

May 24, 2018

KKE invests in the U.S. company, LockState, Inc.

Kozo Keikaku Engineering, Inc. (Head Office : Nakano-ku, Tokyo, JAPAN, President : Shota Hattori, “KKE” hereafter) announced today that they have invested approximately 1.5 million U.S. dollars in LockState, Inc. (Head Office : Denver, Colorado, USA, CEO : Nolan Mondrow). The goal of this investment is not only to enhance the functionality and usability of their products and services, but also to extend the system cooperation with services and devices provided beyond business domains and industries, and to accelerate building a higher value-added business ecosystem.

This investment is part of a joint investment that was put by four firms and amounts to approximately 5.8 million U.S. dollars. The joint investment was organized by Iron Gate Capital LLC (head office : Louisville, Colorado, USA, Managing Partner : Douglas James Fahoury, Ryan Pollock, “Iron Gate” hereafter) as a lead investor. Iron Gate is a private equity firm that include current or retired CEOs/Presidents of highly successful companies across a range of industries. They assess hundreds of prospective companies and invest in only a few promising ones every year.

Founded in 2004, LockState has pivoted its business from digital safes, and now offers cloud-based access control, monitoring and security solutions including the smart lock platform, "RemoteLOCK". RemoteLOCK enables central management of entry and exit of room doors and entrances. LockState has been chosen as a global partner by Airbnb, and contributed greatly to the traveling industry by offering innovative solutions. LockState sales grew by about 70% last year and they were nominated as one of the final candidates of "Colorado Companies to Watch 2018", a program that awards companies from across the state for their success in the marketplace, innovative products, unique processes and philanthropic actions. In addition to its current services, LockState is going to further develop various services in more industries by integrating their API with the systems/services of several partners. They are highly anticipated to produce other breakthrough innovations.

Having invested some capital into LockState in 2008, KKE also started distributing the RemoteLOCK cloud software for connected locks in Japan in January 2017. As a result of the latest investment, KKE is now a major shareholder in LockState. From the establishment in 1959, KKE has been providing design, analysis, and system development that help their clients achieve safety and security in building, construction and other fields. Through the investment, KKE supports development and business expansion of this promising company. Utilizing the IoT technologies that correspond to shifts in our life and the society, KKE continues to improve the usability, comfortability, and efficiency for building managers and residents.

■ **Outline of the Investment**

Amount of Investment by KKE :	1,499,996.52 U.S. dollars
Class of Acquired Shares :	Series A Preferred Stock

■ Company Information

Kozo Keikaku Engineering Inc.

KKE pursues its Thought “Innovating for a Wise Future”, a future vision and direction to be sought together with society. As a Professional Design & Engineering Firm that acts as a bridge between the academic and business worlds, KKE strives to solve various issues and challenges that society faces, utilizing its engineering expertise acquired through knowledge exchanges in diverse fields. KKE will thus contribute to creating a wiser and better society. Learn more at <http://www.kke.co.jp/en>.

LockState, Inc.

Colorado-based LockState is a leading provider of web-based software that controls connected door locks for vacation rental, commercial and residential markets. Since its founding in 2004, the company has developed the first cloud platform that controls multiple types of connected locks through an end-user application or a robust API. LockState’s mission is to enable property owners and managers to control access and monitor their properties even when they are far away.

Lockstate is partnering with global companies such as Airbnb, HomeAway, Ring and August. Learn more at <http://www.lockstate.com/>.

Iron Gate Capital LLC

Formed in 2005, Iron Gate is a private equity firm based near Boulder, Colorado. They consist of current or retired CEOs/Presidents of highly successful companies across a range of industries. Leveraging their rich management expertise and network, they help boost the portfolio companies’ growth. Learn more at <http://www.irongatecapital.com/>.

■ Contact Information

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