



## **ORIX to Acquire U.S. Real Estate Loan Origination and Servicing Company, Hunt Real Estate Capital**

TOKYO, Japan – November 5, 2019 - ORIX Corporation (“ORIX”) announced today that its group company in the U.S., ORIX Corporation USA (“OCU”), has signed an agreement to acquire all the outstanding shares of U.S.-based Hunt Real Estate Capital (“HREC”). Procedures for acquisition of the shares will be completed after the prescribed steps have been taken and the approval of regulatory authorities obtained.

Established in 1972, HREC is a leading commercial real estate finance lender and approved to offer Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal Housing Administration (FHA) loans. HREC provides loans to developers mainly targeted at the multifamily sector and also conducts servicing of originated mortgage loans after transferring loans to these government agencies.

ORIX has previously expanded its business through its acquisitions of RED Capital Group\*1 and Lancaster Pollard\*2, which hold Fannie Mae, Freddie Mac and FHA licenses to originate and service mortgage loans. Through its acquisition of HREC, the origination volume of the combined 3 entities will place ORIX in 9<sup>th</sup> position nationwide, and by combining its existing business with the expansion opportunities presented by HREC’s broad Freddie Mac license, ORIX aims to increase profitability and to further expand the business through utilizing synergies.

In the United States, the home ownership rate has dropped to the lower 60% range\*3 since the 2008 financial crisis, and the need for multifamily rental housing has increased against a backdrop of steep increases in property values due to a low interest rate environment, constrained supply and population increases. The multifamily loan implementation amount has expanded from \$52.5 billion to \$339 billion during the past 10 years\*4, and growth is expected to continue in the future.

OCU continues to develop its key role as a strategic business hub for the ORIX Group in the U.S. and Latin America through its capabilities in securities investment, real estate and infrastructure financing, private equity investment, and asset management. In the commercial real estate loan business, RED Capital Group and Lancaster Pollard were merged in 2019 to form ORIX Real Estate Capital Holdings, LLC (“OREC”) which have financed approximately \$100 billion in total transaction amount, with a servicing portfolio of \$25 billion. In addition, in 2016, ORIX further expanded its product offerings with the acquisition of Boston Financial Investment Management, L.P.\*5, a syndicator in the Low-Income Housing Tax Credit (LIHTC) industry with a long-established track record.

Going forward, ORIX will pursue its multifaceted financial business in the United States with the aim of continuing growth.

\*1 [ORIX USA Acquires RED Capital Group](#) (May 10, 2010)

\*2 [ORIX USA Acquires Lancaster Pollard Complementary businesses are the foundation for building U.S. housing infrastructure](#) (September 14, 2017)

\*3 Source: United States Census Bureau

\*4 Source: The Mortgage Bankers Association

\*5 [ORIX to Acquire One of America’s Largest Syndicators in the LIHTC Industry](#) (July 11, 2016)

## ■ Overview of Hunt Real Estate Capital

Name	Hunt Real Estate Capital
Head office	New York City, New York, United States
Establishment	1972
Representative	James P. Flynn (President)
Description of business	Commercial real estate loan origination and servicing
Number of locations	25
Development areas	New York, California, Georgia, Alabama, Florida, South Carolina, Illinois, Ohio, Texas, Colorado, Tennessee, Pennsylvania, Arizona, Washington, Michigan, Washington D.C.

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### About ORIX:

ORIX Corporation (TSE: 8591; NYSE: IX) is a financial services group which provides innovative products and services to its customers by constantly pursuing new businesses.

Established in 1964, from its start in the leasing business, ORIX has advanced into neighboring fields and at present has expanded into lending, investment, life insurance, banking, asset management, automobile related, real estate and environment and energy related businesses. Since entering Hong Kong in 1971, ORIX has spread its businesses globally by establishing locations in 37 countries and regions across the world.

Going forward, ORIX intends to utilize its strengths and expertise, which generate new value, to establish an independent ORIX business model that continues to evolve perpetually. In this way, ORIX will engage in business activities that instill vitality in its companies and workforce, and thereby contribute to society. For more details, please visit our website: <https://www.orix.co.jp/grp/en/>

(As of March 31, 2019)

### 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 that 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, 2018 – March 31, 2019."