



News Release

ORIX to Invest in CORNES AG, a Major Japanese Importer and Seller of Dairy and Agricultural Equipment

Dec 05, 2018

TOKYO, Japan – December 5, 2018 – ORIX Corporation (“ORIX”) today announced that it will invest in CORNES AG. CORPORATION (“CORNES AG”), one of Japan’s largest importers and sellers of dairy and agricultural equipment. ORIX has concluded a share transfer agreement with existing shareholder and intends to acquire 100 percent of outstanding shares in CORNES AG in December 2018.

Established in 1968, CORNES AG is a total engineering company involved in the import, sales, installation, construction, and maintenance of dairy and agricultural equipment. Since its establishment, the company has sought to bring the efficient production methods of Western countries with advanced dairy industries to Japan; to this end, CORNES AG has imported a variety of products from across the world and contributed to the establishment and widespread use of consistent production systems covering everything from the cultivation and harvesting of animal feed to milking and excretion treatment. It has also dealt in milking robots since they were first introduced to Japan in 1997. Boasting approximately a 70 percent share in domestic sales*¹, CORNES AG is a pioneering company that has earned the trust of dairy farmers.

The Japanese dairy industry has shrunk from 23,100 dairy farmers in 2009 to 15,700 as of February 2018*², due both to a lack of successors and a shortage of workers. On the one hand, the industry has set raw milk production targets of 7.5 million tons per year. In order to increase production, the industry is urgently seeking to improve profitability through reducing its workforces, either

by increasing the scale of individual operations or by mechanization. The milking robots that CORNES AG specializes in are seen as a way to resolve problems faced by raw milk production sites and, as a result, their use is expected to increase in the future.

ORIX intends to maintain CORNES AG's management independence after its investment and, through alliances and capital and business tie-ups with other companies in the dairy industry, it also intends to propose and execute a variety of initiatives aimed at growing CORNES AG and developing the dairy industry as a whole. At the same time, ORIX will help improve CORNES AG's corporate value by enhancing its corporate governance.

ORIX has been active in the livestock and dairy industry in recent years: in April 2016 it invested in Kyoto Biken Laboratories, Inc., Japan's largest manufacturer and seller of animal vaccines, and in July of the same year it invested in Fujita Pharmaceutical Co., Ltd., a major manufacturer of veterinary drugs. By drawing on the expertise cultivated by the ORIX Group, going forwards ORIX intends to continue to support the growth of companies and industries that maintain stable business foundations, develop high-quality technologies and services, and are also expected to further expand in the future.

*1 Calculated from a combination of CORNES AG's sales and operation results and "The present state of milking robots aimed at work style reforms," published by Livestock Production Promotion Division, Livestock Industry Department, Agricultural Production Bureau, Ministry of Agriculture, Forestry and Fisheries, on May 18, 2018.

*2 Source: "Statistics on Livestock (As of February 1, 2018)" by Ministry of Agriculture, Forestry and Fisheries

■ Overview of CORNES AG

Name	CORNES AG. CORPORATION
Address	3-104-1, Kitakashiwagi-cho Eniwa-shi, Hokkaido
Name of representative	Hideto Nanbuya, President
Date of establishment	February 1968
Business locations	18 domestic locations

Number of employees	219 (as of April 30, 2018)
Description of business	Import, sales, construction, installation, and maintenance of dairy and agricultural equipment
Revenue	Approx. 14.9 billion yen (for the year ended March 31, 2018)
Website	http://www.cornesag.com/english/ 

■ Selling Products (example)



1. Tractor
(Made from Lamborghini)



2. Milking Robot
(Made from Lely)





3. Milking Parlour
(Made from Milkline)



4. Milk Cooling Tank
(Made from Mueller)



5. Silage Treatment Machine
(Made from GEA Houle)



6. Biogas Plant
(Shikaoi-cho, Hokkaido)

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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 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)

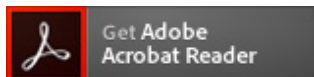
Caution Concerning Forward Looking Statements:

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, 2017 – March 31, 2018."

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