



INTEGRATED REPORT 2022



Corporate Philosophy

ORIX is constantly anticipating market needs and working to contribute to society by developing leading financial services on a global scale and striving to offer innovative products that create new value for customers.

Management Policy

1. ORIX strives to meet the diverse needs of its customers and to deepen trust by constantly providing superior services.
2. ORIX aims to strengthen its base of operations and achieve sustained growth by integrating its resources to promote synergies amongst different units.
3. ORIX makes efforts to develop a corporate culture that shares a sense of fulfillment and pride by developing personnel resources through corporate programs and promoting professional development.
4. ORIX aims to attain stable medium- and long-term growth in shareholder value by implementing these initiatives.

Action Guidelines

Creativity

Develop the flexibility and foresight to constantly take actions that are creative and innovative.

Integration

Enhance ORIX Group strength by actively exchanging knowledge, ideas, and experiences.



About ORIX Integrated Report 2022

Applicable Scope

ORIX Corporation and its Group companies in Japan and around the world

Reporting Period

The fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)

Note: Some activities and information contained in this report are from before or after the reporting period.

Reference Guidelines

- The International Financial Reporting Standards (IFRS) Foundation (the former Value Reporting Foundation), "International Integrated Reporting Framework"
- The Ministry of Economy, Trade and Industry, "Guidance for Collaborative Value Creation"



Editorial Policy

We produced ORIX Integrated Report 2022 by combining financial and non-financial information with a primary focus on giving shareholders, investors, and a wide range of other stakeholders a comprehensive understanding of ORIX as an enterprise and of its enduring growth. This report for the fiscal year ended March 2022 primarily presents a story describing our roadmap for value creation over the mid- to long-term and an explanation of the strategies, capital, and platforms we deploy to accomplish this objective. We hope readers will understand ORIX's fundamental approach to contributing to the economy and society through its many business activities and our roadmap for mid- to long-term value creation.

Please refer to our [Sustainability Report](#) for more information on ORIX and its goal of sustainable growth from a longer-term perspective.

Inquiries

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Information Diagram

Primary Disclosure Channels

ORIX discloses information through multiple platforms and media so a wide range of stakeholders, including shareholders and investors, can acquire a multifaceted understanding of its sustainable growth.

Main Content	Annual Reports	Latest Information
Non-Financial	 Sustainability Report	 Group website Sustainability section
Financial	 Integrated Report	 Group website Investor Relations section
	 Securities Report (Japanese only) /Form 20-F	

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ORIX by the Numbers

ORIX has been entering new business fields since its establishment as a leasing company in 1964, and has established a unique position within the market, both internationally and domestically. This section is a snapshot of ORIX today.

Note: Based on data for the fiscal year ended March 2022 or as of March 31, 2022, unless otherwise stated.

Results

Net income¹

¥312.1 billion

ROE

9.9%



Our diversified business portfolio generates stable earnings.

Continuous Profitability

57 years

Disciplined management has generated continuous profitability since the year following establishment.



Renewable Energy Business Installed Capacity

3.3 GW²

Our renewable energy business is an industry leader in Japan and spans internationally.



Shareholder Returns

Dividends per share and payout ratio

¥85.6 (33%)

Share buybacks

¥50.0 billion

Total shareholder return ratio

49%



ORIX consistently pays stable dividends and executes flexible share buybacks.

Global Network

28 countries and regions

We have expanded our overseas network since opening our first overseas office in Hong Kong in 1971.



Private Equity Investment Business in Japan IRR

30%³

We leverage our Group network and expertise to generate strong IRR.



Soundness

Single **A** credit rating or higher

We commit to strong liquidity and financial soundness.



Number of Employees

32,235

Our diverse workforce drives success and sustainable growth.



Asset Management Business Assets under Management

¥55 trillion⁴

Our asset management business is global.



1. Net income in this report refers to net income attributable to ORIX Corporation shareholders.

2. Calculated using ORIX's equity stake in subsidiaries, affiliates, and individual projects.

3. Calculated using the average exit price of eight investments since 2012. Excludes sale of Kobayashi Kako Co., Ltd. assets at the end of March 2022.

4. Total balance of assets under management by ORIX Europe, ORIX USA, and the asset management business in the Real Estate segment.

A Diverse Portfolio of Businesses

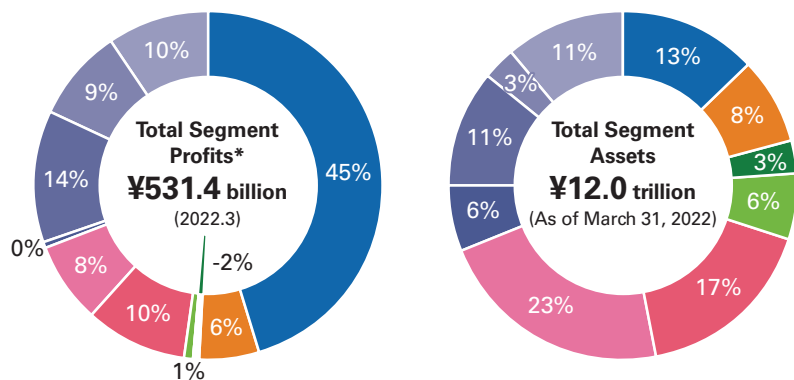
A Wide Range of Business Fields

ORIX's expertise and breadth of businesses continue to grow as we answer customer needs and respond to changes in the economic environment. We have expanded from our original leasing business into a diverse array of areas, delivering a wide variety of products and services to corporate and individual customers, communities, and in infrastructure.

10 Segments and 15 Business Units

ORIX has a business portfolio that enables us to grow sustainably as the world around us changes. ORIX's main businesses today are shown in the table on the right. Each segment and business unit makes the most of its unique strengths and creates synergies through inter-segmental collaboration in providing products and services.

➔ Strategies by Business (Page 58)



* The above includes profits from Yayoi Co., Ltd., through the transfer of its shares in March 2022, in the Corporate Financial Services and Maintenance Leasing segment.
 Note: 2022.3 denotes the fiscal year ended March 2022.

Segments	Business Units	Main Businesses
Corporate Financial Services and Maintenance Leasing	Corporate Financial Services	Leasing, financing, and various solutions (products and services) for small and medium-size enterprises
	Auto	Leasing and rental of automobiles, car sharing, purchase and sales of used automobiles
	Rentec	Rental and leasing of electronic measurement instruments and ICT-related equipment
Real Estate	RE Investment and Facilities Operation	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
	DAIKYO	Development and brokerage of real estate and building maintenance and management, with a focus on condominiums
PE Investment and Concession	PE Investment	Private equity investment
	Concession	Operation of airports and water businesses
Environment and Energy	Environment and Energy	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
Insurance	Life Insurance	Life insurance, including medical insurance and death insurance
Banking and Credit	Banking	Real estate investment loans, corporate loans, consumer finance, and trust business
	Credit	Consumer finance, guarantees of unsecured loans handled by other financial institutions, and housing loans (Flat 35)
Aircraft and Ships	Aircraft and Ships	Leasing and asset management services for aircraft and ships
ORIX USA	ORIX USA	Finance, investment, and asset management in the Americas
ORIX Europe	ORIX Europe	Asset management with a focus on Europe and the United States
Asia and Australia	Asia and Australia	Finance and investment with a focus on Asia and Australia

Portfolio Categories

The table below categorizes ORIX's diverse portfolio of businesses by their characteristics into financing & insurance, asset management, and operation & investment.

		Financing & Insurance	Asset Management	Operation & Investment
Segments	Corporate Financial Services and Maintenance Leasing	Corporate Financial Services		Auto, Rental Equipment, Servicing
	Real Estate		Asset Management	Real Estate Investment, DAIKYO, Real Estate Operations
	PE Investment and Concession			PE Investment, Concession
	Environment and Energy			Environment and Energy
	Insurance	Life Insurance		
	Banking and Credit	Banking, Credit		
	Aircraft and Ships			Ships, Aircraft
	ORIX USA		Asset Management, Loans, Fixed-Income Investment	PE Investment
	ORIX Europe		Asset Management	
	Asia and Australia	Leasing, Loans		PE Investment

Note: Please refer to Medium-term Direction on page 22 for net income from the portfolio categories.

CEO Message



Makoto Inoue

Member of the Board of Directors
Representative Executive Officer
President and Chief Executive Officer

Results for the Fiscal Year Ended March 2022

In the fiscal year ended March 2022, net income increased 62% year-over-year to ¥312.1 billion and return on equity (ROE) was 9.9%. Earnings per share (EPS) rose to a record high of ¥259.

Segment profits consist of base profits and investment gains. Base profits, which include finance revenues, operating leases, and services income, increased 33% year-over-year to ¥342.4 billion, and were the highest in the past five years. Base profits increased in eight of our ten segments, driven by overseas businesses. Earnings in the aircraft leasing business, the airport operation component of our concession business, and the real estate operations business were well below levels before the COVID-19 pandemic, but we expect these businesses to contribute to significantly higher base profits as conditions normalize.

Investment gains increased 247% year-over-year to ¥189.0 billion, and were also the highest in five years. ORIX recognized a gain on the sale of Yayoi in the fourth quarter, and ORIX USA exited a number of private equity investments. The real estate business also continued to recycle capital, selling various properties after adding value in ways such as development and leasing.

Net income decreased year-over-year in the fiscal year ended March 2021 due to the impact of COVID-19, but we substantially limited that impact by structuring a portfolio of diverse assets, continuing to replace assets within it, and deploying our asset and liability management (ALM) capabilities. I feel certain that our net income of ¥312.1 billion in the fiscal year ended March 2022 was the outcome of following this management policy.

Our resilient performance during the past two years of the COVID-19 pandemic has been the result of our diverse portfolio and reinforcement of our business infrastructure. ORIX has learned from the lessons of the global financial crisis of 2008 and strengthened its balance sheet.

ORIX Group's fundamental approach to managing interest and exchange rate risk is relevant given the heightened interest and exchange rate volatility stemming from the recent increase in geopolitical risk. We manage interest rate risk by aligning liabilities with assets, and hedge with derivatives as needed. We also manage assets and liabilities appropriately for each currency. The impact of rising interest rates on the Japanese yen is very limited. A rising interest rate environment is a positive business opportunity for ORIX Group, and we intend to improve our risk management capabilities and increase earnings by appropriately managing assets and liabilities.

We limit the impact of foreign exchange risk on our income statements because we generally use foreign exchange hedges for foreign currency-denominated investment and credit. Earnings denominated in foreign currencies may increase or decrease due to exchange rate fluctuations when we convert them into yen in preparing our consolidated income statements. If the yen depreciates, Group earnings will increase post conversion to yen.

CEO Message

Medium-term Direction

The rising geopolitical risk referenced above has increased uncertainty in the global economic outlook and in financial markets. This uncertainty includes disruptions in the global maritime transportation network, China's zero-COVID policy, Russia's invasion of Ukraine in February 2022 and other factors. These have led to high oil prices, rising interest rates for the U.S. dollar and other currencies, semiconductor shortages, sharply higher commodity prices, and exchange rate volatility. The direct impact on ORIX Group has been limited, but major central banks such as the U.S. Federal Reserve are tightening monetary policy, and many experts are concerned about a recession in the U.S. We must focus more intently on changes in the external environment than ever before.

Given the lack of visibility in near term operating conditions, when discussing our business plans and the earnings growth they will generate, we prefer to share our medium-term net income target of ¥440.0 billion in the fiscal year ending March 2025 rather than provide near-term numbers. Our target represents an increase of 41% compared to the fiscal year ended March 2022 and suggests double-digit annual income growth. We are also targeting recovery in ROE to 11% or higher in the fiscal year ending March 2025.

Strategies in Growth Markets

Renewable energy businesses in Japan and internationally are strategically important in the Environment and Energy segment. We have 940MW of solar power generation capacity in Japan, and are aggressively building our wind, geothermal and other renewable power businesses. Outside Japan, we plan to allocate capital to India-based Greenko Energy Holdings (Greenko), in which we acquired a stake in March 2021, and Spain-based Elawan Energy S.L. (Elawan), in which we acquired a stake in July 2021.

Elawan develops and operates wind and solar power generation plants mainly in Spain and elsewhere in Europe, as well as in North America and South America. We forecast that the numerous projects it plans to begin operating in the fiscal year

ending March 2023 and beyond will contribute significantly to base profits and investment gains.

India's largest renewable energy company, Greenko develops and operates solar, wind, and hydropower generation projects. Renewable energy integration projects* that combine renewable energy power sources and power storage equipment will be a growth driver. In March 2022, Greenko concluded a partnership agreement with ArcelorMittal S.A., the world's second largest steel manufacturer, to add renewable energy to the steel manufacturing process. ORIX's installed capacity including the Greenko pipeline is 18GW.

As of March 31, 2022, ORIX's renewable energy business has net owned operating capacity of 3.3GW. We will steadily bring Elawan and Greenko pipeline projects online and increase installed capacity to 7.0GW in the fiscal year ending March 2025, net of 1.0GW of divested capacity.

* A renewable energy integration project (REIP) combines renewable energy power generation and power storage equipment to smoothly integrate variable power sources into the energy grid. This involves storing a portion of the electricity from a variable source to enable consistent supply.

Our asset management business is built around Robeco, a core ORIX Europe company that has been recognized as a leader in developing sustainable investment products since 1995. ORIX Europe achieved record assets under management (AUM) in the fiscal year ended March 2022. We will further increase AUM by continuing to identify ESG investment product needs and diversify our investment product portfolio, thus enhancing ORIX Group's profitability in the asset management market.

Highlights from domestic financial services include ORIX Life Insurance, which has significantly exceeded the industry overall in increasing policies in force and forecasts continued growth. Targeting ROA of 1.0% or higher, ORIX Bank is complementing its trust and other commercial banking business with ESG investments in facilities in addition to its core real estate investment loans. We also expect rising interest rates to enhance spreads in our financial businesses outside Japan.

In the Real Estate segment, appetite among investors for logistics facilities in

CEO Message

Japan remains strong. ORIX Group has a pipeline of over ¥100 billion with a continued focus on capital recycling that involves development, leasing, and sale, mainly in the Tokyo metropolitan area.

PE investment businesses will add to our deal portfolio in North America, Europe, Asia, and Japan. We will continue to focus on CEO succession deals for our SME clients, while also targeting carve-outs and larger M&A deals.

➔ [Medium-term Direction \(Page 22\)](#)

Recovery in Businesses Impacted by COVID-19

The COVID-19 pandemic heavily impacted the aircraft leasing business, the airport operation component of our concession business, and the real estate operations business. Consequently, segment profits declined by approximately ¥90 billion compared with pre-pandemic levels. Results in these businesses have already bottomed out, and recovery began in the second half of the fiscal year ended March 2022. In the fiscal year ending March 2025, we expect segment profits in these three businesses to reach approximately 80% of pre-pandemic levels, an increase of about ¥80 billion compared with the fiscal year ended March 2022. Our outlook for recovery in the real estate operations business and the airport operation business is particularly solid because of the expected increase in inbound tourists in time for Expo 2025 Osaka, Kansai, Japan in April 2025.

Affiliate Avolon Holdings Limited (Avolon) recognized impairment on 10 aircraft leased in Russia in the fiscal year ended March 2022, leading ORIX Group to recognize impairment of its equity in those aircraft. The war between Russia and Ukraine has had a relatively minor negative impact on ORIX Group in comparison with its industry peers and we have been able to address it quickly, and we are aggressively positioning the Group to benefit from opportunities as the aircraft leasing market recovers.

Global Business Expansion

The ratio of overseas profit to segment profits was 33% for the fiscal year ended

March 2022, and was 47% excluding gain on the sale of Yayoi. Given the recent depreciation of the yen, earnings from overseas businesses now account for more than half of segment profits. ORIX Group initiated overseas operations in Hong Kong in 1971, and has expanded its international presence to 28 countries and regions. Until the 1990s, operations were mainly in the financing category, centered on our leasing subsidiaries in Asian countries. Since the 2000s, we have been expanding businesses with a focus on the operation & investment and asset management categories. Overseas business expansion in these categories remains one of our objectives because of the macroeconomic outlook and projections for growth in our businesses.

People are the key to expanding our global business. We must have internationally experienced managers who are familiar with local business practices, laws and regulations in addition to their expertise in their respective fields so that our highly skilled professionals can excel in the markets we serve. Localization is central to ORIX Group's international strategy. Group subsidiaries outside Japan employ experts in their specific businesses and ORIX relies on their management personnel.

Japanese companies have traditionally relied on Japanese expatriates to manage operations internationally. However, ORIX Group does not because this approach is not effective for enterprise risk management (ERM), especially because we align management with the supervision of stock exchanges and the Committee on Foreign Investments in the United States, the Independent Anti-Slavery Commissioner in the United Kingdom, and legal regimes in the countries we serve.

Japanese expatriates lead some overseas subsidiaries, but ORIX generally delegates business development, analysis, management, and operations to in-market management personnel and will continue to do so.

A prerequisite in expanding our overseas businesses has been enhancing the global governance system we have established around the Legal and Compliance Headquarters and the Global General Counsel Office. We are also committed to bringing on people with sophisticated expertise and management capabilities who

CEO Message

have many years of experience in their respective industries. We look for managers with these qualities and abilities when adding companies to the Group through acquisitions, and absolutely require full management concurrence with ORIX's basic philosophy and policies. We do not commit to acquisitions without this agreement.

Strengthening Our Management Foundation

We continue to improve our risk information dashboard that visually represents Group financial and non-financial risks, and this is fundamental to taking our businesses global. An enhanced dashboard will help the Group better address critical situations by providing management with risk information more quickly and systematically. We are committed to evolving and effectively deploying systems for appropriately identifying, evaluating, mitigating, and managing risks.

ORIX Group also continues to address digitalization. We proactively consider IT venture capital opportunities, which have included the September 2021 initial public offering of Safie Inc. We also keep up on trends in society's digital transformation to contemplate entering new business fields utilizing digital technology.

We are proactively deploying electronic contract systems to promote digital transformation in tandem with the spread of remote work. We have already introduced these systems in some business units, and they have effectively improved customer service and employee work styles. We are also using AI-based optical character recognition (AIOCR), robotic process automation (RPA) and other digital technologies to improve processes and operating efficiency. In addition, the Group is creating new infrastructure for data storage and analysis as it proactively utilizes data to enhance operating quality. We will analyze the resulting database to improve operating efficiency and customer service quality.

ORIX Group must ensure enhanced information security as it digitalizes. We have established minimum information security standards for all Group business units to reduce information security risks.

Shareholder Returns

Our shareholder return policy allocates 33% of net income for each fiscal year to dividends and deploys the remainder for new investment, internal capital reserves, and share buybacks. Our Medium-term Direction for the three fiscal years ending March 2025 targets dividends per share with a payout ratio of 33% or that are the same as in the previous fiscal year, whichever is higher.

We will flexibly buy back shares after considering net income and our new investment pipeline. We have decided to buy back shares totaling ¥50 billion in the fiscal year ending March 2023 because our current share price represents a discount to ORIX's true corporate value.

The Board of Directors met on May 11, 2022 and resolved to terminate the shareholder benefit program, which will cease following distribution to shareholders of record as of March 31, 2024.

We launched the Furusato Yutai gift catalog-style shareholder benefit program on March 31, 2015 to encourage individual investors to hold our shares. The number of individual shareholders has increased from 92,000 at the start of this program to 800,000 today.

For the fiscal year ended March 2015, dividends per share totaled ¥36 and the total shareholder return ratio was 20%. In contrast, for the fiscal year ended March 2022, dividends per share were significantly higher at ¥85.6, and we flexibly bought back shares. As a result, the total shareholder return ratio increased to 49%. We decided to terminate the shareholder benefit program because our basic policy is to equitably provide returns to institutional investors and individual investors alike, including those overseas. We will continue to increase profits and provide shareholder returns through dividends and share buybacks.

Sustainability and Enhanced Disclosure

We announced ORIX Group's ESG-related material issues and key goals in the Sustainability Report we published in November 2021. We have already achieved

CEO Message

one of our seven key goals by appointing outside directors to a majority of the ORIX Group Board of Directors at the General Meeting of Shareholders in June 2022. We are also addressing our goal of reducing greenhouse gas (CO₂) emissions by 50% by the fiscal year ending March 2030. We recognized impairment totaling ¥19.6 billion in the fiscal year ended March 2022 for two coal and biomass co-fired power plants, which account for more than 80% of total Group emissions, in line with our planned process for shutting down the plants if we determine that we cannot reasonably change to different fuels or reduce emissions by 2030.

In addition, we will consistently disclose appropriate information as we move forward on schedule with plans for each of our other five key environmental, social, and governance goals. Please refer to our Sustainability Report and sustainability website for more information on our sustainability initiatives.

We take pride in our considerable improvements in disclosure over the past decade, including our evolution from six to ten segments in the fiscal year ended March 2021. However, our sense of achievement is tempered by the opinion of some investors and analysts that we have more to do. We are committed to continuously enhancing disclosure, including the non-financial information on sustainability and other topics mentioned above, to deepen the understanding of investors, analysts and the many other ORIX Group stakeholders. At the same time, however, we will focus more intently on how we can deepen understanding of ORIX Group's various businesses and communicate the appeal of its corporate value and purpose.

Systemic Review of Our Corporate Philosophy

ORIX Group needs to further increase a sense of Group unity and shared purpose that includes our companies outside Japan to continue growing as a global enterprise. We have therefore initiated a project to define our shared purpose and systemically review our corporate philosophy. ORIX Group is now a global enterprise with capital of ¥3.3 trillion and approximately 32,000 employees. Unfortunately, we have not fully integrated our current corporate philosophy at Group companies outside Japan and

companies that are new to the Group. We must therefore establish and disseminate consistent Group values so that the Group can make further meaningful progress.

Market conditions change by moment, and of course, investors and other stakeholders expect more from ORIX Group than profits alone. I feel strongly that the degree to which we contribute to social issues represented by the SDGs is also an important criterion for making investment decisions. Our corporate purpose may become irrelevant if we do not understand changes in the market, the global environment, stakeholder expectations, and the mindset of our employees.

Looking ahead to the next five or ten years, we need to bring on highly skilled professionals to expand our businesses in Japan and around the world. The key theme for ORIX Group will therefore be collaborating in Japan and internationally to show that its purpose is relevant. This will involve developing our people, sharing the Group's core values and corporate culture, strengthening communication within the Group, enhancing governance, and increasing the speed and accuracy of information flows through digital transformation.

Conclusion

Our focus over the coming three years will be on achieving our targets for net income of ¥440 billion and ROE of 11% or more in the fiscal year ending March 2025. Again, this ¥440 billion target means double-digit annual growth. We intend to grow by increasing the profitability of our portfolio in each segment, with particular emphasis on increasing overseas base profits to ensure that we achieve our targets.

The fiscal year ending March 2023 will be the 59th year since ORIX Group was founded in 1964. We will continue to take on the challenge of reform while leveraging the strengths of ORIX Group to achieve the goals set in the Medium-term Direction in order to meet the expectations of our stakeholders and earn their trust.

We hope that readers will use this integrated report as an opportunity to deepen their understanding of ORIX Group. We are committed to increasing corporate value, and request your continued support.

Value Creation Story

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

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Introduction

ORIX aims to bring new vitality to companies and people to realize a sustainable society

Our Perception of External Conditions

Uncertainty is increasing due to a complex interplay of factors, including deepening environmental problems and a changing industrial structure. This opaque outlook makes predictions difficult.



Social Issues We Can Help Resolve

In an age of uncertainty, we are using our diverse business portfolio to help with various social issues. We also take a multifaceted approach to address complex social issues that are difficult to resolve through a single business.



Material Issues and Key Goals

ORIX has identified material issues and key goals related to ESG. By focusing on these, we will help to resolve various social issues.

Note: Please refer to ESG-related Material Issues and Key Goals on page 30 for additional details.



The Society We Envision

We aim to realize a vibrant and sustainable society by resolving social issues through our diverse business activities.



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. This brief overview of ORIX's 58-year history and the inherent values it passes down to the future show the path we have taken to create our diversified business portfolio.

From 2010 Change is the Only Constant

As we enhanced our expertise in financing and tangible assets, we expanded into non-financing 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.

1970s 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.

2000s 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.

1960s 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 primarily with its shareholding corporations to establish a foundation as a more independent entity with its own direct-sales style and way of conducting transactions, and went public in 1970, only six years after its founding.

1980s and 1990s Interdepartmental Group Collaboration

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

Net income
¥312.1 billion

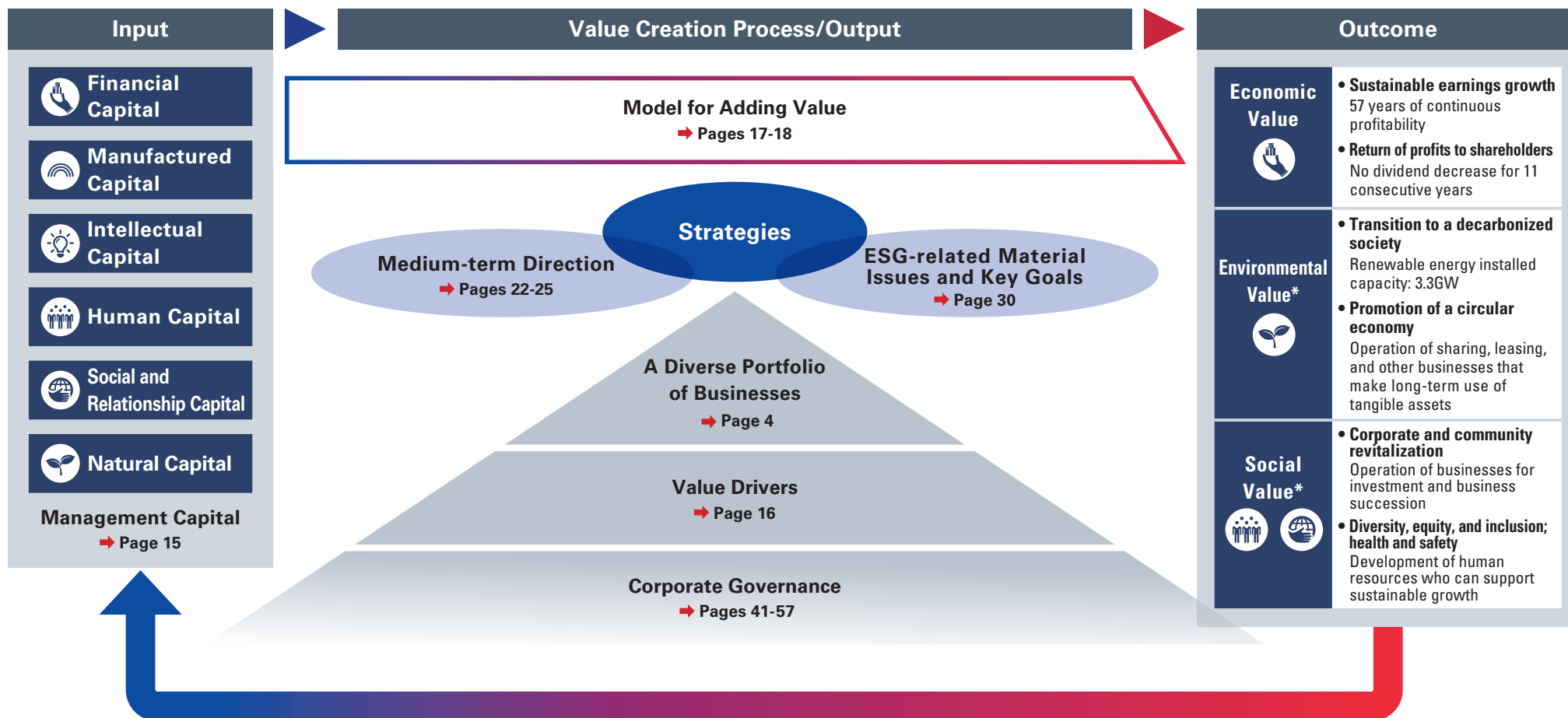
Net Income



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
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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 value to society with this cyclical model.



ORIX's record of success has earned stakeholder selection and trust.

* Please refer to our [Sustainability Report](#) for more detailed information on environmental and social value.

Management Capital

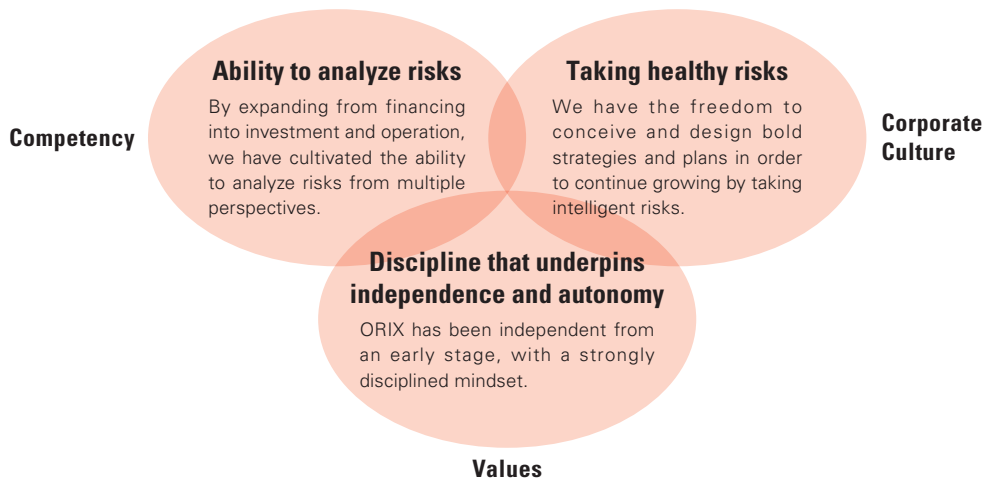
The capital resources that ORIX has cultivated to support its business activities since its founding will be a source of value creation in the future. We will sustainably create value by increasing and effectively deploying these capital resources.



Optimize capital and the business portfolio to enable sustainable growth, even in an age of uncertainty.

Value Drivers

For ORIX, risk management and people are value drivers and factors that increase corporate value. This section explains ORIX’s approach to risk management and people, and how they increase corporate value.

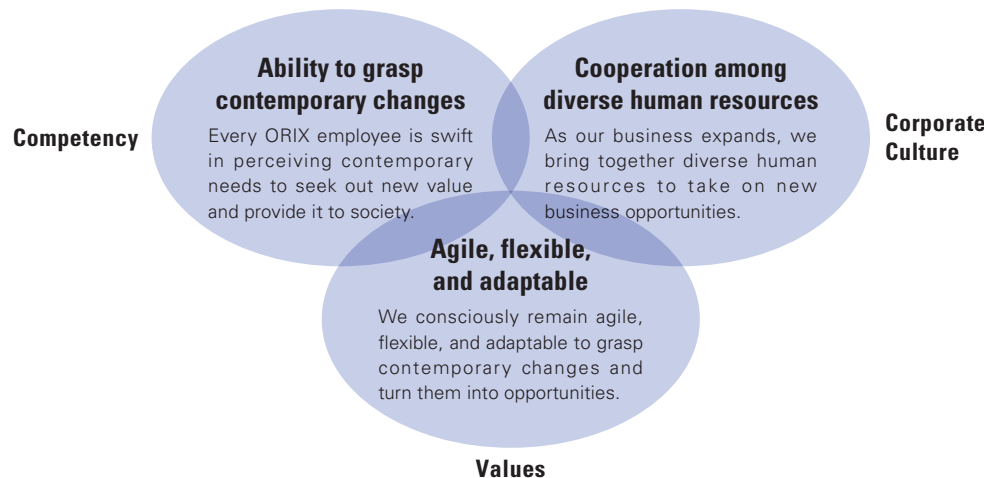


ORIX has expanded and grown its businesses by addressing the needs of customers and changes in the environment. Corporate growth requires identifying and taking risks while maintaining financial soundness. This mindset is the basis of our risk management.

Initiatives to Maintain and Enhance These Qualities

Establishing a Group-wide Risk Management System
Risk Factor Analysis and Management

[➔ Details on page 37](#)



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

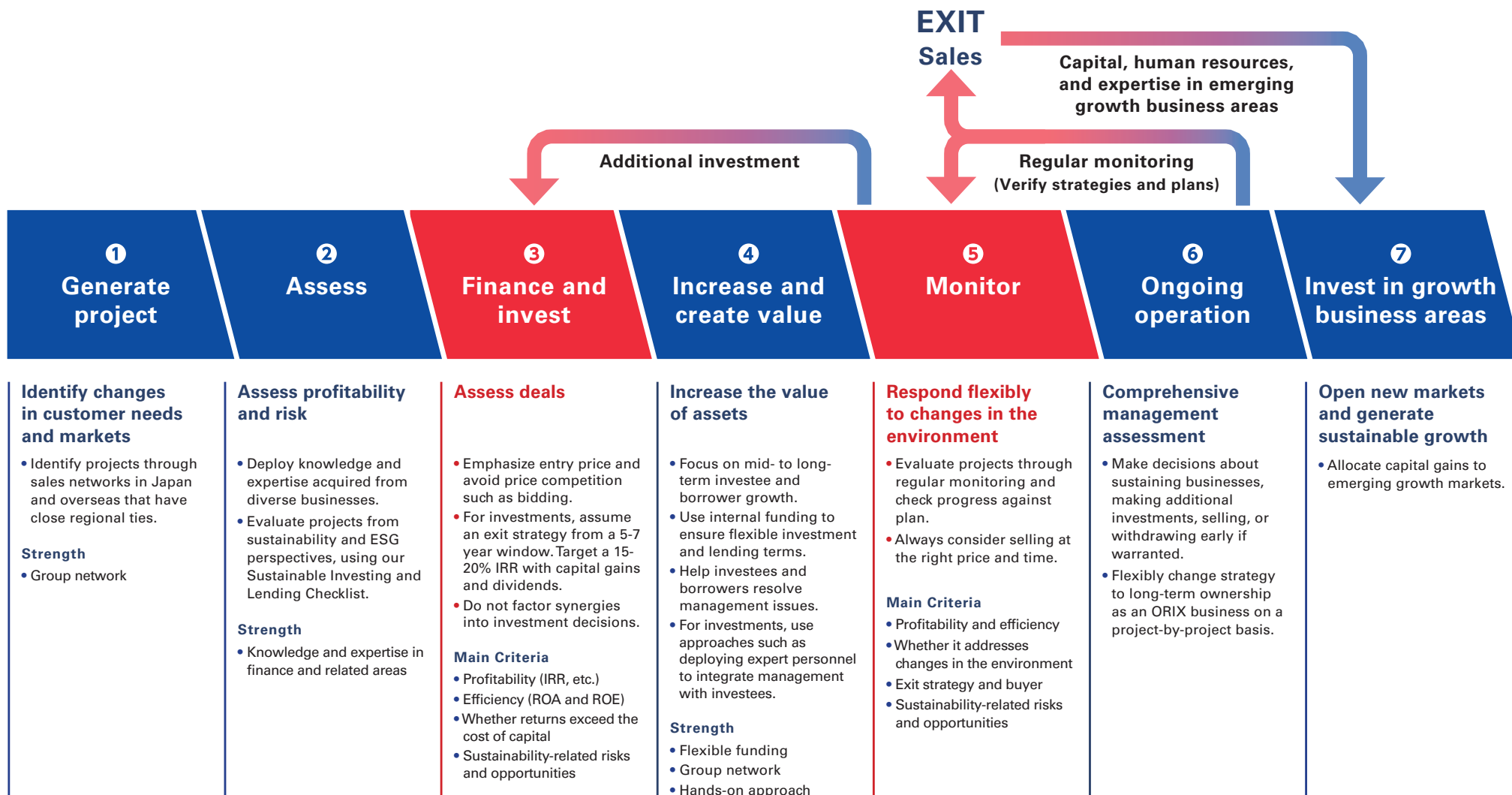
Initiatives to Maintain and Enhance These Qualities

Promoting Diversity, Equity, and Inclusion
Human Resource Development

[➔ Details on page 33](#)

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 potential to lead to value creation and generate growth. Here, we explain the components and features of ORIX’s model for adding value.



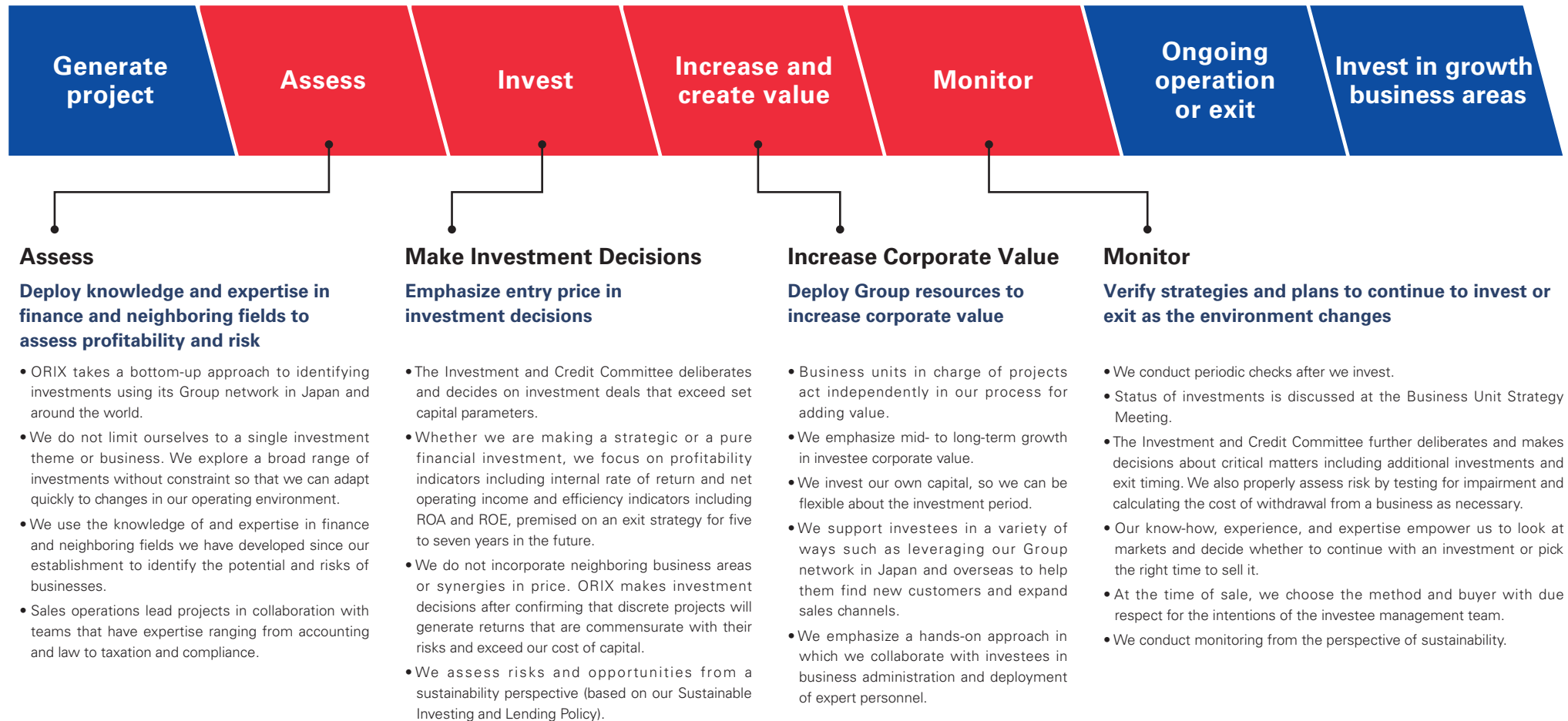
Model for Adding Value

Adding Value and Managing Risks in Investment

ORIX manages investment risk by appropriately assessing and controlling risks with a focus on taking healthy risks that support growth. We deploy our financial knowledge and expertise to screen projects identified by frontline

sales. Investment then follows an investment decision by top management. We subsequently increase investee corporate value over the medium- and long-term and regularly monitor businesses to determine whether to

continue or exit. Our demonstrated ability to maximize investee corporate value has made ORIX an investment partner of choice among its investees, which helps us source new investments.

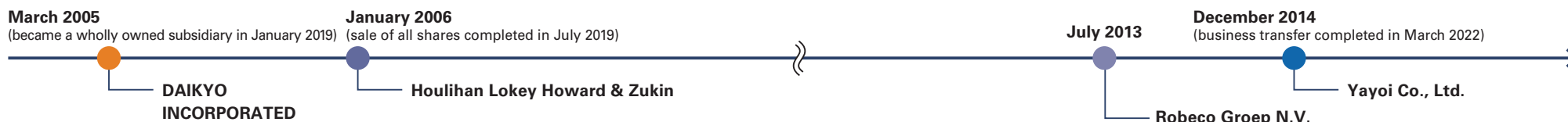


Value Creation Case Studies

ORIX is able to achieve sustainable growth by continuing to apply its model for adding value. Below are some of ORIX’s unique large-scale investment projects and examples of the value they add.

Investee	Main Businesses	Investment Background	Examples of Value Added
DAIKYO INCORPORATED	Condominium development, brokerage, maintenance, and management	ORIX took an equity stake in DAIKYO in March 2005 and made it a wholly owned subsidiary in January 2019 to generate greater synergies. DAIKYO is mutually complementary with the real estate business ORIX handles, and its integration has stepped up our capabilities in this area for growth as a comprehensive real estate group.	<ul style="list-style-type: none"> • DAIKYO has been integrated into the Real Estate segment. • The joint structure has enabled us to work on large-scale projects.
Houlihan Lokey Howard & Zukin	Investment bank	In January 2006, we acquired the U.S. investment bank Houlihan Lokey Howard & Zukin (currently Houlihan Lokey, Inc.) through ORIX USA. We achieved a high IRR that is emblematic of our ability to add value in the U.S.	<ul style="list-style-type: none"> • We generated synergies between Houlihan Lokey, Inc., with its strength in M&A intermediation, and ORIX USA, with its strength in financing for medium-size companies. • We conducted an IPO in 2015 and completed the sale of all shares in 2019.
Robeco Groep N.V.	Asset management	In July 2013, we acquired the asset management company Robeco Groep N.V. (currently ORIX Corporation Europe N.V.) from Rabobank, a leading financial institution in the Netherlands. This offered a significant opportunity to increase earnings from fees in the financial business.	<ul style="list-style-type: none"> • It has grown into a core business that forms one of our segments. • Assets under management increased from EUR 189.0 billion (as of December 31, 2012) to EUR 327.9 billion (as of March 31, 2022).
Yayoi Co., Ltd.	Business software	In December 2014, we acquired Yayoi Co., Ltd., a business software services company. The company has secured a high market share for accounting software for small businesses and has a stable customer base as a result of its maintenance services.	<ul style="list-style-type: none"> • The number of registered subscribers increased from 1.25 million (as of September 30, 2014) to 2.50 million (as of September 30, 2021). • We completed a business transfer in March 2022.

Major Investment Projects/Chronology



Value Creation Case Studies



Investee	Main Businesses	Investment Background	Examples of Value Added
Kansai Airport Co., Ltd.	Operation of three airports in Kansai	In April 2016, Kansai Airport Co., Ltd. launched Japan's first privately owned full-scale airport operation business. This exemplifies ORIX's unique ability to launch new businesses, achieved through its expertise in the two fields of real estate and business investment, as well as its strong partnerships with external parties.	<ul style="list-style-type: none"> The number of passengers increased from 38.68 million (fiscal year ended March 2016) to 48.90 million (fiscal year ended March 2019; before the COVID-19 pandemic). We started various renovations.
Avolon Holdings Limited	Aircraft leasing	In November 2018, we acquired 30% of the outstanding shares of Avolon Holdings Limited (Avolon), the world's third-largest aircraft leasing company. This deal was made using our network with Avolon and its parent company, HNA Group of China, in addition to our expertise in aircraft leasing.	<ul style="list-style-type: none"> Avolon's financing environment has improved due to better creditworthiness. We expanded into the primary market with orders from aircraft manufacturers.
Lument (ORIX Real Estate Capital Holdings, LLC)	Asset management (Real estate loan origination)	ORIX Real Estate Capital Holdings, LLC conducted a rollup by acquiring RED Capital Group, LLC and Lancaster Pollard Holdings, LLC in January 2019, and Hunt Real Estate Capital, LLC in April 2020. We are uniquely positioned in the field of real estate loan origination in the U.S.	<ul style="list-style-type: none"> We operate the business under the Lument brand. Lument is the number one Federal Housing Administration (FHA) loan originator in the U.S.*
Greenko Energy Holdings Elawan Energy S.L.	Renewable energy	We invested in Greenko Energy Holdings (Greenko) of India in March 2021, and acquired Elawan Energy S.L. (Elawan) of Spain in July 2021. Both companies are important platforms for global renewable energy deployment, with multiple development projects.	<ul style="list-style-type: none"> Greenko and Elawan have pipelines of 18GW and 9GW, respectively, and plan on smooth progress in development with ORIX's capital participation.

* Source: Mortgage Bankers Association's 2021 CRE Originations Rankings

Major Investment Projects/Chronology



Mid- to Long-Term Value Creation

This section introduces the value creation that ORIX targets over the mid- to long-term.

Medium-term Direction	22
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ESG-related Material Issues and Key Goals	30
Promoting a Digital Transformation	31
Human Resources Strategy	33
Risk Management	37
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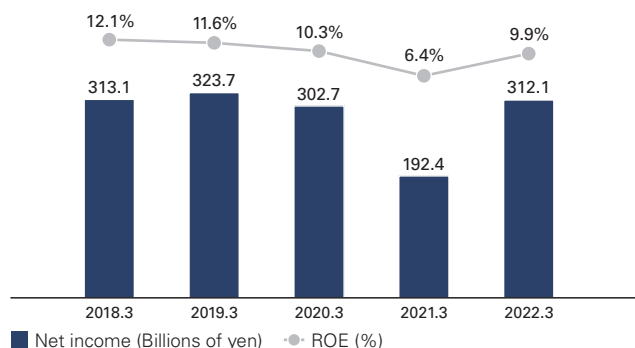


Medium-term Direction

Results for the Fiscal Year Ended March 2022

In the fiscal year ended March 2022, net income increased 62% year-over-year to ¥312.1 billion and return on equity (ROE) was 9.9%. ORIX can sustainably generate annual net income of ¥300 billion or more from its business portfolio, and did so for the three consecutive fiscal years ended March 2020. Earnings decreased during the fiscal year ended March 2021 because of the COVID-19 pandemic, and when we announced our results for that fiscal year, we made restoring net income to ¥300 billion or higher our benchmark for the fiscal year ending March 2023. However, due in part to divestitures and other factors, we transcended the impact of the lingering COVID-19 pandemic and returned to net income over ¥300 billion a year ahead of our benchmark. Our ability to curb the COVID-related downturn in earnings and quickly return to a pre-pandemic level of net income is evidence of our ability to diversify risk with a broadly based business portfolio.

Net Income and ROE



Note: 2022.3 denotes the fiscal year ended March 2022.

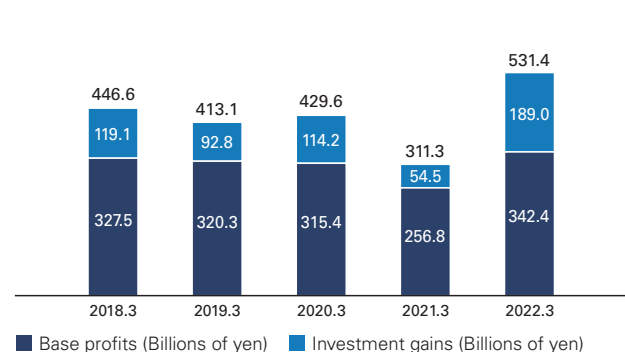
Segment Profits

For the fiscal year ended March 2022, segment profits totaled ¥531.4 billion. Base profits increased 33% year-over-year to a five-year high of ¥342.4 billion. Base profits increased in eight of our ten segments, driven by overseas businesses. Investment gains increased 247% year-over-year to ¥189.0 billion, and were also the highest in five years. ORIX recognized gain on the sale of Yayoi in the fourth quarter, and ORIX USA exited a number of private equity investees. Ongoing real estate sales also contributed to investment gains. ORIX recognized impairment totaling approximately ¥70.0 billion for the fiscal year ended March 2022, mainly in the PE Investment and Concession, Environment and Energy, and ORIX Europe segments. ORIX changed its definition of investment gains, recognizing impairments within investment gains in the fiscal year ended March 2022,

and has restated past results accordingly. ORIX made the change because both investment gains and impairment arise mainly from investees.

By segment, segment profits increased year-over-year in Corporate Financial Services and Maintenance Leasing, which posted higher profits in all business units; Real Estate, which primarily generated investment gains from sale of logistics facilities; ORIX USA, which recorded higher profits from PE investments and all of its other businesses; ORIX Europe, which increased assets under management (AUM) to a record high in the third quarter; and Asia and Australia, which generated higher finance revenues primarily in South Korea and China. In addition, our diversified portfolio resulted in stable earnings in the many segments in which segment profits decreased year-over-year due to non-recurring impairment.

Base Profits and Investment Gains



Definitions of Base Profits and Investment Gains

	From 2022.3 (Full Year)
Base Profits	Finance revenues, operating leases (excl. gains on property sales), sales of goods and real estate, services income, SG&A expense, interest expense, provisions, etc.
Investment Gains	Gains on sales of operating leases, subsidiaries and affiliates, investment securities, impairments, etc.

Medium-term Direction

Performance Goals for the Fiscal Year Ending March 2025

The net income target of our Medium-term Direction is ¥440.0 billion for the fiscal year ending March 2025. This target entails double-digit growth in earnings for the three years ending March 2025. We will focus significant capital investment in the operation & investment and asset management categories. Our pipeline is strong in businesses including environment and energy, private equity investment, real estate, and ORIX USA. Moreover, the operation & investment category is a focus area in which we forecast growth, and we expect it to support increased profits as it recovers from the COVID-19 pandemic. We will improve profitability in the financing & insurance category by differentiating ORIX from other

companies with the objective of stable growth.

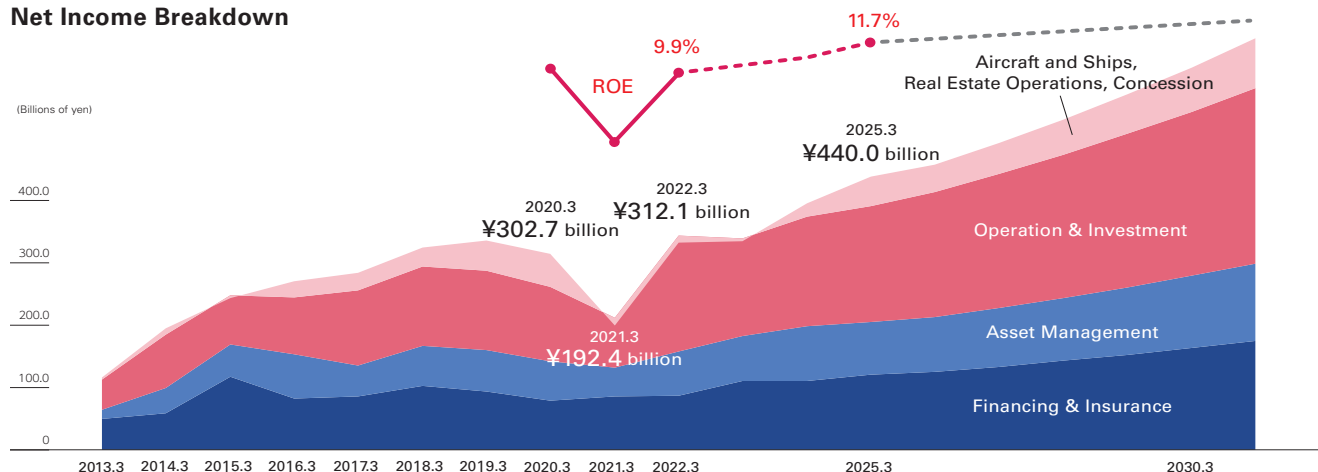
We are also targeting recovery in ROE to 11.7% after three years. Our strategy for achieving this goal involves improving capital efficiency by continuing to grow earnings as we replace assets and weigh our options for buying back shares. In addition, we will consistently manage our balance sheet with due consideration for financial stability to maintain our single A rating. Please refer to Financial and Capital Strategies to Support Value Creation on pages 26-29 for additional details on financial strategies and capital policies, including shareholder returns.

Breakdown of Segment Profits (Billions of yen)

Business Unit	FY Ending March 2025 (Targets)
Aircraft and Ships, Real Estate Operations, and Concession	60.0
Operation & Investment	290.0
Asset Management	130.0
Financing & Insurance	180.0
Segment Profits	660.0
Pre-tax Profits*	620.0
Net Income	440.0

* Pre-tax profits are segment profits excluding costs not assigned to any segment and other items.

Net Income Breakdown



Note: 2022.3 denotes the fiscal year ended March 2022.

Medium-term Direction

Medium-term Direction Key Items

Three key items for achieving our Medium-term Direction are growth of base profits, capital recycling, and overseas business expansion. Our earnings and capital efficiency targets for the fiscal year ending March 2025 require initiatives to drive these key items. Relevant performance indicators include base profits, ROE and ROA, large-scale investments and divestitures, and the ratio of overseas profit. We intend to emphasize reporting on these key items when communicating our progress toward our Medium-term Direction to shareholders, investors, and other stakeholders.

Key Items	
1	Growth of base profits
2	Capital recycling
3	Overseas business expansion

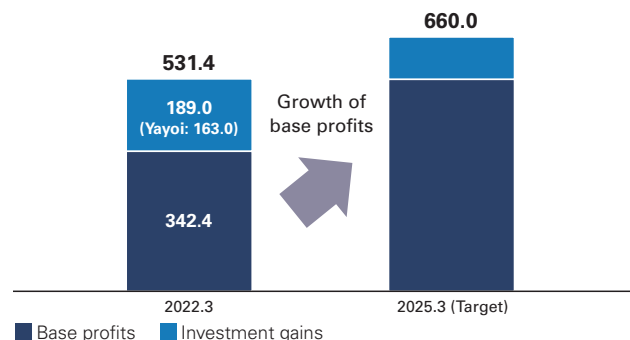
Note: 2022.3 denotes the fiscal year ended March 2022.

1 Growth of Base Profits

ORIX generally recognizes segment profits in one of two categories: investment gains, which encompass gains on sales of operating leases, subsidiaries and affiliates, investment securities, and impairments; and base profits, which encompass all other revenues including finance revenues and service income. ORIX generates investment gains with a business model process that is integrated from acquisition to exit. Consequently, investment gains are generally consistent from year to year, with some fluctuation in any given fiscal year due to market-based decisions about the timing of sales. On the other hand, base profits are core earnings for ORIX, and their growth is essential for stable overall growth.

ORIX needs to grow existing businesses in each segment and add new revenue streams through M&A for growth of base profits. Historically, ORIX has identified

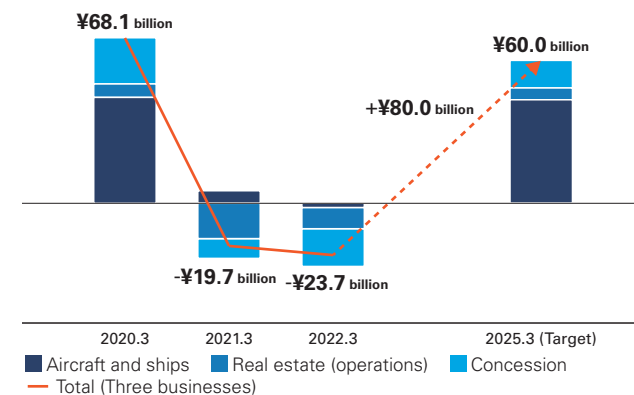
Segment Profits (Base Profits and Investment Gains)
(Billions of yen)



both pure financial investments premised on a future exit and strategic investees that can evolve into stand-alone business units or segments over the medium- and long-term. Companies that have become part of ORIX Group have contributed steadily to growth of base profits, and we will continue to add strategic investees through accretive acquisition.

Furthermore, the real estate operations business, the aircraft leasing business in the Aircraft and Ships segment, and the airport operation component of our concession business have already bottomed out from the negative impact of COVID-19. We expect segment profits from these three businesses to recover to about 80% of pre-pandemic levels during the fiscal year ending March 2025. This will increase base profits by ¥80 billion compared to the fiscal year ended March 2022.

Segment Profits in Three Businesses Heavily Impacted by COVID-19



Medium-term Direction

2 Capital Recycling

ORIX emphasizes capital recycling through asset replacement, which involves selling assets to generate capital for reinvestment. Our goal for the three years ending March 2025 is to limit the increase in assets to about ¥2 trillion. We will increase ROA by balancing new investments and exits while growing earnings faster than we increase assets.

We take two approaches to capital recycling: a straightforward cash-to-cash approach, and an asset replacement approach driven by the scale of businesses and investees. The development, leasing, and sale cycle in the real estate business in Japan exemplifies our cash-to-cash approach. Businesses including our renewable

	2022.3 Actual	2025.3 Expectations ¹
Segment Assets		
Total Assets	¥12 trillion	¥14 trillion
	¥14 trillion	¥16 trillion
Segment Asset ROA	2.7%	3.1%
Total Asset ROA	2.2%	2.7%
Ratio of Overseas Profit²	33% <small>(excl. Yayoi sale: 47%)</small>	51%
Shareholders' Equity Ratio	22.9%	24%

1. 2025.3 forex assumptions: 125 USD/JPY, 135 EUR/JPY

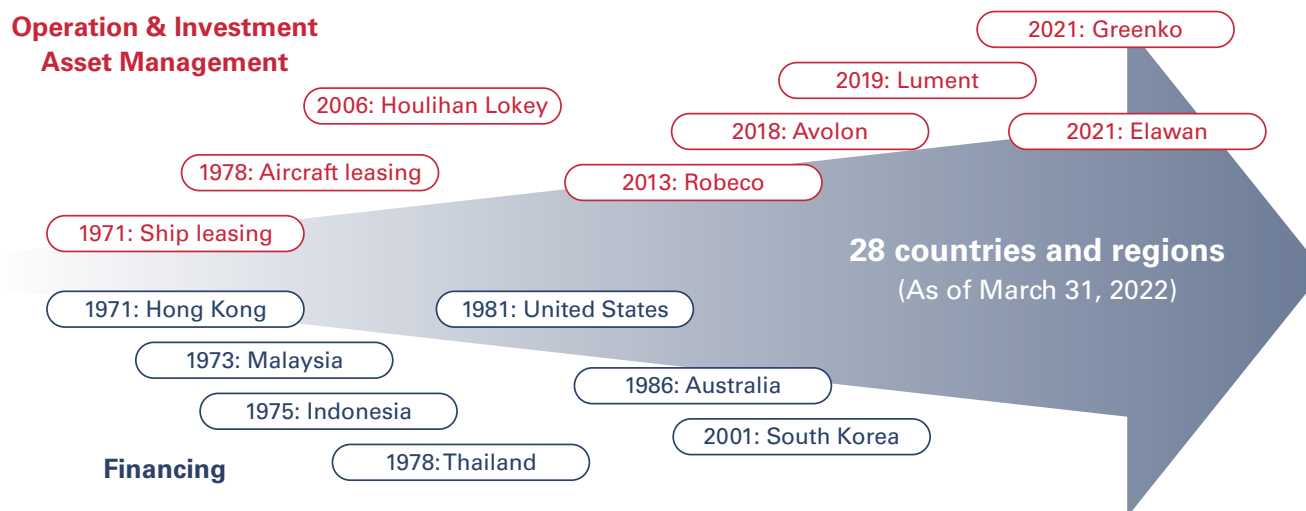
2. Overseas: Aircraft and Ships, ORIX USA, ORIX Europe, Asia and Australia, and the Environment and Energy business outside Japan

Note: 2022.3 denotes the fiscal year ended March 2022.

energy business outside Japan will execute projects with ultimate exit horizons. We will also continue to use our asset replacement approach driven by the scale of business and investees. We are open to all business replacement options. We gauge market conditions in considering sale or IPO when we conclude that an investee will generate greater corporate growth outside the Group or that its market value will be higher as an independent listed company. We primarily reinvest the capital we generate from exits in new growth investments, and also have the option of buying back shares to generate shareholder returns if investments that meet our criteria are not readily available.

Overseas Business Expansion

Operation & Investment Asset Management



3 Overseas Business Expansion

ORIX entered the Hong Kong market in 1971 and now operates globally in 28 countries and regions. Until the 1990s, we focused on expanding our operations in the financing category by establishing leasing subsidiaries in Asian countries. Since the 2000s, we have been expanding businesses in the United States and Europe with a focus on the operation & investment and asset management categories.

We need to further increase a sense of Group unity that includes our companies outside Japan to continue growing as a global enterprise. Senior ORIX managers and executives at companies outside Japan have built strong relationships of trust based on regular communication. We will maintain close communication with in-market managers while expanding our businesses outside Japan.

Financial and Capital Strategies to Support Value Creation



Hitomaro Yano

Executive Officer
Head of Treasury and
Accounting Headquarters

Profile

Joined ORIX in June 1989. Became Executive Officer, Head of Treasury and Accounting in January 2018 after roles including General Manager of Treasury Department and Deputy Head of Treasury and Accounting.

In the fiscal year ended March 2022, ORIX was profitable for the 57th consecutive fiscal year since the year following establishment. Despite the lingering impact of the COVID-19 pandemic, net income increased 62% year-over-year to ¥312.1 billion and return on equity (ROE) was 9.9%. Our performance demonstrated the strength of our diverse business portfolio, even in the midst of a pandemic.

As Head of Treasury and Accounting, I oversee finance, accounting, management planning, IR, and sustainability initiatives, and I am responsible for financing, business performance management, financial reporting, capital policy, and credit rating policy. In May 2022, ORIX announced targets for its Medium-term Direction that included net income of ¥440.0 billion, ROE of 11.7%, and no change in its A credit rating or equivalent in the fiscal year ending March 2025. Clearly,

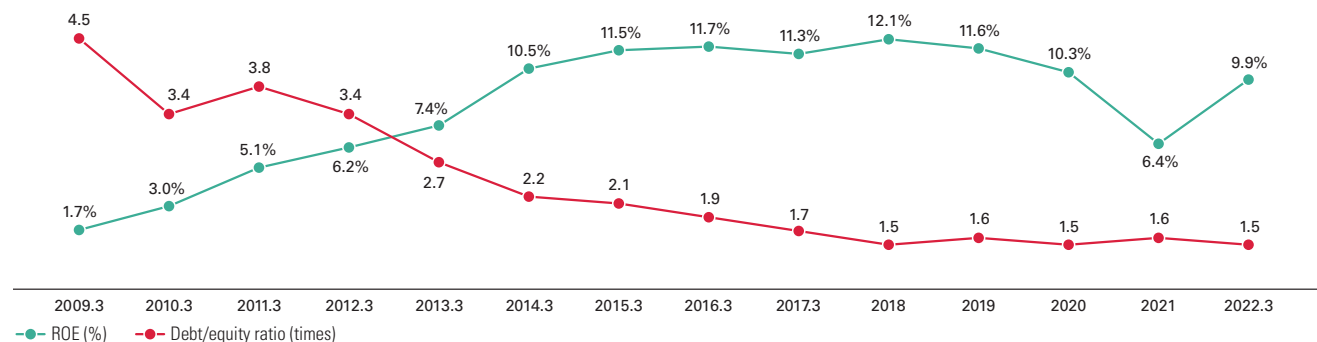
achieving these targets will require high-quality assets and businesses with the potential for stable growth, and demonstrating that potential will in large measure be a function of how effectively we fund them. How we balance our asset, liability and equity profile will be important and can be looked at from two perspectives. The first is making intelligent equity and debt decisions and the second is using asset and liability management (ALM) with due consideration of interest rate risk, foreign exchange risk, and liquidity risk. Here, I would like to discuss how we will balance the two.

and capital strategy. We need an effective balance between financial discipline and increased capital efficiency. ORIX has been reducing leverage since the financial crisis of 2008 for two main reasons. One, dysfunction in financial and capital markets during the financial crisis hampered our businesses, which led us to emphasize stable funding. Two, we addressed the emerging need to maintain shareholders' equity commensurate with the risks embedded in our asset portfolio as the focus of our businesses has transitioned from financing to operation and investment. Our evolving business portfolio has successfully generated earnings growth, enabling ORIX to achieve nearly double-digit ROE while reducing leverage below the level prior to the financial crisis.

Intelligent Equity and Debt Decisions

First, the appropriate use of leverage is key for financial

ROE and Debt/Equity Ratio (excluding Deposits)



Note: 2022.3 denotes the fiscal year ended March 2022.

Financial and Capital Strategies to Support Value Creation

Lower leverage is not necessarily better. ORIX Group improves corporate value by consistently delineating the debt and equity profile of discrete projects and checking throughout the organization to ensure profitability that exceeds the cost of capital. We also have the option of increasing leverage if justified by the asset acquired. Our commitment to efficient use of shareholders' equity in businesses with consistently strong profitability is key to maintaining ROE at 11% or higher. That is the essence of our strategy of structuring each discrete project around its unique features and characteristics. Our strategic commitment to exceeding the cost of capital and maintaining sound finances will necessarily reduce leverage.

ORIX defines appropriate leverage using the employed capital ratio, which is the ratio of risk capital to shareholders' equity. ORIX calculates risk capital based on historical maximum annual decrease in market indices

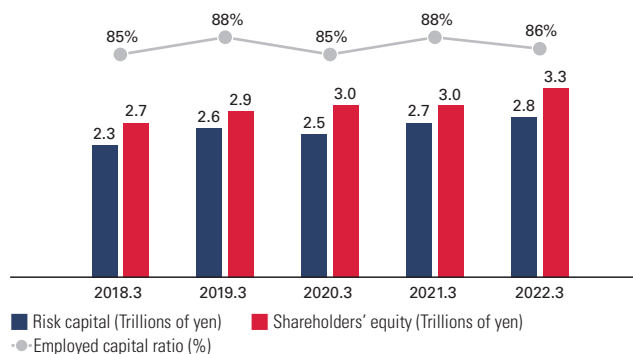
for each asset class to quantify the risk specific to a particular asset or business. For the past five years, we have maintained the employed capital ratio at about 90% of shareholders' equity at the fiscal year end. This mitigates risk with a sufficient capital buffer while allowing for new investment. We will continue to deploy capital in our focus areas of environment and energy, PE investment, and asset management.

In addition, ORIX uses cost of capital to evaluate its diverse portfolio of businesses. We calculate weighted-average cost of capital (WACC) for each business unit as the basis for measuring return on invested capital (ROIC) to gauge business unit profitability. We require higher ROIC for capital-intensive business units with higher WACC, such as those involved in investment.

Shareholder Returns through Stable Dividends and Flexible Share Buybacks

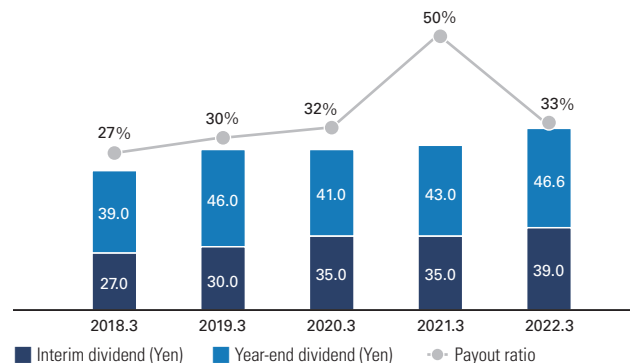
Our fundamental policy for shareholder returns is to allocate one-third of net income to dividends, one-third to new investments, and the rest to capital reserves and share buybacks. We view dividends as stable, ongoing shareholder returns. The Medium-term Direction designates a payout ratio of 33% or a dividend in the same amount as the previous fiscal year, whichever is higher, through the fiscal year ending March 2025. ORIX has paid dividends that were equal to or greater than the previous fiscal year's dividend for each of the past 11 fiscal years, and we remain committed to meeting the expectations of shareholders and investors with equal or higher dividends year on year. Furthermore, our shareholders can look forward to the higher dividends that will result from our 33% payout ratio on higher

Risk Capital, Shareholders' Equity, and Employed Capital Ratio

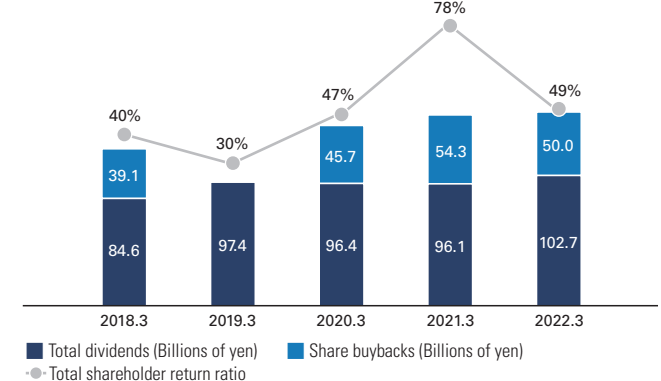


Note: 2022.3 denotes the fiscal year ended March 2022.

Dividend per Share and Payout Ratio



Share Buybacks and Total Shareholder Return Ratio



Financial and Capital Strategies to Support Value Creation

earnings over the medium and long term.

We make a certain level of new capital investments every year to maintain growth, but we commit to them flexibly, guided by the market environment rather than predetermined limits. At the same time, we avoid underutilized capital reserves as a matter of policy, and have the option of deploying cash to generate shareholder returns through share buybacks if reserves build up during an extended period when investments that meet our criteria are not readily available. Thus we view share buybacks as a flexible source of shareholder returns.

When buying back shares, we make holistic decisions after considering issues including earnings growth, the progress of portfolio replacement, our finances, key performance indicators, the business environment, and stock price trends.

A Quality Balance Sheet through ALM

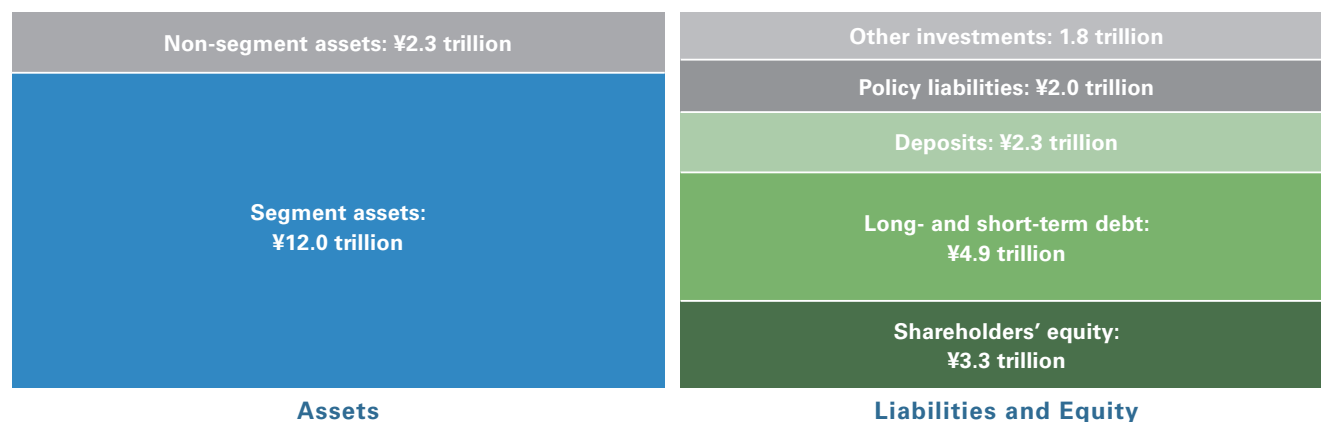
ALM is another core theme. Changing market parameters including interest and exchange rates expose ORIX to the risk of fluctuation in the value of assets and liabilities. ORIX has multidimensional ALM rules for measuring and addressing these risks. Our approach to interest rate risk is representative. We define maximum value at risk at the beginning of each fiscal year. We then measure and monitor issues including risk by currency, sensitivity to changes in fair value resulting from fluctuations in interest rates, and accounting sensitivity. We determine funding accordingly, and employ derivatives to manage risk as needed. Moreover, we generally mitigate forex risk with funding in the currency used for non-yen transactions and investments outside Japan. These approaches are part of

our toolbox for appropriately managing interest rate and forex risk

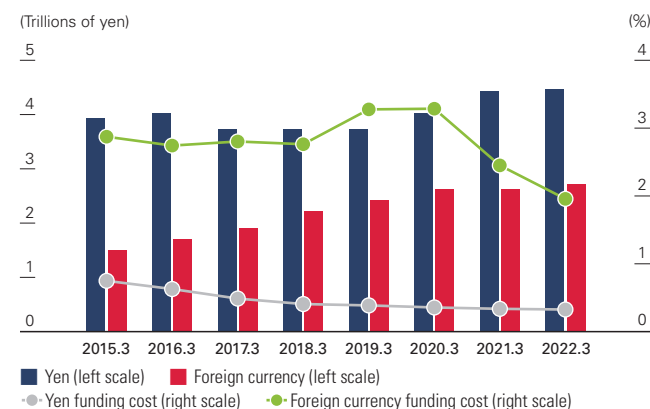
Managing liquidity risk is another aspect of ALM. Our objective is to avoid disruptions to cash flow and debt service in the event of contingencies such as a financial crisis. We have lengthened and laddered debt maturities to reduce redemptions in any given period and ensure liquidity sufficient to meet our obligations. We also conduct regular stress tests predicated on crisis assumptions to maintain appropriate liquidity.

Our commitment to ALM is indicative of the importance we place on our credit ratings. We maintain access to high-volume, high-quality funding by maintaining a high credit rating, and that supports higher earnings.

ORIX's Balance Sheet (As of March 31, 2022)



Average Balance of Long- and Short-term Debt and Deposits by Currency and Funding Cost



Note: 2022.3 denotes the fiscal year ended March 2022.

Financial and Capital Strategies to Support Value Creation

Communication with the Market and Enhanced Disclosure of Non-financial Information

Our ongoing dialogue with financial institutions that provide funding and with debt and equity investors is key to buy-in for our sustainable growth strategies, and that helps drive the effective capital management and ALM I have been discussing. Our day-to-day dialogue with shareholders and investors is a particularly important source of valuable feedback. We frequently hear that ORIX is difficult to understand, and realize that the diversity and flexibility of ORIX's business portfolio and growth strategies are strengths that can also give rise to this impression. Naturally, we conscientiously explain our diversity and flexibility as part of our ongoing efforts to plainly communicate why ORIX is a good investment. Increasing our market valuation is a function of not only how well investors understand our performance in the near-term, but also their expectations for our ability to grow over the medium and long term. We will therefore disclose information about our growth strategies even more proactively.

So far, I have focused on financial capital, but that is not ORIX's only source of value creation. Human capital, intellectual capital, and other forms of non-financial capital may not show up as line items on our balance sheet, but they are also major drivers of value creation for ORIX. A key contemporary issue for us has been correctly conveying the value of our non-financial capital to shareholders, investors, and other stakeholders. Our success in doing so is directly linked to our stock price and other valuation metrics, and will ultimately affect the balance sheet. A growing focus on ESG and sustainability is clear in our day-to-day dialogue with shareholders and investors. Internal systems to promote sustainability are crucial, but so is properly disclosing information related to sustainability.

In May 2022, ORIX announced its Medium-term Direction for the three years ending March 2025, and in November 2021 announced its ESG-related material issues and key goals. The challenges and goals of these

two initiatives are related, not independent. The impairment we recognized in the fiscal year ended March 2022 for existing facilities to address environmental concerns is a clear example of how ESG risk can affect us financially. We must therefore correctly assess and mitigate all ESG risks because of the financial impact when they materialize. Furthermore, we must fully discuss and consider the business opportunities brought about by the increasing importance of ESG and sustainability. We will circumspectly disclose risks and opportunities via our integrated reports and sustainability reports, and we appreciate your continued attention.

Key Items in Information Disclosure

Medium-term Direction

Growth of base profits, capital recycling,
and overseas business growth



ESG-related Material Issues

ESG-related Material Issues and Key Goals

The ESG-related material issues that will enable the sustainable growth of ORIX are as follows. We have also set key goals to link these material issues to specific actions.

ESG-related Material Issues

1 Material issues and focus areas to reduce climate change-related risks.

1. Set GHG emissions reduction goals.
2. Continue to lead in renewable energy investment and production.
3. Quantify and reduce our climate change-related risks and continue to implement TCFD recommendations.
4. Continue to promote a circular economy and reduce and appropriately manage waste.
5. Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.
6. Work with our stakeholders to promote a healthier environment through goods and services that help mitigate adverse environmental impacts.

2 Material issues and focus areas to reduce social risks, including human rights risk.

1. Continue to strengthen our Sustainable Investing and Lending Policy, Code of Conduct, and risk management system to adequately cover new and emerging social risk areas.
2. Share a common and agreed respect for fundamental human rights with all of our stakeholders such as support for the UN Universal Declaration of Human Rights, worker health and safety, diversity, inclusion, and non-discrimination.
3. Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive working environment that promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

3 Material issues and focus areas to strengthen governance based on transparency, compliance, and integrity.

1. Continue to strengthen the independence of the Board of Directors so that the Board may provide appropriate and effective oversight over the management's business execution from an independent and objective perspective.
2. The Group CEO will be responsible for all execution matters including responding to these material issues under the oversight of the Board of Directors.
3. Emphasis on client satisfaction and developing and offering sustainable products and services.
4. Endeavour to gain and keep the trust of our clients in all of our business areas.
5. Promote a strong culture of compliance with all applicable laws and regulations, including paying our fair share of taxes.

Process for Reviewing Our Material Issues



* An executive body for senior management and executive officers to discuss important matters related to ORIX's management and strategy

ESG-related Key Goals

1. Outside directors to account for over half of the composition of the ORIX Group Board of Directors by the General Meeting of Shareholders set to be held in June 2023.
2. Female directors to account for over 30% of the composition of the ORIX Group Board of Directors by the end of the fiscal year ending March 31, 2030.
3. Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 31, 2030.
4. Reduce ORIX Group GHG (CO₂) emissions by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030.
5. ORIX Group to achieve net zero GHG (CO₂) emissions by the end of the fiscal year ending March 31, 2050.
6. Reduce ORIX Group's investment and credit balance in GHG (CO₂) emitting industries* by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030.
7. ORIX Group to achieve a zero investment and credit balance in GHG (CO₂) emitting industries* by the end of the fiscal year ending March 31, 2040.

* Refers to the fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries

Please refer to the [Sustainability Report](#) for details about ESG-related material issues and key goals.

Promoting a Digital Transformation

Fundamental Approach

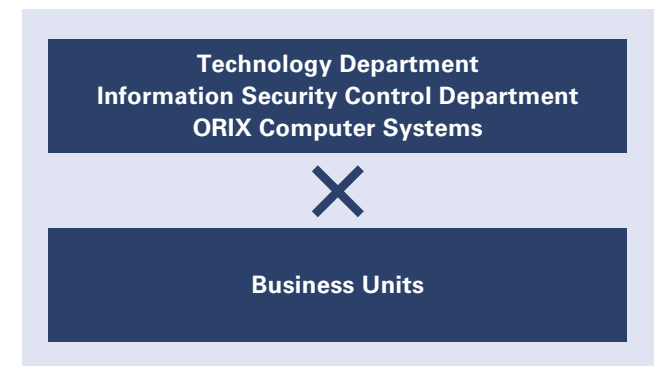
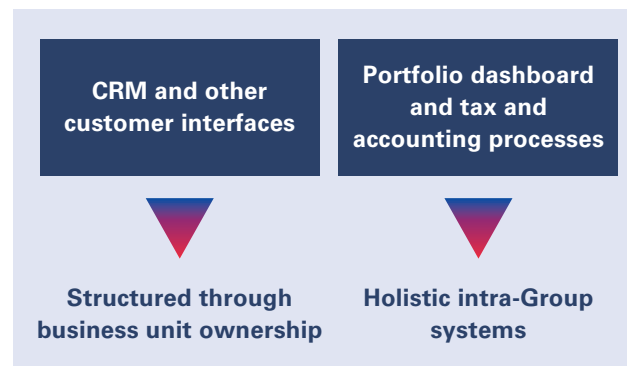
COVID-19 has accelerated digitalization, and ORIX's operating environment is no exception. We consider it essential to step up the promotion of our digital transformation in order to create value by maximizing the use of ORIX's management capital, particularly the intellectual capital that our knowledge and expertise represent. Our diverse portfolio of businesses ranging from financing to operation and investment drive sustainable growth. At the same time, however, our commitment to customizing products and services to meet a broad array of needs presents unique challenges in standardizing business processes to support digitalization. We are therefore digitalizing with due consideration for diversity, which involves striking a balance between what is optimum for each individual business and for the Group at large.

We broadly categorize our promotion of digital transformation into either business process improvement from digitalizing and streamlining internal operations or the use of digital technology and data to create new businesses. ORIX prioritizes business process improvement while creating new businesses, with emphasis on our balanced approach to optimizing both individual businesses and the Group at large. This approach is also evident in our focus on systems development, in which each business unit takes ownership of the development of its customer relationship management (CRM) systems and other customer interfaces. At the same time, we will keep holistic intra-Group systems simple by limiting them to dashboard functions that enable rapid business portfolio monitoring, in addition to tax and accounting matters.

Organization for Digital Transformation

ORIX has established the Technology Department and the Information Security Control Department as holistic Group organizations that drive digitalization. In addition, ORIX Computer Systems is the lead organization in developing and operating Group systems. These organizations collaborate with business units to promote a digital transformation.

Business units approach discrete optimization with their own people and teams that specialize in digitalization. Concurrently, the Technology Department and other organizations manage intra-Group issues including enterprise architecture, governance, and analytics to ensure high-quality holistic optimization. We also have an organization that enables the Group collaboration and close communication with related departments required for large-scale projects such as the revamping of core systems.



Promoting a Digital Transformation

Business Process Improvement

Real Estate (DAIKYO)

Launch of Condominium Management Contract Digitization Service

Condominium management companies DAIKYO ASTAGE and ANABUKI COMMUNITY launched a condominium management contract digitization service in August 2020. This interface uses the Internet to handle procedures and storage for contracts between condominium management associations and management companies. The two companies will make use of their condominium management knowledge and expertise to proactively advance digital transformation.

Life Insurance

Significant Reduction in Call Center Working Time through Systems Integration

In 2020, ORIX Life created a single system for call center operations by integrating 10 separate systems ranging from contract information inquiries to customer contact history input. Simultaneous introduction of user experience (UX) design has prevented clerical errors by operators and reduced time spent on administrative work.

Banking

Electronic Contract Service Introduced for Real Estate Investment Loans

In July 2021, ORIX Bank introduced an electronic contract service for carrying out the contract procedures of real estate investment loans over the Internet. The service allows all procedures from loan application to after loan implementation to be carried out online, achieving a transaction environment that does not require face-to-face meetings, paper, seals, or signatures.

New Business Creation

Corporate Financial Services

Capital and Business Partnership with AI Image Analysis Start-Up Ridge-i

In February 2021, ORIX entered a capital and business partnership with Ridge-i Inc., a start-up that offers development and consulting for systems using image analysis and other artificial intelligence (AI) technologies. ORIX concluded the agreement to improve Group productivity and work efficiency, as well as to develop new products and services that use image data in order to provide effective AI solutions.

PE Investment

Investment in Geographic Information Systems Developer Informatix

Informatix Inc. is an electronic systems developer with strengths in digital mapping. ORIX's PE investment business has been focusing on digital markets, having previously invested in information processing service company Primagest, Inc. and network equipment manufacturer APRESIA Systems, Ltd.

Environment and Energy

Visualization to Support Power Plant Generation Efficiency and Productivity

In March 2022, ORIX launched a service that evaluates and analyzes the operational status of mega solar power plants nationwide and proposes effective management strategies. The service incorporates data analysis using AI and other state-of-the-art digital technologies to provide reports on management strategies for maximizing electricity sales revenue.

Human Resources Strategy



Yasuaki Mikami

Managing Executive Officer
 Head of Group Human Resources and Corporate Administration Headquarters
 Responsible for Secretariat of The Board of Directors
 Responsible for Work Style Reform Project

Profile

Joined ORIX in April 1990. After serving in positions including Head of Secretarial Office, General Manager of Secretarial Office, General Manager of Human Resources Department, and Deputy Head of Group Human Resources and Corporate Administration Headquarters, appointed Head of Group Human Resources and Corporate Administration Headquarters in January 2017 (to present) and Managing Executive Officer in January 2020 (to present).

As stated in the Medium-term Direction announced in May 2022, ORIX targets net income of ¥440.0 billion for the fiscal

year ending March 2025. To reach this target, ORIX has set its sights on growth in focus areas that include environment and energy, private equity investment, and asset management, and has been working to create a pool of talent so that it can flexibly realign its human resource portfolio when these existing business fields grow. At the same time, to underpin further expansion into new markets, including international ones, ORIX is currently working to augment its human resources with expertise in governance areas such as digital transformation, IT, information security, and risk management.

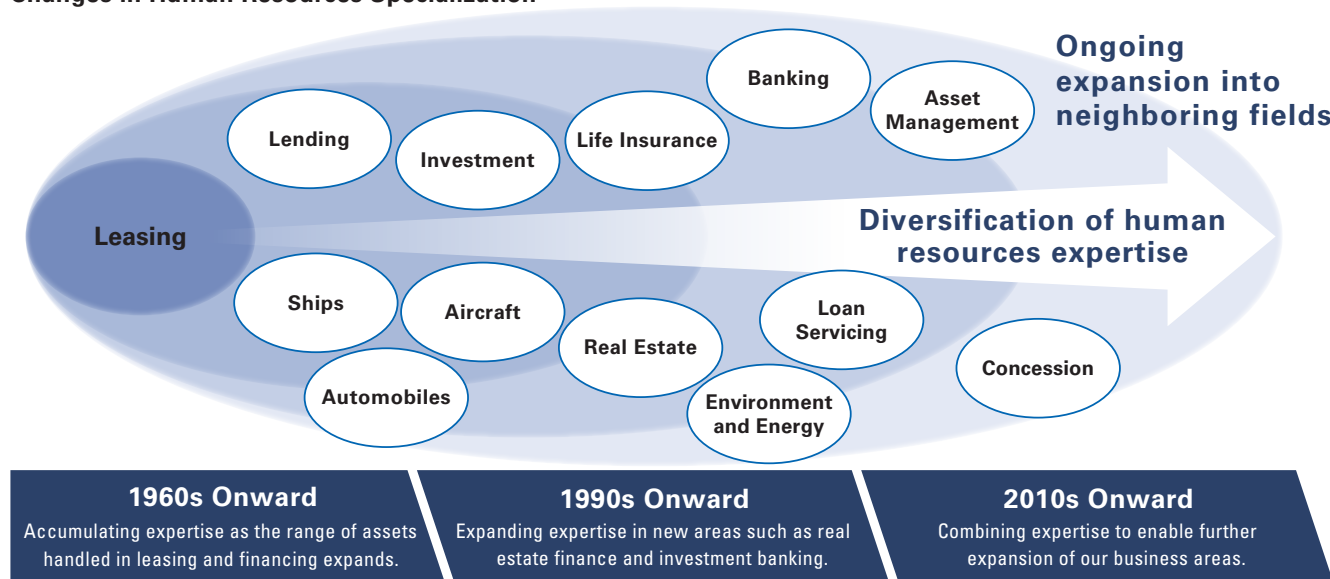
ORIX has grown while expanding its business into neighboring fields, with finance as the point of entry. The human resources who support this growth have a grounding in knowledge of finance, and have gained diverse expertise in handling the rollout of various business. This multifaceted

expertise is not limited to new business; it also encompasses a risk management function in the sense of enabling judgements on business from a variety of perspectives. In addition, as our business expands, we have added expert talent in a variety of areas, both in Japan and overseas, and the “fusion of intelligence” that organically results has become one of ORIX’s strengths. Employee growth is indispensable as the source of ORIX’s growth. We consider it important to take responsibility for employee development and invest in their future to encourage them to map out their own careers independently and clearly and to grow further. ORIX regards regular communication with each employee as an investment in the employee, linking its overall growth to the growth of each individual’s career.

In addition, overseas business growth is a priority in our Medium-term Direction. ORIX has built a unique global network as a result of its overseas expansion since 1971. Our overseas operations are based on localization, and we utilize the local business and human networks that we have built up over the years in acquiring overseas management personnel. Managing overseas business expansion also requires a more sophisticated level of governance and knowledge at headquarters. To further enhance the functions of our headquarters and management on a global level over the medium to long term, we are developing our HR capabilities and attracting expert talent from outside the ORIX Group.

Looking ahead to medium- and long-term business development, we will continue working to develop human resources who can use their familiarity with existing areas to go the extra step in adding value, and acquire human resources who can immediately put their expertise to work in new areas. By combining and synergizing these two groups, we aim to achieve sustainable growth.

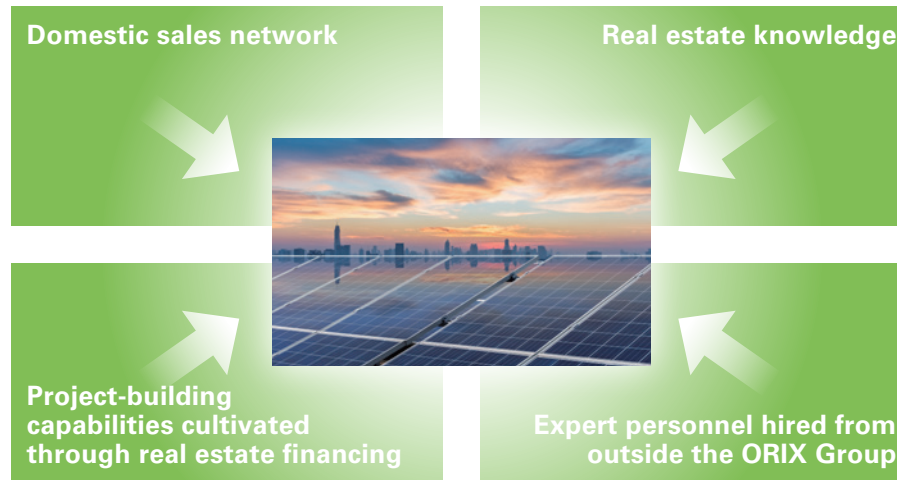
Changes in Human Resources Specialization



Human Resources Strategy

Strengths of ORIX’s Human Resources Case Study 1: Environment and Energy

Around 2013, when ORIX began a full-scale rollout of its solar power generation business in Japan, it made full use of the project-building capabilities, documentation, and other expertise of its personnel in real estate development and equity investment. In addition, the domestic network of our Corporate Financial Services enabled us to quickly commercialize our business and grow into a leading player in the solar power generation business in Japan.



Strengths of ORIX’s Human Resources Case Study 2: Concession

When the concession model was introduced to Japan, ORIX took on the challenge of this new business by combining the shared knowledge it had cultivated in financial services with the expertise and diverse business experience of each department, including real estate, private equity investment in Japan and overseas, corporate financial services, treasury, and credit. We are also utilizing this experience in the MICE-IR project that is currently under way.



ORIX’s Corporate Culture and the Working Environment That Supports It

ORIX’s corporate culture is one in which employees with diverse backgrounds collaborate to create new value. We believe that flexible and rapid adaptation to a changing environment and enjoyment in taking on challenges in new areas are both values that must be passed down to new employees. ORIX conducts an annual employee satisfaction survey (morale survey) to monitor for changes in these core values, and uses the results to identify current issues and reflect them in various initiatives.

The morale survey also provides a fixed-point understanding of employee job satisfaction and ease of working, which is analyzed by gender, age, and other attributes, as well as by department and length of service. We respect the values of each employee from diverse backgrounds and recognize the importance of close communication with employees in creating a workplace where all employees can work in a healthy and safe manner. In addition to the morale survey, we have launched a Work Style Reform Project, which incorporates employee feedback to create a comfortable working environment. Through these activities, we are instilling a culture that recognizes diverse values and diverse work styles.



Human Resources Strategy

Promoting Diversity, Equity, and Inclusion in Human Resource Development

Securing Diverse Human Resources and Supporting Their Careers

For ORIX to continue providing new value, it is essential to support not only typical diversity in terms of nationality, age, gender, and work history, but also diversity in perspectives and ways of thinking. We believe this requires more than just diversity in terms of fostering a culture that accepts various kinds of knowledge and values, and inclusion in terms of taking advantage of that diversity to create an environment that encourages friendly competition. It also requires greater promotion of the concept of equity based on the implementation of measures for our human resources that support content tailored to each employee's strengths and background status, so that all employees can continue to play an active role.

For example, one of our key ESG-related goals is to increase the ratio of female managers in the ORIX Group to 30% or higher by the fiscal year ending March 2030. We pursue initiatives like this to promote active participation by women with the view that they will become benchmarks for participation in decision making and equal leadership opportunities not just for women, but for all employees from diverse backgrounds.

At the same time, we believe that having a variety of career paths develops diverse human resources and encourages them to play more active roles. A standardized system is not sufficient for the wide range of career paths at ORIX; a variety of options will lead to growth not only for our employees but for the organization at large as well. We customize personnel systems and career development programs for each business area so that employees can independently build their careers and deepen their expertise. We have established distinctive programs such as the Internal Intern System and the Career Challenge System, which help employees proactively take on challenges and experience various workplaces and jobs within ORIX.

The circumstances of each employee dictate the support required; therefore, we have developed a wide range of options so employees can combine personnel system components according to their own circumstances. For

example, we have made workplaces flexible with features such as shorter regular working hours that end at 17:00, a super flextime system that has no core hours, and annual paid leave that can be accrued on an hourly basis. These measures enable employees to select flexible work styles that include freedom of location through a wider range of options including satellite offices and remote work capabilities. Because of these initiatives, we have responded flexibly to each department's situation during the COVID-19 pandemic, adapting to new ways of working while maintaining productivity. The environment in which ORIX and its employees operate will continue to change, and we are committed to continuing to adapt to these changes. Our highest priority is to create a working environment that facilitates proactive, motivated engagement among our employees.

We need to address requirements for diverse work style options in line with the changing environment. Our basic premise is to facilitate engagement that allows employees to work while utilizing the programs required by their individual circumstances. To enable all employees to maximize their abilities and contribute to ORIX, we are focusing not only on developing systems to support life events, but also on instilling systems to support career building.

Acquiring New Expertise

To respond to the expansion of its business fields and changes in its focus areas and to maintain a vibrant workplace, ORIX stresses continuously providing its employees with opportunities to constantly take on new challenges. We therefore support the acquisition of the experience and knowledge this requires.

In human resource development, we have emphasized knowledge and growth from accumulating up-to-the-minute operating experience through business activities. While placing this at the core of our development efforts, we have taken a composite approach that includes skills and career development training by rank, programs for employees to acquire information in specialized fields appropriate to each department, and support for self-study.

Going forward, while tailoring development to each employee's individual situation, we will focus on giving them the awareness to independently map out mid- to long-term careers, offering opportunities to relearn in order to realize those careers, and providing a workplace where employees can maximize their abilities throughout the Group.

We will work to raise the Group-wide level of digital and IT literacy, which is essential in all business fields.

Performance Review and Compensation Schemes That Support Development

ORIX has pledged to implement fair performance review and compensation schemes in its ESG-related material issues. Personnel evaluation at ORIX consists of an evaluation of contribution to targets, which assesses the degree to which each employee has achieved goals (performance responsibilities) set together with his or her supervisor. ORIX also implements a role and behavior evaluation, which assesses the degree to which each employee has demonstrated the expected behavior guidelines for each position and grade, and the process used in doing so. Supervisors set targets so their staff can fully demonstrate their potential, and assist them in achieving those targets. For example, supervisors and staff have regular meetings where supervisors present the roles they require and the standards they expect for work, and provide feedback on evaluation results. In addition, to ensure that this system functions fairly and impartially, supervisors receive training to help them understand the system as evaluators and acquire skills to support the careers of their staff.

Development of Management Personnel

Succession and retention in key posts is considered a core management issue that should be a priority investment for the future. In particular, for key posts, we are working to build a system to form a cross-company pipeline for conducting future-oriented strategic transfer assignments and offering management experience at subsidiaries.

Human Resources Strategy

Introducing Our Human Resources

The following are some case studies of our human resources who have experienced a variety of career paths within ORIX, and support our diverse businesses.

Note: Department names are those at the time of assignment.



Yosuke Otsubo

Head of Electric Power Business Department

Joined ORIX as a new university graduate in April 1997.

First assignment was Corporate Financial Services. After conducting new graduate recruiting for Human Resources, he engaged in real estate finance and corporate sales as well as ESCO sales in the Energy and Eco Services Business Headquarters. Building on his wide-ranging solutions-based sales experience, he is currently responsible for the electric power retail business and power plant operation.

Profile

1997 Gotanda Branch Office, other locations; ORIX Corporation
 2002 Corporate Administration Department, Human Resources Section
 2005 Project Finance Department
 2010 Corporate Business Department
 2016 Electric Power Business Department, Head since 2021



Mizuho Setogawa

Head of Group Internal Audit Department

Joined ORIX as a new university graduate in April 1994.

First assignment was Corporate Financial Services. After that, she was engaged for many years in corporate legal affairs, compliance, and internal control, assisting diversified and multinational businesses from a legal perspective as she accumulated expertise in governance and compliance. During the course of her career, she also took childcare leave. Currently, as Head of the Group Internal Audit Department, she leads a team of about 60 in strengthening internal controls in Japan and overseas.

Profile

1994 Ueno Branch Office, ORIX Corporation
 1998 Corporate Administration Department
 2003 Legal Department, Group Compliance Department, other departments
 2019 Group Internal Audit Department, Head since 2021



Hidenori Kuwahara

President of PT Sinar Mitra Sepadan Finance

Joined ORIX as a new university graduate in April 1998.

First assignment was Corporate Financial Services. Due to his strong overseas orientation, he was transferred to the Overseas Business Department, and has consistently worked outside Japan since then, spending a total of more than 10 years overseas. He has served as CRO/CFO at several overseas subsidiaries and has played a role in their management. Since 2022, he has headed an overseas subsidiary with more than 2,000 employees.

Profile

1998 Nara Branch Office, other locations; ORIX Corporation
 2007 Overseas Business Department
 2008 Subsidiaries in Thailand, Indonesia, and other locations
 2022 President of PT Sinar Mitra Sepadan Finance (Indonesia)



Reiko Okubo

Head of CEO's Office

Joined ORIX mid-career in May 2004.

Joined a major bank as a new university graduate and gained experience in corporate sales. She joined ORIX mid-career because she wanted to be involved in project finance. She accumulated knowledge and experience through projects that were the first of their kind for ORIX, including the Enoshima Aquarium, the acquisition of Robeco, and the airport concession business. Her current duties include providing support for investment projects planned by the business divisions, improving corporate value at existing investees, and review of the Group's portfolio.

Profile

1999 Major Japanese bank (previous employer)
 2004 Structured Finance Department, Business & Development, other departments; ORIX Corporation
 2013 Corporate Planning Department, New Business Development Department
 2018 CEO's Office, Head since 2022

Risk Management

Approach to Risk Management

ORIX allocates resources in line with Group-wide risk preferences based on management strategies and the strategies of individual business units. We also allocate more resources to business units with growth potential while controlling our balance sheet. We optimize the risk-adjusted allocation of resources by precisely profiling the characteristics of various risks relevant to Group business initiatives worldwide and managing them intelligently according to type and degree of impact.

Risk Management System

The Board of Directors makes decisions about the risk management system as part of the overarching internal control system. ORIX has the requisite risk management systems and techniques in place to address a wide array of risks both comprehensively and individually. These include executive bodies and departments in charge of risk management, comprehensive rules and regulations, investment standards, and limits on value at risk for deals along with relevant reporting and monitoring systems. The Board of Directors receives an annual report on the operational status of the internal control system and its component risk management system.

Group-wide Risk Management System (As of June 30, 2022)



Executive bodies manage risk under the supervision of the Board of Directors. These bodies and their responsibilities are as follows.

1	Deliberates on capital policy, asset and liability management, accounting and taxation, compliance, personnel, and other important management matters. Reports to the Board of Directors as necessary.
2	Deliberates on important matters related to sustainability. Reports to the Board of Directors as necessary.
3	Deliberates on specific investment and loan transactions. Reports to the Board of Directors as necessary.
4	Deliberates on important matters concerning fundamental IT strategies and the introduction and maintenance of IT systems.
5	Aggregates important information, considers needs and methods for timely disclosure, and coordinates disclosure.
6	A forum for all executive officers to share important information related to Group business administration.
7	A forum for business unit managers to discuss the status of strategy implementation and changes in the business environment with top management.

Internal control-related functions laterally identify, analyze, and manage Group risks under their control. They also help business units manage risk.

Business units autonomously manage risk in line with business strategies and plans. They regularly verify risks and returns according to the progress of projects and changes in the external environment.

Risk Management

Risk Factors and Risk Management

Risk Factors	External environment-related risk	Credit risk	Business risk	Market risk	Liquidity risk (risk related to funding)
Risks	<ul style="list-style-type: none"> Global economic and political change Occurrence of war, riots, or terrorism Natural disasters, abnormal weather due to climate change or other factors, fires, and outbreaks of infectious diseases 	<ul style="list-style-type: none"> Increase in credit-related costs in financing business (incl. leasing and installment loans) 	<ul style="list-style-type: none"> Project management failures in business expansion, M&A, joint ventures with other companies, or alliances Losses on assets due to fluctuations in the price of portfolio and investment assets Lower earnings in the asset management business due to asset price fluctuations 	<ul style="list-style-type: none"> Negative effect on earnings and assets due to large fluctuations in interest rates and exchange rates Derivative transactions do not have the intended economic effect Financial impact of price fluctuations on portfolio securities 	<ul style="list-style-type: none"> Constraints on new funding and refinancing, and higher funding costs Increased interest costs and reduced funding capabilities due to lower credit rating
Risk Management	<ul style="list-style-type: none"> Diversify ORIX's revenue structure by operating in multiple businesses and ensure sufficient liquidity to systematically enable consistently sound financial management Maintain disaster risk management system Maintain climate change risk countermeasures 	<ul style="list-style-type: none"> Comprehensively evaluate customer credit based on the customer's financial position, cash flow, underlying security interests, profitability, and other factors of individual credit transactions Enhance credit risk management for individual transactions and portfolios (acquire sufficient collateral and guarantees, diversify industries and creditors, and control exposure to potentially high-risk markets) 	<ul style="list-style-type: none"> Thoroughly analyze risk before launching businesses and investing (scenario analysis and stress tests) Evaluate and verify product and service quality improvement and withdrawal costs through regular monitoring after launching businesses and investing 	<ul style="list-style-type: none"> Systematically manage and control assets and liabilities (comprehensively verify and understand market risk, and hedge it with derivatives) 	<ul style="list-style-type: none"> Diversify funding methods Strengthen management of liquidity on hand (conduct liquidity risk stress tests and employ countermeasures, and understand liquidity risk for each country and subsidiary and employ countermeasures)
Risk Factors	Compliance risk	Legal risk	Information and cybersecurity risk	Operational risk	
Risks	<ul style="list-style-type: none"> Decline in trust and loss of corporate value due to behavior by organizations and individuals that violates laws or company regulations or deviates from social norms 	<ul style="list-style-type: none"> Restrictions on business activities from laws, regulations, and regulatory authorities in each country ORIX serves Restrictions on business activities from higher costs to address the enactment, revision, or change of laws and accounting standards 	<ul style="list-style-type: none"> Loss, damage, or leakage of customer information including personal information and information assets such as ORIX Group financial and personnel information Interruption of services and corporate activities caused by system failures due to cyberattacks, computer viruses, or other factors 	<ul style="list-style-type: none"> Loss of market trust due to being regarded as having ineffective internal control over financial reporting Ineffective risk management in addressing rapid business expansion and changes in the external environment Reduced operational quality and unreliable business continuity due to inability to develop, bring on, and retain diverse human resources Other various operational risk events arising as a result of conducting diverse businesses 	
Risk Management	<ul style="list-style-type: none"> Systematically implement appropriate compliance, and promote a highly ethical culture of compliance (formulate and implement annual compliance programs, enhance awareness of compliance through internal regulations and communication, and maintain internal and external whistle-blower channels) 	<ul style="list-style-type: none"> Systematically ensure legal compliance and manage legal risk (enforce internal rules for legal compliance, understand laws and regulations applicable to each business, and respond appropriately to legal revisions) 	<ul style="list-style-type: none"> Systematically manage information risk (enforce internal regulations, implement technical measures such as measures to manage information system vulnerability and protect networks, maintain systems for responding to information security incidents, and implement measures to mitigate system failure risk) 	<ul style="list-style-type: none"> Develop, disseminate, and inculcate internal rules Employ execution of operations framework <ul style="list-style-type: none"> Establish internal control systems for financial reporting Deploy personnel systems and work environments to reliably bring on and retain diverse human resources Continuously strengthen the overall risk management system with operational risk monitoring by the Internal Audit Department Maintain a system for responding to and preventing recurrence of operational risk incidents, in addition to self-assessment of risk control 	

Sustainability

Approach to Promoting Sustainability

At ORIX, we are focusing on the following in promoting sustainability:

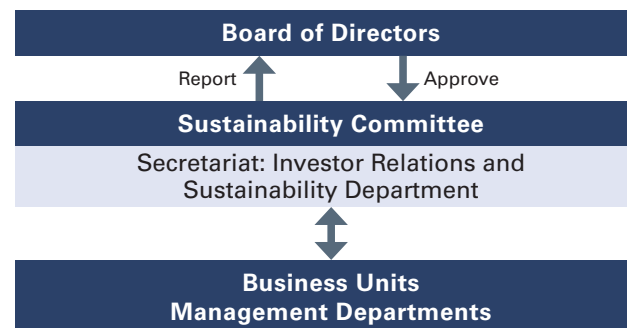
Understand our material issues
Identify and understand material sustainability issues for ORIX.
Identify and pursue opportunities
Seek out new business opportunities that arise from responding to and resolving sustainability issues.
Identify and manage sustainability-related risks
Analyze our sustainability issues from a risk management perspective.
Engage with stakeholders
Engage with all stakeholders, maintain transparency in our operations, and adequately consider stakeholder feedback in our activities; encourage business partners and suppliers to support the ORIX Corporate Sustainability Policy.
Develop employee awareness
Develop employees' awareness of the ORIX Corporate Sustainability Policy, and, when necessary, provide guidance on how to implement it; develop employee awareness and knowledge of our material sustainability issues.

Sustainability Governance Structure

ORIX established the ORIX Sustainability Team (currently the Investor Relations and Sustainability Department) in July 2019 to promote and implement sustainability and make initiatives more transparent. The Investor Relations and Sustainability Department reports on sustainability activities to senior management, including the Board of Directors, the Executive Committee, and the CEO, and seeks approval from these bodies for major sustainability-related decisions. The Investor Relations and Sustainability Department promotes and implements sustainability working closely with departments in charge of Group management and various business units.

In November 2021, the Sustainability Committee was established as an executive body that ensures Group-wide consistency for ESG-related material issues and key goals across the organization. The Investor Relations and Sustainability Department continues to lead company-wide sustainability promotion and implementation as the secretariat of the Committee.

Sustainability Governance Framework



Sustainability Committee

Purpose and Position of the Sustainability Committee

The Sustainability Committee plays a role in steadily executing important ESG-related material issues and key goals across the organization. The Committee clarifies strategic approaches, KPIs, and action protocols; the results of its deliberations are then reported to and approved by the Board of Directors.

Composition of the Sustainability Committee

The Group CEO serves as chairperson for the committee. Committee members include those in charge of segments directly related to ESG, and the committee is configured flexibly so other stakeholders can participate as necessary depending on the topic/agenda. The committee also calls on external experts to join as needed.

Role of the Sustainability Committee

1. Discussion of specific measures to achieve ESG-related key goals
2. Discussion of any conflicts arising between short-term earnings and long-term growth
3. Discussion of measures to reduce climate change risk following the TCFD (Task Force on Climate-related Financial Disclosures) framework
4. Sharing of information on corporate sustainability developments both in Japan and overseas
5. Discussion of matters to report to the Board of Directors

Management Foundation

This section introduces ORIX's system of governance, which supports its mid- to long-term value creation.

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A Dialogue between Outside Directors	45
Corporate Governance Framework	50
Management Team: Executive Officers and Business Unit Managers	53
Compensation System	55
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Corporate Governance at ORIX

Strengthening corporate governance to help society develop sustainably, to increase corporate value, and to be a company all stakeholders trust is a management priority for ORIX. We are committed to exceptionally sound and transparent corporate governance.

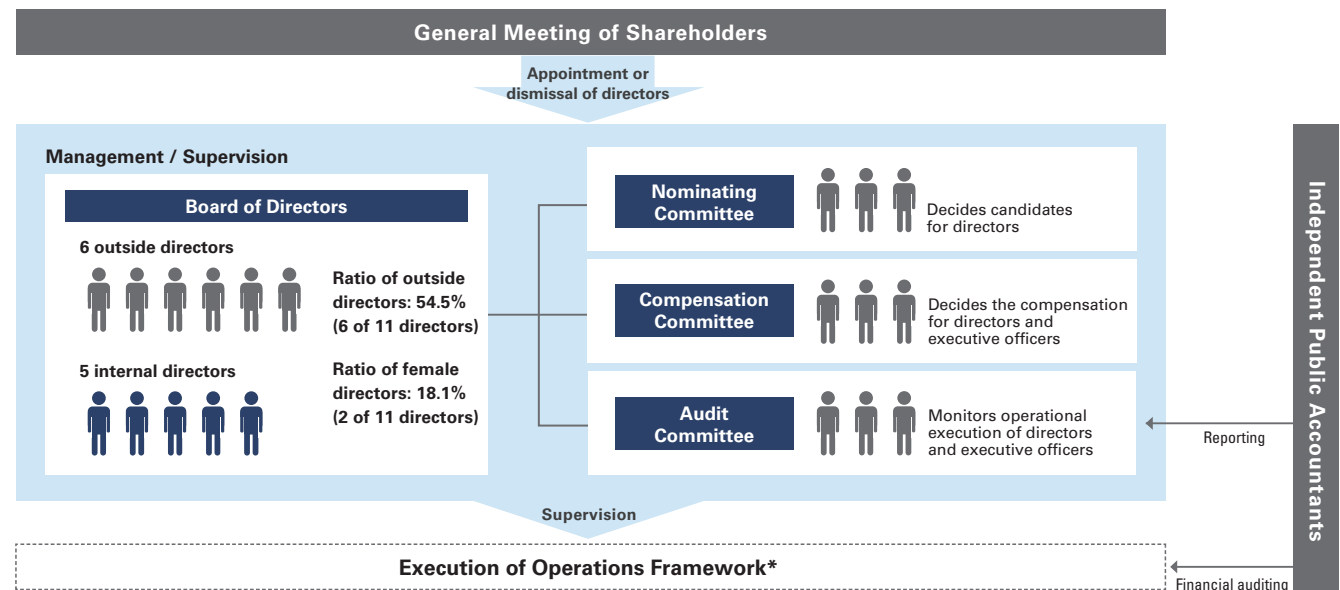
Approach to Corporate Governance

- ORIX believes that a robust corporate governance system is essential for ensuring fair management and carrying out appropriate business initiatives in line with its core policies. We have therefore established a sound and transparent corporate governance system.
- Corporate governance is a system for management oversight. It involves setting management objectives for managers, performance analysis and evaluation, and supervision in order to ensure that management strives to attain outstanding results. The sensitivity required toward corporate governance encourages management to perform to the best of its ability and facilitates innovation in pursuit of corporate objectives. Such an approach is conducive to the achievement of consistently high ROE.
- Outside directors play a crucial role in corporate governance at ORIX. From various perspectives reflecting their diverse professional backgrounds, outside directors are able to objectively evaluate management’s performance in ways that transcend the industry’s conventional protocols and the Company’s ingrained practices. Moreover, by virtue of their external perspectives, outside directors are in the position to objectively evaluate the risk of management not taking adequate levels of good risk.

Corporate Governance Framework (As of June 30, 2022)

ORIX’s corporate governance system is characterized by the following four points.

- Separation of operation and oversight through a “Company with Nominating Committee, etc.” board model
- Nominating, Audit, Compensation Committees composed entirely of outside directors
- All outside directors satisfying strict conditions for independence
- All outside directors being highly qualified in their respective fields



* Please refer to page 57 for Execution of Operations Framework.

For details on ORIX’s corporate governance, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/index.html>
- Corporate Governance Report ▶▶▶ <https://www.orix.co.jp/grp/en/ir/governance/>

Corporate Governance at ORIX

Initiatives to Enhance Corporate Governance

Providing new value and contributing to society through business initiatives are fundamental to ORIX. We also believe that client trust is essential when it comes to expanding our business and achieving sustainable growth. A highly transparent governance framework that enables swift decision-making is essential in gaining stakeholder trust and achieving sustainable growth.

ORIX has been strengthening corporate governance as a management oversight function since its founding. The current corporate governance framework requires management to maintain a high level of discipline; we believe this is crucial and necessary in achieving a sound, secure corporate governance system, both for management itself and from a corporate management perspective. The following table elucidates the initiatives that ORIX has emphasized in strengthening its corporate governance framework.

	Key Initiatives	Objectives
Overall Corporate Governance	1964 Adopted U.S. GAAP 1970 Listed on the second section of the Osaka Securities Exchange 1997 Established Advisory Board 1998 Introduced Corporate Executive Officer System and listed on the New York Stock Exchange 2003 Transitioned to a "Company with Committees" board model (currently a "Company with Nominating Committee, etc.")	<ul style="list-style-type: none"> Communicate results and businesses accurately to investors Increase corporate value Separate management oversight and execution to raise the efficiency of execution of operations Increase convenience for foreign shareholders Ensure the involvement and counsel of independent outside directors regarding executive personnel and compensation Appoint managers and determine their compensation from the perspective of shareholders
Management Team Diversity → Page 43	1999 Introduced an outside director system 2003 Began appointing non-Japanese outside directors 2010 Began appointing female outside directors 2017 Outside directors make up at least half of the Board of Directors 2021 Disclosed skill matrix for all directors → Page 52 2022 Outside directors comprise the majority of the Board of Directors	<ul style="list-style-type: none"> Strengthen oversight Ensure objectivity by using people with diverse backgrounds Operation led by outside directors
Evaluation of Effectiveness of the Board of Directors → Page 50	2016 Evaluation of effectiveness of the Board of Directors initiated Key initiatives to improve effectiveness implemented since 2016: <ul style="list-style-type: none"> More interaction between outside directors and frontline executives and employees Paperless materials Occasions for informal exchange of opinions Evaluations by a third-party organization 	<ul style="list-style-type: none"> Ensure sufficient time for study and deliberation of Board of Directors agenda items to improve the quality of deliberation Formulate an action plan to improve effectiveness
Compensation System → Page 55	1997 Introduced stock option plan 2002 Abolished retirement bonuses 2005 Initiated share component of compensation Began reflecting division performance in addition to company-wide performance in annual bonuses from the fiscal year ended March 2017 Increased ratio of performance-based compensation for directors and executive officers in the fiscal year ended March 2021 Began reflecting status of ESG initiatives in annual bonuses in the fiscal year ended March 2022	<ul style="list-style-type: none"> Improve motivation to contribute to operating results and mid- to long-term results

Management Team (As of June 24, 2022)

Members of the Board of Directors

Makoto Inoue

Age: 69

Member of the Board of Directors
Representative Executive Officer
President and Chief Executive Officer
Responsible for Group Strategy
Business Unit



Profile Joined ORIX in 1975. After serving in positions including Deputy Head of Investment Banking Headquarters and Head of Global Business & Alternative Investment Headquarters, appointed Director, Representative Executive Officer, President and Chief Executive Officer in June 2014 (to present).

Shuji Irie

Age: 59

Member of the Board of Directors
Senior Managing Executive Officer
Head of Investment and
Operation Headquarters



Profile Joined Mizuho Securities Co., Ltd. in 2001. Joined ORIX in 2011. After serving in positions including Deputy Head of Investment and Operation Headquarters, appointed Director and Senior Managing Executive Officer in January 2020 (to present).

Satoru Matsuzaki

Age: 56

Member of the Board of Directors
Senior Managing Executive Officer
Head of Corporate Business
Headquarters
Chairman, ORIX Auto Corporation
Chairman,
ORIX Rentec Corporation



Profile Joined Crown Leasing Corporation in 1989. Joined ORIX in 1997. After serving in positions including Head of Eastern Japan Sales Headquarters, appointed Director and Senior Managing Executive Officer in January 2020 (to present).

Yoshiteru (Terry) Suzuki

Age: 59

Member of the Board of Directors
Senior Managing Executive Officer
President and Chief Executive Officer,
ORIX Corporation USA



Profile Joined ORIX in 1985. After serving in positions including Representative Director and President, Cerberus Japan K.K, rejoined ORIX in 2015. Appointed Director and Senior Managing Executive Officer in June 2020 (to present).

Stan Koyanagi

Age: 61

Member of the Board of Directors
Managing Executive Officer
Global General Counsel
Responsible for Legal and
Compliance Headquarters



Profile Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP in 1985. After serving in positions including General Counsel at ORIX USA Corporation (currently ORIX Corporation USA), joined ORIX in 2013. Appointed Director and Managing Executive Officer in June 2017 (to present).

Management Team

Outside Directors

Michael Cusumano

Age: 67

- Compensation Committee
- Deputy Dean, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology
- Professor, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology
- Member of the Board of Directors (Outside Director), Multitude SE



Profile Has served as Professor, Faculty of Engineering Systems, School of Engineering at Massachusetts Institute of Technology and Special Vice President and Dean, Tokyo University of Science. Appointed Outside Director in June 2019 (to present).

Sakie Akiyama

Age: 59

- Nominating Committee (Chair)
- Founder, Saki Corporation
- Member of the Board of Directors (Outside Director), Sony Group Corporation
- Board of Directors (Outside Director), JAPAN POST HOLDINGS Co., Ltd.
- Member of the Board of Directors (Outside Director), Mitsubishi Corporation



Profile Founded Saki Corporation after serving at Arthur Andersen & Co. Appointed Outside Director in June 2019 (to present).

Hiroshi Watanabe

Age: 72

- Compensation Committee (Chair)
- Nominating Committee
- President, Institute for International Monetary Affairs
- Outside Director, Mitsubishi Materials Corporation



Profile Has served with the Ministry of Finance and as Governor, Japan Bank for International Cooperation. Appointed Outside Director in June 2020 (to present).

Aiko Sekine

Age: 64

- Audit Committee (Chair)
- Nominating Committee
- Professor, Waseda University, Faculty of Commerce
- Member of the Nominating Committee, International Federation of Accountants
- Trustee, International Valuation Standards Council
- Advisor of Japanese Institute of Certified Public Accountants
- Outside Audit & Supervisory Board Member, Sumitomo Riko Company Limited
- Outside Audit & Supervisory Board Member, IHI Corporation



Profile Has served as partner of Aarata Audit Corporation (currently Pricewaterhouse Coopers Aarata LLC) and Chairman and President of the Japanese Institute of Certified Public Accountants. Appointed Outside Director in June 2020 (to present).

Chikatomo Hodo

Age: 61

- Audit Committee
- Compensation Committee
- Outside Director, Konica Minolta Inc.
- Outside Director, Mitsubishi Chemical Holdings Corporation



Profile Has served as Representative Director and President and Senior Corporate Advisor of Accenture Japan Ltd. Appointed Outside Director in June 2021 (to present).

Noriyuki Yanagawa

Age: 59

- Audit Committee
- Professor, Faculty of Economics of Graduate School of Economics at the University of Tokyo



Profile Has served as Associate Professor, Faculty of Economics of Graduate School of Economics at the University of Tokyo. Appointed Outside Director in June 2022 (to present).

A Dialogue between Outside Directors

Sakie Akiyama

Nominating Committee
(Chair)
ORIX Outside Director
since June 2019



Chikatomo Hodo

Audit Committee and
Compensation Committee
ORIX Outside Director
since June 2021

A Board of Directors that is positioned at the core of corporate governance to address issues with a sense of urgency is key to the effective management supervision that will drive medium- and long-term growth in ORIX's corporate value. Two of our outside directors met to discuss this topic and the ambience of ORIX's Board of Directors and committee meetings.

Features and Ambience of ORIX's Board of Directors Meetings

Hodo: ORIX has a Board of Directors that reflects its corporate culture and the personalities of its top management. Discussions are frank and to the point. Another positive feature is a relaxed ambience that empowers Board members to share their thoughts without hesitation. Outside directors can participate as observers in the Nomination, Audit, and Compensation committees, even if they are not members. Outside directors are therefore better able to express their opinions at Board meetings because they have a detailed understanding of the discussions and reports of these three committees.

Akiyama: The Board of Directors makes strategic management decisions, and the ability to discuss and confirm key issues and concerns is crucial to Board effectiveness. I am totally satisfied with the ambience of the Board and the three committees because it

fundamentally encourages frank questions and opinions.

Hodo: ORIX's Board of Directors comprises a diverse range of directors, including women and foreign nationals, experts in economics and international finance, and experienced business managers. Many people have interdisciplinary experience in multiple fields as well as knowledge in their respective fields of specialization, which adds depth and breadth to discussions. Environmental issues are representative, because the composition of the Board enables us to discuss them from perspectives that range from government and agency perspectives to circumstances both in Japan and around the world. In addition, outside directors have been a majority on the Board since January 2022, and I expect that to spur new dynamics and advances at an even higher level.

Akiyama: Key management decisions for ORIX's diverse business portfolio require a

A Dialogue between Outside Directors

holistic perspective to determine which businesses will generate medium- and long-term growth, and how the Company should assess and evolve that portfolio. A contemporary perspective is also important, particularly because societal requirements regarding any given environmental issue we may address will change very quickly. New technologies are constantly emerging, which creates opportunities for ORIX but also exposes the Group to the risk that its business structure and earnings model will deteriorate or become obsolete. Effectively sharing this contemporary perspective enables the Board to discuss their impact on the Group. This underscores the importance of director diversity. ORIX has therefore structurally enhanced the quality of its Board with directors who have interdisciplinary experience in multiple areas and specialized experience at multiple companies rather than more simplistically variegated experiential or contextual profiles.

Board Discussions to Formulate the Medium-term Direction

Akiyama: The Board of Directors also held discussions to formulate the Medium-term Direction announced in May 2022. Board discussions and resolutions regarding medium-term perspectives and approaches are critical to corporate management. ORIX's outside directors emphasized the importance of properly verbalizing the Medium-term Direction and explaining it internally and externally. This also directly influenced the executive officers as they drafted the Medium-term Direction.

Hodo: Implementing and achieving commitments announced to markets and investors engenders trust and confidence in management. ORIX must absolutely avoid raising value expectations it is unable to fulfill. On the other hand, an overly conservative company with no growth expectations has no future. I consider it important to find a balance between these extremes, so I paid close attention to the probability of achieving the goals of the Medium-term Direction. I am therefore confident ORIX can grow steadily even given the rapidly changing international environment.

Akiyama: Just as people do, companies have histories that significantly influence their current actions. ORIX has proactively addressed changing times by quickly embracing new



markets and business models and then building commercially viable businesses and operations around them. This longstanding approach defines the history of ORIX. Consider the example of a startup that launches with a new discovery or idea. All that takes is courage. However, the process of scaling up new discoveries and ideas is not possible without autonomous frontline action featuring hands-on involvement, precision, tenacity, and close attention to outcomes and numerical data.

Board discussions and executive presentations give me the strong impression that ORIX is committed to operation. The day-to-day actions of all employees serve to insulate the Group against volatility in the external environment. This has been central to ORIX's steady growth. It's not flamboyant, I have no fancy explanation for it, but this practice of stating its plans and consistently achieving results gives markets confidence that ORIX can get things done.

Hodo: To earn the confidence of the market, ORIX also needs to do all it can to visualize and address market feedback, including questions about the conglomerate discount that can arise from the complexity of its business portfolio and the year-to-year reproducibility of investment gains. ORIX is committed to effectively increasing the value of its investees

A Dialogue between Outside Directors

and businesses, and its expertise in creating value is a core competence. The process of adding value involves decisions about holding or selling. ORIX is societally significant as a key facilitator in Japan's contemporary business investment ecosystem, and I would like to see greater understanding among investors that ORIX is an attractive investment. I would also like investors to be fully aware that ORIX's resilience in various critical situations supports stable earnings growth and shareholder returns.

ORIX's Uniqueness and Business Model That Delivers Social Value —

Hodo: In looking for a company analogous to ORIX, I used to try to compare it to Japanese trading companies or alternative investment management companies outside Japan. Now that I am an outside director, I truly feel that ORIX is one of a kind. One reason is the wide-ranging discussions of projects submitted to the Investment and Credit Committee, an executive body that deliberates and reports on virtually all investment projects. The refined essence of ORIX's collective executive expertise, this committee analyzes discrete projects in exceptional detail. ORIX has a broad array of frontline operations, so some projects involve people implementing multiple smaller-value projects, while others involve people implementing large capital projects. ORIX's many hands-on business operations ensure that the Investment and Credit Committee is not just a superficial organization, which makes it unique. The people of ORIX formulate and act on proposals that produce results because this committee leads them to think about projects that will receive approval and become successful businesses.

The ORIX Group is a large enterprise structured around a solid core. Employee conduct is a natural extension of that solid core. As a director, I believe that I must continue to encourage and verify models that are internationally acceptable because they are highly sustainable and appealing to people with diverse generational values.

Akiyama: ORIX has grown its businesses by proactively serving unmet needs that changing times and evolving social needs have created in the industrial structure and its product and service portfolio. ORIX is a multifaceted company that provides financial

support and delivers solutions, expertise and services for emerging vanguard trends around the world. It has been able to do so because it offers greater latitude than other companies to take on risks and challenges to its employees, who are all closely involved with, proficient in, and committed to their businesses.

For example, the Environment and Energy Business made bold, significant investments in renewable energy businesses outside Japan. It did so because it is confident of success based on more than a decade of experience and knowledge in the renewable energy business in Japan. That frontline decisiveness drives its business forward, which is how ORIX delivers social value. I expect ORIX's roles to expand as a result of societal and business change.

Hodo: I agree. I would like to add that ORIX has never lost its keen sense of urgency about business continuity, and therefore excels at anticipating market needs. At the same time, ORIX's core competencies in operation, financing, and investment empower a decisive organizational culture.

Emerging Human Resource Needs and a Stronger Management Foundation —

Akiyama: ORIX's commitment to developing people on the job is stronger than at other



A Dialogue between Outside Directors

companies. However, contemporary needs dictate that ORIX approaches succession by expanding the focus from top management to include a broader cohort of candidates and expanding the pipeline of candidates to join that cohort. ORIX must comprehensively consider investment in and assessment of its people and personnel systems, and how to enhance their sophistication. ORIX has been sounding out executives about these issues lately, and sharing this information with outside directors.

Hodo: ORIX needs to update its human resource requirements for the direction it will take in developing its people. Regardless of age, the people who join ORIX in the future will have ideas about diversity and other values that differ from those of Japan's era of postwar economic growth. A particular difference is a growing tendency among people who are more talented to place greater importance on social impact than on making money. ORIX needs to redefine its human resource requirements and ensure that it consistently and systematically develops its people rather than relying on the less consistent on-the-job approach to training. ORIX may well have embraced this approach already, but needs to reconfirm.

One key issue to confirm is the ability to hire top people around the world. ORIX should aim to make outstanding, globally competitive people want to join the Group regardless of their nationality. Hierarchically, this perspective will become more important in hiring middle and junior managers as well as senior management. ORIX must also remain up to date and on the cutting edge because HR will be essential as long as the company continues to exist.

Akiyama: ORIX needs to make its core values the starting point for thinking about the management quality and capabilities the Group requires. I expect that the rapid change of the modern business environment will place a premium on strategic insights into growth businesses and the ability to turn those insights into tangible results. The people who can succeed at this will need a solid contemporary understanding of ORIX's businesses rather than specialized expertise alone. Nobody can predict the future, but ORIX managers need at the very least to understand the times and ORIX's business environment and to identify



trends that are sure to arise over the medium and long term.

Another issue is the relationship between contemporary understanding, strategy, and execution, because ORIX top management cannot realistically control every aspect of the Group's broad array of businesses. The key here is the ability to collect knowledge from all available sources. ORIX senior managers must be able to assimilate proposals and opinions, even when they are harsh, from a wide range of people. ORIX must also continue to value and nurture a corporate culture that enables open-minded and frank discussions that get to the essence of issues.

Hodo: At the same time, ORIX needs strong leadership. It must anticipate events and take risks. Japanese companies are particularly susceptible to "big company syndrome." Ambiguous delegation may render the president unable to demonstrate strong leadership because of undue deference to business units. ORIX needs leaders who are as strong as possible to stay ahead, take risks, and be worldly.

As you mentioned, however, timely knowledge of everything down to a granular level about markets that are expanding, evolving, and becoming more complex is increasingly untenable. ORIX therefore requires mechanisms for timely communication of information

A Dialogue between Outside Directors

and solid organizational management through internal controls. Decision-making should remain the province of strong leaders as much as possible, but ORIX must also maintain an open culture with the freedom to take on challenges and a management team that avoids acting arbitrarily without consultation. Moreover, ORIX needs mechanisms that allow personnel in the units that back up top management to share the same information. I also see room for improvement in the systems for aggregating information relevant to finance, accounting, human resources, assets, and risks.

Akiyama: Taking the initiative, CEO Inoue has made enhancing those mechanisms a management priority and has set a timeline for doing so. ORIX has therefore created dashboards that allow various people to access arrays of numerical data, which exemplifies how the Group is facilitating quick discussions and fact-based decisions. ORIX is also implementing needed updates for its IT systems. In addition, human capital management has become a hot topic recently. Therefore, congruence between management and personnel strategies, and approaches to personnel mix, pipeline, and training to enhance human capital, will become even more important topics for disclosure.



Substantive Progress in Sustainability

Akiyama: Required disclosure of sustainability information has been increasing for several years now, and sustainability has become an issue and focus of attention in capital markets. Over the past year, ORIX's Board of Directors has steadily increased the time and intensity devoted to ORIX's sustainability agenda and reports, and has ramped up corporate sustainability initiatives.

ORIX does not take a superficial approach to promoting sustainability. Its well-grounded approach to discussion is typical of the Group. CEO Inoue's vision for taking effective steps to gradually enhance our sustainability framework is representative: to start by establishing the Sustainability Committee as an executive body that would enhance its discussions and agenda, and then report to the Board of Directors. ORIX executives are now intensively discussing matters such as how to incorporate and promote ESG-related material issues and key goals as key performance indicators for each business unit. This commitment among officers and employees to unity emphasizes substance rather than form and engenders trust in management.

Hodo: ORIX is also uniquely positioned for sustainability. The Group passively addresses a range of demands for disclosure, and actively addresses business opportunities. ORIX is a leader among peers in making impactful social contributions in businesses such as environment and energy. In addition, Robeco is a highly competitive ESG asset management company that became part of the Group well before the general public took real notice of that business. ORIX employees are aware that SDGs and ESG can drive earnings growth, and ORIX is positioned to prove this to the market. I hope that investors will continue to look forward to the growth ORIX generates through sustainability.

Akiyama: As I mentioned, ORIX can deploy its unique capabilities to take on risks and challenges in an array of businesses, and the same can be said of its approach to sustainability. ORIX wants to meet the expectations of shareholders and other stakeholders by disclosing information and promoting sustainability as a business.

Corporate Governance Framework

Board of Directors

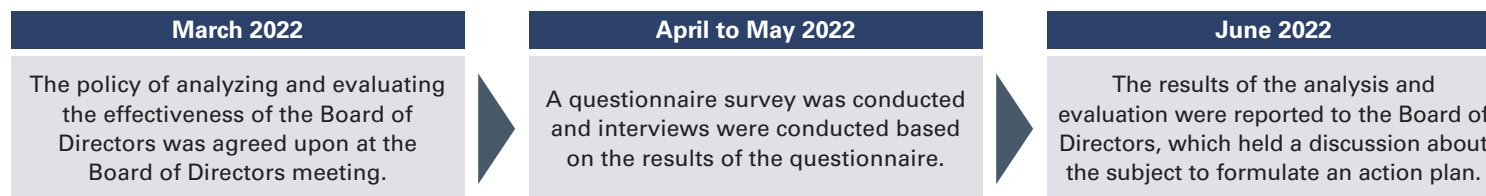
The Board of Directors makes decisions related to items that, either as a matter of law or pursuant to our Articles of Incorporation, cannot be delegated to executive officers, such as management policies and basic policy on the internal control system, and other important items as

determined by the regulations of the Board of Directors. The Board of Directors monitors the execution of duties by the directors and executive officers using management and internal control policies, which are reviewed and updated on a regular basis. Furthermore, the Board of

Directors receives reports from executive officers and the three committees regarding execution status of their respective duties. Accordingly, the Board of Directors collects information and monitors the appropriateness of operational execution based on such information.

Evaluation of Effectiveness of the Board of Directors (FY Ended March 2022)

As a part of establishing a more sound and transparent corporate governance system, ORIX annually analyzes and evaluates the effectiveness of the Board of Directors to ensure the effectiveness of decision-making at Board of Directors meetings.



Evaluation Process

- In addition to the operational agenda which relates to the effectiveness of decision-making at Board of Directors meetings, to achieve continuous growth in the complex and discontinuously changing business environment, the questionnaires were provided and interviews were performed with all members of the Board of Directors so that the agenda related to corporate governance, which should be considered to enhance the governance system further, could be confirmed and a discussion was held at the Board of Directors meeting based on the results of the questionnaires and interviews.
- The evaluation was conducted with the support of an outside consulting firm to ensure an objective understanding by the Board of Directors regarding the composition of the Board of Directors and other committees, as well as the operation and discussion items of Board of Directors meetings. Based on the analysis and evaluation of the outside consulting firm, the action plan for enhancing the effectiveness of the Board of Directors during the current fiscal year was discussed at the Board of Directors meeting.

Questionnaire Contents	Overview of the Evaluation Results	Action Plan
<ul style="list-style-type: none"> • Composition and operation of the Board of Directors meeting • Corporate strategy and business strategy • Corporate ethics and risk management • Communication with stakeholders • Effectiveness of the Nominating Committee, the Compensation Committee, and the Audit Committee 	<p>As a result of the analysis and evaluation below, it has been evaluated that the Board of Directors of ORIX is functioning effectively.</p> <ul style="list-style-type: none"> • The members of the Board of Directors have diverse backgrounds. • The majority of the members are well-experienced outside directors, and most of the authority related to decision-making is delegated to the management side. • Board of Directors meetings are operated with a system effectively supervising the management. • Executive officers and the Board of Directors Secretariat are responding to requests from the outside directors and spontaneously working to further improve the effectiveness of the Board of Directors. • A relationship of trust has been built between the management side and the Board members. 	<p>Deepening the discussion regarding mid- to long-term strategies and future direction is on the agenda for this fiscal year as well, and based on the results of the evaluation above, the Board of Directors has formulated the following policies to further improve the effectiveness of Board of Directors meetings.</p> <ul style="list-style-type: none"> • Strengthen the information-sharing system among the Board members through actions such as regularly holding meetings to exchange opinions among the outside directors only and the establishment of a facilitator of the Board of Directors to enable more communication with the management side. • Expand opportunities to periodically provide the Board of Directors with information from the management side regarding the perspective of ORIX's investors. • Continuously set up opportunities to explain mid- to long-term strategies of each division for outside directors to further deepen their understanding of the business.

Corporate Governance Framework

Nominating Committee

- The Nominating Committee decides and produces proposals to appoint or dismiss directors, which are then submitted at the general meeting of shareholders.
- The Nominating Committee also deliberates on the appointment or dismissal of executive officers, although this is not required under the Companies Act of Japan.
- The Nominating Committee has determined the “Conditions for Director Independence.”*
- The Nominating Committee ensures appropriate selection of candidates for director appointments through “Nomination Criteria for Director Candidates.”*

* For details on ORIX’s “Conditions for Director Independence” and “Nomination Criteria for Director Candidates” determined by the Nominating Committee, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission
▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/index.html>

Audit Committee

- The Audit Committee monitors the execution of the duties of the directors and executive officers and creates audit reports. The Audit Committee decides the content of proposals to appoint, dismiss, or refuse the reappointment of the Company’s independent public accountants, and the proposals are submitted to the general meeting of shareholders.

Compensation Committee

- The Compensation Committee formulates the Policy for Determining Compensation of Directors and Executive Officers and also decides the specific compensation for each individual director and executive officer.

Note: Please refer to pages 55 and 56 for details on director and executive officer compensation.

Board of Directors and Committee Meetings in FY Ended March 2022

	Number of Meetings	Attendance Rate
Board of Directors	9	99%
Nominating Committee	7	100%
Audit Committee	12	97%
Compensation Committee	4	100%

Statements by Outside Directors at Meetings of the Board of Directors and the Three Committees for FY Ended March 2022

Officer	Statements Made at Board of Directors Meetings and Meetings of Three Committees	
	Board of Directors Meetings	Meetings of the Three Committees
Heizo Takenaka (Retired in June 2022)	He proactively expressed his opinions and made proposals, mainly from his perspective as an expert in economics and finance.	As chair of the Compensation Committee, he played a leading role in deliberating on the compensation system and compensation levels for directors and executive officers to enhance the mid- to long-term incentive function.
Michael Cusumano	He proactively expressed his opinions and made proposals, mainly from his perspective as an expert in technology.	He contributed to the Compensation Committee’s deliberations on compensation from a variety of perspectives, including comparative analyses with global companies.
Sakie Akiyama	She proactively expressed her opinions and made proposals, mainly from her perspective as an expert in corporate management.	As chair of the Nominating Committee, she played a leading role in deliberating on the composition of the Board of Directors and executive officers appropriate for the Company’s business development, as well as on the succession plan.
Hiroshi Watanabe	He proactively expressed his opinions and made proposals, mainly from his perspective as an expert in finance, economics, and corporate management.	He contributed to the Nominating Committee’s deliberations on the fulfillment of the functions of the Board of Directors from a variety of perspectives, including changes in the internal and external environment surrounding the Company.
Aiko Sekine	She proactively expressed her opinions and made proposals, mainly from her perspective as an expert in accounting and finance.	As chair of the Audit Committee, she played a leading role in deliberating on the effectiveness of the Company’s internal control system by receiving regular reports from the Internal Audit Department, as well as from internal control-related functions and the independent public accountants.
Chikatomo Hodo	He proactively expressed his opinions and made proposals, mainly from his perspective as a manager based on his expert viewpoint and extensive experience in digital business.	He contributed to the Audit Committee’s deliberations on the effectiveness of the Company’s internal control system from a variety of perspectives, including changes in the domestic and overseas environment surrounding corporate management.

Please refer to the following for details on the main activities of ORIX’s outside directors.

- Notice of the 59th Annual General Meeting of Shareholders and related materials ▶▶▶ https://www.orix.co.jp/grp/en/ir/library/shareholder_meeting/index.html

Corporate Governance Framework

Skill Matrix

The Nominating Committee appoints candidates for directors in accordance with Nomination Criteria for Director Candidates established by the Nominating Committee, so the Board of Directors has an overall structure that ensures knowledge, experience, and abilities that are balanced and diverse. In particular, outside director candidates are selected based on the determination that they will be able to appropriately perform their duties as outside directors, such as making recommendations on important matters in the Company's management and overseeing corporate management.

Name	Years of Service	Main Skills and Experience, etc. of Members of the Board of Directors				
		Corporate Management	Global Business	Finance	Business Investment	Business Knowledge
Makoto Inoue	12 years	●	●	●	●	
Shuji Irie	4 years	●	●	●	●	
Satoru Matsuzaki	3 years	●	●	●	●	
Yoshiteru Suzuki	2 years	●	●	●	●	
Stan Koyanagi	5 years		●	●		● (Enterprise Risk Management, Legal)
Michael Cusumano Outside Independent	3 years					● (IT technology)
Sakie Akiyama Outside Independent	3 years	●	●			● (Technology)
Hiroshi Watanabe Outside Independent	2 years	●	●	●		● (International finance, Tax affairs)
Aiko Sekine Outside Independent	2 years					● (International accounting)
Chikatomo Hodo Outside Independent	1 year	●	●			● (IT technology)
Noriyuki Yanagawa Outside Independent	—			●		● (Economics and financial policies)

Ratio of outside directors: 54.5% (6 of 11 directors);

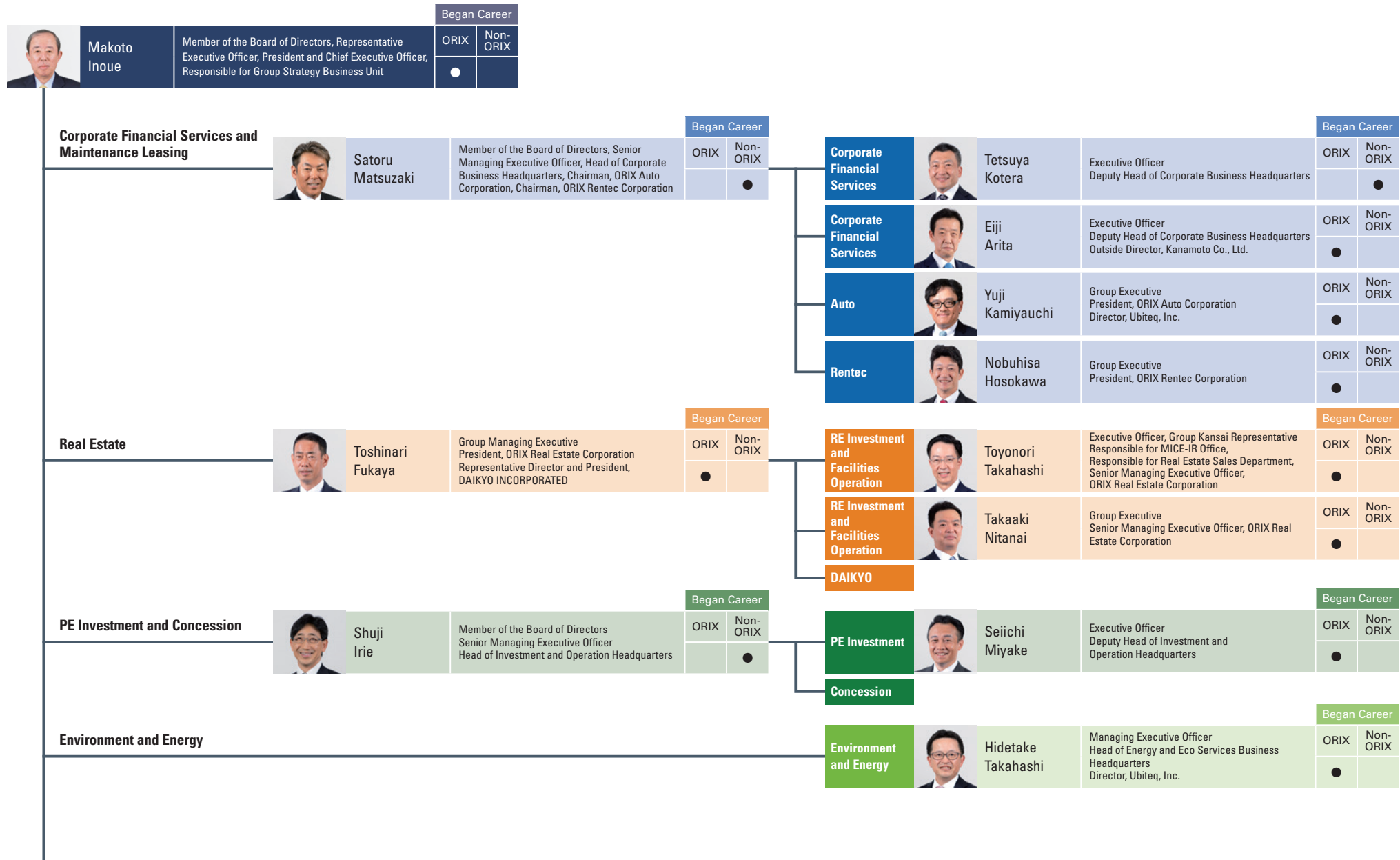
Ratio of female directors: 18.1% (2 of 11 directors)

Notes:
















- Above items that are particularly expected of each person are listed.
- The above matrix does not represent all the knowledge and experience of each person.

Management Team: Executive Officers and Business Unit Managers

(As of August 31, 2022)



Management Team: Executive Officers and Business Unit Managers

				Began Career		
Insurance	Life Insurance	 Kazunori Kataoka	President, ORIX Life Insurance Corporation	ORIX	Non-ORIX	
	Banking and Credit	Banking	 Yuichi Nishigori	Representative Director and President, ORIX Bank Corporation	ORIX	Non-ORIX
		Credit	 Yasushi Okada	President, ORIX Credit Corporation	ORIX	Non-ORIX
Aircraft and Ships	Aircraft and Ships	 Ryujiro Tokuma	Executive Officer Head of Global Transportation Services Headquarters President, ORIX Maritime Corporation	ORIX	Non-ORIX	
ORIX USA	ORIX USA	 Yoshiteru Suzuki	Member of the Board of Directors Senior Managing Executive Officer President and CEO, ORIX Corporation USA	ORIX	Non-ORIX	
ORIX Europe	ORIX Europe	 Kiyoshi Habiro	Executive Officer Responsible for ORIX Europe and Robeco Group Chief Executive Officer, ORIX Corporation Europe N.V. Chief Executive Officer, ORIX Corporation UK Limited	ORIX	Non-ORIX	
Asia and Australia	Asia and Australia	 Hao Li	Executive Officer Responsible for Greater China Group	ORIX	Non-ORIX	
	Asia and Australia	 Yoshiaki Matsuoka	Group Strategy Business Unit Head of Global Business Group	ORIX	Non-ORIX	
New Business and Public Relations	New Business and Public Relations	 Nobuki Watanabe	Executive Officer Responsible for CEO's Office Responsible for New Business Development Department Responsible for Corporate Communications Department	ORIX	Non-ORIX	
Group Strategy	Group Strategy	 Michio Minato	Executive Officer Group Strategy Business Unit President, ORIX Baseball Club Co., Ltd. President, Osaka City Dome Co., Ltd.	ORIX	Non-ORIX	
Legal and Compliance	 Stan Koyanagi	Member of the Board of Directors Managing Executive Officer Global General Counsel Responsible for Legal and Compliance Headquarters		ORIX	Non-ORIX	
Treasury and Accounting, Planning and Sustainability	Treasury and Accounting, Planning and Sustainability	 Hitomaro Yano	Executive Officer Head of Treasury and Accounting Headquarters	ORIX	Non-ORIX	
Corporate Administration and Human Resources	Corporate Administration and Human Resources	 Yasuaki Mikami	Managing Executive Officer, Head of Group Human Resources and Corporate Administration Headquarters, Responsible for Secretariat of the Board of Directors, Responsible for Work Style Reform Project	ORIX	Non-ORIX	
Credit and Investment Management and ERM	Credit and Investment Management	 Yasuhiro Tsuboi	Executive Officer Head of Credit and Investment Management Headquarters	ORIX	Non-ORIX	
Audit	Audit	 Hiroyuki Ido	Executive Officer Responsible for Group Internal Audit Department	ORIX	Non-ORIX	

Please refer to our website for profiles of ORIX's Board members and executives.

• Management Team ▶▶▶ <https://www.orix.co.jp/grp/en/about/overview/officer/index.html>

Compensation System

Compensation for Directors and Executive Officers

ORIX’s management objective is to increase shareholder value over the medium- and long-term. We also believe that teamwork is key in ensuring that directors and executive officers reliably execute their duties, and to continuously grow ORIX.

The Compensation Committee believes that directors and executive officers should place importance not only on performance during the current fiscal year but also on mid- to long-term results in order to achieve ORIX’s management objectives. The Committee therefore draws on these considerations in determining the structure and level of compensation for directors and executive officers. The fundamental policy is to ensure that compensation is designed in a way that provides effective incentives for directors and executive officers.

In light of this fundamental policy, the Committee therefore determined the following compensation policies in accordance with the responsibilities of directors and executive officers, based on the decision of the Compensation Committee at a meeting held on June 24, 2022.

Compensation Policy for Directors (those who do not concurrently serve as executive officers)

- The compensation policy for directors who are not also executive officers aims for compensation composed in a way that is effective in maintaining the supervisory and oversight functions of executive officers’ performance in business operations, which is the main duty of directors, and consists of fixed compensation and share component of compensation.¹ In addition, ORIX maintains a competitive level of compensation according to the roles of directors, and receives third-party research reports on director compensation for this purpose.
- Fixed compensation is, in principle, a certain amount that is added to the compensation of the chair and members of each committee.
- For share component of compensation reflecting mid- to long-term performance, directors are granted a fixed amount of points on an annual

basis for their period of service, and they are paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement.

1. Share component of compensation is a program in which a fixed amount of points is annually allocated to directors and executive officers while in office, and granted through ORIX shares in trust based on the number of accumulated points at the time of retirement. Points granted to the members of each position are determined based on the guidelines set by the Compensation Committee.

Compensation Policy for Executive Officers (including those who concurrently serve as directors)

- Fixed compensation, performance-linked compensation (annual bonus), and share component of compensation are set in a performance-linked composition that encourages executive officers to execute their primary responsibility for execution of operations. The basic policy is to set this composition at 1:1:1.
- ORIX draws on third-party compensation research reports to provide effective incentives for executive officers and maintain a competitive level of compensation.

- Fixed compensation is decided based on the standardized base amount for each position followed by an adjustment in accordance with each position’s respective role and responsibility.
- Compensation linked to business performance for the fiscal year ended March 2022 uses the level of achievement of the consolidated net income growth target as a company-wide performance indicator, adjusting 50% of the position-based standard amount within the range of 0% to 200% while, at the same time, using the level of achievement of the target of the division for which the relevant executive officer was responsible as a division performance indicator,³ adjusting 50% of the position-based standard amount within the range of 0% to 300%. In the case of the representative executive officers, the consolidated net income growth target is used as the sole performance indicator, adjusting the standard amount within the range of 0% to 200%.
- For share component of compensation reflecting mid- to long-term performance, executive officers are granted a fixed amount of points based on their position, and they are paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement.

Conceptual Diagram of Compensation System for Executive Officers

Ratio ²	Compensation Type	Payment Criteria
1	Fixed compensation	Determined according to role based on a fixed amount for each position
1	Performance-linked compensation (Annual bonus)	Company-wide performance indicator (50% of the position-based standard amount) Level of achievement of the consolidated net income growth target Division performance indicator (50% of the position-based standard amount) Level of achievement of the target of the division for which the relevant executive officer was responsible ³
1	Share component of compensation	For mid- to long-term compensation, directors and executive officers are granted a fixed amount of points based on their position, and paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement. Note: Number of shares scheduled to be issued by share-based compensation plans (latent shares) for each director are as shown on page 56.
2022.3		

Note: 2022.3 denotes the fiscal year ended March 2022.

2. Ratio of fixed compensation, performance-linked compensation, and share component of compensation for directors and executive officers.

3. Determined through a comprehensive evaluation that takes into account qualitative factors (target difficulty, performance, preparation for the future, status of ESG initiatives, etc.), centered on the annual growth rate of the performance of the relevant division for the fiscal year under review.

Compensation System

Performance-linked Compensation (Annual Bonus)

Method for Calculating Performance-linked Compensation (Annual bonus; excludes representative executive officers):

Performance-linked compensation (Annual bonus)	=	Standardized base amount for each position (50%)	×	Company-wide performance indicator (Variable: 0% to 200%)	Level of Achievement of Target 2021.3	Level of Achievement of Target 2022.3
		Standardized base amount for each position (50%)	×	Division performance indicator (Variable: 0% to 300%)	64%	103%
					50% to 150% (Median: 95%)	0% to 300% (Median: 100%)

Note: 2022.3 denotes the fiscal year ended March 2022.

ORIX Shares Held (As of the Date of Submission of the Securities Report for the FY Ended March 2022)

Name (Internal Directors)	Currently Held Common Shares	Latent Common Shares*	Name (Outside Directors)	Currently Held Common Shares	Latent Common Shares*
Makoto Inoue	96,387	603,948	Michael Cusumano	0	4,500
Shuji Irie	3,816	131,490	Sakie Akiyama	0	4,500
Satoru Matsuzaki	9,416	126,420	Hiroshi Watanabe	0	3,000
Yoshiteru Suzuki	0	77,295	Aiko Sekine	0	3,000
Stan Koyanagi	5,000	0	Chikatomo Hodo	0	1,500
			Noriyuki Yanagawa	—	—

* Latent common shares are shares that are scheduled to be delivered equivalent to the cumulative points granted by the share component of compensation system.

Compensation for Directors, Executive Officers and Group Executives (FY Ended March 2022)

Category	Fixed Compensation		Performance-linked Compensation (Annual Bonus)		Share Component of Compensation		Total Compensation (Millions of yen)
	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	
Directors (Outside Directors)	7 (7)	93 (93)	—	—	7 (7)	13 (13)	106 (106)
Executive Officers and Group Executives	27	669	27	686	27	615	1,970
Total	34	762	27	686	34	628	2,076

For details on ORIX's compensation for directors and executive officers, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/index.html>

• Company-wide Performance Indicator

To support the achievement of mid-term management targets, the Compensation Committee sets milestones for annual growth rate related to consolidated net income. The level of achievement of this milestone for the fiscal year ended March 2022 was 103%.

• Division Performance Indicator

Division performance targets are based on company-wide performance targets. The level of achievement of division performance targets among the 20 responsible executive officers for the fiscal year ended March 2022 (comprehensive evaluation including qualitative aspects) ranged from 0% to 300%, with a median of 100%.

Reflecting Status of ESG Initiatives in Annual Bonuses

From the fiscal year ended March 2022, "Status of ESG Initiatives" has been added to the qualitative evaluation items in the division performance indicator for annual bonuses. The objective is to have directors, executive officers and Group executives set an example of considering the impact of the efforts of each division on the environment, economy, and society in conducting corporate initiatives from a mid- to long-term perspective.

- Number of recipients and amounts paid include one director and two executive officers (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2022. As of March 31, 2022, ORIX had 11 directors (6 outside directors), 20 executive officers (including directors serving concurrently as executive officers), and 5 Group executives.
- At ORIX, no directors serving concurrently as executive officers received compensation as directors. Total compensation for the six people serving concurrently as directors and executive officers is shown in the Executive Officers and Group Executives line.
- The amount of share component of compensation paid is calculated by multiplying the number of points confirmed to be provided as the portion for the fiscal year ended March 2022 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,479.87 per share). Therefore, the total amount of share component of compensation actually paid in the fiscal year ended March 2022 is not presented. The total amount of share component of compensation actually paid in the fiscal year ended March 2022 was ¥282 million for one director and two executive officers (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2022.
- ORIX did not provide stock options in the form of stock acquisition rights in the fiscal year ended March 2022.
- Figures shown are rounded down by truncating figures of less than ¥1 million.

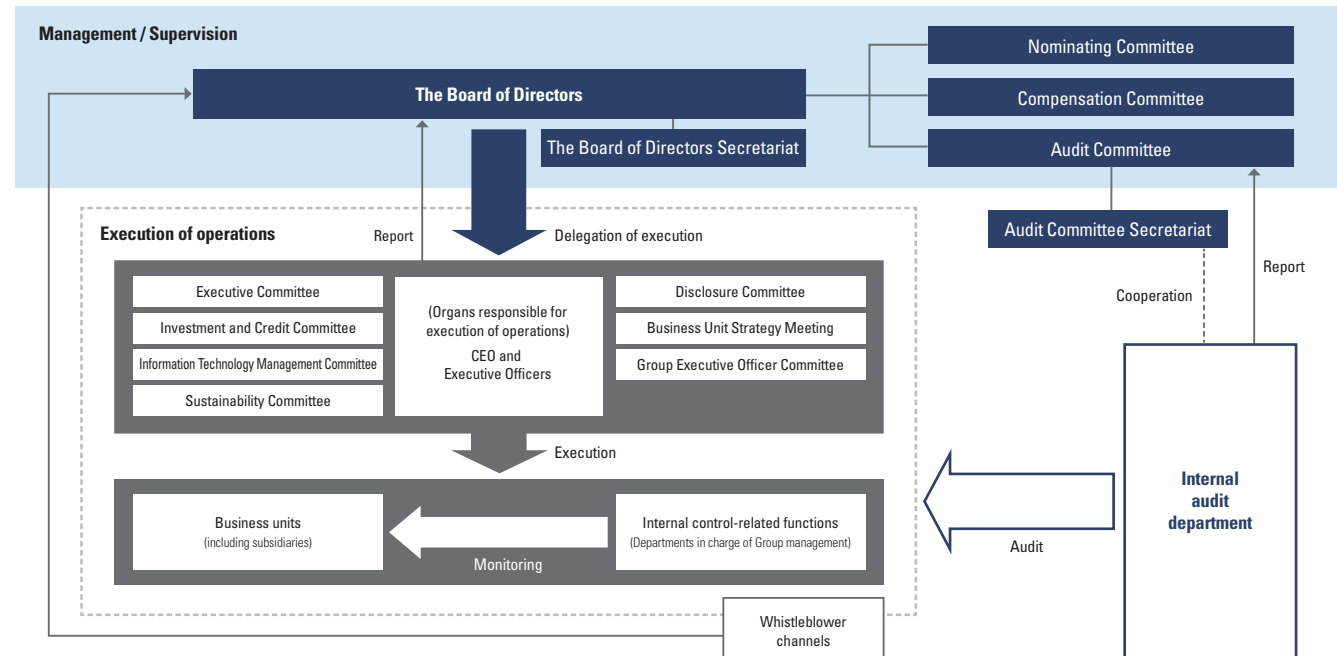
Execution of Operations Framework

Organization of Executive Officers

The representative executive officers of ORIX make important decisions on execution of operations after deliberations by the Executive Committee, the Investment and Credit Committee and other bodies in accordance with ORIX’s various rules.

The duties of executive officers are decided by the Board of Directors and the representative executive officers and are carried out in accordance with ORIX’s various rules. Group executives are appointed by the Board of Directors from among the directors and executive officers of the Group companies.

Execution of Operations Framework (As of June 30, 2022)



Executive Body	Activities
Executive Committee (EXCO)	<ul style="list-style-type: none"> Discusses important matters related to the management of the Company.
Sustainability Committee	<ul style="list-style-type: none"> Deliberates on important matters related to promoting and implementing sustainability.
Investment and Credit Committee (ICC)	<ul style="list-style-type: none"> Discusses regarding investments and credit transactions that exceed certain specified investment or credit amounts.
Group Executive Officer Committee	<ul style="list-style-type: none"> Discusses important matters relating to the business execution of ORIX Group.
Business Unit Strategy Meeting	<ul style="list-style-type: none"> Discusses matters such as the status of strategic target achievement and changes in the business environment.
Information Technology Management Committee	<ul style="list-style-type: none"> Deliberates on important matters concerning fundamental policies for IT operations and IT systems.
Disclosure Committee	<ul style="list-style-type: none"> To ensure timely and appropriate disclosure of information material of ORIX Group, the Disclosure Committee receives reports on material non-public information from persons in charge of ORIX Group company departments and takes steps necessary to determine whether or not timely disclosure of such information is necessary, and the appropriate means of disclosing such information.

Note: For details on ORIX’s execution of operations framework, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/index.html>

Strategies by Business

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

10 Segments and 15 Business Units

Corporate Financial Services and Maintenance Leasing (Corporate Financial Services, Auto, Rentec) 59

Real Estate (RE Investment and Facilities Operation, DAIKYO) 62

PE Investment and Concession 64

Environment and Energy 66

Insurance 67

Banking and Credit 68

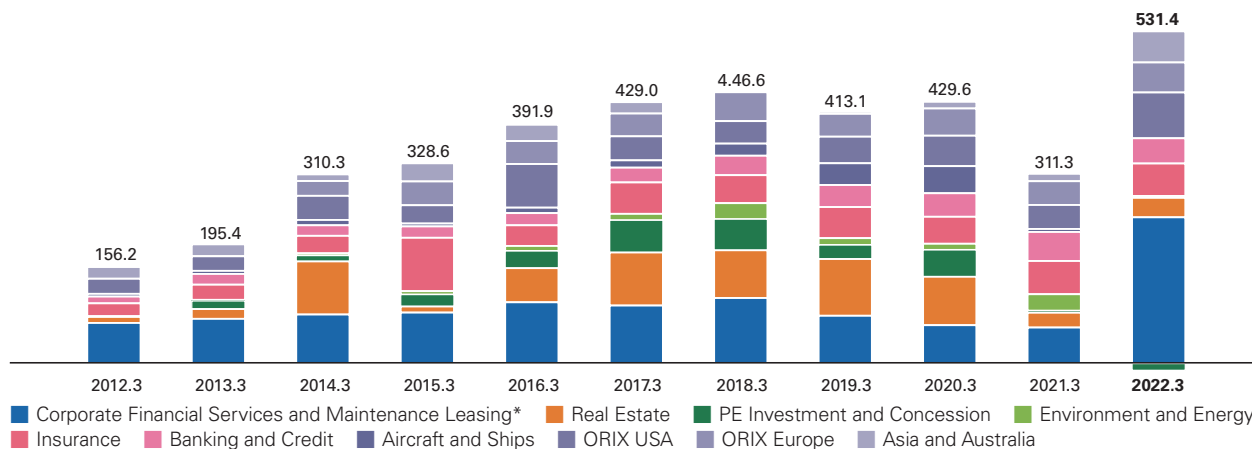
Aircraft and Ships 70

ORIX USA 71

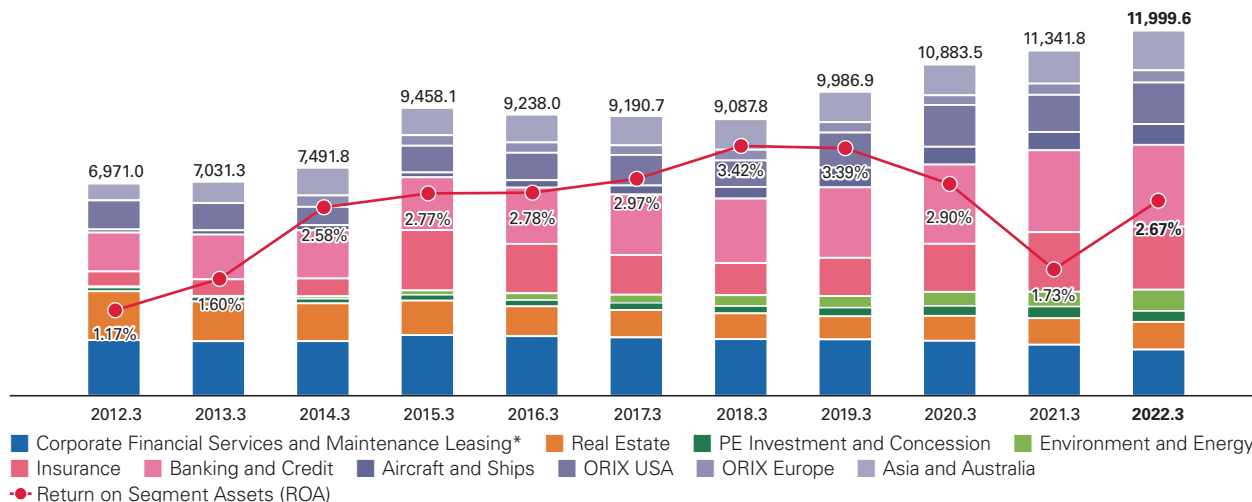
ORIX Europe 72

Asia and Australia 73

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

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

<ul style="list-style-type: none"> • Finance leases and operating leases • Installment sales • Leases with subsidies to support decarbonization 	<ul style="list-style-type: none"> • Corporate finance • Non-recourse real estate loans 	<ul style="list-style-type: none"> • Leveraged buyout financing • Other structured finance
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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>Strengths</p> <ul style="list-style-type: none"> Diverse service menu that enables comprehensive, optimal service proposals Global leader in terms of vehicles under management and volume of vehicle data 	<p>Challenges</p> <ul style="list-style-type: none"> Acquiring retail customers Acquiring new technologies from domestic and international startups Seamlessly linking leasing, car rental, and car sharing services
<p>Opportunities</p> <ul style="list-style-type: none"> Growth in mobility services, including the car rental and car sharing markets, as the sharing economy and MaaS become more prevalent Electric vehicle needs 	<p>Risks</p> <ul style="list-style-type: none"> Decreases in revenue from existing businesses and services and lower residual value of vehicles due to structural changes in the automobile industry

Features

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

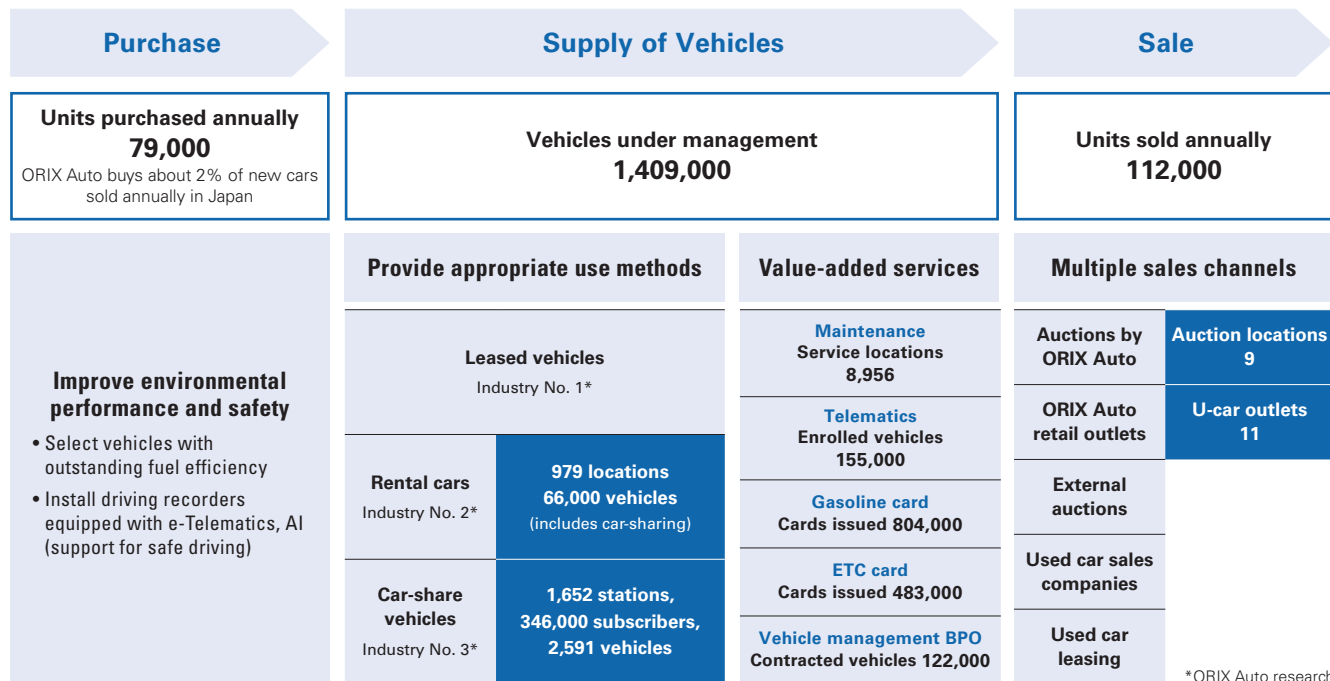
ORIX Auto was established as a company specializing in automobile leasing in 1973. Its strengths include extensive expertise and a broad lineup of products and services. It incorporates automobile leasing, rental, and car sharing in comprehensive proposals aligned with various customer usage conditions 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>Strengths</p> <ul style="list-style-type: none"> • Wide range of rental products and vendors • Technical ability to maintain and manage the quality of rental equipment • Logistics service enabling next-day delivery • Broad customer network that includes large manufacturers 	<p>Challenges</p> <ul style="list-style-type: none"> • Creating new business through collaboration utilizing our customer base • A wide range of proposals enabled by converting the expertise acquired over many years into data and using it
<p>Opportunities</p> <ul style="list-style-type: none"> • Accelerating use of technology to cope with labor shortages, reform work styles, and counter infectious diseases • Strong levels of corporate capital investment with a focus on digital technology 	<p>Risks</p> <ul style="list-style-type: none"> • Reduced need for hardware due to equipment downsizing and technological innovation • Delivery delays due to shortages of components, such as semiconductors

Features

Leading Equipment Rental Company in Japan

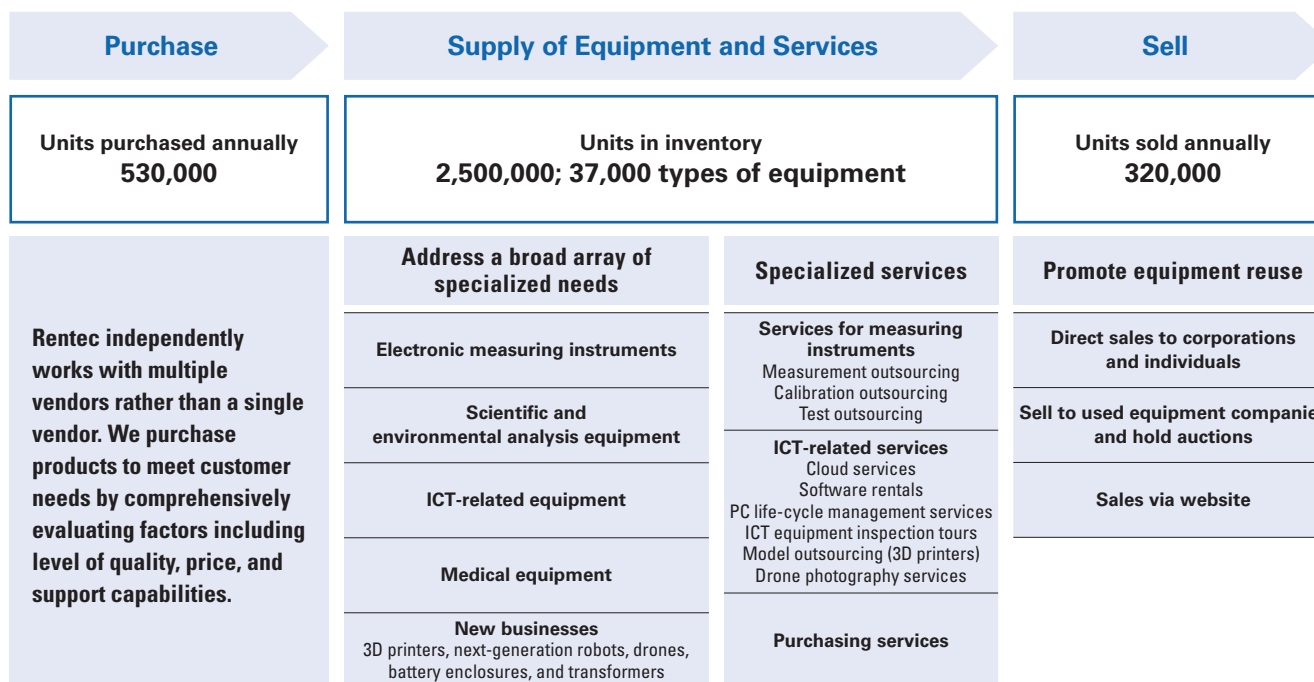
Founded in 1976 as the first measuring instrument rental company in Japan, ORIX Rentec is an industry leader and one of the largest companies of its kind in Japan, with 37,000 types of rental equipment and 2.5 million units (as of March 31, 2022). ORIX Rentec focuses on equipment rentals including electronic 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%)

<p>Strengths</p> <ul style="list-style-type: none"> • Extensive expertise in the real estate business • Information volume and proposal capabilities that fully leverage the Group's network 	<p>Challenges</p> <ul style="list-style-type: none"> • 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
<p>Opportunities</p> <ul style="list-style-type: none"> • 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 	<p>Risks</p> <ul style="list-style-type: none"> • 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)

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

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

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

Features

Japan's Number One¹ 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.

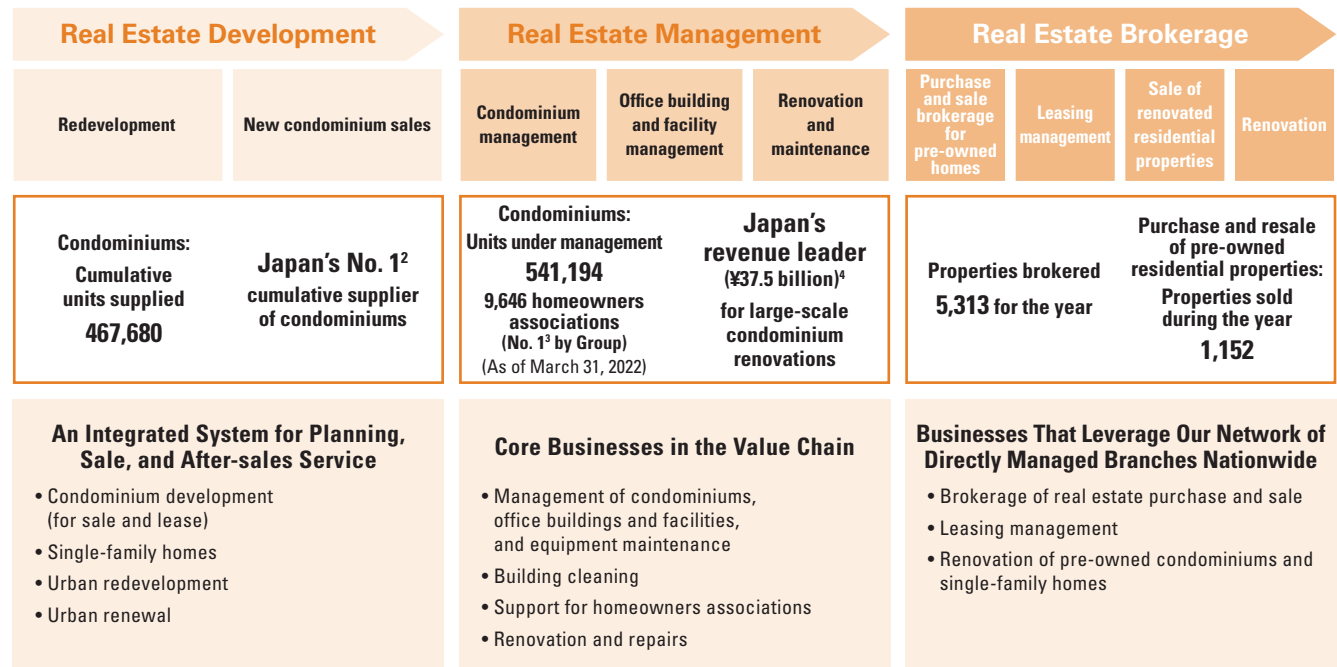
1. Calculated using Real Estate Economic Institute data as of December 31, 2021

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

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	IT Services	
	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
	Logistics/Rental Services, Dairy	
	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
	Healthcare	
	INNOMEDICS Medical Instruments, Inc.	2015 Sales of medical equipment and devices
	Sasaeah Pharmaceutical Co., Ltd. ¹	2016 Veterinary pharmaceuticals

Average value of
8 exits since 2012²
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>Strengths</p> <ul style="list-style-type: none"> • Extensive expertise and experience in business operation • Solid network of relationships with leading companies in and outside Japan 	<p>Challenges</p> <ul style="list-style-type: none"> • Creative ideas required by new forms of public-private partnerships • Participating in overseas concession projects
<p>Opportunities</p> <ul style="list-style-type: none"> • A potentially large concession market in Japan • Infrastructure projects around the world 	<p>Risks</p> <ul style="list-style-type: none"> • Intensifying competition in domestic concession projects • Change in policies regarding concession promotion and change in laws and regulations • Negative effects such as decreased number of passengers due to infectious diseases

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.

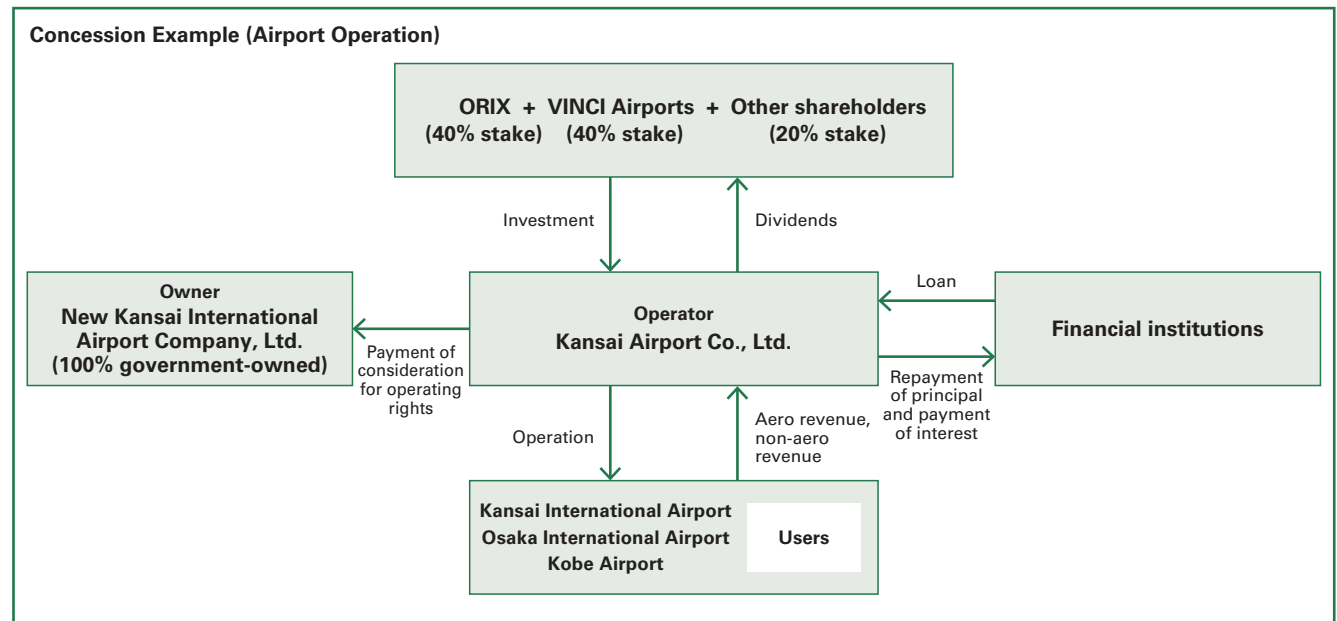
Strategies for Growth

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

Features

Leadership in an Integrated Environment and Energy Business

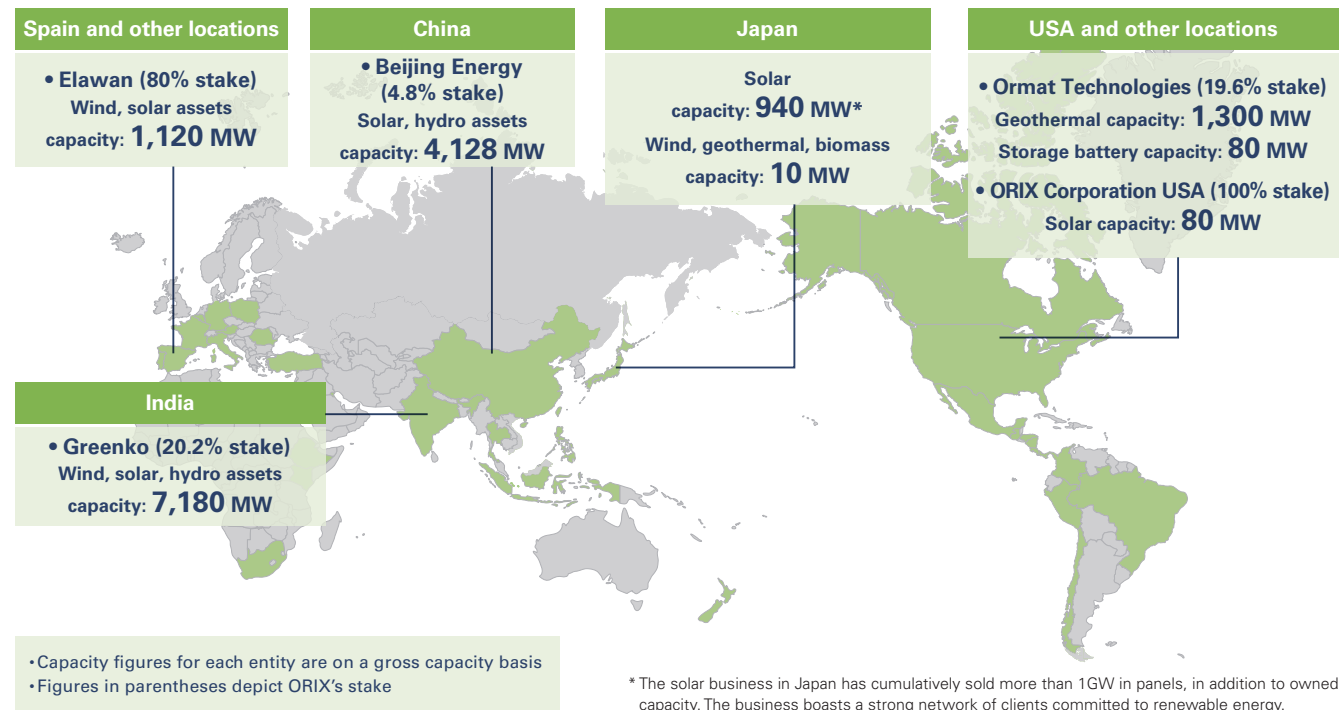
ORIX entered the environment and energy field by taking a stake in a wind power generation business in 1995. We subsequently expanded our energy business using our skills in leasing and consulting, and our environmental business by properly disposing of leased items at the end of their useful life. We 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>Strengths</p> <ul style="list-style-type: none"> • Strong ability to develop products that address customer needs • Favorable recognition from third-party institutions • Omnichannel business development 	<p>Challenges</p> <ul style="list-style-type: none"> • Improving the sales channel structure, which is heavily weighted toward agencies, and creating new customer contact points • Building a balanced product portfolio by shifting from sales of mainly third-sector insurance products to death and savings-type coverage
<p>Opportunities</p> <ul style="list-style-type: none"> • Rising asset formation and lifetime security needs brought on by an age of 100-year lifespans • Increase in points of customer contact and expanded opportunities to sell policies using an omnichannel approach 	<p>Risks</p> <ul style="list-style-type: none"> • Contraction of the domestic life insurance market due to the declining population • Intensifying competition in the life insurance industry

Features

Committed to Medical Insurance and Appreciated by Customers and Society

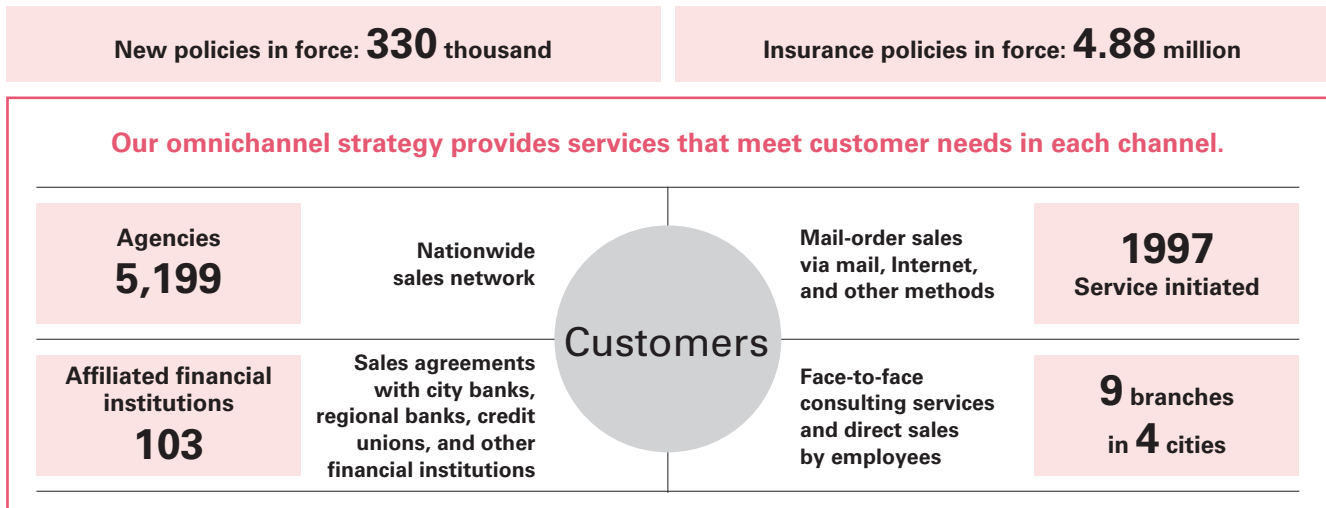
ORIX Life Insurance launched in 1991 and offers an extensive lineup based on the concept of offering simple and easily understood products and reasonably priced coverage. We are also committed to new product research and development. ORIX Life Insurance markets through insurance agents, financial institutions, 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

<p>Solvency Margin Ratio 1,275.9%</p>	+	<p>Issuer Rating and Claim Payment Ability AA- Rating and Investment Information, Inc. (R&I)</p>
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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>Strengths</p> <ul style="list-style-type: none"> • Large share, strong risk management capabilities, and customer-oriented operations in the real estate investment loan market • High profitability from low-cost operations 	<p>Challenges</p> <ul style="list-style-type: none"> • Improving ROA through strategic asset deployment • Deepening relationships by optimizing customer contact points using digital technology
<p>Opportunities</p> <ul style="list-style-type: none"> • Increasing needs for products and services that help resolve social issues • Proposal and provision of products that use trust banking functions to address customer needs 	<p>Risks</p> <ul style="list-style-type: none"> • Real estate market downturn due to the declining population in Japan • Lower return on capital due to protracted low interest rate environment

Features

Decades of Experience in Real Estate Investment Loans

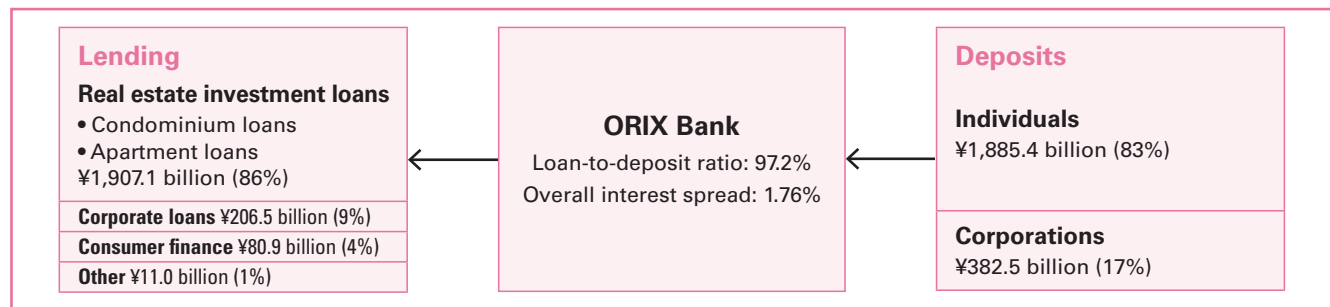
Since joining ORIX Group in 1998, ORIX Bank has not done business like conventional banks. We do not have a branch network or ATMs, and we do not handle account settlement functions. Instead, we emphasize Internet transactions to reduce operating expenses and earn customer support with attractive interest 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

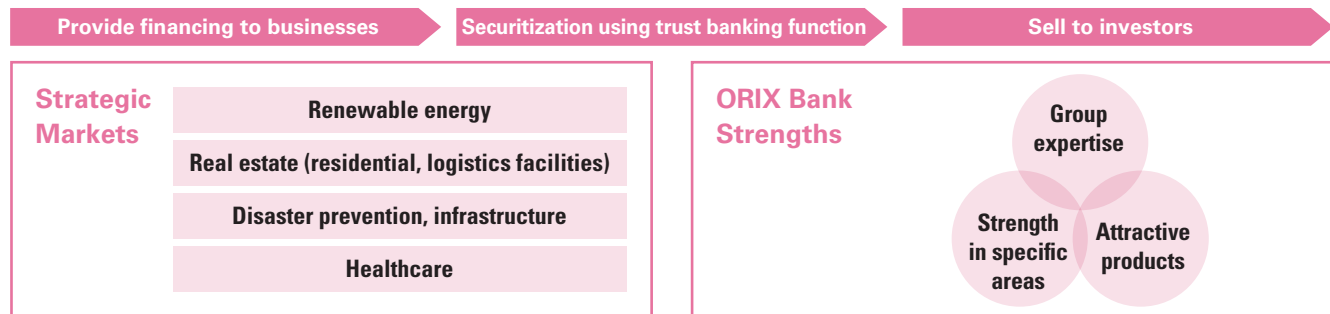
In our mainstay real estate investment loan business, we are working to promote the spread of environmentally responsible condominiums, such as those with ZEH specifications. We are also promoting finance in new strategic areas including renewable energy and other industries that will support a sustainable 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>Strengths</p> <ul style="list-style-type: none"> • Brand strength in consumer finance • Screening capabilities built over many years 	<p>Challenges</p> <ul style="list-style-type: none"> • Scaling back loan receivables in the loan business • Expanding market share in the mortgage banking business
<p>Opportunities</p> <ul style="list-style-type: none"> • Rebound in consumer sentiment damaged by COVID-19 • Increased opportunities to attract customers by collaborating with business partners 	<p>Risks</p> <ul style="list-style-type: none"> • Worsening economic environment (increase in non-performing loans) • Intensifying competition in the consumer loan market due to entrants from other industries such as fintech

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.

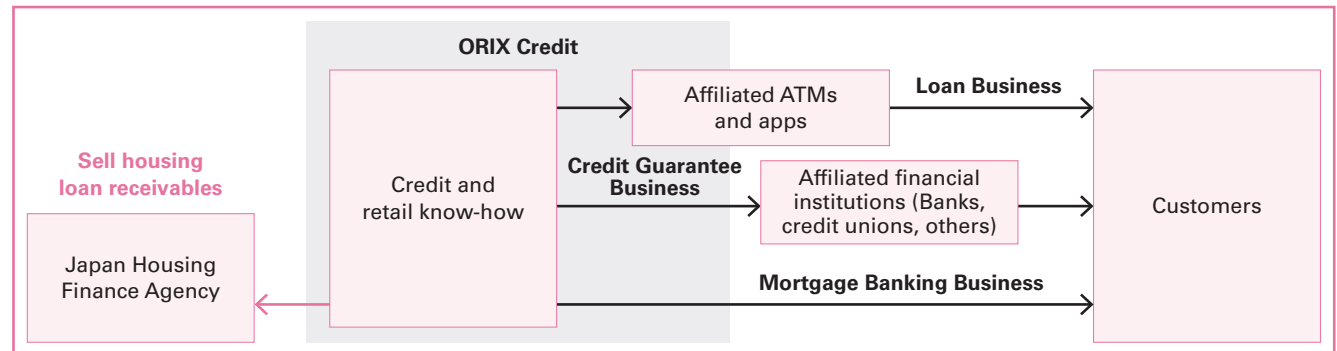
Strategies for Growth

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>Loan Business</p> <p>Improve product appeal and services</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>Credit Guarantee Business</p> <p>Cultivate new business partners while stimulating transactions with existing partners</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>Mortgage Banking Business</p> <p>Expand the product lineup</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>VIP Loan Card Launched 1987</p>	<p>ORIX MONEY Launched 2022</p>	<p>Balance of Consumer Loan Guarantees ¥284.9 billion (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>Strengths</p> <ul style="list-style-type: none"> Aircraft Business <ul style="list-style-type: none"> Aircraft sourcing ability and high-quality asset management services Avolon's business model of ordering from aircraft manufacturers Ship Business <ul style="list-style-type: none"> Operations and management (ORIX Maritime) Diversified revenue sources including lease revenue, investment gains, and asset management fees 	<p>Challenges</p> <ul style="list-style-type: none"> Aircraft Business <ul style="list-style-type: none"> Sophisticated risk management in the cyclical aircraft market Adding promising human resources Ship Business <ul style="list-style-type: none"> Attracting personnel familiar with operations and management during a global shortage
<p>Opportunities</p> <ul style="list-style-type: none"> Aircraft Business <ul style="list-style-type: none"> Increased use of leasing among airlines and increase in low-cost carriers Greater demand for aircraft remarketing and asset management Ship Business <ul style="list-style-type: none"> Increased logistics demand Investment to reduce the environmental burden of shipping 	<p>Risks</p> <ul style="list-style-type: none"> Aircraft Business <ul style="list-style-type: none"> Decrease in passenger demand due to a global economic slowdown, war, terrorism, or infectious diseases Airline bankruptcies Ship Business <ul style="list-style-type: none"> Decrease in the volume of trade due to accelerating protectionism (decrease in volume of goods shipped internationally) Decrease in investor demand due to a global economic slowdown

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
Owned Aircraft and Ships	Lease owned aircraft to airlines or charter owned ships to shipping companies	○	○	
Joint Investment	Own and lease aircraft or own and charter ships with joint investors	○	○	○
	Provide asset management services or operations management under contract from joint investors			○
Arrange Investment	Arrange investment for investors			○
	Provide asset management services or operations management under contract from investors			○

Comparative Aircraft Leasing Business Overview

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

Features

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

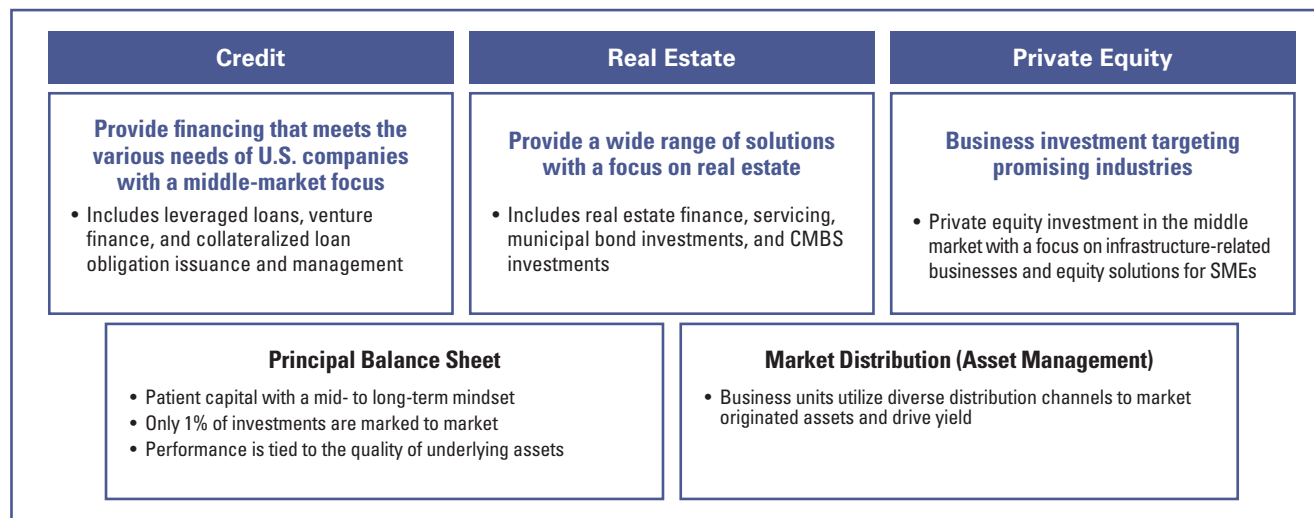
Established in 1981, ORIX USA operates in the corporate loan business, including leveraged loans and venture capital; invests in securities such as municipal bonds; has a real estate business that provides real estate and infrastructure financing, servicing, and investment; and has an equity investment 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
\$328 Mn	\$253 Mn	\$224 Mn

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

Credit	Real Estate	Private Equity
\$6.2 Bn	\$3.6 Bn	\$1.0 Bn

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

Features

Longstanding Track Record in Asset Management

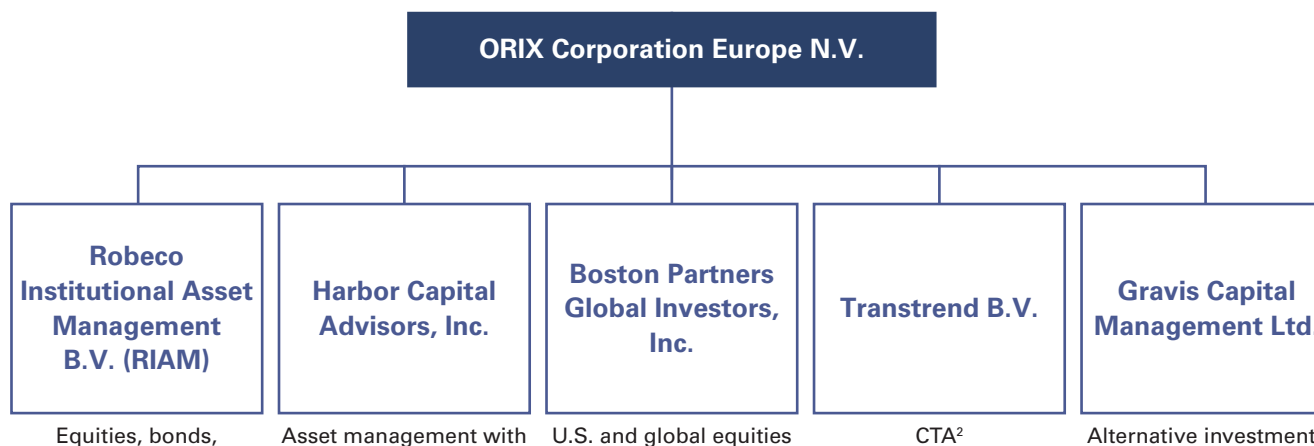
ORIX acquired the Netherlands-based asset management company Robeco Groep N.V. in 2013. We changed its name to ORIX Corporation Europe N.V. in 2018. Robeco Institutional Asset Management B.V., which operates in the asset management business under the “Robeco” brand, complements several other ORIX Corporation 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 model¹ | U.S. and global equities | CTA² | Alternative investments

<p>Assets under Management (Excluding Gravis) EUR 327.9 billion (As of March 31, 2022)</p>	<p>Assets under Management Integrating ESG Elements 97% of total assets under management (including Gravis) (As of December 31, 2021)</p>	<p>2013 Joined ORIX Group</p>
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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>Strengths</p> <ul style="list-style-type: none"> Local expertise and networks developed over the long term Use of the expertise of ORIX Group businesses in Japan 	<p>Challenges</p> <ul style="list-style-type: none"> Business diversification Reorienting the skills and mindset of employees who are biased toward traditional leasing business
<p>Opportunities</p> <ul style="list-style-type: none"> Strong potential for growth due to factors including the expansion of the middle class in emerging Asian countries Expanded investment scale in Greater China, including an increase in IPOs in Hong Kong 	<p>Risks</p> <ul style="list-style-type: none"> Relatively high interest rates and exchange rate volatility Political uncertainty in individual countries

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.

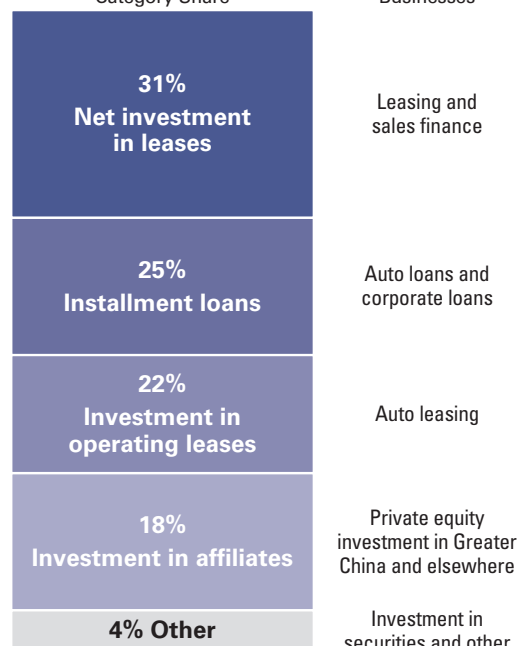
Strategies for Growth

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.

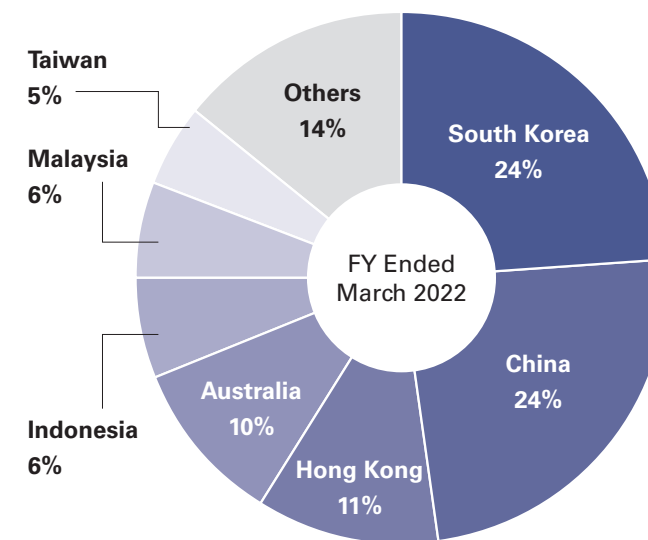
Asset Breakdown in Asia and Australia

(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.

Eleven-Year Summary of Consolidated Financial Data

Years ended March 31, 2012 through 2022

(Millions of yen)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Financial Position:											
Net Investment in Leases	¥ 900,886	¥ 989,380	¥1,094,073	¥ 1,216,454	¥ 1,190,136	¥ 1,204,024	¥ 1,194,888	¥ 1,155,632	¥ 1,080,964	¥ 1,029,518	¥ 1,057,973
Installment Loans	2,769,898	2,691,171	2,315,555	2,478,054	2,592,233	2,815,706	2,823,769	3,277,670	3,740,486	3,670,784	3,862,604
Investment in Operating Leases	1,309,998	1,395,533	1,379,741	1,296,220	1,349,199	1,313,164	1,344,926	1,335,959	1,400,001	1,408,189	1,463,202
Investment in Securities	1,147,390	1,093,668	1,214,452	2,846,257	2,344,792	2,026,512	1,729,455	1,928,916	2,245,323	2,660,443	2,852,349
Property under Facility Operations	194,576	218,697	295,863	278,100	327,016	398,936	434,786	441,632	562,485	491,855	561,846
Total Assets	8,332,830	8,435,193	9,063,517	11,439,874	10,992,918	11,231,895	11,425,982	12,174,917	13,067,528	13,563,082	14,270,672
Short-term Debt, Long-term Debt and Deposits	5,828,967	5,556,330	5,363,968	5,701,356	5,685,014	5,753,059	5,890,720	6,423,512	6,847,889	7,041,887	7,142,843
Long- and Short-term Debt	4,725,453	4,477,743	4,157,555	4,413,976	4,286,542	4,138,451	4,133,258	4,495,771	4,616,186	4,724,102	4,866,685
Debt/Equity Ratio											
Short-term Debt, Long-term Debt and Deposits/ Shareholders' Equity (Times)	4.2	3.4	2.8	2.7	2.5	2.3	2.2	2.2	2.3	2.3	2.2
Short-term Debt and Long-term Debt/ Shareholders' Equity (Times)	3.4	2.7	2.2	2.1	1.9	1.7	1.5	1.6	1.5	1.6	1.5
Share of Long-term Debt (%)	90	91	93	94	92	93	93	93	93	93	91
ORIX Corporation Shareholders' Equity	1,380,736	1,643,596	1,919,346	2,152,198	2,310,431	2,507,698	2,682,424	2,897,074	2,993,608	3,028,456	3,261,419
Shareholders' Equity Ratio (%)	16.6	19.5	21.2	18.8	21.0	22.3	23.5	23.8	22.9	22.3	22.9
Revenues and Expenses:											
Total Revenues	¥ 963,721	¥1,052,477	¥1,375,292	¥ 2,174,283	¥ 2,369,202	¥ 2,678,659	¥ 2,862,771	¥ 2,434,864	¥ 2,280,329	¥ 2,292,708	¥ 2,520,365
Total Expenses	841,506	901,624	1,172,244	1,917,454	2,081,461	2,349,435	2,526,576	2,105,426	2,010,648	2,033,894	2,218,282
Provision for Doubtful Receivables and Probable Loan Losses	19,186	10,016	13,838	11,631	11,717	22,667	17,265	22,525	24,425	—	—
Provision for Credit Losses	—	—	—	—	—	—	—	—	—	16,021	3,939
Income before Income Taxes and Discontinued Operations	127,515	172,572	286,339	344,017	391,302	424,965	435,501	395,730	412,561	287,561	504,876
Net Income Attributable to ORIX Corporation Shareholders	83,509	111,909	187,364	234,948	260,169	273,239	313,135	323,745	302,700	192,384	312,135
ROA (%)	0.99	1.33	2.14	2.29	2.32	2.46	2.76	2.74	2.40	1.44	2.24
ROE (%)	6.2	7.4	10.5	11.5	11.7	11.3	12.1	11.6	10.3	6.4	9.9
Per Share Data (Yen):											
Net Income Attributable to ORIX Corporation Shareholders:											
Basic Earnings per Share	¥ 77.68	¥ 102.87	¥ 147.75	¥ 179.47	¥ 198.73	¥ 208.88	¥ 244.40	¥ 252.92	¥ 237.38	¥ 155.54	¥ 259.37
Diluted Earnings per Share	65.03	87.37	143.20	179.21	198.52	208.68	244.15	252.70	237.17	155.39	259.07
ORIX Corporation Shareholders' Equity per Share	1,284.15	1,345.63	1,465.77	1,644.60	1,764.34	1,925.17	2,095.64	2,263.41	2,386.35	2,487.77	2,732.88
Cash Dividends	9.00	13.00	23.00	36.00	45.75	52.25	66.00	76.00	76.00	78.00	85.60
Segment:											
Segment Profits	¥ 156,201	¥ 195,366	¥ 310,320	¥ 328,556	¥ 391,874	¥ 429,038	¥ 446,628	¥ 413,115	¥ 429,619	¥ 311,279	¥ 531,361
Segment Assets	6,970,998	7,031,316	7,491,827	9,458,077	9,237,950	9,190,667	9,087,803	9,986,916	10,883,545	11,341,789	11,999,584
Return on Segment Assets (ROA) (%)	1.17	1.60	2.58	2.77	2.78	2.97	3.42	3.39	2.90	1.73	2.67
Number of Employees	17,488	19,043	25,977	31,035	33,333	34,835	31,890	32,411	31,233	33,153	32,235

Notes: 1. Cash dividends represent the amount of dividend per share for the corresponding fiscal year.

2. Balance sheet data and income statement data have been changed beginning in the fiscal year ended March 2015. The amounts in the previous years have been retrospectively reclassified to reflect this change.

3. During the fiscal year ended March 2015, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified to reflect this change.

4. From the fiscal year ended March 2017, FASB Accounting Standards Update No. 2015-03 (Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs) has been applied retroactively to consolidated financial statements for prior fiscal years.

5. From the fiscal year ended March 2019, consolidated VIEs for securitizing financial assets such as direct financing lease receivables and loan receivables are included in segment revenues, segment profits and segment assets. The amounts in the previous years have been retrospectively reclassified to reflect this change.

6. From the fiscal year ended March 2020, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

7. From the fiscal year ended March 2020, FASB Accounting Standards Update No. 2018-20 (Leases (Topic 842): Narrow-Scope Improvements for Lessors) has been applied, and the method of presentation on the statement of income has changed for certain expenses, including taxes on lessors' direct financing leases and operating leases.

8. From the fiscal year ended March 2021, the classification of business segments has been reorganized. Segment profits and segment assets for previous years have been retrospectively reclassified to reflect this change.

9. From the fiscal year ended March 2021, the methods of allocating expenses to business divisions and calculating segment profits have changed. Segment profits for previous years have been retrospectively reclassified to reflect this change.

10. From the fiscal year ended March 2021, Accounting Standards Update No. 2016-13 (Measurement of Credit Losses on Financial Instruments—ASC 326 (Financial Instruments—Credit Losses)) has been applied, and provision for doubtful receivables and probable loan losses has been reclassified to provision for credit losses.

11. From the fiscal year ended March 2022, the method of allocating interest expense and selling, general and administrative expenses among segments has changed. Segment profits for previous years have been retrospectively reclassified to reflect this change.

12. From the fiscal year ended March 2022, a portion of the leasing business in the Environment and Energy segment was transferred to the Corporate Financial Services and Maintenance Leasing segment. Segment profits and segment assets for previous years have been retrospectively reclassified to reflect this change.

13. From the fiscal year ending March 2023, the method of allocating interest expenses and selling, general and administrative expenses to segments has been changed. Segment profits for the previous fiscal year have been retrospectively reclassified to reflect this change.

Consolidated Balance Sheets

As of March 31, 2020, 2021 and 2022

(Millions of yen)

	2020	2021	2022
ASSETS			
Cash and Cash Equivalents	¥ 982,666	¥ 951,242	¥ 954,827
Restricted Cash	152,618	128,333	136,985
Net Investment in Leases	1,080,964	1,029,518	1,057,973
Installment Loans	3,740,486	3,670,784	3,862,604
	The amounts of ¥90,893 million as of March 31, 2020, ¥63,272 million as of March 31, 2021 and ¥151,601 million as of March 31, 2022 are measured at fair value by electing the fair value option under FASB ASC 825.		
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(56,836)	—	—
Allowance for Credit Losses	—	(78,945)	(69,459)
Investment in Operating Leases	1,400,001	1,408,189	1,463,202
Investment in Securities	2,245,323	2,660,443	2,852,349
	The amounts of ¥25,295 million as of March 31, 2020, ¥9,384 million as of March 31, 2021 and ¥19,353 million as of March 31, 2022 are measured at fair value by electing the fair value option under FASB ASC 825.		
Property under Facility Operations	562,485	491,855	561,846
Investment in Affiliates	821,662	887,764	978,033
Trade Notes, Accounts and Other Receivable	312,744	354,334	359,949
Inventories	126,013	142,156	139,563
Office Facilities	203,930	246,399	240,421
Other Assets	1,495,472	1,671,010	1,732,379
	The amounts of ¥18,206 million as of March 31, 2020, ¥6,297 million as of March 31, 2021 and ¥5,214 million as of March 31, 2022 are measured at fair value by electing the fair value option under FASB ASC 825.		
Total Assets	¥13,067,528	¥13,563,082	¥14,270,672

- Notes: 1. From the fiscal year ended March 2020, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.
2. From the fiscal year ended March 2021, Accounting Standards Update No. 2016-13 (Measurement of Credit Losses on Financial Instruments—ASC 326 (Financial Instruments—Credit Losses)) has been applied, and allowance for doubtful receivables on direct financing leases and probable loan losses has been reclassified to allowance for credit losses.
3. From the fiscal year ended March 2021, allowance for credit losses on loans to affiliates is included in investment in affiliates.

(Millions of yen)

	2020	2021	2022
LIABILITIES			
Short-term Debt	¥ 336,832	¥ 307,269	¥ 439,639
Deposits	2,231,703	2,317,785	2,276,158
Trade Notes, Accounts and Other Payable	282,727	260,712	291,422
Policy Liabilities and Policy Account Balances	1,591,475	1,822,422	1,963,623
	The amounts of ¥300,739 million as of March 31, 2020, ¥266,422 million as of March 31, 2021, and ¥198,905 million as of March 31, 2022 are measured at fair value by electing the fair value option under FASB ASC 825.		
Income Taxes:			
Current	28,203	22,170	115,340
Deferred	328,147	341,290	345,841
Long-term Debt	4,279,354	4,416,833	4,427,046
Other Liabilities	912,921	971,457	1,040,202
Total Liabilities	9,991,362	10,459,938	10,899,271
Redeemable Noncontrolling Interests	10,331	—	—
Commitments and Contingent Liabilities			
EQUITY			
Common Stock:	221,111	221,111	221,111
Authorized			
Issued			
March 31, 2020	2,590,000,000 shares		
March 31, 2021	1,324,629,128 shares		
March 31, 2022	1,285,724,480 shares		
March 31, 2022	1,258,277,087 shares		
Additional Paid-in Capital	257,638	259,361	260,479
Retained Earnings	2,754,461	2,744,588	2,909,317
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains on investment in securities	(5,001)	(16,208)	(72,892)
Debt valuation adjustments	1,457	558	221
Defined benefit pension plans	(26,375)	(21,073)	(8,072)
Foreign currency translation adjustments	(72,471)	(36,456)	61,914
Net unrealized losses on derivative instruments	(16,142)	(11,471)	2,788
Sub-Total	(118,532)	(84,650)	(16,041)
Treasury Stock, at Cost:	(121,070)	(111,954)	(113,447)
March 31, 2020	70,157,472 shares		
March 31, 2021	68,386,164 shares		
March 31, 2022	64,877,309 shares		
ORIX Corporation Shareholders' Equity	2,993,608	3,028,456	3,261,419
Noncontrolling Interests	72,227	74,688	109,982
Total Equity	3,065,835	3,103,144	3,371,401
Total Liabilities and Equity	¥13,067,528	¥13,563,082	¥14,270,672

4. The Company's shares held through the Board Incentive Plan Trust (1,476,828 shares as of March 31, 2020, 2,154,248 shares as of March 31, 2021 and 1,963,282 shares as of March 31, 2022) are included in the number of treasury shares as of March 31, 2020, 2021 and 2022, respectively.

Consolidated Statements of Income

For the years ended March 31, 2020, 2021 and 2022

(Millions of yen)

	2020	2021	2022
Revenues:			
Finance revenues	¥ 276,864	¥ 271,194	¥ 279,589
Gains on investment securities and dividends	22,499	46,097	56,510
Operating leases	430,665	397,065	450,454
Life insurance premiums and related investment income	367,778	487,550	481,810
Sales of goods and real estate	406,511	410,953	435,398
Services income	776,012	679,849	816,604
Total revenues	2,280,329	2,292,708	2,520,365
Expenses:			
Interest expense	99,138	78,068	68,232
Costs of operating leases	289,604	295,628	322,070
Life insurance costs	269,425	374,348	368,140
Costs of goods and real estate sold	354,006	347,721	381,119
Services expense	483,914	439,233	495,110
Other (income) and expense	14,925	17,125	20,494
Selling, general and administrative expenses	460,199	456,795	522,782
Provision for doubtful receivables and probable loan losses	24,425	—	—
Provision for credit losses	—	16,021	3,939
Write-downs of long-lived assets	3,043	3,020	35,666
Write-downs of securities	11,969	5,935	730
Total expenses	2,010,648	2,033,894	2,218,282
Operating Income	269,681	258,814	302,083
Equity in Net Income of Affiliates	67,924	481	15,006
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	74,001	23,300	187,787
Bargain Purchase Gain	955	4,966	—
Income before Income Taxes	412,561	287,561	504,876
Provision for Income Taxes	105,837	90,747	187,264
Net Income	306,724	196,814	317,612
Net Income Attributable to the Noncontrolling Interests	3,640	4,453	5,477
Net Income Attributable to the Redeemable Noncontrolling Interests	384	(23)	—
Net Income Attributable to ORIX Corporation Shareholders	¥ 302,700	¥ 192,384	¥ 312,135

- Notes: 1. From the fiscal year ended March 2020, FASB Accounting Standards Update No. 2018-20 (Leases (Topic 842): Narrow-Scope Improvements for Lessors) has been applied, and the method of presentation on the statement of income has changed for certain expenses, including taxes on lessors' direct financing leases and operating leases.
2. From the fiscal year ended March 2021, Accounting Standards Update No. 2016-13 (Measurement of Credit Losses on Financial Instruments—ASC 326 (Financial Instruments—Credit Losses)) has been applied, and provision for doubtful receivables and probable loan losses has been reclassified to provision for credit losses.
3. From the fiscal year ended March 2021, provision for credit losses on loans to affiliates is included in equity in net income of affiliates.

Consolidated Statements of Comprehensive Income

For the years ended March 31, 2020, 2021 and 2022

(Millions of yen)

	2020	2021	2022
Net Income	¥306,724	¥196,814	¥317,612
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	(22,456)	(11,182)	(56,684)
Net change of debt valuation adjustments	875	(899)	(337)
Net change of defined benefit pension plans	1,529	5,330	13,002
Net change of foreign currency translation adjustments	(31,664)	36,246	105,693
Net change of unrealized gains (losses) on derivative instruments	(8,556)	4,782	15,070
Total other comprehensive income (loss)	(60,272)	34,277	76,744
Comprehensive Income	246,452	231,091	394,356
Comprehensive Income Attributable to the Noncontrolling Interests	756	5,128	12,137
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	187	(303)	—
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥245,509	¥226,266	¥382,219

Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2022)

(Millions of yen)

	Corporate Financial Services and Maintenance Leasing		Real Estate		PE Investment and Concession		Environment and Energy		Insurance	
Main Components of Segment Assets		1,516,795		910,101		353,581		703,608		2,072,145
Net Investment in Leases	Corporate leasing, sales finance, and auto leasing	580,161	Real estate leasing	62,498	—	1,689	Leasing of energy-saving equipment	7,910	—	—
Installment Loans	Corporate loans, loans purchased under loan servicing unit	325,482	—	—	—	—	—	711	—	17,983
Investment in Operating Leases	Leasing and rental of auto and precision measuring equipment	517,233	Real estate rental	300,460	Investees' operating assets	43,686	—	279	Operating assets (rental properties)	28,296
Investment in Securities	Investment in listed shares	34,987	Investment in funds	4,289	Investment in listed shares and in funds	12,129	—	961	Management of corporate and government bonds and other assets	2,021,134
Property under Facility Operations and Servicing Assets	Solar power facilities (JV with Kyudenko Corporation)	17,199	Facility operation	155,750	Investees' operating assets	40,725	Environment and energy-related facilities and equipment	330,598	—	—
Inventories	—	594	Condominiums	97,667	Investees' operating assets	39,554	—	356	—	—
Advances for Finance Leases and Operating Leases	—	1,800	Rental properties under development	112,309	—	—	—	6	—	—
Investment in Affiliates	Investment in joint ventures including new businesses	16,929	Joint development of rental properties	113,178	Investment in concession business and PE investment	43,498	Investment in power business abroad	204,260	—	—
Advances for Property under Facility Operations	—	—	Operating facilities under development	6,857	—	1,323	Environment and energy-related facilities and equipment under development	57,520	—	—
Goodwill, Intangible Assets Acquired in Business Combinations	—	22,410	—	57,093	—	170,977	—	101,007	—	4,732
Main Components of Segment Revenues		445,338		390,688		385,739		160,232		486,704
Finance Revenues	Interest revenues from loans, revenues from corporate leasing and sales finance, and auto leasing revenues	57,580	Revenues from real estate leasing	5,602	—	237	Leasing revenues from energy-saving equipment	1,001	—	265
Gains on Investment Securities and Dividends	Gains on listed shares	4,417	—	4,111	Gains on sales of investees, equity income/dividends from investees and funds	2,555	—	—	—	—
Operating Leases	Auto and precision measuring equipment leasing, rental revenues, and gains on sales from used cars	254,956	Rental revenues from rental properties and gains on sales of rental properties	48,091	—	33,870	—	68	—	—
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	Life insurance premiums and investment income	484,377
Sales of Goods and Real Estate	Revenues from sales of software of Yayoi and used rental equipment	9,741	Gains on sales of condominiums	97,138	Revenues from sales of goods by investees	320,104	—	3,860	—	—
Services Income	Various fees and revenues from vehicle maintenance services	118,644	Revenues from facility operation and asset management fees	235,746	Revenues from services provided by investees	28,973	Revenues from Environment and Energy businesses and gains on sales	155,303	—	2,062

Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2022)

(Millions of yen)

	Banking and Credit		Aircraft and Ships		ORIX USA		ORIX Europe		Asia and Australia		Total
Main Components of Segment Assets		2,687,156		684,098		1,364,142		401,869		1,306,089	11,999,584
Net Investment in Leases	—	—	—	—	—	475	—	—	Leasing and sales finance	405,043	1,057,776
Installment Loans	Real estate investment loans and card loans	2,397,532	Ship loans purchased	81,695	Corporate loans	717,183	—	—	Corporate loans	321,994	3,862,580
Investment in Operating Leases	—	—	Aircraft and ship leasing	271,910	—	4,653	—	—	Auto leasing	286,214	1,452,731
Investment in Securities	Management of corporate and government bonds and other assets	277,786	—	—	Investment in municipal bonds, CMBS and funds	367,190	Seed capital	82,770	Investment in funds	48,052	2,849,298
Property under Facility Operations and Servicing Assets	—	—	—	—	Mortgage servicing rights	79,000	—	—	—	1,084	624,356
Inventories	—	—	—	113	—	685	—	—	—	483	139,452
Advances for Finance Leases and Operating Leases	—	—	—	—	—	945	—	—	—	3,919	118,979
Investment in Affiliates Investment	—	67	Investment in Avolon	320,058	PE investment	45,337	—	2,221	PE investment	232,471	978,019
Advances for Property under Facility Operations	—	—	—	—	—	—	—	—	—	—	65,700
Goodwill, Intangible Assets Acquired in Business Combinations	—	11,771	—	10,322	—	148,674	—	316,878	—	6,829	850,693
Main Components of Segment Revenues		84,821		38,639		161,344		221,112		148,055	2,522,672
Finance Revenues	Interest revenues from real estate investment loans and card loans	76,190	—	2,580	Interest revenues from loans and CMBS	90,708	—	56	Leasing and sales finance revenues and interest revenues	47,166	281,385
Gains on Investment Securities and Dividends	—	2,204	—	—	Gains on sales of investees, equity income from PE funds, and gains on sales of municipal bonds	37,802	Equity income from seed capital	1,849	Equity income from PE funds	3,673	56,611
Operating Leases	—	—	Lease income and gains on sales of aircraft and ships	28,620	—	800	—	—	Auto leasing revenues and gains on sales of used cars	82,004	448,409
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	—	—	484,377
Sales of Goods and Real Estate	—	—	—	—	—	2,335	—	—	—	577	433,755
Services Income	—	6,427	Investment arrangement fees, asset management income	7,439	Asset management fee revenues	29,699	Asset management fee revenues	219,207	Revenues from auto maintenance service	14,635	818,135

Group Companies (As of March 31, 2022)

Company Name	Principal Business	Established (Acquired)	ORIX Group Controlling Share
Corporate Financial Services and Maintenance Leasing¹			
ORIX Auto Corporation	Automobile Leasing, Rental, Car Sharing, Sales of Used Automobiles	Jun. 1973	100%
ORIX Rentec Corporation	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Sep. 1976	100%
ORIX Asset Management & Loan Services Corporation	Loan Servicing	Apr. 1999	100%
NS Lease Co., Ltd.	Leasing, Lending, Other Financial Services	(Jul. 2002)	100%
ORIX Tokushima Corporation	Leasing, Other Financial Services	(Oct. 2005)	95%
ORIX Loan Business Center Corporation	Personal Loan Related Asset Management, Customer Relations	May 2009	99%
Tsukuba Lease Corporation	Leasing	(Jun. 2010)	95%
Kyuko-Lease Inc.	Leasing, Other Financial Services	(Jan. 2012)	85%
FREEILL CORPORATION	Medical Equipment Rental	(May 2013)	100%
ORIX Agriculture Corporation	Production of Vegetables at Plant Factory and Their Sales	Feb. 2014	100%
ORIX Food Supply Corporation	Purchase and Sales of Fruits and Vegetables	Jul. 2016	100%
Yodogawa Transformer Co., Ltd.	Manufacturing, Rental, Sales, and Purchasing of Power Receiving, Transforming, and Generating Facilities and Equipment, Various Types of Transformers, Cubicles, etc.	(Jan. 2018)	100%
Real Estate			
ORIX Interior Corporation	Real Estate Rental, Parking Lot Business	(Jan. 1987)	100%
ORIX Hotel Management Corporation	Onsen Hotel, Hotel, and Training Accommodation Facility Operation	Jan. 1997	100%
ORIX Real Estate Corporation	Real Estate Investment, Development, Rental, Facilities Operation and Management	Mar. 1999	100%
ORIX Asset Management Corporation	Asset Management of J-REIT	Sep. 2000	100%
Chofu Driving School Corporation	Driving School	(Dec. 2005)	100%
ORIX Real Estate Investment Advisors Corporation	Real Estate Investment and Advisory Services	Sep. 2007	100%
ORIX Aquarium Corporation	Aquarium Operation	Apr. 2011	100%
DAIKYO INCORPORATED	Housing Development and Sales, Redevelopment	(Jan. 2019)	100%
ANABUKI CONSTRUCTION INCORPORATED	Housing Development and Sales, Construction Services	(Jan. 2019)	100%
DAIKYO ASTAGE INCORPORATED	Condominium Management, Repair and Maintenance, Resident Services	(Jan. 2019)	100%
ANABUKI COMMUNITY INCORPORATED	Condominium Management, Repair and Maintenance, Resident Services	(Jan. 2019)	100%
DAIKYO ANABUKI CONSTRUCTION INCORPORATED	Condominium Repair and Maintenance, Construction Services, Building Diagnostics, Aseismic Reinforcing Work	(Jan. 2019)	100%
DAIKYO ANABUKI REAL ESTATE INCORPORATED	Real Estate Buying, Selling, Brokerage, Leasing, Management	(Jan. 2019)	100%
ORIX Facilities Corporation	General Building, Rental Condominium, and Other Facilities Management, Real Estate Brokerage, Construction Services	(Jan. 2019)	100%

Company Name	Principal Business	Established (Acquired)	ORIX Group Controlling Share
PE Investment and Concession			
ORIX Capital Corporation ²	Venture Capital	Oct. 1983	100%
Environment and Energy			
ORIX Eco Services Corporation	Trading of Recycled Metals and Other Resources, Collection and Transportation of Industrial Waste, and Intermediate Waste Processing	Apr. 1998	100%
ORIX Environmental Resources Management Corporation	Waste Recycling	Sep. 2002	100%
Ubiteq, INC.	Development and Manufacturing of Electronic Equipment and In-Vehicle Devices, Development and Operation of Systems, IoT Business	(Jul. 2010)	57%
ONE Energy Corporation	Sales, Leasing and Rental of Solar Panels and Electricity Storage Systems	Mar. 2013	70%
Zeeklite Co., Ltd.	Waste Landfill, Mining and Sales of Zeolite	(Feb. 2017)	100%
ORIX Renewable Energy Management Corporation	Operation, Management, and Maintenance of Power Plants That Use Renewable Energy Sources	Jun. 2018	100%
Insurance			
ORIX Life Insurance Corporation	Life Insurance	Apr. 1991	100%
ORIX Insurance Consulting Corporation	Insurance Agency Services	Oct. 2012	100%
Life Assist Co., Ltd.	Insurance Agency Services	(Feb. 2020)	80%
Banking and Credit			
ORIX Credit Corporation	Consumer Finance Services	Jun. 1979	100%
ORIX Bank Corporation	Banking	(Apr. 1998)	100%
Aircraft and Ships			
ORIX Maritime Corporation	Ship Related Business	Nov. 1977	100%
ORIX Headquarter Functions (Not included in Segment Financial Information)			
ORIX Insurance Services Corporation	Insurance Agency Services	Sep. 1976	100%
ORIX Computer Systems Corporation	Software Engineering and Systems Management	Mar. 1984	100%
ORIX Baseball Club Co., Ltd.	Professional Baseball Team Management	(Oct. 1988)	100%
Osaka City Dome Co., Ltd.	Multipurpose Hall Operation and Management, Sport and Other Event Planning, Production, and Operation	(Jan. 1992)	90%
ORIX Business Center Okinawa Corporation	Business Center, Contact Center	Nov. 1999	100%
ORIX Business Support Corporation	Business Support Services	Apr. 2007	100%

Notes: 1. ORIX Yatsugatake Farm Co., Ltd. was removed in April 2022.

2. Transferred to Corporate Financial Services and Maintenance Leasing in April 2022.

• Please visit our website for details on ORIX Group companies.

Our Group ▶▶▶ <https://www.orix.co.jp/grp/en/about/overview/group/>

Group Companies (As of March 31, 2022)

Company Name	Country (Region) ¹	Principal Business	Established (Acquired)	ORIX Group Controlling Share
Overseas Businesses				
ORIX Corporation USA	USA	Financial Services	Aug. 1981	100%
Boston Partners Global Investors, Inc.	USA	Asset Management	(Jul. 2013)	100%
Harbor Capital Advisors, Inc.	USA	Asset Management	(Jul. 2013)	100%
ORIX Real Estate Capital Holdings, LLC (d/b/a Lument) ²	USA	Mortgage Banking and Loan Servicing	Sep. 2013	100%
Boston Financial Investment Management, L.P.	USA	Low Income Housing Tax Credit Syndicator	(Jul. 2016)	100%
NXT Capital Group, LLC	USA	Loan Origination, Asset Management	(Aug. 2018)	100%
RB Capital S.A.	Brazil	Real Estate Securitization, Asset Management, Real Estate Development and Investment	(Dec. 2016)	65%
ORIX Asia Limited	Hong Kong	Leasing, Automobile Leasing, Lending, Banking	Sep. 1971	100%
ORIX Asia Capital Limited	Hong Kong	Equity Investment, Fund Operation and Management, Lending	Jul. 1973	100%
ORIX Finance Services Hong Kong Limited	Hong Kong	Lending, Housing Loan, Leasing	(May 2022)	100%
ORIX Taiwan Corporation	Taiwan	Leasing, Sales Finance, Insurance Agency Services	(Feb. 1991)	100%
ORIX Auto Leasing Taiwan Corporation	Taiwan	Automobile Leasing	Apr. 1998	100%
ORIX Taiwan Asset Management Company	Taiwan	NPL Investment, Loan Servicing	Nov. 2004	100%
ORIX Capital Korea Corporation	South Korea	Automobile Leasing, Leasing, Lending	Feb. 2004	100%
ORIX Private Equity Korea Corporation	South Korea	Fund Operation and Management	Mar. 2010	100%
ORIX China Corporation	China	Leasing, Rental	Aug. 2005	50%
ORIX (China) Investment Co., Ltd.	China	Leasing, Equity Investment, Other Financial Services	Dec. 2009	100%
ORIX China Industrial Holdings Limited	China	Leasing, Equity Investment, Other Financial Services	Sep. 2021	50%
ORIX Leasing Singapore Limited	Singapore	Leasing, Sales Finance, Lending	Sep. 1972	50%
ORIX Investment and Management Private Limited	Singapore	Equity Investment, Lending	May 1981	100%

Company Name	Country (Region) ¹	Principal Business	Established (Acquired)	ORIX Group Controlling Share
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending	Sep. 1973	100%
PT. ORIX Indonesia Finance	Indonesia	Leasing, Automobile Leasing	Apr. 1975	85%
PT Sinar Mitra Sepadan Finance	Indonesia	Used Car Loans for Sole Proprietors and Individual Customers	(Nov. 2015)	85%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Automobile Leasing, Lending	Jun. 1977	40%
Thai ORIX Leasing Co., Ltd.	Thailand	Leasing, Automobile Leasing and Rentals	Jun. 1978	96%
OPL Financial Services Pakistan Limited ³	Pakistan	Machinery and Equipment Leasing, Automobile Leasing, Lending	Jul. 1986	49%
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing, Rentals, Leasing, Commercial Vehicle Loans, Commercial Mortgage Loans	Mar. 1995	99%
ORIX Australia Corporation Limited	Australia	Automobile Leasing and Truck Rentals	Jul. 1986	100%
ORIX New Zealand Limited	New Zealand	Automobile Leasing	Dec. 1988	100%
ORIX Aviation Systems Limited	Ireland	Aircraft Leasing, Aircraft Asset Management	Mar. 1991	100%
ORIX Corporation Europe N.V.	Netherlands	Headquarters for the Business in Europe	(Jul. 2013)	100%
Robeco Institutional Asset Management B.V. (RIAM)	Netherlands	Asset Management	(Jul. 2013)	100%
Transtrend B.V.	Netherlands	Asset Management	(Jul. 2013)	100%
ORIX Corporation UK Limited	UK	Equity Investment	Jan. 2018	100%
Gravis Capital Management Ltd.	UK	Fund Operation and Management	(Jan. 2021)	70%
Elawan Energy S.L.	Spain	Development and Operation of Wind and Solar Power Generation	(Jul. 2021)	80%

Notes: 1. ORIX has offices in other locations not included in the list above. In total, ORIX's business operations currently extend across 28 countries and regions worldwide.

2. Effective on Jan 1, 2019, RED Capital Group, LLC (acquired in May 2010) and Lancaster Pollard Holdings, LLC (acquired in Sep 2017) were merged to ORIX Real Estate Capital Holdings, LLC. Effective on April 1, 2020, Hunt Real Estate Capital, LLC (acquired in Jan 2020) was merged into the same company.

3. Listed company

Corporate Profile/Stock Information/Investor Memo

Corporate Profile (As of March 31, 2022)

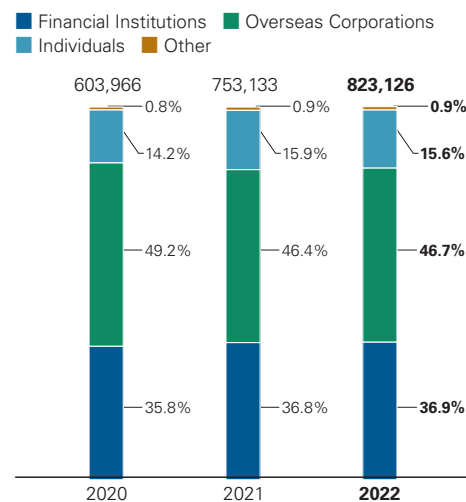
Company Name	ORIX Corporation
Established	April 17, 1964
Head Office	World Trade Center Building, South Tower, 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-5135, Japan Tel: +81-3-3435-3000
Shareholders' Equity	¥3,261,419 million
Fiscal Year-End	March 31
Consolidated Companies	1,006
Affiliates	152
Number of Employees	32,235
Global Network	2,128 locations in 28 countries and regions worldwide Japan 1,652 locations Ex-Japan 476 locations

Stock Information (As of March 31, 2022)

Number of Shares

Total Number of Shares Authorized	2,590,000,000 shares
Total Number of Shares Issued and Outstanding	1,285,277,087 shares
Number of Shareholders	823,126

Number of Shareholders/ Composition of Shareholders (%)



Note: Calculated excluding treasury shares.

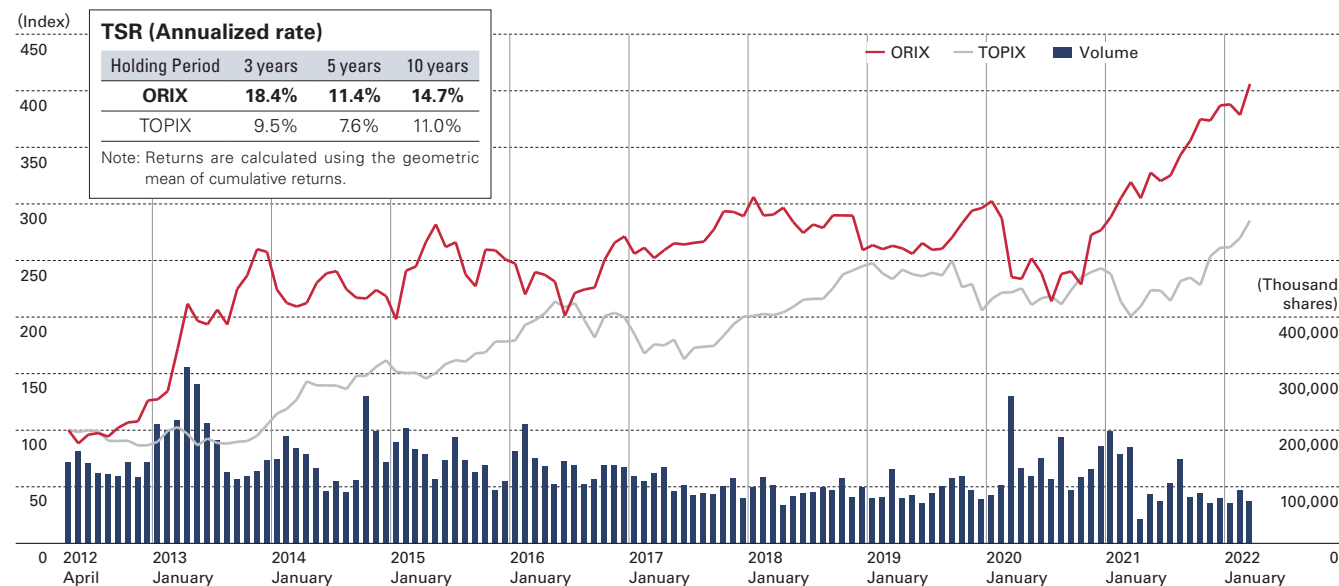
Major Shareholders

Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	225,084	18.82
Custody Bank of Japan, Ltd. (Trust Account)	79,085	6.61
SSBTC CLIENT OMNIBUS ACCOUNT	26,401	2.20
CITIBANK, N.A. -NY, AS DEPOSITARY BANK FOR DEPOSITARY SHAREHOLDERS	24,203	2.02
STATE STREET BANK WEST CLIENT-TREATY 505234	21,568	1.80
NORTHERN TRUST CO. (AVFC) SUB A/C NONTREATY	18,601	1.55
JP MORGAN CHASE BANK 385781	15,429	1.29
BNYM AS AGT/CLTS NONTREATY JASDEC	15,026	1.25
JPMorgan Securities Japan Co., Ltd.	13,895	1.16
SMBC Nikko Securities Inc.	12,955	1.08

Notes 1. Number of shares held is rounded down to the nearest thousand shares.
2. Percentages of total shares in issue are rounded down after the second decimal place.
3. Percentage of total shares in issue above is calculated after deducting treasury stock (62,914 thousand shares).

Corporate Profile/Stock Information/Investor Memo

Total Shareholder Return (TSR*)



Notes 1. On April 1, 2013, the Company conducted a 10-for-1 stock split for shareholders of record as of the close of trading on March 31, 2013. Stock prices for the year ended March 31, 2013 and earlier have been restated for convenience.

2. The above graph shows the rate of return on an investment made in April 2012, including dividends and the stock price as of March 31, 2022. The ORIX chart is an index of the investment result of the stock price plus dividends (assuming that dividends are not reinvested), with an investment amount in April 2012 as 100. The index for comparison uses data from the Tokyo Stock Price Index (TOPIX), including dividends, indexed in the same manner.

* TSR (Total Shareholder Return): Total return on investment, combining capital gains and dividends

Passive Foreign Investment Company Rules

The Company believes that it will be considered a "passive foreign investment company" for U.S. federal income tax purposes in the year to which these consolidated financial results relate and for the foreseeable future by reason of the composition of its assets and the nature of its income. A U.S. holder of the shares or ADSs of the Company is therefore subject to special rules generally intended to eliminate any benefits from the deferral of U.S. federal income tax that a holder could derive from investing in a foreign corporation that does not distribute all of its earnings on a current basis. Investors should consult their tax advisors with respect to such rules, which are summarized under "UNITED STATES TAXATION" in the Company's Form 20-F filed with the U.S. Securities and Exchange Commission.

Presentation of Financial Information

The Company's fiscal year ends on March 31. The fiscal year ended March 31, 2022 is referred to throughout this Integrated Report as "2022.3" and other fiscal years are referred to in a corresponding manner.

Forward-Looking Statements

This document 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 to 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 Form 20-F filed with the U.S. Securities and Exchange Commission and under "Business Risk" of the securities report (*yukashoken houkokusho*) filed with the Director of the Kanto Local Finance Bureau. The Company makes its annual report on Form 20-F and other reports available free of charge on or through ORIX Group's website. (<https://www.orix.co.jp/grp/en/library>).

• Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/index.html>

Investor Memo (As of August 1, 2022)

Transfer Agent for Common Shares

Mitsubishi UFJ Trust and Banking Corporation
Tel: 0120-232-711 (toll-free in Japan)

Stock Exchange Listings

Tokyo Stock Exchange, Prime Market
Securities Code: 8591
New York Stock Exchange Trading Symbol: IX

Depository and Registrar for American Depositary Receipts

Citibank, N.A., Shareholder Services
P.O. Box 43077
Providence, RI
02940-3077
USA

Tel: 1-877-248-4237 (toll-free in the U.S.)
1-816-843-4281 (outside the U.S.)

Fax: 1-201-324-3284

E-mail: citibank@shareholders-online.com

Ratio 1 ADS = 5 common shares

