

ORIX's agrees to invest USD 980 million to acquire a significant minority stake in Greenko

Adds ORIX's 873 MW of operating wind assets to Greenko's portfolio, taking near-term capacity to 6.5 GW

Expected to be immediately accretive to Greenko's EBITDA upon closing with about USD 100 million EBITDA in first full year

11 September 2020

ORIX (TSE: 8591; NYSE: IX) has entered into a definitive framework agreement to make an investment of at least USD 980 million to acquire shares in Greenko Energy Holdings (Greenko) through a combination of primary and secondary transactions, valuing Greenko equity at about USD 5.75 billion. ORIX will acquire at least 20 percent of Greenko's issued shares at closing. ORIX's exact and ongoing shareholding and investment amount may change as a result of transaction adjustments, exchange rates and future capital infusions. The investment further solidifies the Company's shareholder base, comprising long-term investors such as GIC and a wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA), and strengthens the Company's position as a global leader in the provision of long-term, least-cost renewable energy. In addition, ORIX's 873 megawatts (MW) of operating wind assets in India will be acquired by Greenko and will be subject to customary regulatory approvals and certain conditions.

This will increase Greenko's overall operational capacity to about 6.5 gigawatts (GW). The total includes the recently announced acquisition of a 1.2 GW hydro asset and adds to Greenko's growing, well-diversified and de-risked portfolio of wind, solar and hydro assets. Greenko has additional under-construction capacity of over 8 GW, largely from its Integrated Renewable Energy Projects (IREP) which began construction earlier this year. IREP will take Greenko's total operating capacity to about 14.5 GW once completed, confirming its leadership position in the Indian new energy Sector. The acquisition of ORIX's wind assets will add approximately USD 100 million to Greenko's EBITDA in the first full year after close.

Greenko believes the combination of its existing hydro, solar and wind projects with a strategy of 24/7 Schedulable Renewable Power On-Demand (SPOD) and renewable power supply during peak hours to help Indian power distribution companies is the right next step in its growth trajectory. Greenko has received permits to build and operate multiple Integrated Energy Storage Projects across five States in India with an overall daily and seasonal storage capacity of ~40 GWh. Greenko's Intelligent Energy Platform aims to deliver the lowest cost and reliable energy models to overcome the challenges posed by fast growing renewables to grids and utilities, enabling acceleration of India's decarbonization goals to 50% of energy by 2030.

"We welcome ORIX as a long-term partner. The transaction will further drive capacity, revenue, EBITDA and overall earnings growth for Greenko and our stakeholders. Indian energy markets are transitioning from deficit markets to demand-driven contracts requiring reliable, flexible and cost-competitive energy.

Greenko is focused on building IREP with storage, which can compete with conventional energy assets like thermal in quality, quantity and cost.” said Anil Chalamalasetty, Managing Director and Chief Executive Officer, Greenko.

“We are excited to partner with Greenko through this investment, which represents a very important step for us in accelerating our corporate strategy of contributing to build a sustainable society” said Mr. Hidetake Takahashi, Head of Energy and Eco Services Business Headquarters of ORIX. “Greenko is a leading renewable platform in India which has become one of the largest renewable markets in the world. We are very impressed by Greenko’s competitive and differentiated strategy to provide renewable energy as clean, reliable and flexible power. We are looking forward to working alongside the Company’s existing shareholders and its world-class leadership team and founders to create a more sustainable future. Integrating our wind portfolio into Greenko and becoming a substantial minority shareholder supports the Company’s growth strategy.”

About ORIX: ORIX Corporation (TSE: 8591; NYSE: IX) is an opportunistic, diversified, innovation-driven global powerhouse with a proven track record of profitability. Established in 1964, ORIX at present operates a diverse portfolio of businesses in the operations, financial services, and investment spaces. ORIX’s highly complementary business activities span industries including: energy, private equity, infrastructure, automotive, ship and aircraft, real estate and retail financial services. ORIX has also spread its business globally by establishing locations in a total of 38 countries and regions across the world. Through its business activities, ORIX has long been committed to corporate citizenship and environmental sustainability. For more details, please visit our website: <https://www.ORIX.co.jp/grp/en/>