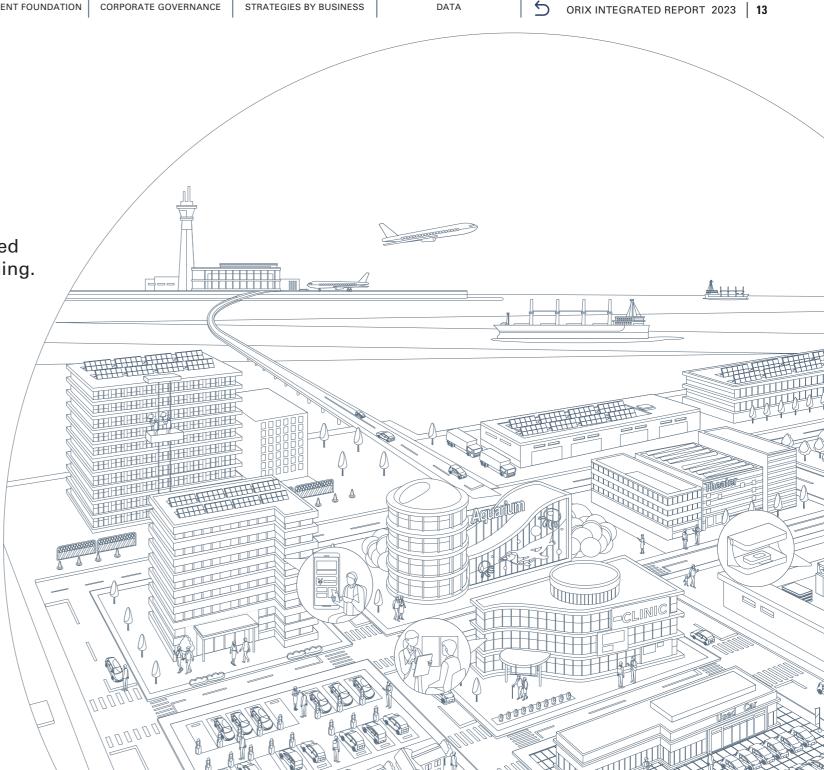
Value Creation Story

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

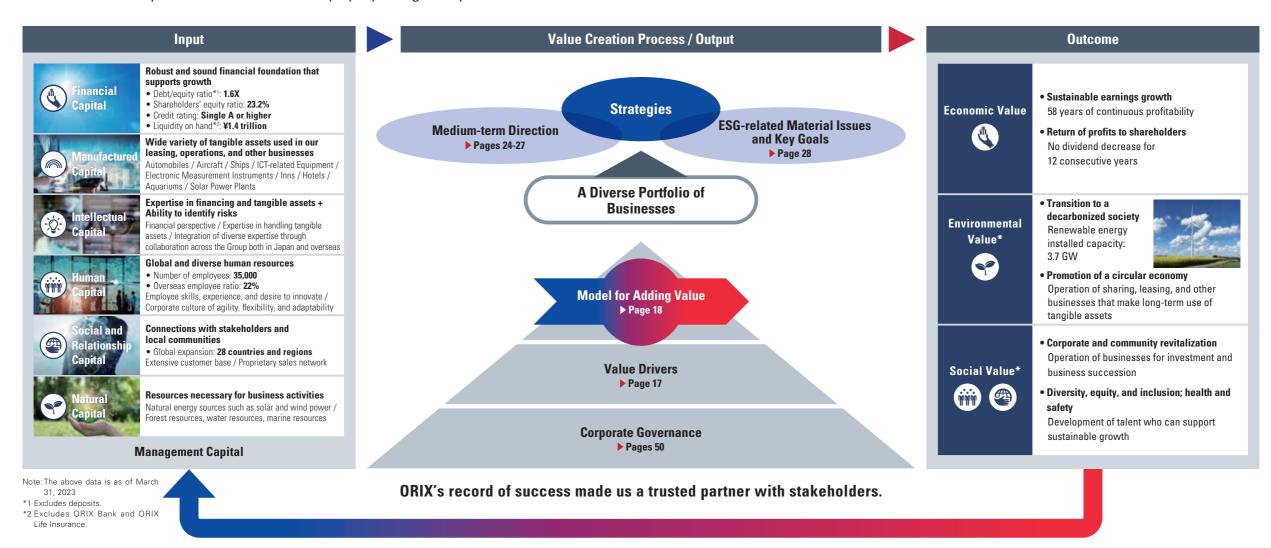
Value Creation Model	14
ORIX's Value Creation Story	15
History and Inherent Values	16
Value Drivers	17
Model for Adding Value	18
Value Creation Case Studies	19



STRATEGIES BY BUSINESS

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.



^{*} 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.

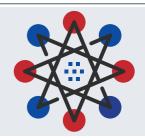
ORIX has passed down its values and nurtured a distinctive corporate culture. The risk management and talent pool we have cultivated based on these values and corporate culture are our strengths, which support our model for adding value as ORIX's value drivers (factors that increase corporate value). 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

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).

Introduction of leasing as a new financing method

Diversification / globalization from repeatedly moving into neighboring fields

Ramping up full-scale Group operations

Expanding in new business fields

Creating new value through diversified business operations

1964

and Values

ORIX's History

Introduced leasing in Japan as a new financing method



1970s

Overcame the turbulent era of oil crises and promoted diversification and globalization



1980s-1990s

Expanded new business fields with unique products and services



2000s

Overcame the global financial crisis and entered a new stage



2010s onward

Promoted further diversification from financial to nonfinancial businesses



Standing on Our Own

The Company was established in 1964 by three trading companies and five banks to popularize leasing as a new financing method in Japan. ORIX shifted away from doing business through shareholder trading companies and banks to establish a foundation as a more independent entity with its own directsales style and way of conducting transactions, and went public in 1970, only six years after its founding.

Into Neighboring Fields

Despite the impact of a decline in capital investment due to two energy crises, ORIX continued to grow steadily by repeatedly moving into neighboring fields to diversify its products and services beyond leasing. ORIX also focused on expanding overseas, starting with Hong Kong in 1971, followed by Singapore, Malaysia, South Korea, and elsewhere.

Interdepartmental Group Collaboration

Competition intensified as a series of new companies entered the leasing industry. We therefore started full-scale Group management with strengthened communication and cooperation among departments and Group companies. At the same time, measures including proactive M&A rapidly advanced ORIX's transformation into an international and diversified financial services business.

Agile, Flexible, and Adaptable

ORIX established a solid revenue base with the success of its diverse expansion strategies that developed both domestic and overseas markets in its corporate and consumer, and asset and fee businesses. After the global financial crisis, ORIX worked to reinforce its corporate structure and restructure its business, changing its portfolio in an agile, flexible, and adaptable manner.

Change is the Only Constant

As we enhanced our expertise in financing and tangible assets, we expanded into the nonfinancing businesses of investment and operation. Through further diversification into mega solar power generation, concession, and other businesses, we continue to take on the challenge of creating new value across industry borders.

Ability to analyze risks

By expanding from financing into investment and operation, we have cultivated the ability to analyze risks from multiple perspectives.

Taking healthy risks

ORIX has been independent from an early stage, and has continued to grow by taking intelligent risks. We have the corporate culture to conceive and design bold strategies and plans with a high degree of freedom.

Ability to grasp change

ORIX employees swiftly perceive evolving needs to seek out new value and provide it to society.

Cooperation among diverse employees

Interdepartmental collaboration based on integrated Group management is the norm in our corporate culture. Our diversely talented employees bring together the expertise to take on new business opportunities.

Risk Management

Talent Pool Who Can Identify Growth Areas



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.



ORIX has expanded and grown its businesses by addressing the needs of customers and changes in the environment. Corporate growth requires identifying and taking risks while maintaining financial soundness. This mindset is the basis of our risk management.

Inherent **Values**

Accurately judge business potential as an organization **Discover new business** potential from the knowledge and know-how gained in the field,



Individual Capabilities

Talent Pool Who Can Identify Growth Areas

Based on our concept of "Keep Mixed," we hire diverse employees. Each and every employee develops the ability to grasp contemporary changes and the mindset to turn those changes into opportunities. Our people are the source and driving force behind the growth of ORIX.

Model for Adding Value

Unique Business Model

for assessing risks and business feasibility to lead to value creation and generate growth

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 Capital, human resources, and **EXIT** expertise in emerging growth business areas assess risks and business feasibility to create value and generate growth. Here, we explain the components and Sales ← features of our model for adding value. Additional investment Regular monitoring (Verify strategies and plans) Finance and **Ongoing Invest in growth** Generate Increase and Assess Monitor operation project business areas invest create value Identify changes in customer Assess profitability and risk **Assess deals** Increase the value of assets Respond flexibly to changes **Comprehensive** Open new markets and needs and markets in the environment generate sustainable growth management assessment We utilize our knowledge and expertise In the Investment and Credit Committee, We regularly monitor projects, swiftly Top management makes decisions Each employee ascertains customer We utilize ORIX's unique flexible We realize sustained growth by in finance and neighboring fields for top management decides whether detect changes in the environment, and about project continuation from a needs and market changes, and utilizes financing, Group network, and hands-on allocating accumulated capital, human Overview a clear view of project profitability or not to approve a project while devise optimal countermeasures with a comprehensive perspective based on the Group network to generate projects. system to improve asset value. resources, and know-how to new fields. and risks. considering opinions of related units. flexible mindset. the opinions of related units. . The Investment and Credit Committee · We conduct regular monitoring after With the expertise in finance we have deliberates and decides on investment project implementation. accumulated since our establishment, we (For lending projects, check the business deals that exceed set capital parameters. put our financial knowledge and perspectives performance of the borrower and confirm the . The Investment and Credit Committee (More than ¥1 billion for lending projects, more at the foundation of all our initiatives in underlying security interests. / For investment than ¥5 million for investment projects*2.) deliberates and approves the continuation · Communication with customers provides a · We gain a deep understanding of the projects, compare and verify business plans against making analyses and business decisions. (The Committee consists of the CEO, executive or replacement of projects. results, and confirm operations. / Continuously deep understanding of their needs and business conditions and industries of officers, and Group executives appointed by the Human Resources evaluate profitability using IRR and efficiency using Risk management issues as we consistently aim investees and borrowers, and emphasize CEO, with the CEO as chairperson and final ROE and ROA, among other metrics. / Continuously to propose optimal solutions medium- to long-term growth. decision-maker.) evaluate material ESG risks identified at the time of By expanding from financing into . Based on the results of monitoring and the investment and lending decisions.) investment and operation, we have built business environment, as well as the up the ability to analyze risks from status of the overall portfolio and individual We exercise disciplined judament. · We have sales networks in Japan and · For investments. multiple perspectives. We do not limit ourselves to a single · Monitoring is carried out by business units projects, we make decisions on continuation, overseas that have close regional ties, and (Emphasize entry price and avoid price - ORIX invests with its own funds, enabling investment theme or business, but explore and administrative units from their competition. / For investments, assume an exit additional investment, sale, impairment, identify projects by sharing and collaborating a flexible response to investment period respective perspectives, and the results are a broad range of new opportunities so that strategy from a 5 to 7-year window, targeting a and business withdrawal. In the case of on inquiries and information obtained from extensions and capital increases. Value I reported to top management. we can adapt quickly to changes in our · Even if a risk seems prohibitive at first 15-20% IRR with capital gains and dividends. / investment, we change our strategy our network within the Group. -Our expert employees manage the Do not factor synergies into investment (Business units report on unit portfolios and the glance, we think carefully about whether it operating environment. depending on the situation of the project. status of individual projects at the Business Unit **Human Resources** decisions. / Confirm that projects will generate business together with investees. can be turned into one that can be taken, **Human Resources** (For example, a change in strategy from pure Strategy Meeting. / The Enterprise Risk returns commensurate with their risks and - We leverage our Group network to and identify risks that should be taken Management Department creates dashboards investment to long-term ownership as an ORIX exceed our cost of capital. / Evaluate projects • We do not limit ourselves to a single develop customers and expand sales from various perspectives and reports on the business.) from an ESG perspective using the Sustainable investment theme or business, but explore channels for investees. portfolio of the entire Group.) Risk Investing and Lending Checklist. / Confirm a broad range of opportunities so that we - We aim not only to increase the value of profitability using IRR and efficiency using ROE can adapt quickly to changes in our and ROA, among other metrics.) individual investees, but also to drive · We make decisions after drawing up · Sales operations staff working in the field We consider environmental changes from operating environment. industry reorganization and restructuring. various scenarios, such as measures to take the lead in using their specialized the time the project is executed, and reduce risk or to capture future growth. examine multiple new scenarios regardless financial knowledge, and carefully examine Depending on the details, discussions are of the initial scenario. Selling is always an projects through discussions with held with specialized units*1 to use their option and we search for the best selling specialized units*1 opinions as a basis for making decisions. price and timing. Human Resources

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.



ORIX Sarabetsu-Tokachi Mega-Solar Speedway Power Plant



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



Wind power generation facility operated by Elawan Energy



Concept image of energy storage plant

Generate project

Identify changes in customer needs and markets

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.



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



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.

Assess

Assess profitability and risk

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

- 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.
- 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,
- 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

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.



Kansai International Airport



Nanbuyama Water Treatment Plant (Shiroishi City, Miyagi Prefecture)





Todoroki Stadium (Kawasaki City, Kanagawa Prefecture)

Generate project

Identify changes in customer needs and markets

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.



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.

Assess

Assess profitability and risk

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





We held numerous internal discussions as ultimately the Kansai and Osaka (Itami) International Airports concession business became unprecedented in scale, with an operating period of over 40 years and a total consideration of several trillion yen for operating rights.



As a future growth policy for ORIX, the management decision was made to not limit ourselves to finance, but to move further than before into businesses with high social significance and medium to long-term service and operation businesses.

Kansai Airports, established by a consortium centered on ORIX and VINCI Airports of France, began operating Kansai International Airport and Osaka International Airport (Itami Airport) in April 2016. In April 2018, it started operating Kobe Airport through a subsidiary.



We realized that many fields remain where the quality of services and safety can be raised and profits improved when a private company takes over the operation of toll roads, water supply and sewage systems, and other public facilities, in addition to airports. In 2018, it was decided that World

in the environment

Demand for air travel was brisk, with an increase in the number of passengers.

Expo 2025 would be held in

Osaka, Japan.

FY ended March 2017: 40.82 million FY ended March 2018: 44.48 million FY ended March 2019: 48.9 million

Note: Figures for the fiscal years ended March 2017 and 2018 are for two airports, Kansai International Airport and Osaka International Airport. The figure for the fiscal year ended March 2019 is for three airports, with the addition of Kobe Airport.

We recognized the necessity of expanding capacity to receive foreign visitors and improving convenience and appeal.

Start of large-scale renovation of Kansai International Airport

In October 2022, the domestic flight area of Terminal 1 was reopened as the first stage. The post-security check commercial area was substantially expanded. An increase in the number of smart lanes installed at security checkpoints allows multiple passengers to use an inspection lane at the same time.

generate sustainable growth

Despite a decline due to the COVID-19 pandemic, the number of passengers at the three airports recovered to 27.59 million in the fiscal year ended March 2023.

At Kansai International Airport, further renovations are underway in preparation for the opening of the new international flight area in winter 2023 and the grand opening in spring 2025.

In Hamamatsu City, Shizuoka Prefecture, we participated in the first domestic concession-type project* in the water supply and sewage systems field (operation started in April 2018).

We participated in a water supply, industrial waterworks, and sewerage project*2 in Miyagi Prefecture (operation started in April 2022).

In Kawasaki City, Kanagawa Prefecture, we participated in the redevelopment, maintenance and operation of Todoroki Ryokuchi Park*3 (operation started in April 2023).

- *1 Hamamatsu City Public Wastewater Treatment Plant (Seien Treatment Area) Operation Project
- *2 Miyagi Prefecture Integrated Water Supply, Industrial Waterworks and Sewerage Public-Private Partnership Management Project
- *3 Todoroki Ryokuchi Park Redevelopment, Operation, Etc. Project