

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

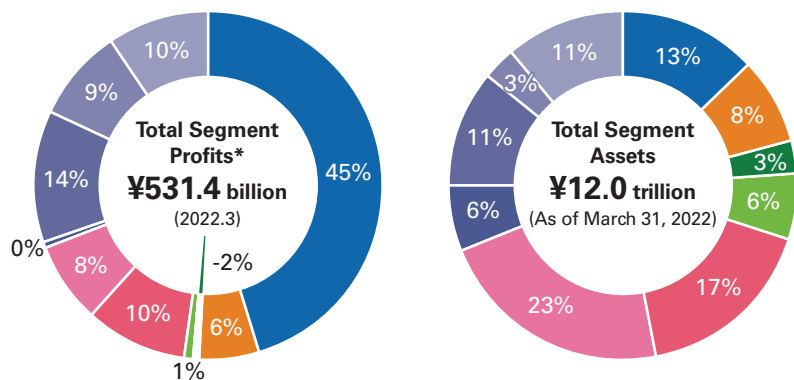
A Wide Range of Business Fields

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

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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

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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.