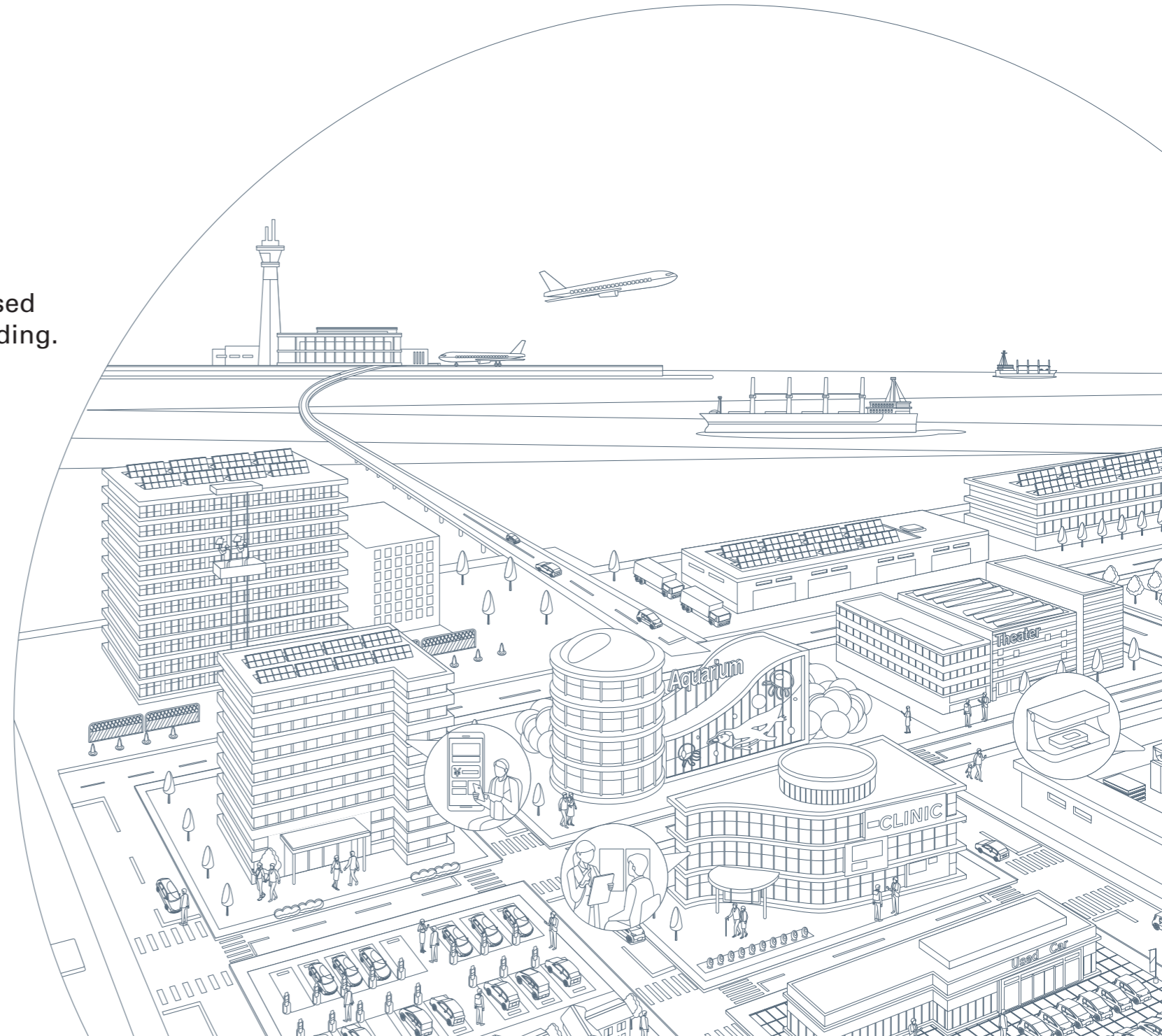




# Value Creation Story

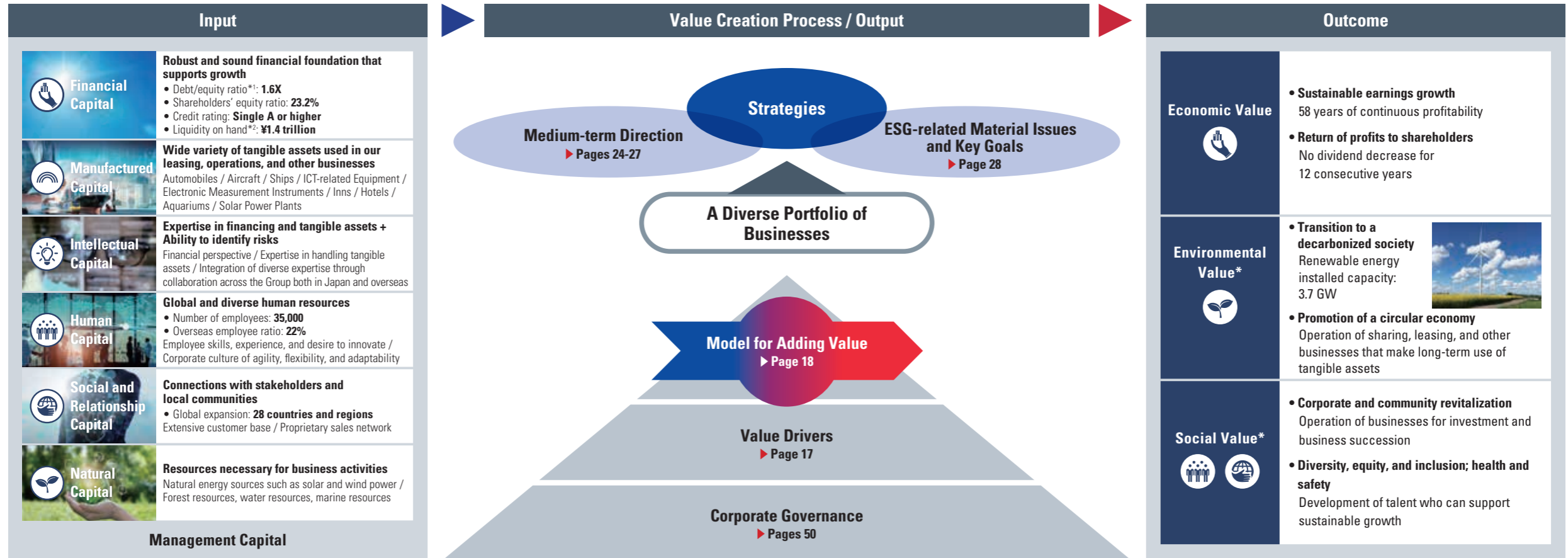
This section describes how ORIX is creating value based on the capital resources it has acquired since its founding.

Value Creation Model	14
ORIX's Value Creation Story	15
History and Inherent Values	16
Value Drivers	17
Model for Adding Value	18
Value Creation Case Studies	19



# Value Creation Model

ORIX employs the capital resources it has acquired since its founding to create value, using its own value creation model to add further value. This has enabled us to expand our business into our current 10 segments and to provide value unique to ORIX in multiple markets. We will continue to provide new value to society by repeating this cycle.



Note: The above data is as of March 31, 2023

\*1 Excludes deposits.

\*2 Excludes ORIX Bank and ORIX Life Insurance.

ORIX's record of success made us a trusted partner with stakeholders.

\* Please refer to the following website for more detailed information on environmental and social value.  
[▶▶▶ Sustainability](#)



# ORIX's Value Creation Story

The most important part of ORIX's value creation model is its unique model for adding value. The following explains how the model for adding value is formed and how we create value.

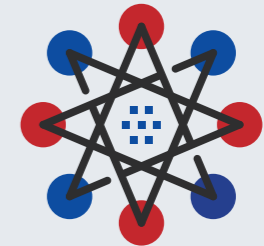
ORIX has passed down its values and nurtured a distinctive corporate culture. The risk management and talent pool we have cultivated based on these values and corporate culture are our strengths, which support our model for adding value as ORIX's value drivers (factors that increase corporate value). We use our model to create value unique to ORIX in a variety of fields and achieve growth.

## History and Inherent Values

▶ Page 16

ORIX has developed into a unique corporate group by creating new value as it broadens its business by repeatedly moving into neighboring fields.

That history encompasses the values (discipline that underpins independence and autonomy, as well as agility, flexibility, and adaptability) and corporate culture (taking healthy risks, cooperation among diverse human resources) that have been continuously handed down.



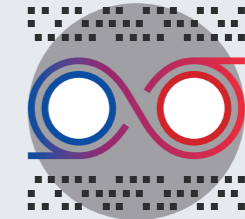
## Value Drivers

▶ Page 17

Risk management and our human resources are strengths we have cultivated based on our inherent values and corporate culture, and they serve as ORIX's value drivers (factors that increase corporate value).

**Risk management:** Organizational framework: Identifying and taking risks

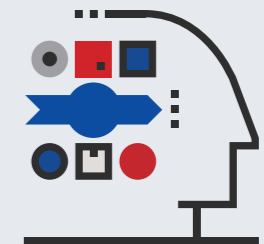
**Talent pool:** Individual capabilities: Grasping contemporary changes, and thinking and acting to turn them into opportunities



## Model for Adding Value

▶ Page 18

Value drivers support the model for adding value. Value drivers enable us to correctly assess risks and business feasibility, and to take on the challenge of entering new markets. Through our model for adding value, we create value unique to ORIX in a variety of fields and achieve growth.



### Value Creation Case Study 1 Renewable Energy Business

▶ Page 19

After the Great East Japan Earthquake in 2011, we predicted that Japan's energy situation and power supply mix would change. Using the knowledge and human resources within the Group, we were quick to establish a system for promoting renewable energy businesses ahead of other companies.

As of March 2023, the renewable energy installed capacity of our facilities in operation globally has grown to 3.7 GW. Capacity expansion to 6 GW is planned for March 2025, with a target of 10 GW by March 2030. We have also started an operation, management, and maintenance business for power plants and a development business for energy storage plants.

### Value Creation Case Study 2 Concession Business

▶ Page 21

When the concession system was introduced in Japan upon the revision of the Act on Promotion of Private Finance Initiative (PFI) in 2011, we started research in-house. Following the announcement of details of a public offering for the operation of the Kansai International Airport and Osaka International Airport (Itami Airport) in 2014, we began full-scale activities with a project team that gathered knowledge and human resources within the Group. After exhaustive internal discussions about the unprecedented long-term operation period and huge amount of consideration for the operating rights, we started operating these airports in 2016.

As of March 2023, we are deploying our business know-how to renovate airports, and have also started other concession businesses such as water businesses.

# History and Inherent Values

ORIX has developed into a unique corporate group by creating new value as it broadens its business by repeatedly moving into neighboring fields. Throughout our history, we have continuously handed down our values and corporate culture. The risk management and talent pool we have cultivated based on these values and corporate culture are ORIX's strengths as well as its value drivers (factors that increase corporate value).



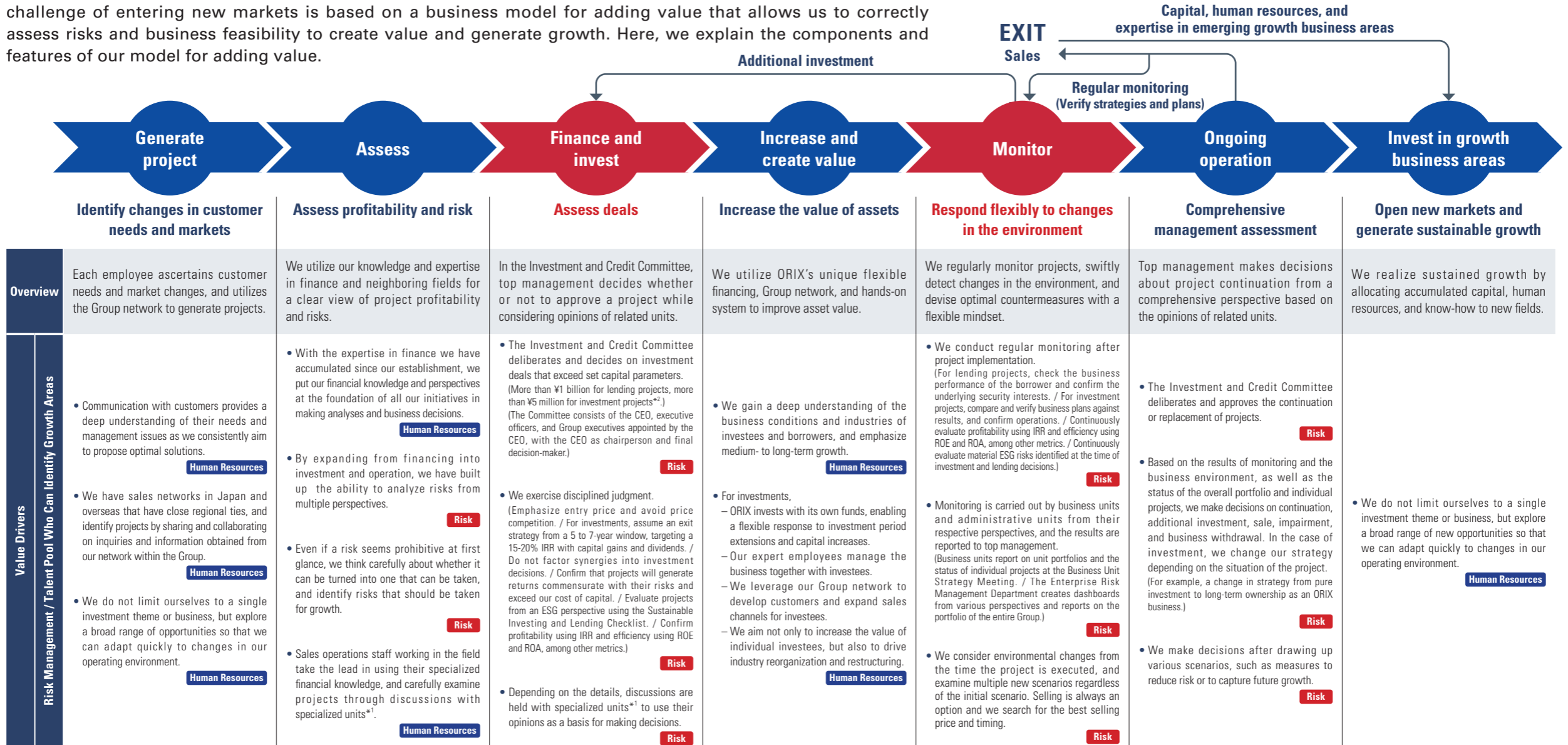
# Value Drivers

Risk management and employee talent are ORIX's value drivers (factors that increase corporate value). Our unique model for adding value is supported by risk management (organizational framework) and employees (individual capabilities) who embody our inherent values.



# Model for Adding Value

ORIX started off in leasing and has grown by expanding into neighboring businesses. Our ability to take on the challenge of entering new markets is based on a business model for adding value that allows us to correctly assess risks and business feasibility to create value and generate growth. Here, we explain the components and features of our model for adding value.

**Risk** Risk Management**Human Resources** Talent Pool Who Can Identify Growth Areas

\*1 Specialized units include accounting, legal affairs, taxation, finance, bookkeeping, compliance, real estate appraisal, etc.

\*2 The committee rules set amounts for approval authority depending on the details of the case; the above presents an example.

# Value Creation Case Studies ▶ Case 1: Renewable Energy Business

ORIX entered the field of renewable energy when it invested in the wind power generation business in 1995. This new initiative was originally considered an outgrowth of the financing business, and was not intended to develop into a power plant operation business. The turning point for the renewable energy business came with the Great East Japan Earthquake in 2011, and the business has grown significantly since then.



Identify changes in customer needs and markets

Assess profitability and risk

After the Great East Japan Earthquake in 2011, we foresaw changes in Japan's energy business and power supply mix. We also recognized that global warming is a serious problem worldwide.

**Deploy human resources, knowledge, and networks within the Group for the renewable energy business.**



**Decided to make the renewable energy power generation business an area of focus.**

- Secure most human resources from within the Group, including staff in charge of securing land, as well as experts in funding and tax and legal issues.

- Reinforce technical knowledge that was initially lacking by proactively hiring external experienced personnel.



Previously part of the Business Headquarters, the **Environment and Energy Business Department** was made independent as the **Investment and Operation Headquarters**. A renewable energy specialist team started with an initial five members.

- Invest in wind power generation → Basic knowledge of mechanisms for generating electricity and how electricity reaches companies and homes.

- Real estate business → Know-how necessary to build a power plant (land leasing and obtaining government approvals and licenses).

- Project finance → Project launch, fund procurement, project execution.

- Equity investment → Documentation know-how.

- Cooperate with sales representatives working at branches nationwide → Speedily secure land suitable for mega-solar construction in various locations.

■ Human resources ■ Knowledge ■ Network



ORIX Sarabetsu-Tokachi Mega-Solar Speedway Power Plant



Wind power generation facility operated by Elawan Energy

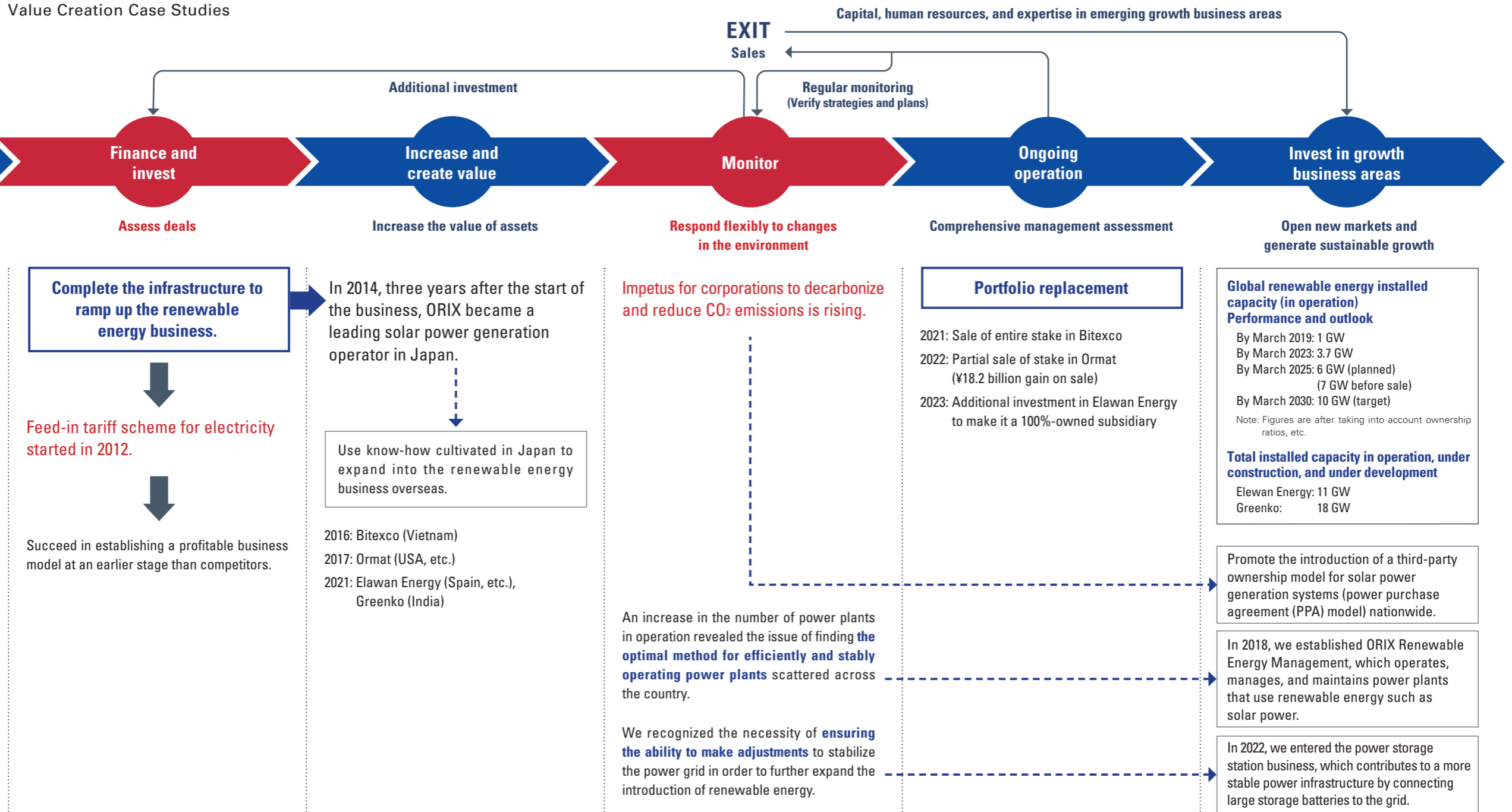


Solar power system power purchase agreement (PPA) model  
Fuji Logistics Co., Ltd. Mie Logistics Center



Concept image of energy storage plant

## Value Creation Case Studies





# Value Creation Case Studies ▶ Case 2: Concession Business

With the aging of public infrastructure, the Act on Promotion of Private Finance Initiative (PFI) was revised in 2011, and a concession system was introduced in Japan in which private businesses take responsibility for operation of public facilities and other concerns while leaving their ownership to public institutions. In 2016, ORIX became Japan's first privately-owned large-scale airport operator, leveraging the expertise of its departments in areas including real estate, domestic and overseas business investment, finance, and credit.



Identify changes in customer needs and markets

Assess profitability and risk

## 2011 revision of Act on Promotion of PFI

A concession system was introduced in Japan, in which private companies take responsibility for operation of public facilities and other concerns while leaving their ownership to public institutions.

At the same time, the Act for Integrated and Efficient Establishment and Management of Kansai International Airport and Osaka International Airport was promulgated.

## Fall 2014 announcement of details of the public offering process for Kansai and Osaka (Itami) International airports



Airport concession business project team began full-scale operation.

■ We brought together experts from Group departments in areas including domestic and overseas business investment, finance, and credit in addition to real estate. Ultimately, more than 50 people with various know-how gathered to establish a framework for the project.

■ We conducted a detailed study of a wide range of businesses both related and unrelated to aviation. At the same time, we examined in detail improvements in security quality and coexistence with local communities to create the safe, secure environment required of social infrastructure. In addition, we determined the strong social significance of concessions and their high importance as a new business.

■ We also looked for a partner to operate the airports. Having researched airport operating companies around the world and held repeated meetings, we deepened our relationship of trust with VINCI Airports of France and built a partnership. We also obtained investment from 30 companies in Kansai.

■ Human resources ■ Knowledge ■ Network

A real estate team focused on the concession business.

Multiple teams in the Real Estate Department were planning and examining new businesses. One focused on the concession business, identifying the potential of the Kansai and Osaka (Itami) International Airports Project in particular, conducting in-depth research and formulating business plans.



Kansai International Airport



Kobe Airport



Nanbuyama Water Treatment Plant (Shiroishi City, Miyagi Prefecture)



Todoroki Stadium (Kawasaki City, Kanagawa Prefecture)

## Value Creation Case Studies

