



ORIX Launches New Online Lending Business for Japanese Small Businesses, Leveraging Accounting Big Data and Proprietary Artificial Intelligence-Based Credit Model

TOKYO, Japan – April 14, 2017– ORIX Corporation (“ORIX”) and Yayoi Co., Ltd. (“Yayoi”), an ORIX Group company, announced today that they are launching a new online lending business, a new FinTech service utilizing accounting big data and proprietary Artificial Intelligence (AI) based credit model.

The business will provide Internet-based lending to small businesses in Japan. A new credit model is under development, utilizing ORIX’s credit expertise, Yayoi’s accounting big data, and cutting edge AI technology by ORIX’s partner company, d.a.t. Inc. Most existing credit models in the market to date relied solely on static data such as financial reports; by utilizing dynamic data, such as day-to-day journal data and other transactional data, the new credit model is expected to offer much better predictive power than before.

As part of the launch, in February 2017, Yayoi established ALT Corp. (“ALT”), a new operating company for the business. Subsequently, ALT entered into business partnership agreements with top-tier regional banks, namely, The Chiba Bank, Ltd., The Bank of Fukuoka, Ltd., Yamaguchi Financial Group and The Bank of Yokohama, Ltd., and is exploring the possible use of the new credit model by these financial institutions.

ALT plans to start offering lending services on a trial basis to the approximately 600,000 companies, who are existing users of Yayoi’s online services¹ in October 2017. Customers will be able to apply online, during which process they grant permission to access their accounting data.

The market for online lending is expanding rapidly, primarily in the U.S. and China; in the U.S. market, loan amounts are said to have exceeded \$34.0 billion in 2015. In contrast, online lending has had a small presence in Japan.²

According to a survey of 7,609 Yayoi customers, 85.0% of small corporations have a need for short-term financing, but 36.5% of those have been shying away from obtaining traditional loans, due in part to the excessive amount of time and efforts required for approval of short-term financing. With respect to sole proprietors, just 16.4% of them have obtained short-term traditional loans. Utilizing online lending can reduce complex administrative procedures, including the need to submit financial reports and other paperwork and to visit financial institutions in person, and can also shorten the time needed to obtain much needed cash, making simpler, more flexible financing possible.

Utilizing its accumulated expertise in credit, its ability to develop products and services and its information technology capability, ORIX Group will continue to offer new products and services that meet the needs of its customers.

- 1 Including customers who use Yayoi's desktop products and have signed up for the company's maintenance service, and are thus eligible to use Yayoi Drive, Yayoi's cloud storage service, as well as customers using Yayoi's cloud products.
- 2 Figure represents the total of P2P lending to consumers and businesses, and balance sheet lending to consumers and businesses. Information on the U.S. market comes from "Breaking New Ground: The Americas Alternative Finance Benchmarking Report" by the Cambridge Centre for Alternative Finance and the Polsky Center at the Chicago Booth School of Business. Information on Japan comes from "Harnessing potential: Asia-Pacific Alternative Finance Benchmarking Report" by the Cambridge Centre for Alternative Finance at the University of Cambridge, the Tsinghua University Graduate School at Shenzhen and the University of Sydney Business School.

■ Overview of Yayoi Co., Ltd.

Head office address: Akihabara UDX 21F, 4-14-1 Soto-Kanda, Chiyoda-ku, Tokyo

Representative: Koichiro Okamoto, President & CEO

Established: 1978

Capitalization: 50 million yen

Shareholders: ORIX Corporation, Koichiro Okamoto

Business: Development, marketing and support of business management software and related services

URL: www.yayoi-kk.co.jp

Yayoi Co., Ltd. provides business management software and services to small businesses and sole proprietors in Japan. Its mission is to act as the business infrastructure for small businesses, sole proprietors and entrepreneurs, enabling their growth through its flagship software products "Yayoi Series", along with a diverse range of support services.

■ Overview of ALT Corporation

Head office address: Akihabara UDX 21F, 4-14-1 Soto-Kanda, Chiyoda-ku, Tokyo

Representative: Koichiro Okamoto, President & CEO

Established: 2017

Capitalization: 50 million yen
(Includes capital reserves; a capital increase to 480 million yen, including capital reserves, is planned for April 2017)

Employees: 6

Shareholders: Yayoi Co., Ltd., Koichiro Okamoto, d.a.t. Inc. (following capital increase)

Business: Online lending, development, marketing and support of credit models system

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About ORIX:

ORIX Corporation (TSE: 8591; NYSE: IX) is an opportunistic, diversified, innovation-driven global powerhouse with a proven track record of profitability. Established in 1964, ORIX at present operates a diverse portfolio of businesses in the operations, financial services, and investment spaces. ORIX's highly complementary business activities span industries including: energy, private equity, infrastructure, automotive, ship and aircraft, real estate and retail financial services. ORIX has also spread its business globally by establishing locations in a total of 36 countries and regions across the world. Through its business activities, ORIX has long been committed to corporate citizenship and environmental sustainability. For more details, please visit our website: <http://www.orix.co.jp/grp/en/>

Caution Concerning Forward Looking Statements:

These documents may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under "Risk Factors" in the Company's annual report on Form 20-F filed with the United States Securities and Exchange Commission and under "4. Risk Factors" of the "Summary of Consolidated Financial Results" of the "Consolidated Financial Results April 1, 2015 – March 31, 2016."