

THE OIC GROUP

IDN GROUP 13

# Monthly Report

---

March 2026



# OIC Research Group | Analyst Group Report

Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

March 2026

## Orix Corp. acquired I-Net Corp/Kanagawa for US\$281M

### Transaction Summary

Announcement Date	September 24, 2025
Close Date	February 26, 2026
Transaction Price	US\$281M
Transaction Type	Take-Private Acquisition
Deal Structure	Cash Tender Offer @ ¥2,530 per share
EV/EBITDA	11.1x

### Deal Background

- **Announcement:** On [October 2, 2025](#), ORIX announced a plan to take I-NET Corp. private via a tender offer at [JPY 2,530](#) per share.
- **Process:** The tender offer ran from [October 3 to November 17, 2025](#).
- **Result:** ORIX acquired [84.60%](#) of the voting rights ([approx. 12.91 million shares](#)).
- **Squeeze-out:** Following the offer, [ORIX initiated a squeeze-out](#) to acquire the remaining shares.
- **Delisting:** I-NET Corp. was scheduled for delisting from the Tokyo Stock Exchange Prime Market in [early March 2026](#).

### Deal Rationale

#### Acquirer (ORIX Corp)

- **Strategic Portfolio Shift:** Executes on the "[ORIX Group Growth Strategy 2035](#)" by pivoting the company's investment portfolio toward [high-growth technology and digital infrastructure](#).
- **AI & DX Market Leadership:** [Gains advanced data center and cloud computing capabilities](#) to capture the surging demand for Japan's [domestic digital transformation \(DX\) and AI workloads](#).
- **Massive Synergy Potential:** Provides a platform to [cross-sell I-NET's specialized IT and space-related solutions](#) to ORIX's global network of [over 800,000 corporate clients](#).
- **Future Tech Footprint:** Establishes a strategic foothold in the "[New Space](#)" economy through [I-NET's unique expertise in satellite data processing and aerospace ground systems](#).

#### Target (I-NET Corp)

- **Capital Access:** Secures stable, large-scale funding from ORIX to [accelerate high-spec data center expansion](#).
- **Strategic Agility:** Privatization [eliminates short-term earnings pressure](#), enabling a focus on [long-term infrastructure](#).
- **Global Scaling:** Leverages ORIX's international reach to [expand I-NET's services beyond the Japanese market](#).
- **Operational Synergy:** Accesses ORIX's management resources and expertise to [optimize BPO and IT service delivery](#).

#### Acquirer

##### ORIX Corp.



**ORIX Capital** is a subsidiary of ORIX Group. Operates in financing and investment, banking, asset management, and [environment and energy](#). ORIX Capital, ORIX's PE investment business established in 1983 as a venture capital and fully returned as private equity investment in 2012. [Total investments](#) since 2012 : 31 companies. OFI.01 Corporation is a specific subsidiary of ORIX corporation used for corporate tender offers of INET Corp.

Founded Year	1964
HQ	Tokyo, Japan
Market Cap	USD\$32.5B
AUM	~US\$6.2B
Strategy	Hands-on approach and Balance Sheet Investing
Focused Regions	Japan, United States, and Asia-Pacific
Focused Sectors	IT, Logistics, and Healthcare

#### Target

##### I-NET Corp.



I-NET Corp. provides [IT and data system services](#) to a wide range of clients as many as 4300 companies. Designs, develops, and sells customized software and network systems and is also a leading [data center provider](#) in Japan. The company actively works on the latest DX (digital transformation) technology including AI, big data and drones.

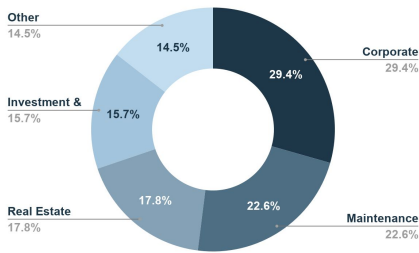
Founded Year	1971
HQ	Japan
Market Cap	US\$210M
LTM Revenue	US\$260M
LTM EBITDA	US\$25.25M
LTM EV/EBITDA	8.32x

# OIC Research Group | Analyst Group Report

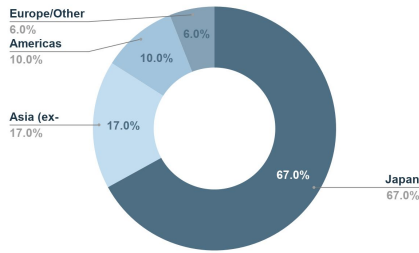
Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

March 2026

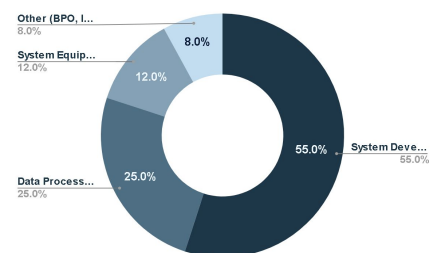
## Sponsor Overview: Orix corp.



Graph 1 - Strategy Breakdown (total segment revenue)



Graph 2 - Region Breakdown



Graph 2 - Sector Breakdown

- **Fund Strategy Intro:** Orix Corp focuses on investing across leasing, private equity, real estate, insurance, and asset management in 30+ countries.
- **Region & Sector Focus:** Orix Corp focuses on investing primarily in Japan (67% of revenue), with growing exposure across Asia-Pacific, Americas, and EMEA.
- **Future Strategies & Market Sentiment:** Orix Corp focuses on investing in AI infrastructure, renewable energy, and APAC wealth management, targeting ¥1 trillion net profit by 2035.
- **Market Sentiment after the deal:** Orix Corp is viewed positively, with a "Buy" consensus, record net income, and a 70% YoY profit increase.

## Track Record



KOIKE Co.,Ltd

- **Year:** 2017
- **Acquired:** 100% of shares
- **Sector:** Electronic Devices
- **Global Manufacturer of SAW wafers (Electronic Crystal units).**



Apresia Systems, Ltd

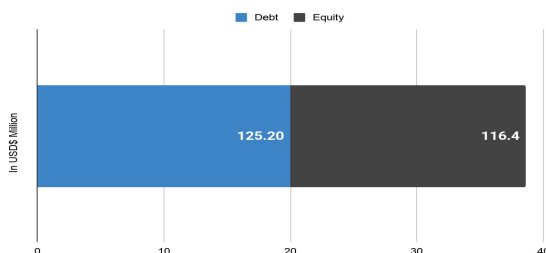
- **Year:** 2020
- **Acquired:** 100% of shares
- **Sector:** Information and communication technology
- **Development of Ethernet Switches and optical transmission devices.**



Informatix Inc.

- **Year:** 2020
- **Acquired:** 95% stake
- **Sector:** Electronic devices
- **GIS software, 3D spatial data, and mobile field survey solutions.**

## Acquirer Overview: OFI 01



Net Income 2035	ROE 2035
USD\$6.26B	15%

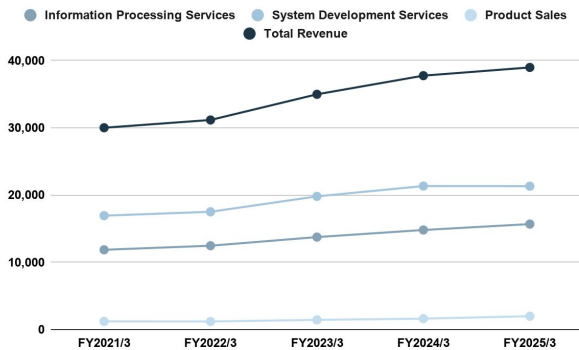
- **Tender Offer Specialist Entity:** serves as a "Offeror" in transaction, designed to **acquire 100%** of target company shares and turn them into **wholly-owned subsidiaries** of ORIX Group. Used for risk isolation.
- **Investment phase & Portfolio Valuation:** currently in integration phase after successfully acquiring INET. For which the transaction value is USD\$281M. With a loan versus equity of **USD\$125.2M debt / USD\$116.4M equity**. From Mitsui Trust Bank and OPI 2002 respectively.
- **Strategic focus:** As part of the **growth strategy 2035**, aiming for **USD\$6.26B with 15% ROE**, ORIX is using this acquisition to **strengthen its footprint** in **AI and DX** (digital transformation) which are **core pillars** of the growth strategy.

# OIC Research Group | Analyst Group Report

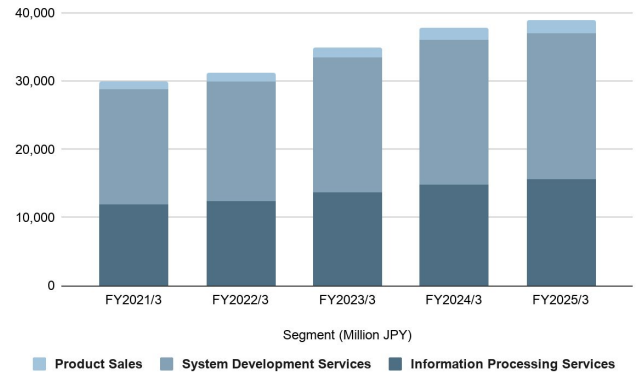
Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

March 2026

## Target Overview: I-NET Corp

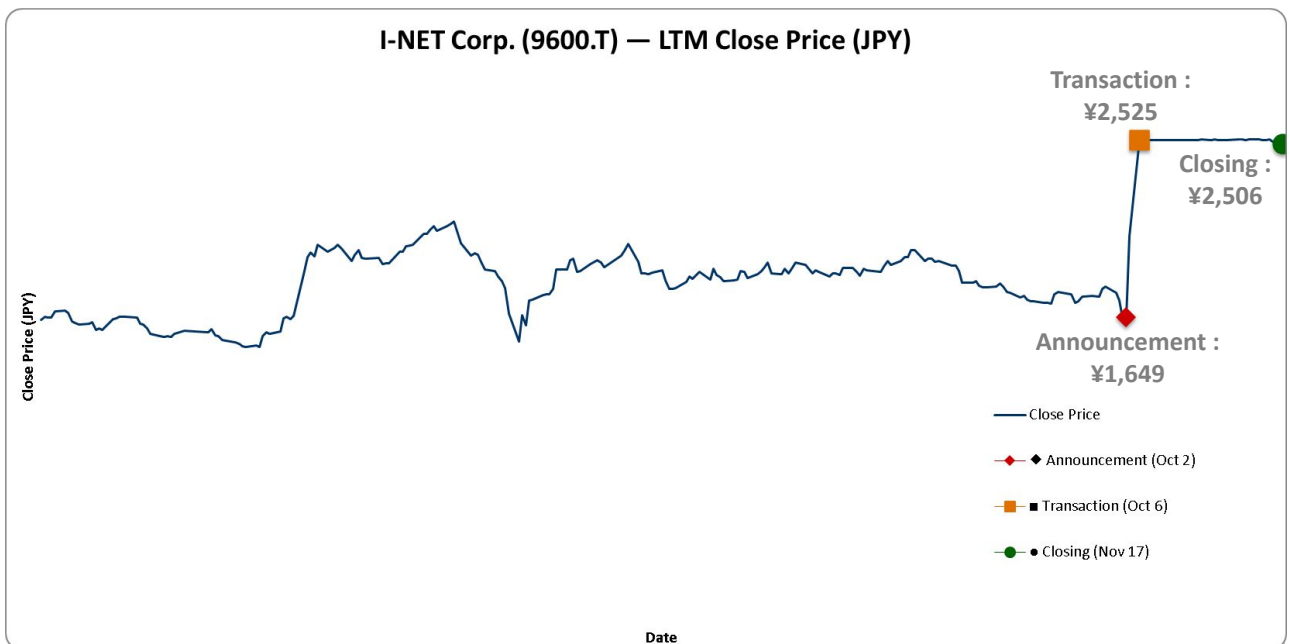


Graph 1: Revenue by segment from I-NET's official IR (Million JPY)



Graph 2: Revenue Breakdown

- **Product Breakdown & Trend Analysis:** I-NET's revenue has grown steadily from ¥30B (FY2021) to ¥39B (FY2025), driven by consistent growth in information processing and system development services.
- **Revenue and Profitability Analysis:** Operating margins have ranged between 6–8%, with ROE improving from 9.5% (FY2021) to 11.5% (FY2025), reflecting stronger capital efficiency.
- **CF analysis and capex/debt raising profile:** Interest-bearing liabilities decreased from ¥10,075M (FY2021) to ¥7,622M (FY2024) before rising to ¥9,926M in FY2025 sec, likely reflecting data centre capex investment
- **Future strategy focus:** I-NET's "Up Stage 2027" plan targets ¥50B in net sales, ¥3.5B operating profit, and 13% ROE by FY2028 sec, centred on data centre expansion and DX services.
- **Market sentiment after the deal was announced:** I-NET's board expressed full support for the Orix tender offer sec, and the deal was completed in November 2025 with broad shareholder acceptance.



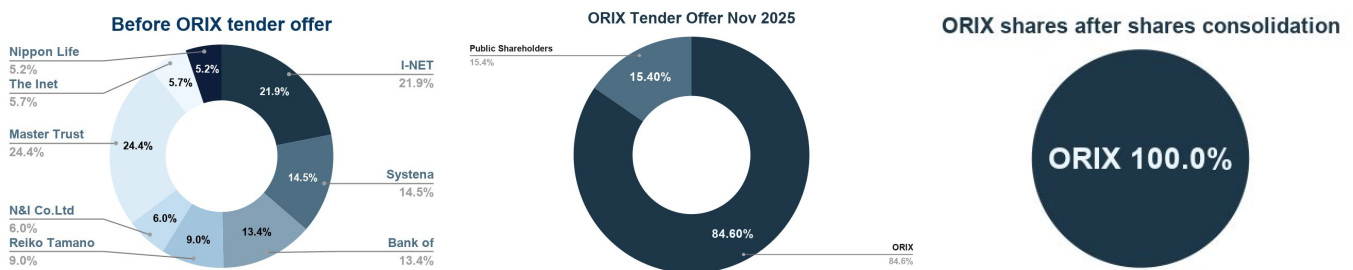
# OIC Research Group | Analyst Group Report

Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

March 2026

## Risk and Consideration

- **Substantial Investment:** I-NET's core growth depends on the [construction of its third data center](#), which requires [substantial investment](#) in building, advanced air conditioning and high level disaster prevention. ORIX must manage [significant depreciation and amortization](#) costs associated with these new facilities, which can weigh on short-term profitability.
- **Market Fluctuations:** I-NET has identified [rising energy prices](#) and software licence fees as primary challenges, which may have a [huge effect](#) on I-NET's bottom line since it is [highly sensitive](#) to [energy market fluctuations](#), which will also impact ORIX Corp. financial reporting and segment performance since it is wholly-owned subsidiary.
- I-NET was officially [delisted from Tokyo Stock Exchange](#) on February 26, 2026, becoming a [wholly-owned subsidiary](#) of ORIX. This [removes public market oversight](#), placing full [burden of management](#) and performance monitoring on ORIX's internal private equity and ICT management teams.



## Existing Shareholders

- ORIX entered into pre-commitment tender agreements with Ms. Reiko Tamano (6th largest shareholder, 478,999 shares, 3.14% ownership) and N and I Co., Ltd. (9th largest, 316,778 shares, 2.08%), collectively locking up 5.22% of shares ahead of the tender. Broader institutional holders included Custody Bank of Japan (trust account), Master Trust Bank of Japan, Nomura Trust & Banking, and The Bank of Yokohama.

## Precedent Transaction

Announce Date	Target	Acquirer	Target Location	% Acquired	Deal Size (US\$)	EV / EBITDA
Feb 26, 2026	I-NET Corp	ORIX Corp	APAC	100%	281M	~11.1x
Apr 22, 2024	Altius Link	KKR	APAC	100%	3.1B	~25.5x
Mar 25, 2022	CyrusOne	KKR; GIP	United States	100%	15.0B	~23.0x
Aug 31, 2021	QTS Data Centers	Blackstone	United States	100%	10.0B	~26.1x
Dec 6, 2022	Switch	DigitalBridge; IFM	United States	100%	11.0B	~31.3x
<b>Mean</b>					9.8B	~23.2x
<b>Median</b>					10.5B	~25.5x

# OIC Research Group | Analyst Group Report

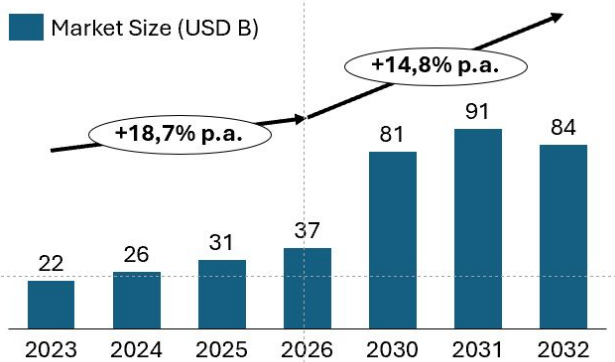
Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

March 2026

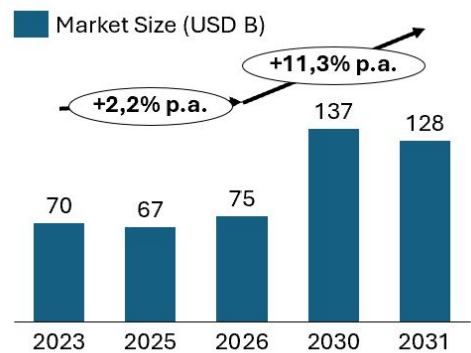
## Industry Context - Japan Digital Infrastructure

- Cloud market:** Japan's cloud computing market was valued at USD 19.68 billion in 2024, projected to grow to USD 84.12 billion by 2032 at a 20.1% CAGR. IDC Japan estimates the market will reach approximately USD 29 billion in 2025, with **annual growth exceeding 15% driven by DX adoption and generative AI demand.**
- Data center market:** Japan's data center market was valued at USD 7.82 billion in 2024 and is projected to reach USD 9.25 billion in 2025, growing to USD 16.40 billion by 2030 at a 12.1% CAGR, with **Tokyo emerging as Asia's second-largest cloud computing hub.**
- IT services market:** Japan's IT services market was valued at USD 67.27 billion in 2025 and is forecast to reach USD 127.92 billion by 2031 at an **11.3% CAGR**, driven by core-system renewals ahead of **Japan's "2025 Digital Cliff," government Society 5.0 initiatives, and cloud-first procurement rules.**
- AI/ML:** AI/ML workloads are the fastest-growing cloud segment in Japan, advancing at a 22.6% CAGR through 2031.

Japan Cloud Computing Market Size (USD Billion)



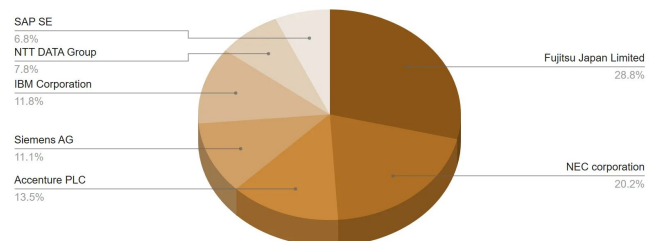
Japan IT Services Market Size (USD Billion)



## Industry Context - Competition Market Share Analysis

- NTT Data is Japan's IT market leader with 11.0% domestic market share and ¥1.6 trillion in revenue. Fujitsu has repositioned under the "Uvance" brand focused on sustainability-linked DX, while NEC leads in biometrics and secure identification. The top five vendors collectively hold ~35% of the market, indicating moderate concentration.

Company Market Share in Japan Digital Transformation Market



# OIC Research Group | Analyst Group Report

Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

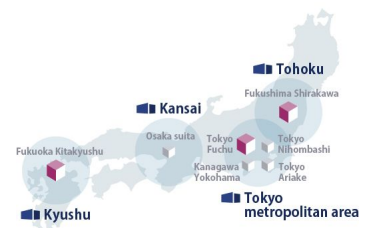
March 2026

## Short Term Implications:

- Successful Privatisation and Immediate Market Validation:** The tender offer was oversubscribed by 27%, with ~12.9 million shares tendered against a 10.17 million minimum, reflecting strong shareholder confidence. The unanimous board recommendation and full delisting within five months [set a textbook standard for Japan's accelerating take-private wave](#), where PE-led take-privates accounted for 61% of all PE transactions in 2024, up from 45% in 2021.
- IT Roll-Up at Peak Cycle Timing:** Around 80% of Japanese companies still operate on legacy systems, with approximately 40% allocating over 90% of IT budgets to maintenance rather than modernisation. With 50+ years of operational history across cloud, BPO, and DX, [I-NET is a direct beneficiary of this replacement cycle](#) and can now invest in platform expansion free from quarterly market pressures under private ownership.
- Governance Reform as Deal Enabler:** Japan's M&A transaction value rose 8% YoY to ¥18.9 trillion in 2024, driven by TSE's mandate requiring Prime Market companies to maintain price-to-book ratios above 1x. By March 2025, over 90% of TSE Prime Market companies had disclosed capital efficiency plans, [removing the friction that previously blocked proactive take-privates](#).

## Long Term Implications:

- Positioning for Japan's AI Infrastructure Supercycle:** AWS, Microsoft, and Oracle have collectively committed [over USD 26 billion](#) to Japanese data centre and AI infrastructure, yet power connection timelines in inner Tokyo stretch 5 to 10 years. This creates [a scarcity premium for operators like I-NET](#) with existing grid connections and operational data centre footprints that cannot be replicated through greenfield investment.
- ROE Expansion and Path to ¥1 Trillion Net Profit:** Full ownership consolidates 100% of I-NET's ~¥39 billion recurring revenue base and eliminates minority earnings drag. Alongside APRESIA, HC Networks, Informatix, and LINES, ORIX is [building a vertically integrated domestic IT platform](#) targeting ROE of 11% by FY2028 and 15% by 2035.
- Leveraged Execution Risk:** While I-NET's recurring revenue model provides cash flow visibility, APAC data centre expansion is highly capex-intensive, with regional colocation capacity targeted to grow at 19% annually through 2030. [Significant reinvestment will be required to stay competitive against hyperscale-backed incumbents](#), compressing near-term free cash flow margins.

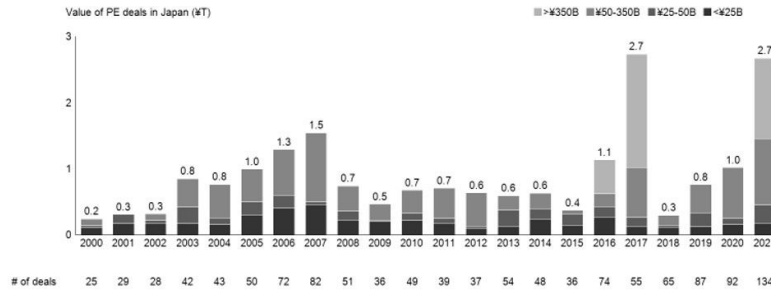


# OIC Research Group | Analyst Group Report

Director: Alexander Edbert Analysts: Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

March 2026

## Why This Deal Is Important for Japan and APAC



- A Blueprint for Japan's PE Privatisation Wave:** PE investment in Japan rose 58% in deal value from USD 8.1 billion in 2023 to USD 12.8 billion in 2024, driven by governance reforms, activist pressure, and capital outflows from China. The ORIX/I-NET deal is significant for its structure: a domestic industrial acquirer using its own PE vehicle to take private a Prime Market IT services company, signalling that Japan's take-private trend is increasingly driven by domestic conglomerates restructuring their own ecosystems rather than foreign PE alone.
- Addressing Japan's Digital Cliff at Scale:** Only 34% of workloads in Japanese organisations are currently hosted on public cloud platforms, one of the lowest ratios among developed economies. METI's Legacy Systems Modernisation Committee has made digital migration a national policy priority, and I-NET, with established client relationships across finance, energy, and distribution, is well positioned as an execution layer for this agenda. Under ORIX's ownership, with access to ¥2 trillion in investment capacity and a 30-country network, I-NET can scale its delivery capability well beyond what it could achieve as a listed mid-cap.
- APAC Signal: Domestic Infrastructure as Sovereign Strategy:** Across APAC, governments have moved from enabling AI infrastructure to actively directing it, with Japan's Stargate-linked initiatives, India's multi-GW AI campuses, and Korea's national compute projects treating data centre capacity as a strategic policy instrument. In this context, the ORIX/I-NET acquisition represents a domestic Japanese conglomerate securing a critical node in the national digital infrastructure stack. This preserves local ownership over a cloud and data centre platform serving energy, financial services, and government-adjacent clients at a time when data residency concerns are intensifying globally.

## Conclusion

- The ORIX / I-NET acquisition (¥42.3 billion) is strategically significant, driven by four key forces: Japan's 2025 Digital Cliff, the APAC AI infrastructure supercycle, Tokyo Stock Exchange reforms enabling take-privates, and ORIX's shift to a diversified PE platform. ORIX gains I-NET's unreplicable 50-year accumulation of data centers, cloud BPO, and DX capabilities, securing a critical, operationally mature digital infrastructure platform while new entrants face long power queues. This deal signals accelerating APAC infrastructure consolidation and is ORIX's most crucial IT roll-up, demonstrating disciplined execution of its Growth Strategy 2035.

# OIC Research Group | Analyst Group Report

**Director:** Alexander Edbert **Analysts:** Gracia Tanuwijaya, James William, Michelle Angana, Olivia Tjahjadi

March 2026

## Disclaimer

This material is provided for informational and educational purposes only by a student organization and does not constitute investment advice or a recommendation.

This document has been prepared by Oriental Investment Banking Club ("OIC") based upon information provided to it and/or publicly available information, and portions of the information herein may be based upon certain statements, estimates and forecasts with respect to anticipated future performance. The information contained herein should be considered as preliminary and indicative and does not purport to contain all the information that the recipient may desire. OIC has relied upon the accuracy and completeness of the foregoing information, and has not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of any entity, or concerning solvency or fair value of any entity. To the fullest extent permitted by law, OIC disclaims any responsibility for the information herein and for any omissions from such information or for any reliance that the recipient or any third party may seek to place upon such information. No representation, warranty or guarantee, express or implied, is made as to the accuracy, completeness, currency or reliability of the information herein, or any associated written or oral statement.

In particular, with respect to financial forecasts, OIC has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management as to future financial performance. OIC assumes no responsibility for and express no view as to such forecasts or the assumptions on which they are based. The information set forth herein is based upon economic, monetary, market and other conditions as in effect on, and the information made available to OIC as of, the date hereof, unless indicated otherwise. While any subsequent changes in the circumstances may affect the information herein, OIC assumes no responsibility to update or supplement the information set forth herein. Nothing herein shall constitute a commitment or undertaking on the part of OIC or any related party to provide any service. Nothing herein constitutes an offer to sell or the solicitation of an offer to buy any securities or to participate in any transaction.

These materials do not constitute tax, accounting, actuarial, legal or other specialist advice, and OIC shall have no duties or obligations to any person in respect of these materials or any other advice, except to the extent specifically set forth in a written agreement, if any. OIC does not act for, and does not owe duties to, any clients in connection with these materials. Members of OIC may from time to time hold positions in securities referenced herein. OIC undertakes no obligation to update this material. All trademarks and logos are the property of their respective owners and are used for identification purposes only.