

# Strategies by Business

This section introduces ORIX's diverse portfolio of businesses and our strategies for each of them.

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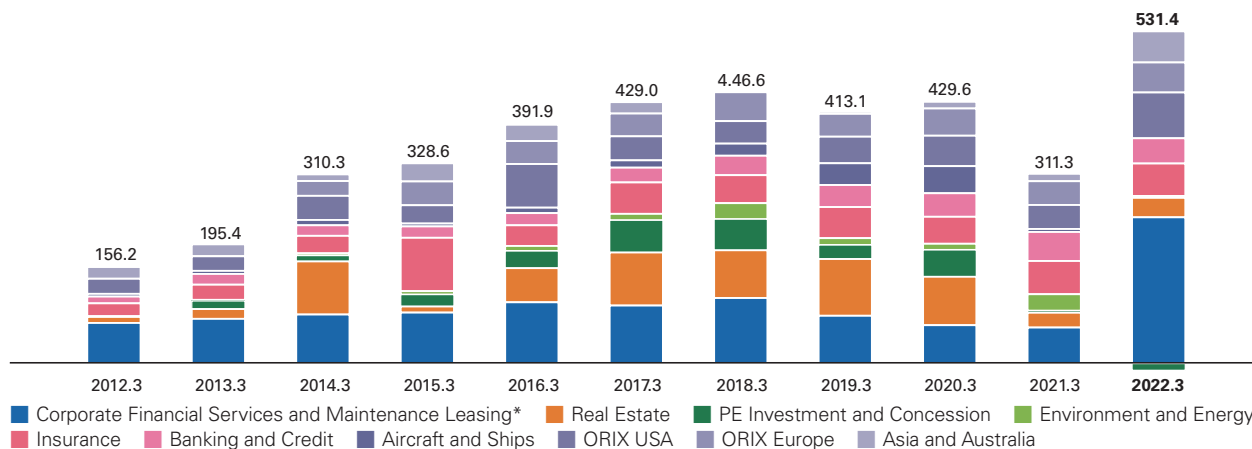
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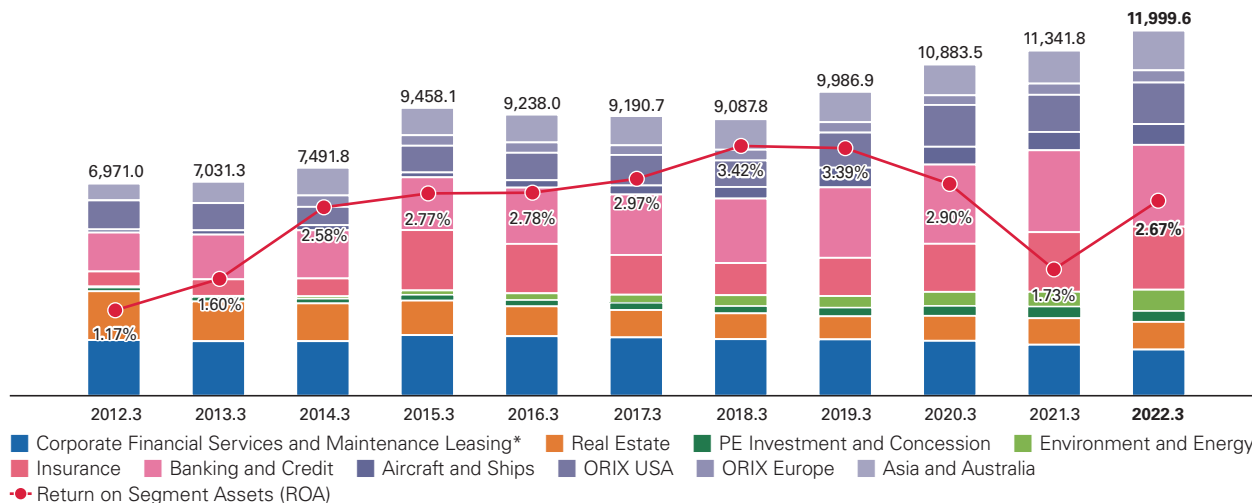
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Segment Profits (Billions of yen)



Segment Assets (Billions of yen) and Return on Segment Assets (ROA) (%)



\* Results for 2015.3 to 2022.3 include profits and assets of Yayoi Co., Ltd., whose shares were transferred in March 2022.  
 Note: 2022.3 denotes the fiscal year ended March 2022.



Corporate Financial Services and Maintenance Leasing

# Corporate Financial Services

Business ▶ Leasing, financing, and various solutions (products and services) for small and medium-size enterprises

**Assets** (Share of total)  
**¥707.2 billion** (6%)

**Profits** (Share of total)  
**¥19.0 billion** (4%)

\* Share of total is calculated including Yayoi Co., Ltd., whose shares were transferred in March 2022, so the total is not 100%.

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Sales network rooted in each region of Japan</li> <li>• Strong customer base built on a track record of providing financial services to SMEs</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Expanding assets while maintaining profitability and credit quality</li> <li>• Increasing earnings from fees</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Business succession needs among SMEs due to the lack of a successor</li> <li>• Capital investment needs with the themes of DX and ESG</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Intensifying competition for corporate lending and ongoing low interest rate environment</li> <li>• Negative impact from COVID-19 on results among some customers</li> </ul>

## Features

### Core Sales Platform for the Group

Corporate Financial Services are ORIX’s point of origin and remain the core sales platform for the Group. This business provides a broad array of products and services including life insurance, environment and energy, and automobile leasing, in addition to equipment leasing and loans to small and medium-size enterprises (SMEs), which are our core customers. Moreover, it communicates and collaborates with other parts of the Group, drawing on the Group’s know-how, expertise, and wide range of products and services to propose ideal solutions for customer needs and management issues.

## Strategies for Growth

### Increase Sources of Earnings

To generate finance revenues, we will strengthen various types of structured finance in addition to our traditional business loans to SMEs, and provide financing that leads to solutions for changes in the business environment, such as carbon neutrality and digital transformation (DX). We are also emphasizing service revenue growth by focusing on increased fee income from life insurance sales, and asset acquisitions and divestitures in markets including solar power generation, real estate, and businesses. For example, we will leverage Corporate Financial Services’ sales network to do power purchase agreement deals in the Environment and Energy Business. In 2021, we began a full-scale rollout of our M&A intermediation business, and we are preparing one-stop solutions for business succession issues.

## Broad Array of Products and Services from Corporate Financial Services

**Provide Solutions**  
(Obtain fee income)

**Representative Solutions**

<p style="text-align: center;"><b>Reduce Costs and Raise Operating Efficiency</b></p> <ul style="list-style-type: none"> <li>• Private power generation, storage batteries, power purchase agreements</li> <li>• Outsourcing of fixed-line phones and vehicle-related operations</li> <li>• Systems to reduce notes and accounts payable</li> <li>• Flat-rate bank transfer outsourcing</li> </ul>	<p style="text-align: center;"><b>Increase and Stabilize Income</b></p> <ul style="list-style-type: none"> <li>• Real estate brokerage and purchase</li> <li>• Solar power generation systems for selling electric power</li> <li>• Investment in aircraft</li> <li>• Investment/operational support for venture companies</li> <li>• Generation of business opportunities through business matching</li> <li>• Financial advisor</li> </ul>	<p style="text-align: center;"><b>Employee Benefits</b></p> <ul style="list-style-type: none"> <li>• Sales of life and non-life insurance products</li> <li>• Defined benefit corporate pension services, and retirement benefit calculation services</li> <li>• Preventive healthcare services</li> </ul>	<p style="text-align: center;"><b>Business Succession Support</b></p> <ul style="list-style-type: none"> <li>• Capital policy advice</li> <li>• Support for structuring own share transfer schemes</li> <li>• M&amp;A intermediation</li> <li>• Share transfers for succession outside a family</li> <li>• Asset valuation and disposal</li> </ul>
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**Financial Services**  
(Obtain leasing and sales finance revenues, and interest revenues from corporate loans)

<ul style="list-style-type: none"> <li>• Finance leases and operating leases</li> <li>• Installment sales</li> <li>• Leases with subsidies to support decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate finance</li> <li>• Non-recourse real estate loans</li> </ul>	<ul style="list-style-type: none"> <li>• Leveraged buyout financing</li> <li>• Other structured finance</li> </ul>
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**We provide solutions utilizing the Group’s network, based on expertise and clients acquired through our financial services.**



Corporate Financial Services and Maintenance Leasing

# Auto

Business ▶ Leasing and rental of automobiles, car sharing, purchase and sales of used automobiles

Assets (Share of total)  
**¥675.0** billion (6%)

Profits (Share of total)  
**¥37.9** billion (7%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Diverse service menu that enables comprehensive, optimal service proposals</li> <li>Global leader in terms of vehicles under management and volume of vehicle data</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>Acquiring retail customers</li> <li>Acquiring new technologies from domestic and international startups</li> <li>Seamlessly linking leasing, car rental, and car sharing services</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Growth in mobility services, including the car rental and car sharing markets, as the sharing economy and MaaS become more prevalent</li> <li>Electric vehicle needs</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Decreases in revenue from existing businesses and services and lower residual value of vehicles due to structural changes in the automobile industry</li> </ul>

## Features

### One-stop Provider of Every Kind of Automobile-related Service

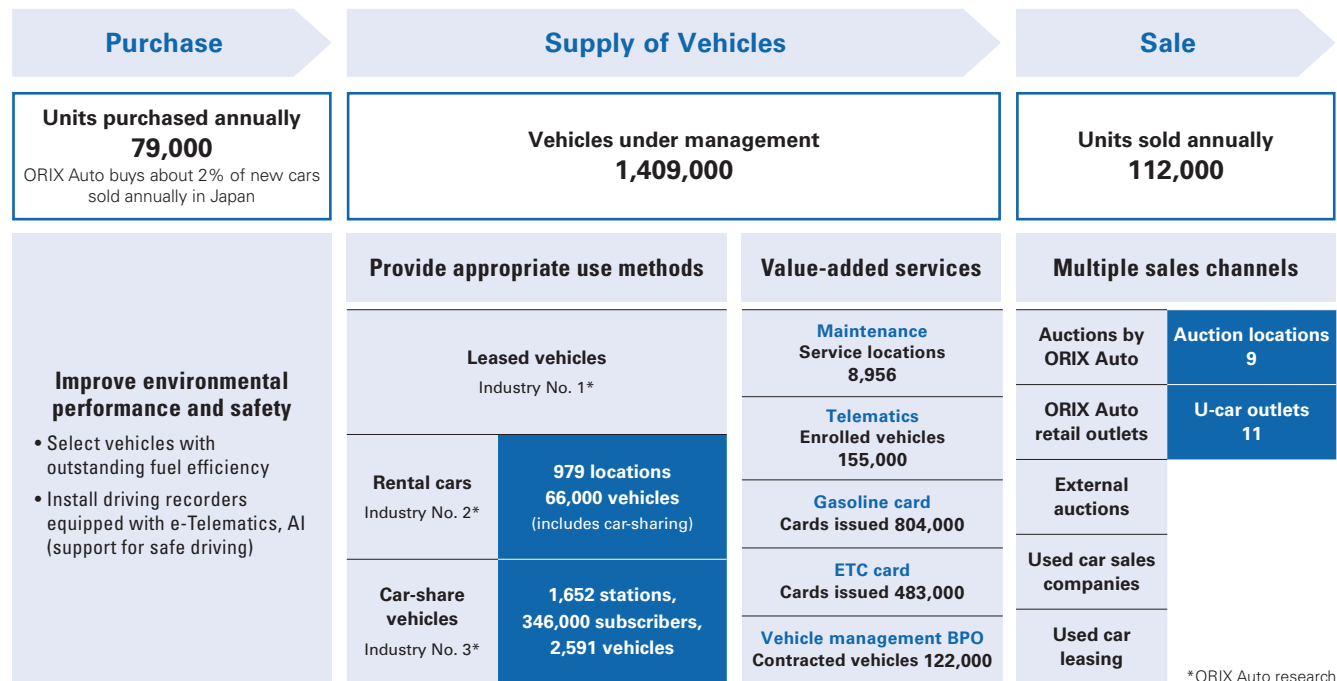
ORIX Auto was established as a company specializing in automobile leasing in 1973. Its strengths include extensive expertise and a broad lineup of products and services. It incorporates automobile leasing, rental, and car sharing in comprehensive proposals aligned with various customer usage conditions such as length, frequency, and purpose of use. We are a one-stop provider of every kind of automobile-related service, including solutions that meet needs for compliance, environmental friendliness, safe driving, labor management, and accident prevention, as well as comprehensive vehicle management outsourcing and used car leasing and sales.

## Strategies for Growth

### Offer Convenience and Address Electric Vehicle (EV) Needs

The transition from owning vehicles to simply using them when needed is accelerating, and people are becoming less particular about the method they employ to use them. We will provide greater convenience suitable for the digital age, such as ensuring safety using our network of service locations and maintaining a diverse array of services that are seamlessly integrated. Furthermore, there are growing needs to shift to EVs. We will establish EV installation support services and work to provide peripheral infrastructure such as recharging and storage batteries as we take on major challenges such as alliances with energy-related companies.

### ORIX Auto's Value Chain (Data as of March 31, 2022)



\*ORIX Auto research

**We are a global leader in number of vehicles under management with a broad array of products, services, and expertise.**



Corporate Financial Services and Maintenance Leasing

# Rentec

Business ▶ Rental and leasing of electronic measurement instruments and ICT-related equipment

Assets (Share of total)  
¥134.6 billion (1%)

Profits (Share of total)  
¥14.7 billion (3%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Wide range of rental products and vendors</li> <li>• Technical ability to maintain and manage the quality of rental equipment</li> <li>• Logistics service enabling next-day delivery</li> <li>• Broad customer network that includes large manufacturers</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Creating new business through collaboration utilizing our customer base</li> <li>• A wide range of proposals enabled by converting the expertise acquired over many years into data and using it</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Accelerating use of technology to cope with labor shortages, reform work styles, and counter infectious diseases</li> <li>• Strong levels of corporate capital investment with a focus on digital technology</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Reduced need for hardware due to equipment downsizing and technological innovation</li> <li>• Delivery delays due to shortages of components, such as semiconductors</li> </ul>

## Features

### Leading Equipment Rental Company in Japan

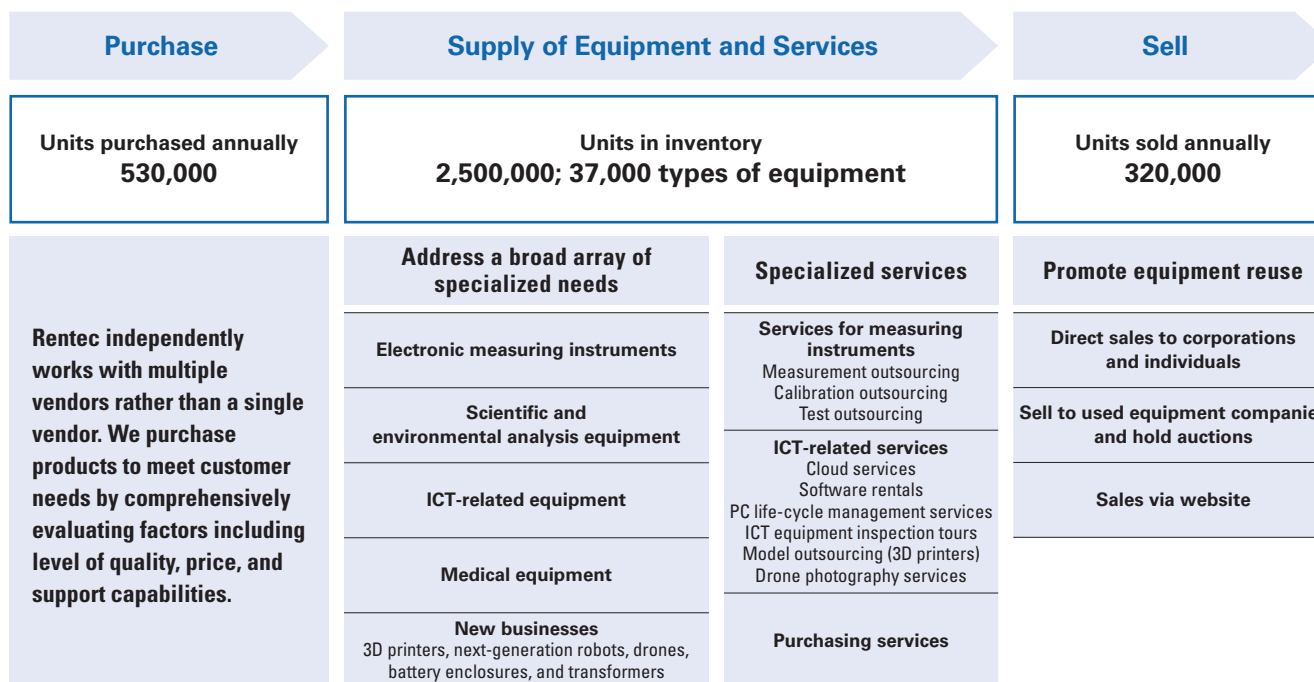
Founded in 1976 as the first measuring instrument rental company in Japan, ORIX Rentec is an industry leader and one of the largest companies of its kind in Japan, with 37,000 types of rental equipment and 2.5 million units (as of March 31, 2022). ORIX Rentec focuses on equipment rentals including electronic measuring instruments, scientific and environmental analysis equipment, ICT-related equipment, and medical equipment. We offer outsourcing services for measuring instruments that cover quality control and instrument operation. We also offer ICT-related services that provide customers with optimal operations support for IT assets, used equipment sales, and a purchasing service for instruments and equipment that customers own.

## Strategies for Growth

### Sharing Service Platform

In the IT market, we will collaborate with cloud and other subscription service providers to propose outsourcing for enterprise asset management and maintenance. Our measuring instrument business will strengthen relationships with communication equipment manufacturers and steadily address demand related to 5G (the fifth-generation technology standard for broadband cellular networks). For local 5G, we will collaborate with various related vendors to develop a one-stop service from providing support for introduction that includes certification to installing networks and measuring outcomes. Our objective remains providing a platform for a variety of sharing services.

### ORIX Rentec's Value Chain (Data as of March 31, 2022)



**With the leading inventory of rental equipment in Japan, our wide range of rentals includes next-generation robots, 3D printers, and drones.**



Real Estate

## RE Investment and Facilities Operation

Business ▶ Development and rental of office buildings, commercial facilities, logistics centers, and other properties; operation of businesses such as hotels, inns, and aquariums, in addition to asset management

Assets (Share of total)  
¥670.0 billion (6%)

Profits (Share of total)  
¥12.0 billion (2%)

### Strengths

- Extensive expertise in the real estate business
- Information volume and proposal capabilities that fully leverage the Group's network

### Challenges

- Strengthening high-level quality control capabilities
- Raising the value of the ORIX HOTELS & RESORTS brand
- Expanding a stable revenue base through the asset management business
- Providing new value in the real estate business through DX and sustainability initiatives

### Opportunities

- Logistics facility needs due to expansion of the e-commerce market
- Active real estate brokerage market due to the growing inflow of funds into investment

### Risks

- Changes in demand for accommodation due to factors including personnel shortages at operating facilities and infectious diseases
- Real estate investment market contraction due to the declining population in Japan
- Rising construction costs

## Features

### Comprehensive Real Estate Business

ORIX launched its real estate business in 1986 by leasing corporate dormitories for unmarried employees. We subsequently expanded into a diverse portfolio of businesses, including real estate development and rental, asset management, and facility operation. Our real estate business has comprehensive capabilities not found at other companies because we leverage ORIX Group's network to collect information on properties, identify investors, attract tenants, and introduce customers to operating facilities.

## Strategies for Growth

### Full Use of ORIX Group's Network

In the development and rental business, we dynamically invest in logistics facilities and rental condominiums that are in high demand. In particular, we have continued to develop logistics facilities, mainly in the Tokyo metropolitan area, and have secured a pipeline of more than ¥100 billion as of March 31, 2022. Our fundamental business involves the cycle of development, leasing, and sale, but we are also considering mid- to long-term holdings in the future. In the asset management business, we will continue to increase assets under management. In the facility management business, we will strive to improve profitability by reviewing the cost structure and further building our reputation among customers in anticipation of the post-COVID era.

## RE Investment and Facilities Operation Business Portfolio (Data as of March 31, 2022 unless otherwise noted)

Launched 1986	Launched 1991	Launched 2000
<b>Development and Rental</b> (Earn real estate rental income and investment gains on real estate)	<b>Facility Management</b> (Earn income from facility operation and investment gains on facilities)	<b>Asset Management</b> (Earn asset management fees)
<b>Rental assets</b> Approx. ¥270.0 billion	<b>Facilities under management</b> 46	<b>Assets under management</b> Approx. ¥1,280.0 billion

### Portfolio Overview

<b>Office buildings: 21%</b>	<b>Logistics centers: 34%</b>	<b>Inns and hotels: 24</b>	<b>Aquariums: 2</b>	<b>ORIX Asset Management (J-REIT)</b>	<b>Assets under management</b> Approx. ¥680.0 billion (As of February 28, 2022)
<b>Rental condominiums: 16%</b>	<b>Commercial facilities: 15%</b>	<b>Service offices: 7</b>	<b>Training facilities: 4</b>		
<b>Building leasing activities: 6%</b>	<b>Other: 8%</b>	<b>Other (incl. restaurants and a theater): 9</b>		<b>ORIX Real Estate Investment Advisors (Private real estate fund)</b>	<b>Assets under management</b> Approx. ¥600.0 billion
<ul style="list-style-type: none"> <li>• Mortgage lending (launched 1970s) was the point of entry into the real estate leasing and development businesses.</li> <li>• Strengthened collaboration with DAIKYO, which was added to the Group in 2019.</li> </ul>		<ul style="list-style-type: none"> <li>• Started rehabilitation support for hotels and inns circa 2000.</li> <li>• Launched ORIX HOTELS &amp; RESORTS in 2019 (13 directly managed facilities).</li> </ul>			

Handling areas from real estate development to facility management and asset management, our goals are to improve portfolio profitability and stability.



Business ▶ Development and brokerage of real estate and building maintenance and management, with a focus on condominiums

Assets (Share of total)  
¥240.1 billion (2%)

Profits (Share of total)  
¥20.0 billion (4%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Development expertise and brand recognition of Lions and Surpass condominiums</li> <li>Stable revenues from building management, rental management, sales brokerage, repair work, remodeling, etc. originating from the condominium business</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>Expanding the share of condominiums supplied in Japan's three largest urban areas</li> <li>Promoting business innovation and improved efficiency through DX</li> <li>Strengthening redevelopment proposals and other development capabilities</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Need to renovate or rebuild aging condominiums</li> <li>More business opportunities from leveraging the Group network</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Rising land prices due to intensifying competition for site acquisitions</li> <li>Rising construction costs</li> </ul>

## Features

### Japan's Number One<sup>1</sup> Cumulative Supplier of Condominiums

ORIX took an equity stake in DAIKYO in 2005 and made it a wholly owned subsidiary in 2019. DAIKYO is involved in real estate development and brokerage and building maintenance and management, with a focus on condominiums. The real estate development business supplies new condominiums and rental condominiums. The real estate management business handles maintenance, cleaning, repair, and other services for condominium homeowners associations. The real estate brokerage business brokers the purchase and sale of properties, purchases homes for renovation and resale by handling repairs and adding new value and functions, and provides management support for rental properties.

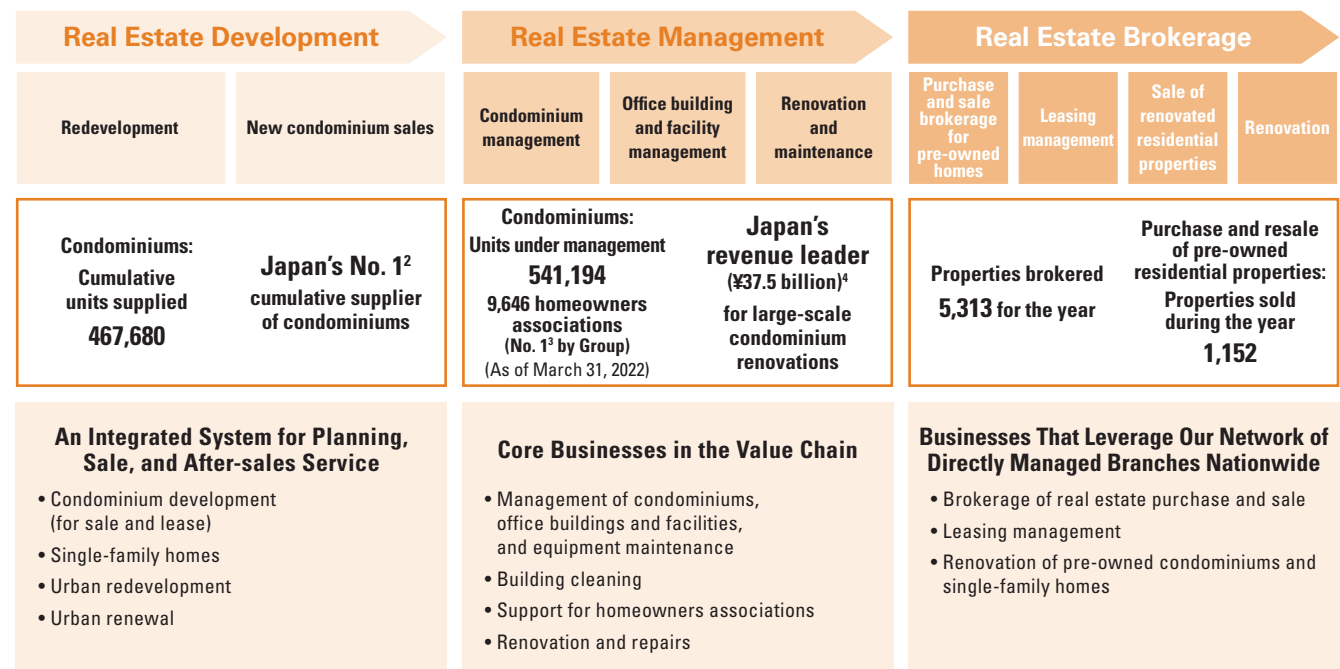
1. Calculated using Real Estate Economic Institute data as of December 31, 2021

## Strategies for Growth

### Strengthen Each Business and Promote Digital Transformation (DX) for Business Innovation and Improved Efficiency

The real estate development business will energetically participate in redevelopment projects and enhance the condominium business with a focus on Japan's three largest urban areas, where we expect stable demand. In the real estate management business, we will increase the number of facilities we manage under contract and expand orders for repair work while adding options and orders for ancillary work from those facilities. In addition, we will promote business innovation and improved efficiency through DX. In the real estate brokerage business, we will improve profitability by handling a greater number of premium properties when brokering purchase and resale and retail transactions.

### DAIKYO's Value Chain (Data as of March 31, 2022 unless otherwise noted)



2. Calculated using Real Estate Economic Institute data as of December 31, 2021 3. Mansion Kanri Shimbun survey 4. Japan Journal of Remodeling survey

We resolve social issues with real estate solutions that leverage our real estate development, management, and brokerage expertise.





PE Investment and Concession

# PE Investment

Business ▶ Private equity investment

Assets (Share of total)  
**¥315.0** billion (3%)

Profits (Share of total)  
**-¥0.4** billion (-0.1%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Ability to add value with a hands-on approach that leverages synergies with ORIX Group's sales network and products</li> <li>• Flexibility about deal flow because ORIX invests its own capital</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Exploring new investment schemes such as co-investment with operating companies</li> <li>• Building economies of scale through investee roll-ups</li> <li>• Expanding the scale of investments</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Increasing business succession needs and carve-outs at listed companies</li> <li>• Increasing investment opportunities due to significant changes in industry structure from digitalization, and accelerating industry reorganization</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Potential for new investment to be impeded by rapidly rising acquisition prices</li> <li>• Exits at lower prices than expected due to lack of due diligence and poor performance</li> </ul>

## Features

### Investor That Combines the Strengths of a Fund and an Operating Company

ORIX's PE investment business dates back to 1983, when we launched the venture capital firm ORIX Capital. We then expanded the scope of businesses in which we invested, only to weather a downturn in performance as a result of the financial crisis of 2008-2009. We fully returned to private equity investment in the fiscal year ended March 2012. We emphasize a hands-on approach to improve all aspects of investee corporate value. This includes integrating with investee administration and providing sales support, assigning professional personnel to investees, and collaborating with the many ORIX Group divisions to develop new customers and expand sales channels.

### Strategies for Growth

#### Expansion into Neighboring Fields and Synergy with Existing Businesses

We will grow market share through investee roll-ups and expand into neighboring fields. Focus industries where we will increase new investments include healthcare, business process outsourcing, IT and information services, and logistics and rental. These markets are highly compatible with existing ORIX Group businesses, driving synergies, so ORIX will collaborate with its investees with the goal of mutual success. We will also proactively promote investee roll-ups to expand market share and add value to the services we provide. In addition, while our focus has been on small and medium-size business succession projects with an enterprise value of ¥50 billion or less, we will also focus on acquiring carve-out projects in the future, aiming to increase the enterprise value of these projects to ¥50 billion or more.

## Investee Company Overview (As of March 31, 2022)

Management and Administrative Support Hands-on management and support from ORIX employees	Investee Companies	
	Initial Investment	Business
Acquisition and Alliance Strategy Acquire and ally with companies in the same industry and neighboring fields to expand operations	<b>IT Services</b>	
	Koike Co., Ltd.	2017 Manufacturer of electronic materials
	Primagest, Inc.	2017 Information processing service
	APRESIA Systems, Ltd.	2020 Development, manufacture of networking equipment
	HC Networks, Ltd.	2020 Design, configuration of information network systems
Sales Support Customer, sales channel expansion using ORIX network	Informatix Inc.	2020 Development of geographic information systems
	<b>Logistics/Rental Services, Dairy</b>	
	Cornes AG. CORPORATION	2018 Total engineering service for dairy, agriculture-related equipment
Professional Personnel Support from experts	Wako Pallet Co., Ltd.	2019 Seller and lessor of logistics equipment
	SUGIKO Co., Ltd.	2020 Scaffolding and temporary construction materials rental company
	<b>Healthcare</b>	
	INNOMEDICS Medical Instruments, Inc.	2015 Sales of medical equipment and devices
	Sasaeah Pharmaceutical Co., Ltd. <sup>1</sup>	2016 Veterinary pharmaceuticals

Average value of  
**8 exits since 2012<sup>2</sup>**  
**IRR 30%**

Investees since 2012  
**26 companies**

Investees as of March 31, 2022  
**17 companies**

1. In 2020, Fujita Pharmaceutical Co., Ltd., a veterinary-use pharmaceutical manufacturer in which ORIX invested in 2016, and Kyoto Biken Laboratories, Inc., an animal vaccine manufacturer, established Sasaeah Pharmaceutical Co., Ltd., a new company that integrates the sales functions of both companies.

2. Excludes sale of Kobayashi Kako assets on March 31, 2022.

**We make full use of the Group's network and expertise to increase the corporate value of investees.**



PE Investment and Concession

# Concession

Business ▶ Operation of airports and water businesses

Assets (Share of total)  
¥38.6 billion (0.3%)

Profits (Share of total)  
-¥11.3 billion (-2%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Extensive expertise and experience in business operation</li> <li>• Solid network of relationships with leading companies in and outside Japan</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Creative ideas required by new forms of public-private partnerships</li> <li>• Participating in overseas concession projects</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• A potentially large concession market in Japan</li> <li>• Infrastructure projects around the world</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Intensifying competition in domestic concession projects</li> <li>• Change in policies regarding concession promotion and change in laws and regulations</li> <li>• Negative effects such as decreased number of passengers due to infectious diseases</li> </ul>

## Features

### Operate Public Facilities While Public Entities Retain Ownership

We started operating Kansai International Airport and Osaka International Airport (Itami Airport) in April 2016 as the first privately owned full-scale operation business for an airport in Japan, and have been operating Kobe Airport since April 2018. All three are operated by Kansai Airport Co., Ltd., established by a consortium centered on ORIX and VINCI Airports of France. In addition, we have been operating a wastewater treatment plant in Hamamatsu City, Shizuoka Prefecture since April 2018, and water businesses (water supply, industrial waterworks, and sewerage) in Miyagi Prefecture since April 2022. ORIX participates in the operating company, which was established with METAWATER Co., Ltd. and Veolia Jenets K.K. at its core.

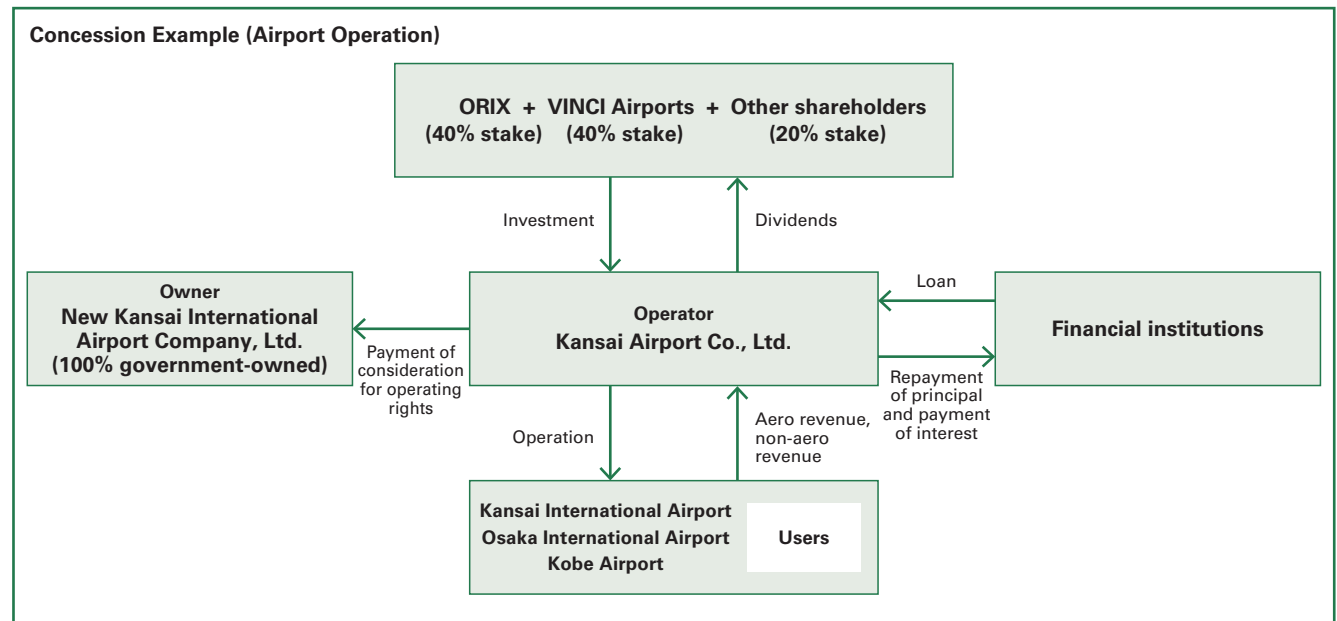
## Strategies for Growth

### Develop Markets with a Mid- to Long-Term Perspective

The environment remains challenging for existing airport concessions due to COVID-19. However, we anticipate increased passenger numbers in the future, and remain a committed concessionaire implementing projects that have earned the respect of the regions we serve, such as the large-scale renovation of Kansai International Airport Terminal 1. For new projects, we will steadily follow up on the many potential concessions that are available. We maintain a mid- to long-term perspective in developing the concession market and continue to approach local and national government organizations and public organizations with potential needs.

## Concession System

A system in which private enterprises are responsible for the operation of public facilities such as airports, roads, and water supply and sewage systems, while public entities retain ownership.



**With the long-term in mind, we aim to operate businesses and facilities that produce enduring results.**





# Environment and Energy

**Business** ▶ Renewable energy in Japan and overseas, electric power retail, energy-saving services, sale of solar panels and electricity storage systems, recycling and waste management, and resource recycling

**Assets (Share of total)**  
**¥703.6 billion (6%)**

**Profits (Share of total)**  
**¥3.1 billion (1%)**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Comprehensive capabilities from operating multiple energy businesses in Japan</li> <li>• Global business operations</li> <li>• One-stop service from waste collection and transportation to final disposal</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Communicating with relevant stakeholders such as governments and local residents</li> <li>• Hiring and developing personnel and technologies in line with business expansion and new business development</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Expansion of the global renewable energy market</li> <li>• Rising customer awareness of environmental value in areas such as decarbonization</li> <li>• Needs for advanced waste treatment and recycling, and waste treatment needs among local governments</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Supply chain disruptions and material price hikes</li> <li>• Shutdowns due to accidents at large-scale facilities and natural disasters</li> <li>• Policy and legislative changes related to the environment and energy</li> </ul>

## Features

### Leadership in an Integrated Environment and Energy Business

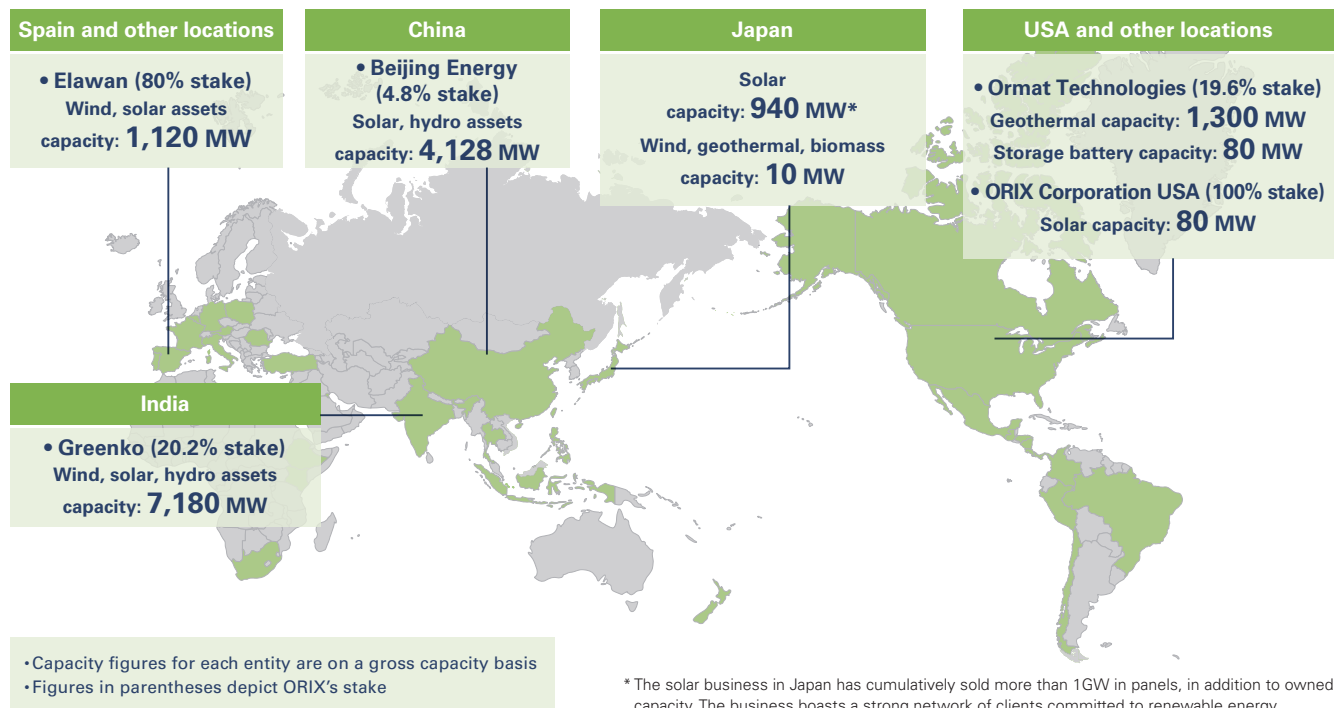
ORIX entered the environment and energy field by taking a stake in a wind power generation business in 1995. We subsequently expanded our energy business using our skills in leasing and consulting, and our environmental business by properly disposing of leased items at the end of their useful life. We now conduct business in a wide range of energy markets both in Japan and overseas, such as renewable energy power generation, electric power retail, and energy-saving services, while growing environment businesses such as recycling and waste treatment.

## Strategies for Growth

### Expand the Value Chain and Global Operations

In the domestic energy market, we aim to provide high-value-added services as a one-stop service provider of renewable energy by combining multiple services including electric power retail and energy saving as well as renewable energy, and by building a value chain that covers the development, operation, and sale of power sources. In the domestic environmental market, our strengths include a broad array of recycling items, the establishment of networks, and the comparative advantage of our facilities and equipment, and we will step up the further expansion of our value chain toward a society that reuses and recycles. Overseas, our abundant pipeline of development projects centers on Elawan in Spain and Greenko in India. We will leverage these strategic platforms to accelerate our global expansion while selling projects we have developed.

### Global Expansion of the Renewable Energy Business (As of March 31, 2022)



**We are working toward a sustainable society  
 by integrating energy and environment know-how.**



Insurance

# Life Insurance

Business ▶ Life insurance, including medical insurance and death insurance

**Assets** (Share of total)  
**¥2,072.1 billion** (17%)

**Profits** (Share of total)  
**¥53.3 billion** (10%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Strong ability to develop products that address customer needs</li> <li>• Favorable recognition from third-party institutions</li> <li>• Omnichannel business development</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Improving the sales channel structure, which is heavily weighted toward agencies, and creating new customer contact points</li> <li>• Building a balanced product portfolio by shifting from sales of mainly third-sector insurance products to death and savings-type coverage</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Rising asset formation and lifetime security needs brought on by an age of 100-year lifespans</li> <li>• Increase in points of customer contact and expanded opportunities to sell policies using an omnichannel approach</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Contraction of the domestic life insurance market due to the declining population</li> <li>• Intensifying competition in the life insurance industry</li> </ul>

## Features

### Committed to Medical Insurance and Appreciated by Customers and Society

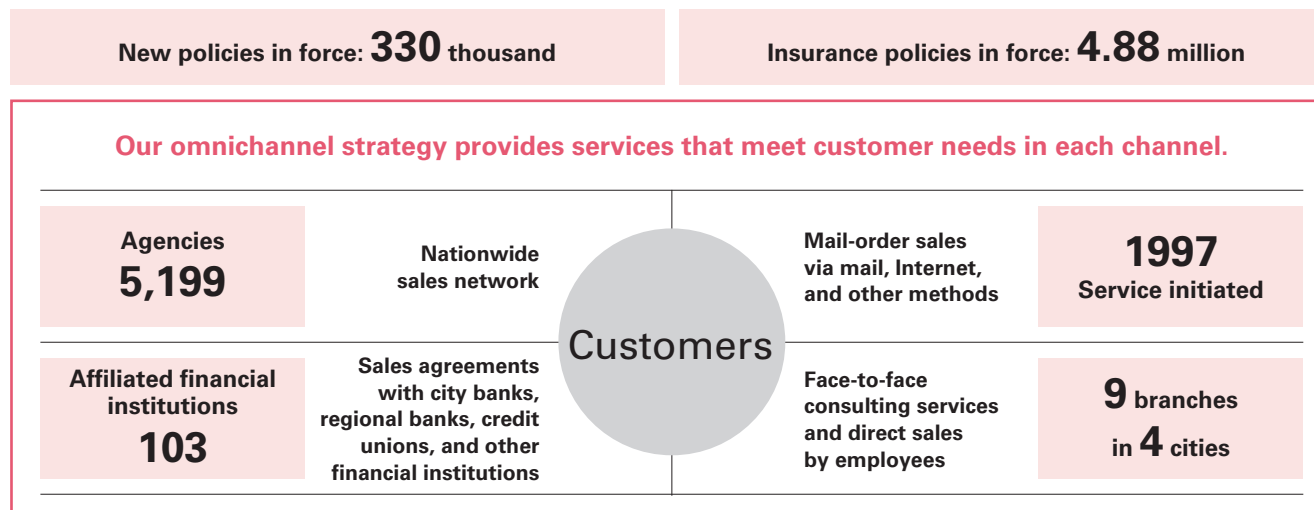
ORIX Life Insurance launched in 1991 and offers an extensive lineup based on the concept of offering simple and easily understood products and reasonably priced coverage. We are also committed to new product research and development. ORIX Life Insurance markets through insurance agents, financial institutions, mail-order and online sales, and sales by ORIX Life Insurance employees known as Conserve Advisors. We organically integrate these four sales channels within an omnichannel strategy that provides services through channels required by customers.

## Strategies for Growth

### Expand Customer Base and Advance Omnichannel Strategy

With the arrival of an age of 100-year lifespans, we will continue to offer living benefits through our mainstay medical insurance products. Going forward, we plan to expand our customer base by providing products, channels, and services that meet needs for inheritance planning for elderly customers, asset formation for retirement, and benefits and savings arrangements for single people. Efforts to create points of contact with new customers will include directly managed in-store insurance shops and online face-to-face sales to further enhance the advantages of our omnichannel strategy.

## Overview of ORIX Life Insurance (Data for FY Ended March 2022 or as of March 31, 2022)



## Soundness

<b>Solvency Margin Ratio</b> <b>1,275.9%</b>	+	<b>Issuer Rating and Claim Payment Ability</b> <b>AA- Rating and Investment Information, Inc. (R&amp;I)</b>
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**We are enhancing our product lineup and conducting an omnichannel strategy to strengthen customer contact.**



Banking and Credit

# Banking

Business ▶ Real estate investment loans, corporate loans, consumer finance, and trust business

**Assets (Share of total)**  
**¥2,496.4 billion (21%)**

**Profits (Share of total)**  
**¥28.2 billion (5%)**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Large share, strong risk management capabilities, and customer-oriented operations in the real estate investment loan market</li> <li>• High profitability from low-cost operations</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Improving ROA through strategic asset deployment</li> <li>• Deepening relationships by optimizing customer contact points using digital technology</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Increasing needs for products and services that help resolve social issues</li> <li>• Proposal and provision of products that use trust banking functions to address customer needs</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Real estate market downturn due to the declining population in Japan</li> <li>• Lower return on capital due to protracted low interest rate environment</li> </ul>

## Features

### Decades of Experience in Real Estate Investment Loans

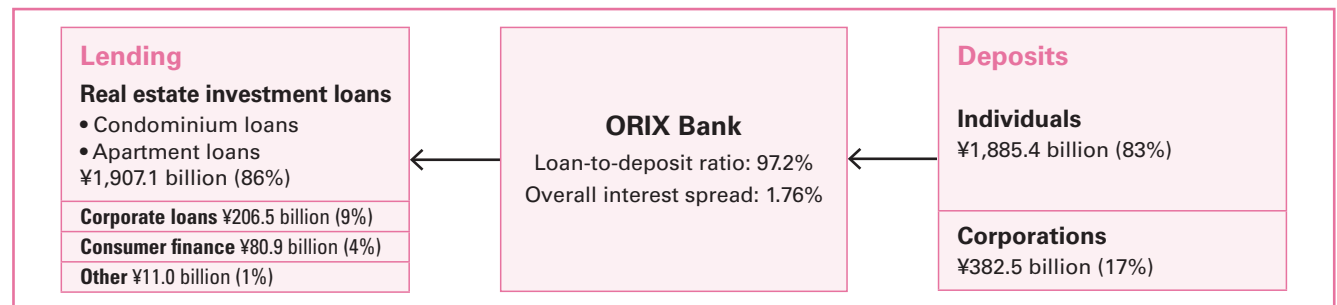
Since joining ORIX Group in 1998, ORIX Bank has not done business like conventional banks. We do not have a branch network or ATMs, and we do not handle account settlement functions. Instead, we emphasize Internet transactions to reduce operating expenses and earn customer support with attractive interest rates on deposits. We have also expanded our business by focusing on real estate investment loans to differentiate ourselves. In these ways, we demonstrate our strengths in specialized markets. In recent years, we have been developing new products and services that leverage trust banking functions to address the asset management and succession needs of our customers.

## Strategies for Growth

### Expansion into New Strategic Areas Based on Sustainability

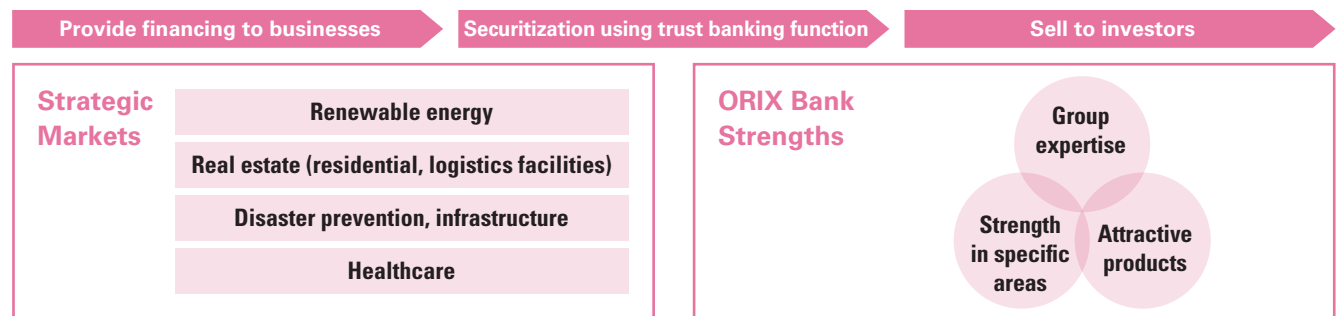
In our mainstay real estate investment loan business, we are working to promote the spread of environmentally responsible condominiums, such as those with ZEH specifications. We are also promoting finance in new strategic areas including renewable energy and other industries that will support a sustainable society. In addition, to meet the ESG investment needs of institutional investors, we utilize our trust banking function to securitize and sell loan receivables we own. In August 2021, we provided green loans to fund mega solar projects, which we then securitized a portion of to sell to regional financial institutions. We will continue to propose and provide products that meet customer needs.

### ORIX Bank's Business Model (Data as of March 31, 2022\*)



\* Source: ORIX Bank financial disclosure materials (Japanese GAAP)

### ORIX Bank's Model for Enhancing Businesses



**We help resolve issues affecting customers and society at large and contribute to the creation of a sustainable society by incorporating sustainability in our corporate management.**



Banking and Credit

# Credit

Business ▶ Consumer finance, guarantees of unsecured loans handled by other financial institutions, and housing loans (Flat 35)

Assets (Share of total)  
¥190.7 billion (2%)

Profits (Share of total)  
¥13.3 billion (3%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Brand strength in consumer finance</li> <li>• Screening capabilities built over many years</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Scaling back loan receivables in the loan business</li> <li>• Expanding market share in the mortgage banking business</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Rebound in consumer sentiment damaged by COVID-19</li> <li>• Increased opportunities to attract customers by collaborating with business partners</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Worsening economic environment (increase in non-performing loans)</li> <li>• Intensifying competition in the consumer loan market due to entrants from other industries such as fintech</li> </ul>

## Features

### ORIX Group's First Retail Business, Launched in 1979

ORIX Credit operates a loan business, a credit guarantee business, and a mortgage banking business. The loan business primarily provides unsecured loans to individual customers. The ORIX VIP Loan Card, which was launched in 1987, established a firm position and has evolved into ORIX MONEY. Based on the credit expertise ORIX Credit has acquired in the loan business, the credit guarantee business guarantees unsecured loans mainly handled by financial institutions. The mortgage banking business, launched in 2017, provides housing loans with emphasis on the Flat 35 product.

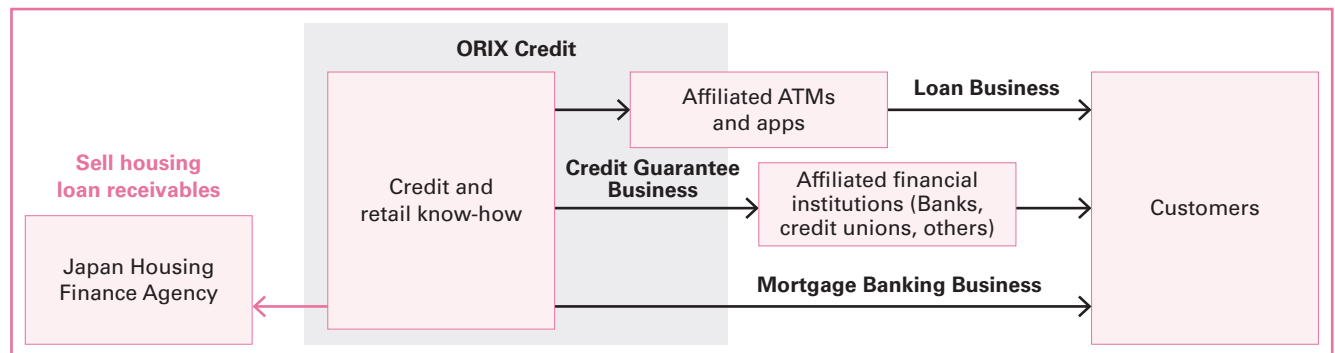
## Strategies for Growth

### Consumer Finance Business Renaissance

In February 2022, our loan business began offering ORIX MONEY loans originated on smartphones to meet needs for digitalization and cashless operations. We will aim for a turnaround in the balance of trade receivables by aggressively utilizing advertising to build mindshare and add balance to our customer base. In the credit guarantee business, we will continue to carry out granular sales activities at our sales offices, which are deeply rooted in their communities. The mortgage banking business is steadily expanding transaction volume. We will continue to maintain rapid growth with the goal of leading the industry.

## ORIX Credit's Business Model

<p><b>Loan Business</b></p> <p><b>Improve product appeal and services</b></p> <p>Provide unsecured consumer loans; rely on efficient business operations and credit screening capabilities to offer industry-leading low interest rates and large credit limits</p>	<p><b>Credit Guarantee Business</b></p> <p><b>Cultivate new business partners while stimulating transactions with existing partners</b></p> <p>Guarantee unsecured loans mainly handled by financial institutions based on the credit expertise ORIX Credit has acquired in the loan business</p>	<p><b>Mortgage Banking Business</b></p> <p><b>Expand the product lineup</b></p> <p>Provide housing loans with an emphasis on Flat 35; expand the product menu to meet diverse funding needs</p>
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<p><b>VIP Loan Card</b> Launched <b>1987</b></p>	<p><b>ORIX MONEY</b> Launched <b>2022</b></p>	<p><b>Balance of Consumer Loan Guarantees</b> <b>¥284.9 billion</b> (As of March 31, 2022)</p>
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**We leverage our credit expertise to further enhance our services and serve our customers.**



# Aircraft and Ships

Business ▶ Leasing and asset management services for aircraft and ships

Assets (Share of total)  
¥684.1 billion (6%)

Profits (Share of total)  
-¥2.3 billion (-0.4%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li><b>Aircraft Business</b> <ul style="list-style-type: none"> <li>Aircraft sourcing ability and high-quality asset management services</li> <li>Avolon's business model of ordering from aircraft manufacturers</li> </ul> </li> <li><b>Ship Business</b> <ul style="list-style-type: none"> <li>Operations and management (ORIX Maritime)</li> <li>Diversified revenue sources including lease revenue, investment gains, and asset management fees</li> </ul> </li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li><b>Aircraft Business</b> <ul style="list-style-type: none"> <li>Sophisticated risk management in the cyclical aircraft market</li> </ul> </li> <li><b>Ship Business</b> <ul style="list-style-type: none"> <li>Adding promising human resources</li> <li>Attracting personnel familiar with operations and management during a global shortage</li> </ul> </li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li><b>Aircraft Business</b> <ul style="list-style-type: none"> <li>Increased use of leasing among airlines and increase in low-cost carriers</li> <li>Greater demand for aircraft remarketing and asset management</li> </ul> </li> <li><b>Ship Business</b> <ul style="list-style-type: none"> <li>Increased logistics demand</li> <li>Investment to reduce the environmental burden of shipping</li> </ul> </li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li><b>Aircraft Business</b> <ul style="list-style-type: none"> <li>Decrease in passenger demand due to a global economic slowdown, war, terrorism, or infectious diseases</li> <li>Airline bankruptcies</li> </ul> </li> <li><b>Ship Business</b> <ul style="list-style-type: none"> <li>Decrease in the volume of trade due to accelerating protectionism (decrease in volume of goods shipped internationally)</li> <li>Decrease in investor demand due to a global economic slowdown</li> </ul> </li> </ul>

## Features

### Expertise Acquired over Four Decades

**Aircraft business:** We entered the aircraft financing business in 1978 and entered the aircraft operating lease business with the establishment of an aircraft leasing company in Ireland in 1991. In addition to leasing owned aircraft, we provide domestic and overseas investors with asset management services including aircraft investment arrangements and aircraft sale and re-lease. Moreover, in 2018 we took a 30% stake in Avolon Holdings Limited, the world's third-largest aircraft leasing company.

**Ship business:** ORIX entered the ship leasing business in 1971 and has owned ships since the 1980s, investing in ships and chartering them to Japanese and international shipping companies. We have accumulated a wide range of know-how related to ship financing, the management and operation of ships we own, and ship trading and brokerage.

## Strategies for Growth

### Leverage Market Conditions to Generate Earnings

**Aircraft business:** We continue to see potential in the passenger market amid ongoing recovery from the impact of COVID-19. Targeting sustainable growth, we will observe trends in the airline and leasing markets and investor demand while replacing assets to improve the quality of our portfolio and expand the number of owned and managed aircraft. In addition, we will leverage our strong affinity with Avolon Holdings Limited to expand in the aircraft leasing market.

**Ship business:** Conditions remain strong in the ship market, and we will expand investment in our three core areas (owned vessels, ship operating leases, and financing), as well as in adjacent businesses where we can utilize our expertise. In ship financing, we began offering sustainability-linked loans in February 2022. We will support the decarbonization and sustainability of shipping from the perspective of financing.

## Revenue Opportunities for Aircraft and Ships

Revenue Opportunity		Operating Lease Revenue or Chartering Fees	Investment Gains	Fee Income
<b>Owned Aircraft and Ships</b>	Lease owned aircraft to airlines or charter owned ships to shipping companies	○	○	
<b>Joint Investment</b>	Own and lease aircraft or own and charter ships with joint investors	○	○	○
	Provide asset management services or operations management under contract from joint investors			○
<b>Arrange Investment</b>	Arrange investment for investors			○
	Provide asset management services or operations management under contract from investors			○

## Comparative Aircraft Leasing Business Overview

Business Model	
<b>Avolon</b>	Sizable direct orders for aircraft manufacturers, strengths in direct leasing of the fleet (buy and hold)
<b>ORIX Aircraft Leasing Business</b>	Mainly trading in secondhand market, strengths include arrangement of aircraft purchases for third parties and asset management services

**Years of experience and multiple revenue opportunities empower our businesses to adapt to change and grow to better serve our customers.**



Business ► Finance, investment, and asset management in the Americas

**Assets** (Share of total)  
**¥1,364.1 billion** (11%)

**Profits** (Share of total)  
**¥75.2 billion** (14%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Ability to offer various capital solutions from involvement in a wide range of financial services businesses</li> <li>• Use of specialists with an intimate knowledge of business in their field</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Continuous earnings growth from both recurring and one-off fee business models</li> <li>• Brand integration and introduction of shared back-office functions</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Growth of assets under management as the asset management market expands</li> <li>• Brisk demand in new industries such as payment and renewable energy</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Intensifying competition and higher asset prices backed by a strong appetite for investment</li> <li>• Credit losses due to deterioration of client company performance</li> </ul>

## Features

### A Diverse Portfolio of Financial Service Businesses with a U.S. Focus

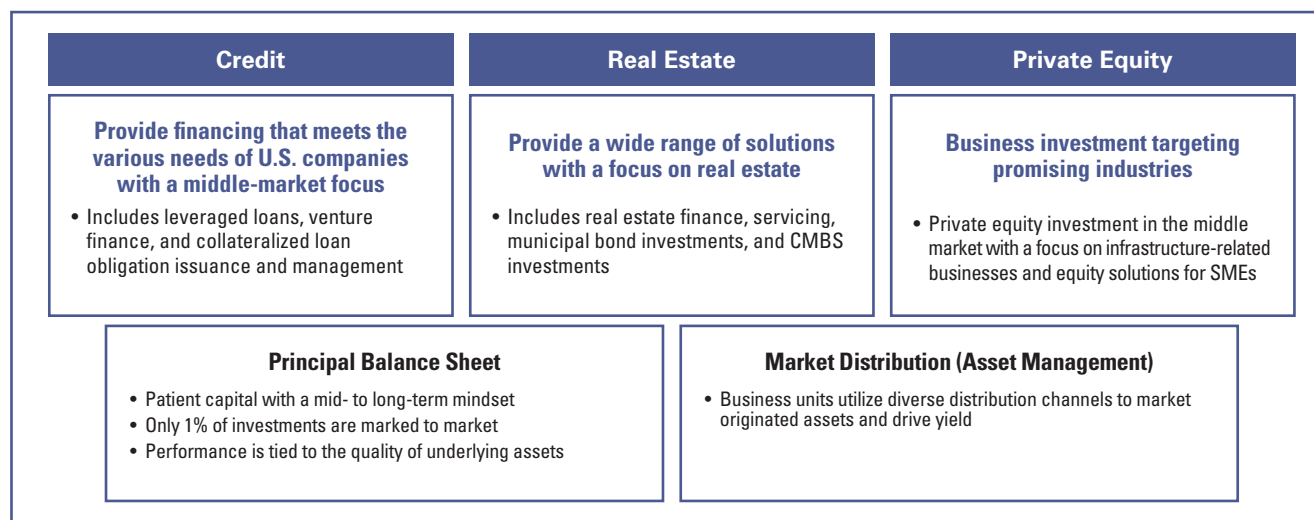
Established in 1981, ORIX USA operates in the corporate loan business, including leveraged loans and venture capital; invests in securities such as municipal bonds; has a real estate business that provides real estate and infrastructure financing, servicing, and investment; and has an equity investment business that includes private equity investment. ORIX USA also provides asset management services for these assets. In addition, with the acquisition of several companies since 2010, ORIX USA has enhanced its asset management services with a focus on alternative investments.

## Strategies for Growth

### Deploy Assets On and Off the Balance Sheet

ORIX USA pursues a hybrid strategy that relies upon its strong balance sheet as both an investor and as a provider of asset management and capital market solutions for external investors. It therefore aims to control its balance sheet while expanding assets under management and fee businesses. We intend to expand asset management services centered on private credit and private equity, including the acquisition of companies with relevant asset management and operation capabilities.

## ORIX USA's Businesses



**Assets under Management**  
 (As of March 31, 2022)  
**\$73.9 Bn**

**Breakdown of Segment Profits**  
 (FY Ended March 2022)

Credit	Real Estate	Private Equity
<b>\$328 Mn</b>	<b>\$253 Mn</b>	<b>\$224 Mn</b>

**Breakdown of Segment Assets**  
 (As of March 31, 2022)

Credit	Real Estate	Private Equity
<b>\$6.2 Bn</b>	<b>\$3.6 Bn</b>	<b>\$1.0 Bn</b>

**We have structured a highly profitable business model by utilizing expertise in financial services to complement interest income by earning fees from varied sources.**





Business ► Asset management with a focus on Europe and the United States

**Assets** (Share of total)  
**¥401.9 billion** (3%)

**Profits** (Share of total)  
**¥49.3 billion** (9%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Broad product lineup and investor base</li> <li>• Extensive experience backed by a long track record, an excellent research system, and expertise in ESG investing</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Improving investment management performance</li> <li>• Increasing AUM</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Inflow of funds into international ESG investing</li> <li>• Increased M&amp;A opportunities due to reorganization of the asset management industry</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Weakened investment management organization due to an outflow of talented personnel</li> <li>• Shift from active to passive management and rising pressure on fees</li> </ul>

## Features

### Longstanding Track Record in Asset Management

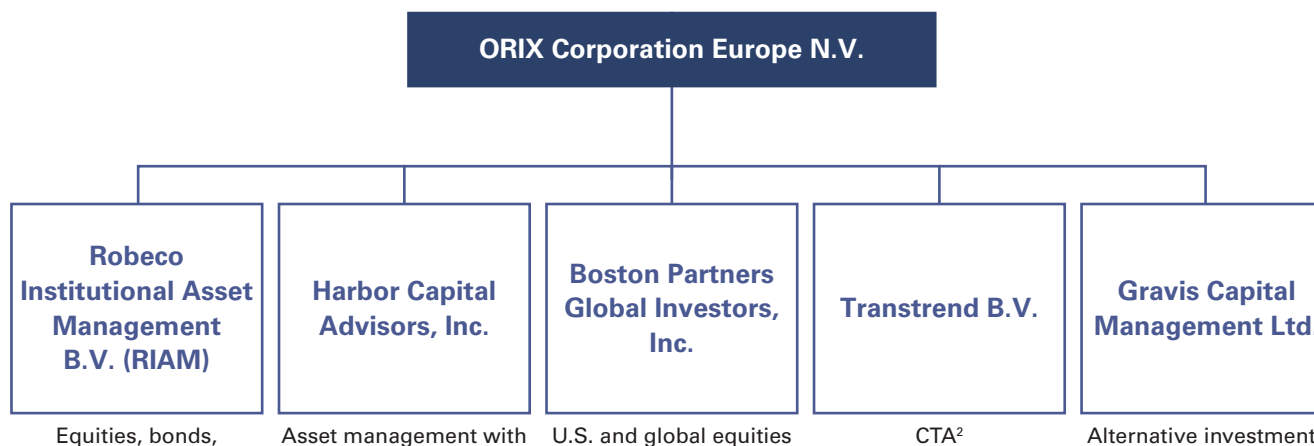
ORIX acquired the Netherlands-based asset management company Robeco Groep N.V. in 2013. We changed its name to ORIX Corporation Europe N.V. in 2018. Robeco Institutional Asset Management B.V., which operates in the asset management business under the “Robeco” brand, complements several other ORIX Corporation Europe asset management companies. Founded in 1929, Robeco has a long investment track record and offers a wide range of active asset management solutions from stocks to bonds. Its clients are numerous European institutional investors, including pension funds, banks, insurance companies, and public institutions. It also developed its first sustainable investment product in 1995 and has been a leader in sustainable investment since then.

## Strategies for Growth

### Intensify Marketing and Expand the Product Lineup

ORIX Europe will intensify sales and distribution and expand assets under custody in the areas it serves. It also plans to expand its product line, including through M&A. We see room to expand in alternative investments such as real estate, infrastructure, and private debt as well as in Robeco’s existing strengths in quantitative and sustainable investment. Management fees for traditional stock and bond investment products are on the decline. We will ensure profitability by expanding an alternative lineup with comparatively high-margin fees.

## ORIX Europe Organization Chart



Equities, bonds, investment solutions and sustainability investing

Asset management with a sub-advisor model<sup>1</sup>

U.S. and global equities

CTA<sup>2</sup>

Alternative investments

**Assets under Management**  
(Excluding Gravis)  
**EUR 327.9 billion** (As of March 31, 2022)

**Assets under Management Integrating ESG Elements**  
**97%** of total assets under management  
(including Gravis) (As of December 31, 2021)

**2013**  
**Joined ORIX Group**

1. Structure stock and bond mutual funds and select the optimal manager (sub-advisor) for each fund.

2. Commodity trading advisor. Companies and managers that invest in commodity futures and a wide range of financial products such as currencies and stock index futures to manage financial assets deposited by customers.

**We provide asset management products and services diversified across asset classes, investment styles, customer segments, and regions.**



# Asia and Australia

Business ▶ Finance and investment with a focus on Asia and Australia

**Assets** (Share of total)  
**¥1,306.1 billion** (11%)

**Profits** (Share of total)  
**¥51.2 billion** (10%)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Local expertise and networks developed over the long term</li> <li>Use of the expertise of ORIX Group businesses in Japan</li> </ul>	<p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>Business diversification</li> <li>Reorienting the skills and mindset of employees who are biased toward traditional leasing business</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Strong potential for growth due to factors including the expansion of the middle class in emerging Asian countries</li> <li>Expanded investment scale in Greater China, including an increase in IPOs in Hong Kong</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Relatively high interest rates and exchange rate volatility</li> <li>Political uncertainty in individual countries</li> </ul>

## Features

### Financial Services Businesses with Deep Regional Ties

Since launching operations in Hong Kong in 1971, ORIX has built a global network of subsidiaries that serve Southeast Asia, South Asia, Oceania, and the Middle East. We mainly operate financial services companies and we are familiar with the differing business practices, laws, and regulations from country to country. We provide local customers with machinery and equipment leasing, automobile leasing, sales finance, loans, and rentals. Companies in Greater China (China, Hong Kong, and Taiwan) also make private equity investments. Each local subsidiary is diversifying its operations using the expertise ORIX has acquired in businesses in Japan.

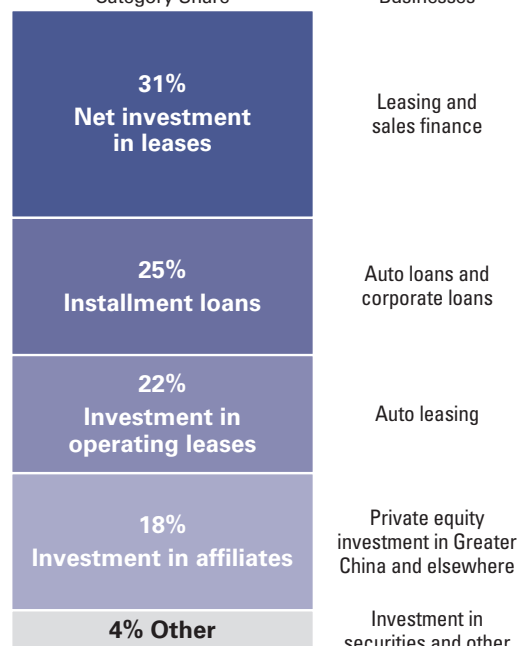
## Strategies for Growth

### Promoting Business Diversification

The impact of the COVID-19 pandemic varies by country and region, and we are tailoring our responses accordingly. We will then move forward with strategies driven by market size, which encompasses the national population and economy, as well as by market growth potential and competitive conditions. We will continue to expand our business lines through both financing and investment, with the aim of business diversification. We will create investment and business opportunities based on a network that leverages the skills and expertise of our people in-market to improve our presence in Asia and Australia.

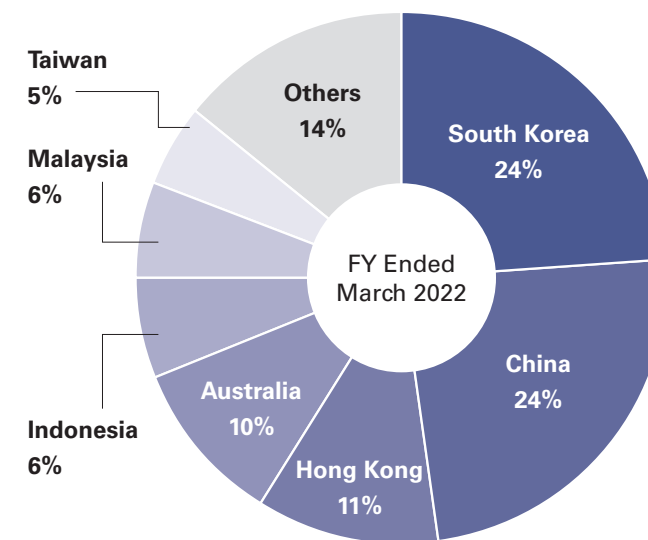
### Asset Breakdown in Asia and Australia

(As of March 31, 2022)  
 Category Share



### Segment Assets in Asia and Australia

(Ratio by Region)



Since its overseas expansion in the 1970s, ORIX has accumulated the know-how to provide various financial services to address country and region-specific needs.