



## **ORIX to Start Verification Tests Using Alipay on Okinawa Urban Monorail's "Yui Rail" Together with TIS and Other Partners**

TOKYO, Japan - June 21, 2018- ORIX Corporation("ORIX"), in partnership with TIS Inc.("TIS"), Ant Financial Japan, NIPPON SIGNAL CO., LTD.("NIPPON SIGNAL"), QUADRAC CO., LTD.("QUADRAC"), and Okinawa Urban Monorail, Inc.("Okinawa Urban Monorail"), announced that verification tests on the "Yui Rail" monorail line operated by Okinawa Urban Monorail will start on June 22, 2018. These tests are aimed at implementing a service that allows travelers to directly use the electronic payment platform Alipay<sup>1</sup> at railway ticket gates.

According to the Japan National Tourism Organization, the number of international visitors to Japan in 2017 was 28.69 million, a 19.3% increase from the previous year. Chinese visitors accounted for 25.6% of this total, at 7.35 million. Among Chinese visitors, the trend is shifting from group tours to independent travel. The percentage of independent travelers visiting Japan was only 28.5% in 2012, but jumped significantly to 60% in 2017. Additionally, in a survey of international visitors, "transportation" followed "communication in general" as the most significant problem respondents faced on their trip<sup>2</sup>. Considering these circumstances, there is an urgent need to make public transportation easier for international visitors to use.

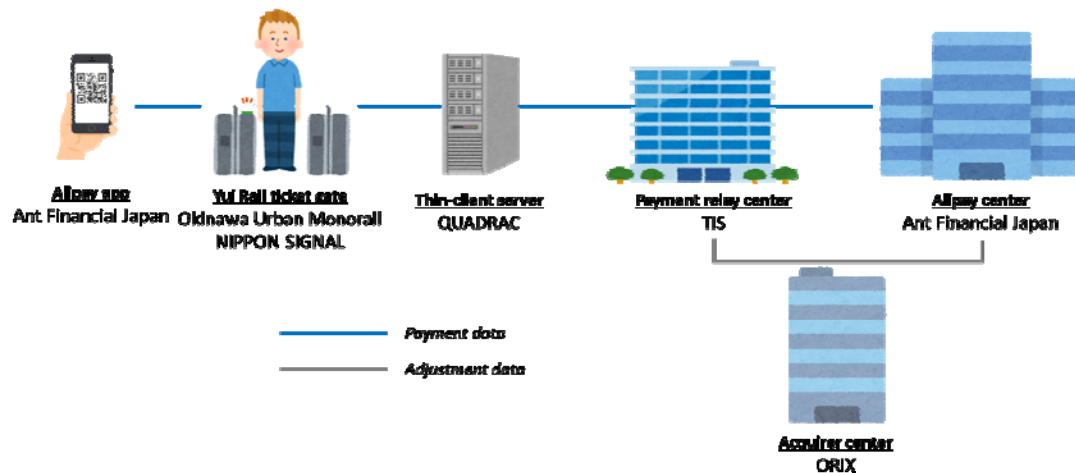
Due to Alipay's exceptional convenience, it has not only been adopted all across China, but has even spread to commercial facilities in Japan. The verification tests of Alipay high-speed payment on Yui Rail are aimed at making transportation more convenient for Chinese visitors by establishing a framework for direct use of Alipay at ticket gates.

With the Japanese government setting a target of 40 million international visitors to Japan in 2020 in the "New Tourism Strategy to Invigorate the Japanese Economy" formulated on March 30, 2016, Japan is expected to see ever-increasing numbers of overseas travelers in the future. The six companies involved in these verification tests intend to further expand and improve their services in order to help address challenges faced by international visitors.

1 A mobile payment service launched in China in 2004. As one of the world's leading payment platforms, it has over 600 million users worldwide and over 50,000 participating stores in Japan.

2 Source: Japan Tourism Agency (<http://www.mlit.go.jp/common/000190659.pdf>)

## ■ Flow Chart of Payment Using Alipay at Yui Rail Ticket Gates



## ■ Roles of the Six Companies in Verification Tests

- ORIX  
Adjustment of accounts between Ant Financial Japan (Alipay's issuer) and TIS as Alipay's acquirer
- TIS  
Construction and operation of payment relay center, as well as proxy for adjustment of accounts between Okinawa Urban Monorail (participating merchant) and ORIX (acquirer)
- Ant Financial Japan  
Management of payment services at railway ticket gates using the Alipay app and various issuer/brand operations as the Japanese arm of Ant Financial Services Group
- NIPPON SIGNAL  
Upgrading and operation of software for Okinawa Urban Monorail ticket gates as vendor of ticket gates
- QUADRAC  
Provision and operation of Q-CORE, a thin-client server capable of processing large numbers of transactions at high speeds, along with the software framework for development of a payment application to run on the server
- Okinawa Urban Monorail  
Provision of verification testing sites and inquiry handling at stations

\*Company names and product names listed here are the registered trademarks or trademarks of their respective owners.

\*The information given here is current as of the date of release. Please note that it may not be the most up-to-date information.

**Contact Information:**

ORIX Corporation  
Corporate Planning Department  
Tel: +81-3-3435-3121

**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 38 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: <https://www.orix.co.jp/grp/en/>  
(As of March 31, 2018)

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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, 2017 – March 31, 2018."