



## **ORIX Signs Framework Agreement Regarding Investment in Major Indian Renewable Energy Operator Greenko Energy**

TOKYO, Japan - September 11, 2020 - ORIX Corporation ("ORIX") today announced that it has signed a framework agreement with Greenko Energy Holdings ("Greenko")—a major company undertaking renewable energy business in India—regarding partial acquisition of shares in Greenko. Going forward, ORIX aims to execute definitive agreements and completion of the transaction by the end of the year subject to investment committee approval after completing due diligence and other legal procedures required.

In addition to acquiring Greenko's issued shares from the founders' group, ORIX will integrate its entire wind power generation business in India<sup>\*1</sup> into Greenko in exchange for Greenko's new shares. Through this plan, ORIX will acquire more than 20 percent of Greenko's issued shares at closing for a total consideration of approximately 980 million U.S. dollars. ORIX's exact and ongoing shareholding and investment amount may change as a result of transaction adjustments, exchange rates and future capital infusions.

Greenko is one of India's two major renewable energy operators. In addition to an existing total capacity of about 4.4 GW operating renewable portfolio in India—such as solar, wind, and hydro, Greenko recently announced a 1.2 GW hydro asset acquisition and has additional capacity under construction and in development of over 8 GW. The company was established in 2004 by two founders, with investments from Singapore's Government Investment Company (GIC) in 2013 and the Abu Dhabi Investment Authority (ADIA) in 2016. Currently, GIC owns 65.8 percent of Greenko's shares, while ADIA owns 16.5 percent. Greenko has long-term power purchase agreements (PPA) averaging over 20 years with India's government-operated agencies, state-owned power companies, and other entities, establishing high growth potential and a stable income base.

In addition, Greenko is focused on building integrated renewable energy projects (IREP)<sup>\*2</sup>, business which supplies electricity from renewable sources that is not affected by the weather at costs equivalent to thermal power stations and similar facilities. This is achieved by combining renewable energy sources—such as solar and wind power—with pumping-storage hydro<sup>\*3</sup>. High demand is expected from state-owned power companies which have high procurement needs for electricity originating from renewable energy as well as companies with a high level of environmental awareness such as those under RE100 or advocating net zero carbon.

The renewable energy market in India has reached grid parity<sup>\*4</sup> thanks to lower construction costs and favorable climate conditions, yielding cost advantages even when compared to thermal power. India's government has set a renewable energy target of 175 GW by 2022 against an expected renewable energy level of 113 GW in 2020. Installed renewable capacity in 2030 may reach 389 GW based on Bloomberg NEF's forecast, and going forward, further expansion of the renewable energy market in India is expected.

ORIX creates value to society through its business activities with a fundamental commitment to improving our ESG standing. International expansion of our renewable energy businesses is an important strategy for contributing to build a sustainable society.

In 2016, ORIX entered India's wind power business (with a total facility capacity of 873 MW) through a joint investment. The assets were fully acquired by ORIX in 2019. Furthermore, in 2017, ORIX acquired 21.5 percent of shares in Ormat Technologies, Inc., a vertically integrated geothermal power company listed in the United States.

Within Japan, ORIX is actively promoting its renewable businesses, such as solar, wind, geothermal, biomass, and biogas. ORIX has a total capacity of approximately 1 GW in its solar business. Going forward, using the experience and expertise it has cultivated thus far, ORIX intends to expand its renewable energy business in and outside Japan, as well as business expansion in Asia.

- \*1 All shares of the seven Special Purpose Vehicles carrying out wind power generation business (total facility capacity of 873 MW) in seven states in the southern and western belt of India (total of 26 locations) and one asset management company.
- \*2 Business which supplies electricity from renewable sources such as solar and wind power with power storage equipment, thereby achieving schedulable power on-demand.
- \*3 This is a power generation method that uses two water reservoirs located at different heights. Water is pumped from the lower reservoir to the higher reservoir, which is then allowed to fall from the higher reservoir into the lower reservoir when necessary.
- \*4 This refers to the situation where the cost of generating electricity using renewable energy is equivalent or lower than the cost of electricity from the existing power grid.

#### ■ Overview of Greenko Energy Holdings

Name: Greenko Energy Holdings

Address: 33, Edith Cavell Street, Port Louis, Mauritius

Representative: Anil Kumar Chalamalasetty

Establishment: 2004

Description of business: Renewable energy business

Sales: 661 million U.S. dollars (for the year ended March 31, 2020; approximately 70billion yen<sup>\*5</sup>)

Total assets: 6,467 million U.S. dollars (for the year ended March 31, 2020; approximately 685billion yen<sup>\*5</sup>)

Shareholders: GIC 65.8%, ADIA 16.5%, and founders' group 17.7% (current)

Website: <https://www.greenkogroup.com/index.php>

\*5 Conversion based on exchange rate of 1 U.S. dollar  $\approx$  106 yen (as of September 9, 2020)

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#### About ORIX:

ORIX Corporation (TSE: 8591; NYSE: IX) is a financial services group which provides innovative products and services to its customers by constantly pursuing new businesses.

Established in 1964, from its start in the leasing business, ORIX has advanced into neighboring fields and at present has expanded into lending, investment, life insurance, banking, asset management, automobile related, real estate and environment and energy related businesses. Since entering Hong Kong in 1971, ORIX has spread its businesses globally by establishing locations in 37 countries and regions across the world.

Going forward, ORIX intends to utilize its strengths and expertise, which generate new value, to establish an independent ORIX business model that continues to evolve perpetually. In this way, ORIX will engage in business activities that instill vitality in its companies and workforce, and thereby contribute to society. For more details, please visit our website: <https://www.orix.co.jp/grp/en/>

(As of March 31, 2020)

**Caution Concerning Forward Looking Statements:**

These documents may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results that differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under “Risk Factors” in the Company’s annual report on Form 20-F filed with the United States Securities and Exchange Commission and under “(4) Risk Factors” of the “1. Summary of Consolidated Financial Results” of the “Consolidated Financial Results April 1, 2019 – March 31, 2020.”