



ORIX and Farmind to Enter Capital and Business Tie-up Building a New Distribution Network of Domestically Produced Fruit and Vegetables

TOKYO, Japan – July 25, 2017– ORIX Corporation (“ORIX”) and Farmind Corporation (“Farmind”) announced today a capital and business tie-up for the purpose of building a new distribution network that facilitates the transportation of domestically grown fruit and vegetables throughout Japan.

In recent years, Japanese agriculture has faced the challenge of declining production volumes due to an aging population and the shortage of younger generations working in farming. At the same time, consumers have grown to expect detailed attention to their needs, as indicated by the increasing demand for home meal replacements and greater small-quantity sales, as well as the diversification of retailers that stock fresh fruit and vegetables to include convenience stores and drug stores, due to the increase of elderly, working women, and single-person households.

ORIX is partnering with businesses throughout Japan and currently developing vegetable production projects at five locations. At production sites, ORIX aims to sell products with “four fixed factors” (fixed price, fixed quality, fixed timing, and fixed quantities), utilizing technologies, which include environmental control of factors such as temperature, humidity, CO₂, and light as well as hydroponics. Products are sold directly to retailers and food service industry clients, mainly in the Greater Tokyo Area, Chubu, and Kansai areas, by leveraging the ORIX Group’s sales network.

Furthermore, in July 2016, ORIX established ORIX Food Supply Corporation, (“ORIX Food Supply”) in order to create a fruit and vegetable distribution business, and began to engage in the purchase and sale of fruit and vegetables produced by affiliates, in addition to the fruit and vegetables produced by ORIX.

Farmind is a fruit and vegetable distribution company that was established in 1991, and it is one of the few businesses to have developed a nationwide dedicated cold chain* for fruit and vegetables. Its strength is the ability to provide a distribution service that can deliver fruit and vegetables to consumers around Japan, while maintaining freshness, with refrigerated distribution centers in 14 locations around Japan.

Through this tie-up, ORIX Food Supply will purchase domestically grown vegetables from affiliated producers, producer groups, and more from around Japan, then sell to retailers and food service industry providers, etc., nationwide, by appropriately managing the temperature of the produce, leveraging Farmind’s wide-ranging and versatile distribution network. From the producer’s perspective, this will lead to improvements in the efficiency of sorting, packaging, and processing, etc., of produce within a wider sales area, and from the perspective of retailers and food service industry providers, it will become easier to find source fresh fruit and vegetables from around Japan.

ORIX will further expand its agricultural business by leveraging the in-house production knowhow that it has developed and this distribution network, which links producers to retailers, etc., and provides a stable supply of fresh fruit and vegetables throughout Japan. Going forward, ORIX aims to promote agricultural businesses with high added-value, and contribute to the solution of agricultural issues in conjunction with local communities.

*Cold chain is a form of distribution wherein products are kept at low temperatures while being transported from producers to consumers.

■ Current producers

Company Establishment	Company Name	Production Site	Ownership Structure	Features of Facilities	Main Vegetables Grown
October 2004	Kada Green Farm	Wakayama City, Wakayama Prefecture	70% Kagome, 30% ORIX	Fenlow-type hothouses	Tomatoes (for Kagome)
February 2014	ORIX Agriculture	Yabu City, Hyogo Prefecture	100% ORIX	Completely artificial light plant factory	Leaf lettuce, etc.
April 2015	ORIX Yatsugatake Farm	Fujimi-machi, Suwa-gun, Nagano Prefecture	97% ORIX, 3% Honda Engei	Hydroponic facilities	Spinach, arugula, watercress, chrysanthemum greens, kale, Japanese mustard spinach, Japanese mustard greens
June 2015	Yabu Farm	Yabu City, Hyogo Prefecture	25% JA-Tajima, 5% Yabu Partners, 20% ORIX	Open cultivation	Leaf lettuce, Korean lettuce, green bell peppers, soy beans, garlic
April 2016	Smart Agriculture IWATA	Iwata City, Shizuoka Prefecture	51% Fujitsu, 39% ORIX, 20% Masuda Seed	Controlled-environment cultivation, utilizing ICT	Spinach, watercress, cilantro, kale, tomatoes, bell peppers

*Vegetables grown are correct as of July 2017

*The total cultivation area of the five sites is approximately 149,200 m² (approximately 4.4 times the size of the Kyocera Dome Osaka)

■ Overview of ORIX Food Supply

Name: ORIX Food Supply Corporation
Representative: Susumu Naito
Established: July 2016
Location: 2-4-1 Hamamatsucho, Minato-ku, Tokyo
Business: Purchase, sale, import, and export of agricultural produce
*100% ORIX ownership

■ Overview of Farmind

Name: Farmind Corporation
Representative: Tastuo Horiuchi
Established: February 1991
Head office address: 1 Kanda-Izumicho, Chiyoda-ku, Tokyo
Distribution centers: 14 sites (Sapporo, Odate, Koriyama, Chiba, Ageo, Aomi, Tachikawa, Kawasaki, Nagano, Nagoya, Kobe, Hiroshima, Fukuoka, Miyazaki Ebino)
Business: Import and export of fruit, vegetables, cut flowers, processing and sales
Website: <http://www.farmind.co.jp/index.html>

Contact Information:

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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 "1. Summary of Consolidated Financial Results" of the "Consolidated Financial Results April 1, 2016 - March 31, 2017."