



## **ORIX Invests in Major Scaffolding and Temporary Construction Materials Rental Company SUGIKO**

TOKYO, Japan - December 14, 2020 - ORIX Corporation ("ORIX") announced today that it has reached an agreement to acquire a majority of the shares issued by SUGIKO GROUP HOLDINGS CO., LTD. ("SUGIKO GROUP HOLDINGS"), a major scaffolding and temporary construction materials rental company.

SUGIKO GROUP HOLDINGS is a holding company with SUGIKO CO., LTD. - a company handling scaffolding materials that was established in 1953 - as its core company. Centered on the rental of scaffolding and temporary construction materials, SUGIKO GROUP HOLDINGS offers services for the construction industry, including the generation of drawings for scaffolding designs and consulting for safety guidance at construction sites. In terms of revenue from rental of scaffolding and temporary construction materials, the company has the second largest share in the industry. It has a long track record in repair and maintenance projects for areas requiring a high level of safety in delivery and operation, such as petroleum plants and bridges, and has also expanded its business to urban high-rise buildings and redevelopment sites in recent years.

Japan is likely to see steady demand for repair work. In addition to measures addressing its aging social infrastructure established during Japan's period of high economic growth, there is also demand from the Fundamental Plan for National Resilience<sup>\*1</sup> aimed at recovery from and preparation for large-scale natural disasters. At the same time, the construction industry is facing severe manpower shortage and therefore seeks to improve productivity. As a result, digitalization and the outsourcing of non-core operations are being promoted.

SUGIKO GROUP HOLDINGS meets the needs of construction companies by actively introducing advanced initiatives making use of ICT, such as the digitalization of scaffolding drawings using BIM<sup>\*2</sup> and virtual inspections using virtual reality technology, thereby contributing toward the i-Construction<sup>\*3</sup> Initiative being promoted by Japan's Ministry of Land, Infrastructure, Transport and Tourism. In addition, it jointly developed a next-generation scaffolding<sup>\*4</sup> that is excellent in safety and ease of assembly with a major scaffolding manufacturer, thereby promoting the reduction of occupational accidents and workload at construction sites.

In collaboration with its domestic sales network in Japan, ORIX will support the further growth of SUGIKO GROUP HOLDINGS. These efforts will encompass the expansion of the business foundation developed by SUGIKO GROUP HOLDINGS over many years, as well as the acceleration of investments in digital technology and the introduction of the next-generation scaffolding.

Within its Group, ORIX has ORIX Rentec Corporation, a leading company in the rental of measuring instruments, and Yodogawa Transformer Co., Ltd., the largest lessor of power receiving and transforming facilities and equipment in Japan. In September 2019, ORIX also acquired a stake in Wako Pallet Co., Ltd., a major lessor of logistics equipment<sup>\*5</sup>. Through this investment, ORIX will promote collaboration in the industry for the rental of construction and logistics-related equipment, and will continue to seek to increase in scale, including further expansion at investees.

Going forward, ORIX will continue to use the expertise and network developed by the ORIX Group for investments aimed at supporting the development of industries and companies which possess stable business foundations and differentiated products and services of high quality, and which are expected to experience further growth in the future.

- \*1 This is an initiative that seeks to prepare the nation and regions against large-scale natural disasters and other events by systematically implementing measures that lead to prior disaster preparation, disaster mitigation, and speedy recovery and reconstruction based on the Basic Act for National Resilience Contributing to Preventing and Mitigating Disasters for Developing Resilience in the Lives of the Citizenry that was promulgated in December 2013.
- \*2 An abbreviation for Building Information Modeling. As opposed to the three-dimensional graphic processing of design drawings using CAD, this method integrates design, construction, and management data required for information management in addition to building design and structural calculations.
- \*3 This is an initiative that seeks to improve productivity at construction sites by fully introducing ICT into all business processes at construction sites, from measuring and design to construction and management.
- \*4 This is a new type of scaffolding being promoted as an improved version of the conventional framework scaffolding. It has advantages in strength, work operability, and the size of working areas after assembly.
- \*5 [ORIX to Invest in Wako Pallet, a Major Seller and Leaser of Logistics Equipment \(Sept 27, 2019\)](#)

#### ■ Overview of SUGIKO GROUP HOLDINGS

Name	SUGIKO GROUP HOLDINGS CO., LTD.
Address	1-7 Kinko-cho, Kanagawa-ku, Yokohama, Kanagawa
Representative	Nobuo Sugiyama
Establishment	January 2012
Number of group employees	887 (as of April 2020)
Description of business	Material purchasing, funds management, and management guidance of the SUGIKO Group
Revenues (consolidated)	Approx. 32.5 billion yen (for the year ended December 31, 2019)
Shareholders	Brains Co., Ltd. (approx. 70%), employee stock ownership (approx. 11%), and others

<https://www.sugikohldgs.com/en/>

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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, 2020)

#### 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, 2019 – March 31, 2020."