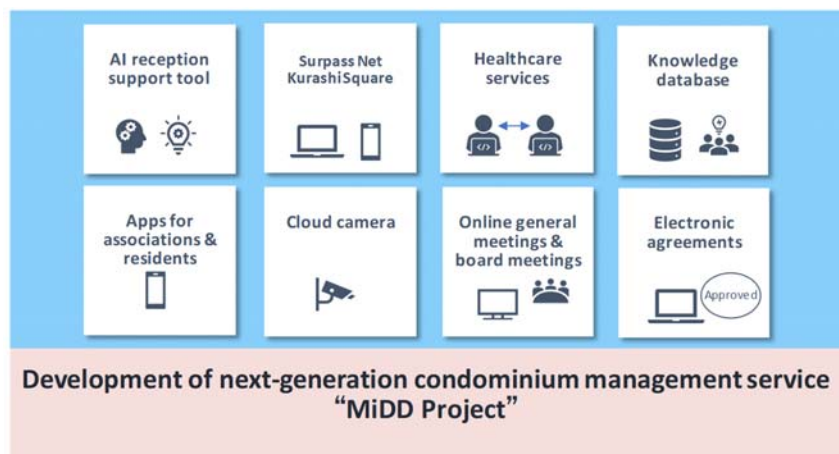




## DAIKYO ASTAGE and ANABUKI COMMUNITY Begins Development of Next-Generation Condominium Management Service Using Digital Transformation

- Embarking on MiDD Project that transforms management services using DX with trial implementation of online general meeting service from July 2020 as first step -

TOKYO, Japan – June 11, 2020 - DAIKYO ASTAGE INCORPORATED and ANABUKI COMMUNITY INCORPORATED announced that they have embarked on the development of a next-generation condominium management service using digital transformation (DX) in response to social issues—such as the three “aging” (aging buildings, aging residents, and aging workforce)—that beset condominiums.



Concept diagram

Named “MiDD Project,” this development project fuses knowledge obtained over the years from managing the most number of units in the condominium management sector<sup>\*1</sup> with the latest technologies—such as information communication technologies (ICT) and artificial intelligence (AI)—to create a new form of condominium lifestyle. At the same time, the project aims to transform labor-intensive management services. As the first step, an online general meeting service which allows the general meetings of management associations to be viewed online will be offered as a trial from July 2020. This is an undertaking in condominium management operations in anticipation of a society living with COVID-19 as well as the post-COVID-19 world. Currently, Japan’s Act on Building Unit Ownership, etc. and existing management agreements allow the exercise of voting rights using online conferencing systems. In anticipation of telecommunication failures and other problems, this service allows general meetings to be viewed online such as from homes after voting rights have been exercised using the stipulated methods (such as in writing or using electromagnetic means).

In addition, healthcare services supporting the health of residents using digital technologies, a system for electronic agreements between management associations and management companies and other services are planned to be gradually introduced from autumn 2020.

DAIKYO ASTAGE and ANABUKI COMMUNITY will utilize the knowledge accumulated to continue actively promoting DX in the future, proposing new ways of condominium management and addressing social issues.

\*1 As of March 31, 2020, a combined total of 9,640 management associations and 538,333 units for DAIKYO ASTAGE and ANABUKI COMMUNITY

## 1. About MiDD Project

Based on the rich knowledge asset obtained from managing the largest number of units in the condominium management sector, this project promotes the development and implementation of services fusing the latest technologies such as information communication technologies (ICT) and artificial intelligence (AI).

Together with providing new residential services realizing condominium lifestyles of the future, it will create next-generation condominium management that aims to shift away from a labor-intensive management model such as through streamlining and manpower saving.

The project's name comes from *Mirai* (future), Digital, and Design which are the keywords from its concept of designing the future using digital technologies.

未来を  
デジタルで  
デザイン  
MiDD Project

logo

## 2. Identifying and responding to issues

The impact on condominium management brought about by the three “aging” include: (1) increase in repair costs and shortage of management associations' reserve funds due to building deterioration; (2) greater difficulty for management associations to form consensus due to aging residents and diversity in resident attributes; and (3) manpower shortage due to an aging workforce.

To solve these social issues, management companies will be required to offer residential services with high added value utilizing data and digital technologies in addition to their knowledge and expertise accumulated over the years, as well as the ability to support management association operation contributing toward forming smooth community consensus.

In order to handle the diversifying needs of residents, it is necessary to have an environment allowing the optimal use of services that can be used anywhere and anytime as preferred as well as services with the human touch—feeling, consideration, and close to heart—by digitalizing the contact points between customers and management companies.

Furthermore, it will become important for management companies to shift human resources toward service areas of higher added value in the future, such as creation of plans for forming new communities within condominiums taking hygiene aspects into consideration, proposals of optimized solutions for deteriorating buildings, and asset creation consulting proposals for management associations.

The project aims to create a new form of condominium lifestyle and fundamentally transform working styles by fusing homogeneous digital services using technology with communication services having the human touch.

## 3. Trial implementation of online general meeting service as first step

As the first step of the MiDD Project, an online general meeting service which allows the general meetings of management associations to be viewed online will be offered as a trial from July 2020.

Currently, Japan's Act on Building Unit Ownership, etc. and existing management agreements allow the exercise of voting rights using online conferencing systems. In anticipation of telecommunication failures and other problems, this service allows general meetings to be viewed online such as from homes after voting rights have been exercised using the stipulated methods (such as in writing or using electromagnetic means).

At management associations, there are trends such as the postponing of general meetings to prevent the spread of COVID-19 as well as the necessity for achieving ideal ways of forming new communities within condominiums implementing hygiene considerations and other measures.

Going forward, consideration will also be made regarding the development of an online board meeting service which allows two-way dialogue between physical and online participants of board meetings as well as allowing voting rights to be exercised online through the online general meeting service in the future.



<Future use of this service>

It is also planned to use the online general meeting service's functions for management association events—such as online meetings for opinion exchange between residents—as well as various briefings including presentations on construction works, disaster prevention seminars, and lot drawing for parking spaces. In addition, there are plans to add contents such as “home facility maintenance virtual experience” which uses videos to explain common inquiries like how to exchange ventilation fan filters.

#### **4. Details of initiatives plan for autumn 2020 and beyond**

##### **(1) Provision of healthcare services supporting the health of residents using digital technologies**

Support for the health of residents will be offered by collaborating with nearby pharmacies and other parties to link healthcare professionals—such as pharmacists—with residents using digital technologies to provide health-related advice, online health guidance, home delivery of medicine, prescription management, and other services.

##### **(2) Introduction of system for electronic agreements**

Load of storing agreements and cost of revenue stamps can be reduced by introducing an electronic agreement system for management outsourcing agreements and other documents signed between management associations and management companies.

##### **(3) Development of apps linking residents and management companies**

Using UX design<sup>\*2</sup>, an environment where consultations from residents about daily life, emergency contact when problems occur, procedures for various applications, and other processes can be easily carried out via apps will be put in place. Furthermore, various types of information specific to condominiums—such as facility maintenance and replacement—will be disseminated on a regular basis.

\*2 Design methodology aimed at providing users with an excellent experience

##### **(4) Organization of internal databases using AI**

To quickly and accurately answer inquiries from customers, an environment will be put in place where the required information can be quickly retrieved from databases storing knowledge and expertise accumulated so far using AI.

##### **(5) Promotion of automation and streamlining of internal processes using AI**

Employees' administrative work will be made more efficient by using AI to automatically create general meeting materials and minutes for management associations. At the same time, a condominium environment where people can continue to live throughout their lives with even more peace of mind will be provided by allocating human resources toward addressing future reconstruction, the issue of empty units, and the three “aging.”

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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."