

BPEA EQT Mid-Market Growth to acquire a majority stake in HRBrain, a fast-growing HR software provider in Japan

- HRBrain is a fast-growing HR software provider in Japan, helping companies manage and engage with talent more effectively through a diversified suite of cloud products
- As Japan continues to face talent shortages and increasing regulatory requirements for disclosure of human capital metrics, the demand for solutions to support talent management and employee engagement is growing rapidly
- BPEA EQT Mid-Market Growth will support HRBrain's continued growth by expanding the customer base and support ongoing development of new modules to further enhance its integrated service offering

EQT is pleased to announce that the BPEA EQT Mid-Market Growth Fund ("BPEA EQT Mid-Market Growth") has agreed to acquire a majority stake in HRBrain (the "Company"), from existing shareholders. The Company's founder, Hiroki Hori, will remain as a significant minority shareholder and continue as CEO.

HRBrain was established in 2016 to offer software solutions aimed at simplifying and streamlining companies' performance evaluation processes. Today, the Company's HR solutions have grown to include comprehensive talent management, employee experience and organization assessment, labor management, AI ChatBot, 360 Reviews, and more. HRBrain is headquartered in Tokyo and has more than 150 employees.

As Japan continues to face talent shortages and increasing regulatory requirements for disclosure of human capital metrics, the demand for solutions to support talent management and employee engagement has been growing rapidly. With an intuitive UI/UX design, flexible module selections, and strong customer support and consulting services, HRBrain has developed a highly diversified customer base, helping more than 2,500 companies in total engage with talent more effectively. Moreover, the Company has best-in-class customer satisfaction and strong retention, particularly from their core target segment of mid to large sized enterprises, with more than 60 percent in annual recurring revenue growth.

EQT has extensive experience developing strong software businesses on a global scale, with more than 15 software investments globally and over USD 10 billion of equity invested since 2018. BPEA EQT Mid-Market Growth will leverage the firm's in-house software and digitalization capabilities and global network of industry experts to support HRBrain in its next phase of growth.

Tetsuro Onitsuka, Partner within EQT Japan's advisory team, commented, "HRBrain is one of the top players in Japan's Talent Management space, which is backed by strong tailwinds from socially significant issues like a shrinking labor force, a growing shift towards job-based hiring, and a regulatory push to visualize and disclose human capital. We see great potential for further expansion of the company's impressive product and service offerings, and we look forward to leveraging EQT's experience in technology and software to support President Hiroki Hori and his employees as we work together to accelerate HRBrain's organic and inorganic growth."

Hiroki Hori, CEO of HRBrain, commented, "HRBrain promotes solutions in the HR domain mainly for Japanese companies through SaaS-type software and consulting services. We are pleased to have formed a strong partnership with EQT and work to realize our mission. Together, we will continue to

provide unique products that are indispensable to diverse workplaces and solving complex issues in the HR field.”

The transaction is expected to close in Q4 2023.

BPEA EQT was advised by SMBC Nikko, mk (legal), and KPMG (financial, tax and ESG). The Company was advised by UBS and Shiomizaka (legal).

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About EQT

EQT is a purpose-driven global investment organization with EUR 232 billion in total assets under management (EUR 128 billion in fee-generating assets under management), within two business segments – Private Capital and Real Assets. EQT owns portfolio companies and assets in Europe, Asia-Pacific and the Americas and supports them in achieving sustainable growth, operational excellence and market leadership.

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About HRBrain

HRBrain is a one-stop cloud-based platform consisting of seven services for streamlining HR operations and centrally managing and utilizing HR data – the company’s flagship HRBrain Talent Management service, as well as Organizational Diagnostic Survey, Pulse Survey, Personnel Evaluation, 360-degree Review, Labor Management, and AI ChatBot for internal use. HRBrain will continue to expand its services in ways that can further contribute to ESG management, the development of human capital, and digital transformation (DX) in the HR space.

More info: www.hrbrain.co.jp