, so the number of construction professionals is declining. In addition, because of the low labor distribution rate of construction professionals to construction sites due to the industry's multi-layered subcontracting structure, the level of compensation earned tends to be insufficient, and the number of workers entering the industry continues to decline.

Our mission is "making construction sites desirable places to work." We aim to solve the twin issues of the fragile economic foundation construction professionals face and management instability at construction companies caused by labor shortages by creating a marketplace for connecting businesses and construction professionals in the construction industry.

By obtaining information about a variety of clients through Sokedachi, construction professionals can have the opportunity to find prime contractors who are a good fit for them. This alleviates the income instability caused by the cycles of busy and slow periods and gives professionals greater discretion in choosing their work environment. It also enables prime contractors to significantly improve their bottom line by stably securing a large number of desired personnel during peak periods when the workforce is in short supply, thereby increasing the number of projects companies can take on.

By working with various stakeholders in the construction industry, including businesses, construction professionals, and government officials, we are working to address structural issues within the industry, thereby impacting Japanese society and achieving economic competitiveness through our unique business model.

- Investor Comments

MPower Partners Fund L.P. Masatoshi Fukasawa, Partner

In Japan, approximately 5 million people are working as construction professionals in the construction industry. Sokedachi's mission and products utilize digital technology to make it easier and more efficient for construction workers to work and update their work style and environment. We are pleased to invest in Sokedachi and share the company's mission and products. We are delighted to be involved with a growing game-changer company in a huge and important industry that will continue to support Japan's buildings and infrastructure into the future. From an ESG perspective, we also look forward to supporting Sokedachi as they continue to make a positive impact.

Japan Impact Investment No. 2 Limited Liability Partnership "Hataraku FUND" Sayaka Takatsuka, General Partner

We at the Hataraku FUND deeply identify with Sokedachi's business of providing construction professionals with diverse work style options and job satisfaction, as we view the industry's serious labor shortage and aging workforce as structural issues as the construction industry supports Japan's infrastructure.

We are confident that Sokedachi Inc., as a company promoting change in the industry, can solve human resource issues and grow its business while working closely with both construction professionals and construction companies to address the issues they face.

As an impact investor, I will work with our management team to help visualize the social value we create and promote sustainable management.

– About the New Outside Director Appointment

Career History: Miwa Seki, founding partner of MPower Partners

2021 – present	Founding partner, MPower Partners
2015 – 2022	Associate Professor, Kyorin University Faculty of Foreign Languages
2000 – 2013	Founder and President, Mei Corporation Y.K.
2003 – 2007	Tokyo Branch Manager, Clay Finlay Investment Advisors
1999 – 2001	Principal, Clay Finlay Investment Advisors
1997 – 1999	Japanese Securities Analyst, Clay Finlay Investment Advisors
1993 – 1997	Associate, Morgan Stanley (Investment Banking)
1989 – 1991	Analyst, Smith Barney (Investment Banking)
1988 – 1989	Public Relations Office, Dentsu Inc.

– Reason for Appointment

We appointed Ms. Seki to be a Director with the expectation that she will supervise our company's management taking advantage of the global knowledge and expertise she has gained through her experience as a translator as well as her experience as an entrepreneur and working in financial institutions. In addition, we expect she will contribute her opinions and make suggestions from various perspectives as we promote ESG management.

– Comments by Miwa Seki, Our New Outside Director

I am inspired by Sokedachi's mission to make the construction industry, an important part of the infrastructure that supports society, a more attractive place to work, connecting skilled construction professionals with construction companies suffering from labor shortages. I look forward to working together to help solve this major social issue. I am committed to creating greater corporate value and making a social impact through ESG implementation and supporting the expansion of the business.

– About Sokedachi Inc.

We provide the app Sokedachi, which connects construction professionals and construction companies with the mission to "make construction sites desirable places to work." With more than 170,000 businesses registered, we boast an overwhelming market share in the construction industry's matching domain. Sokedachi is a service that matches construction companies with construction professionals, enabling each to meet long-term business partners. In addition, our service Sokedachi Recruitment supports construction companies' recruitment by allowing companies to post job ads and send scouting messages directly to construction professionals using the app. In this way, Sokedachi helps resolve labor shortages both in terms of finding suppliers and recruiting workers. In the future, we will continue to expand our services to help solve all challenges faced by the construction industry.

Sokedachi Service Website: <https://suke-dachi.jp/>

Our Weekly Media "Weekly Sokedachi": <https://media.suke-dachi.jp/>

– Company Overview

Company name: Sokedachi Inc.

Representative: Yoichi Wagatsuma, President and CEO

Location: Nikko Shibuya Nanpeidai Building 5th floor, 2-17 Nanpeidai-cho, Shibuya-ku, Tokyo

Founded: March 30, 2017

Capital: 89,973,571 yen

Business description: Planning, creation, and operation of Internet-based services

URL: <https://suke-dachi.jp/company/>

– Contact for inquiries regarding this press release

Sokedachi Inc.

Representative: Otsuka

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