



KKR to Acquire Leading Software Provider Yayoi from ORIX

December 17, 2021

Investment elevates Yayoi into next phase of growth and enhances its work to meet digitalization needs of Japanese SMEs

TOKYO--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced the signing of a definitive agreement under which KKR will acquire Yayoi Co., Ltd. (“Yayoi” or the “Company”), a software developer, distributor, and support service provider for small- and medium-sized enterprises (“SMEs”) in Japan from ORIX Corporation (“ORIX”), a leading integrated financial services group.

Yayoi is the largest financial and accounting software provider for SMEs and sole proprietors in Japan, best known for its namesake accounting and tax filing software, widely used by Japanese SMEs. According to MM Research Institute and BCN, the Yayoi Series has been Japan’s number-one cloud accounting software for six consecutive years by number of users, and the number-one desktop business software for 22 consecutive years, with over 2.5 million registered users. Not only does Yayoi have strong brand recognition, but the Company plays a leading role in assisting Japan’s SMEs as they adopt greater digital solutions into their operations and migrate more functions to the cloud. Since 2020, the Company has also been involved in the launch of advocacy organizations including the Social Systems and Digitization Study Group and the E-Invoice Promotion Association, which both look to promote the digitalization of Japanese businesses.

KKR is one of the world's leading diversified asset management companies, founded in 1976, and is listed on the New York Stock Exchange. As of the end of September 2021, KKR had assets under management of US\$459 billion (~JPY52 trillion) and had completed investments in approximately 330 companies through its global private equity strategy.

KKR brings to Yayoi its strong expertise investing in and supporting the success of technology and software businesses globally, including companies focused on accounting and business solutions to SMEs. In the accounting and business software area for SMEs, KKR has a track record of investing in companies such as MYOB in Australia, Exact in the Netherlands, Visma in Scandinavia, and KiotViet in Vietnam. KKR has invested globally in a range of companies in the enterprise software and cloud and SaaS solutions space, such as Epicor, an ERP vendor in the United States; OneStream, a cloud financial accounting platform in the United States; SoftwareOne, an integrated business software and cloud solution in Switzerland; and dataX, the developer of the marketing tool b-dash in Japan.

Hiro Hirano, Co-Head of Private Equity for KKR Asia Pacific and CEO of KKR Japan, said, “SMEs account for the vast majority of companies in Japan. Considering this, we are pleased to add Yayoi to our global portfolio of software providers, and excited to support this important sector of the Japanese economy as SMEs strive to enhance their operational efficiency by digitally transforming their businesses. We see a terrific opportunity to increase Yayoi’s penetration across Japan and look forward to promoting the Company’s growth by leveraging our expertise in this segment.”

Nobuki Watanabe, Executive Officer, ORIX Corporation, commented, “Since we invested in Yayoi in December 2014, we have been working with the company’s management to significantly grow the business, leveraging our financial know-how and human resources. During this time, Yayoi has solidified its position as the firmly established leader in the domestic software service market for SMEs. As digitalization and cloud services grow in Japan, Yayoi now looks to a new phase of growth. We decided to proceed with this transaction with KKR in order to further support this new dynamic growth phase for Yayoi.”

Koichiro Okamoto, Yayoi Chief Executive Officer & President added, “By welcoming KKR as a new shareholder, Yayoi is even better enabled to provide further value beyond our current framework of providing business software. Together with KKR, we will not only support the growth of SMEs, the backbone of the Japanese economy, but also transform the business software industry in Japan and help to accelerate the digital transformation of society through dynamic and innovative product and service development beyond the current Yayoi SaaS products.”

The transaction is expected to be completed on March 1st, 2022, subject to regulatory approvals and customary closing conditions. Further details of the investment have not been disclosed.

KKR is making its investment from its Asia IV Fund. The investment adds to KKR’s track record in Japan, where KKR’s current private equity portfolio includes Seiyu, Kokusai Electric (formerly Hitachi Kokusai Electric), PHC Holdings (formerly Panasonic Healthcare), Koki Holdings, Marelli (formerly Calsonic Kansei), and growth investments in dataX (formerly From Scratch) and NetStars. In addition, KKR’s infrastructure team recently announced an investment in Central Tank Terminal, a chemical tank terminal operator in Japan, and KKR’s real estate team completed its first investment in Japan in October 2021.

BofA Securities Japan Co., Ltd. acted as KKR’s financial advisor.

About KKR

KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private

equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life, and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Yayoi Co., Ltd.

Founded in 1978, Yayoi is the largest financial and accounting software service provider in Japan. The Company is most recognized for its Yayoi Series and complementary business and business support services which are predominantly used and valued by SMEs, sole proprietors, and entrepreneurs to address their business needs. The Yayoi Series has been Japan's top-selling software product for cloud accounting and for desktop business for 6 and 22 years, respectively, with a broad customer base of more than 2.5 million registered users. Across the wider business and business support segments, Yayoi also provides software solutions for those launching businesses and raising funds. Much of the Company's recent focus has been on promoting digital transformation for Japan's business community, as well as on activities that improve operational efficiency through the launch of the "Electronic Invoice Promotional Council" and other initiatives.

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 28 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/>

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