

# Human Capital Management That Accelerates Business Growth

## Drive Constant Innovation and Support Business Growth by Welcoming People with Varied Backgrounds and Combining Diverse Values and Skills



### Tomohiko Ishihara

Executive Officer  
Corporate Function Unit  
Responsible for  
Human Resources,  
Corporate Administration  
and Corporate  
Communications  
Responsible for  
Secretariat of the Board  
of Directors

#### Profile

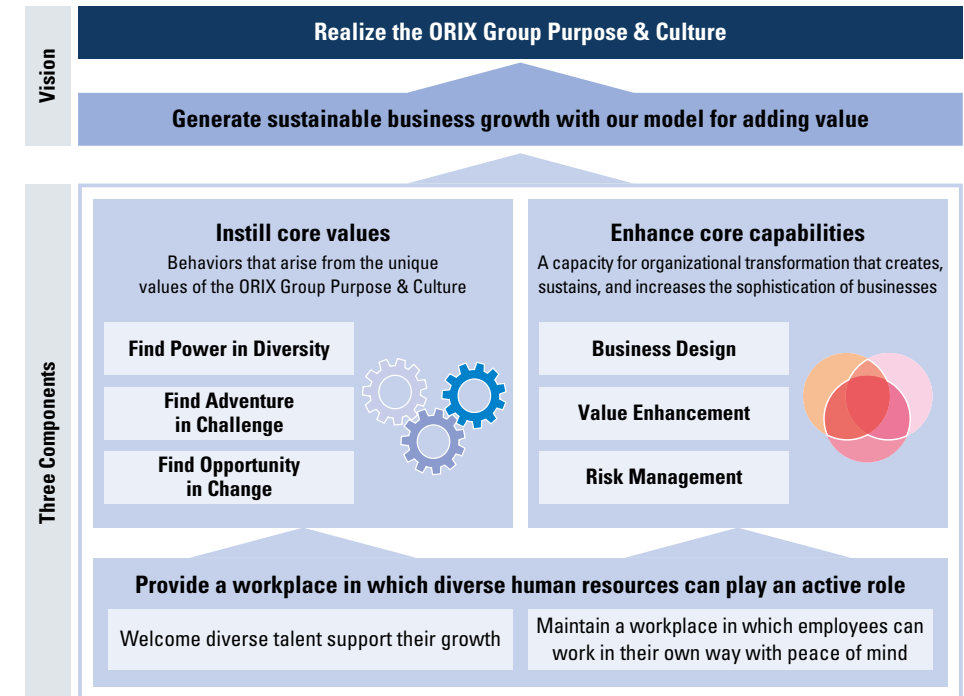
Joined ORIX Asset Management & Loan Services in May 2002, and ORIX in October 2005. Previously worked at Mitsui Trust and Banking Company (currently Sumitomo Mitsui Trust Bank). Engaged in legal affairs at ORIX Asset Management & Loan Services, and in the formation of regional revitalization funds and various business investment projects in and outside Japan at ORIX. In 2023, became Executive Officer Responsible for Human Resources, Corporate Administration and Corporate Communications in the Corporate Function Unit.

ORIX has deployed its own model for adding value to expand outward from its core financial businesses into neighboring fields, and has grown into a unique corporate group with a diversified business portfolio. We want to continue generating sustainable growth in an array of businesses, so we need to bring together diverse people with their own experience and skills and accelerate the fusion of knowledge that drives innovation.

ORIX's approach to human capital management has the three components: instilling our unique core values that underlie our actions; enhancing our core capabilities, which serve as our capacity for organizational innovation; and providing a workplace in which diverse human resources can play an active role. The objective of our approach is to create new businesses and increase the value of existing operations to generate sustainable business growth.

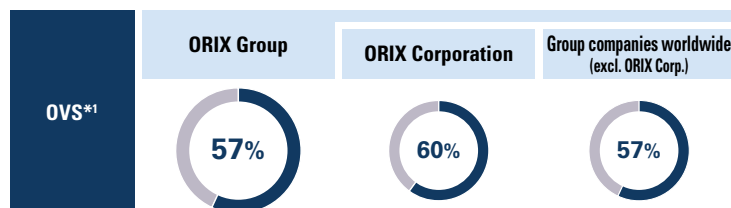
Maximizing the value of our human capital and quickly satisfying various market needs while achieving growth that befits ORIX will help us realize the ORIX Group Purpose & Culture and increase the Group's corporate value.

## The ORIX Model for Human Capital Management



### Instill core values

ORIX Value Score (OVS), which measures the degree to which the ORIX Group Purpose & Culture is reflected in behavior



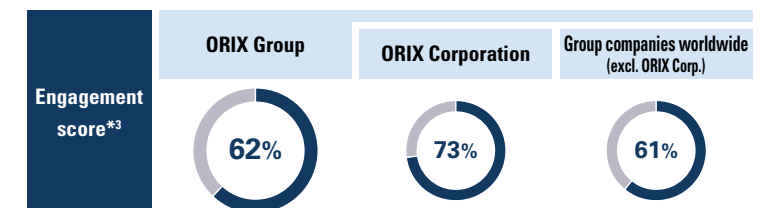
### Enhance core capabilities

Readiness of talent pool available for key roles in each business



### Provide a workplace in which diverse human resources can play an active role

Engagement score that comprehensively measures employee motivation and work environment



\*1 Abbreviation for ORIX Value Score. The percentage of employees who answered affirmatively (highest two points on a five-point scale) to the statement, "The ORIX Group Purpose & Culture is in practice in my workplace" in the annual company engagement survey. (Conducted in April 2024.)

\*2 As of June 2024

\*3 The percentage of employees who answered affirmatively (highest two points on a five-point scale) to the question in the Group's annual engagement survey, "Overall, how satisfied are you with your company at present?" (Conducted in April 2024.)



## Human Capital Management

## Core Values

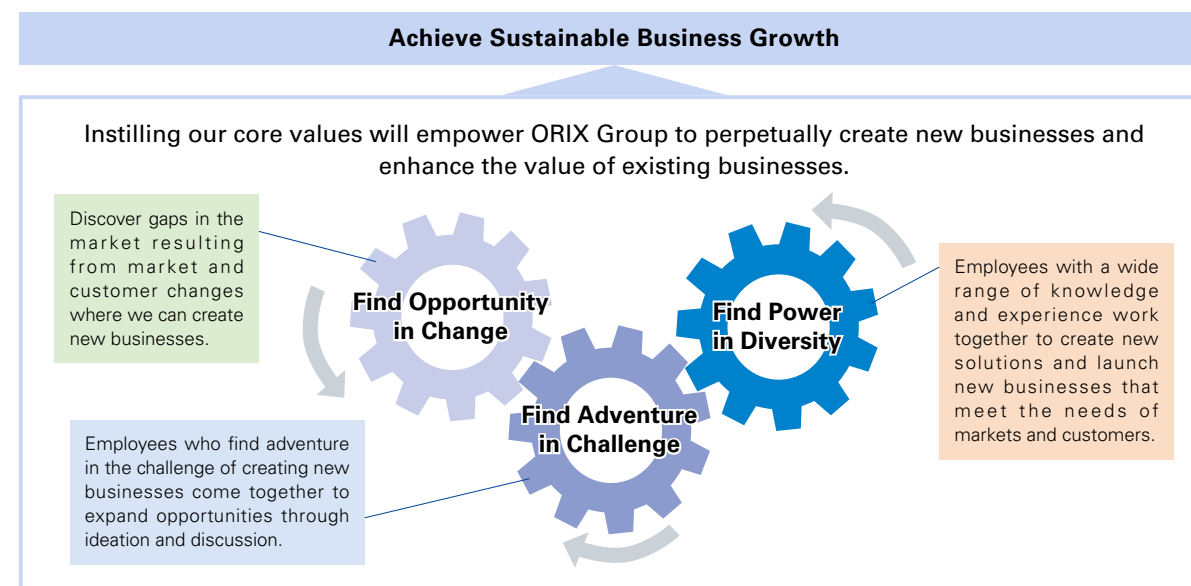
## Encouraging Behaviors That Arise from the ORIX Group Purpose &amp; Culture

We define the core values of human capital management as realizing sustainable business growth that befits ORIX with behaviors that are aligned with the three values defined in the ORIX Group Purpose & Culture. The three values represent the unique culture that has naturally evolved during ORIX Group's growth to date, and the ORIX Group Purpose Discovery Project stated them anew.

When all ORIX Group employees act in accordance with these three values, new opportunities to find adventure in the challenge of innovation will emerge throughout the Group and drive the creation of new businesses while increasing value in existing operations.

## Human Capital Management Goals for Behaviors Arising from the Three Values

Find Power in Diversity	Find Adventure in Challenge	Find Opportunity in Change
Share ideas and collaborate, explore different perspectives and transcend boundaries.	Strive for originality, and identify opportunities and risks while seeking adventure in new challenges.	Recognize trends from a big-picture perspective, act promptly on signs of change, and find opportunities to evolve.



## Taro Suemitsu

Electric Power Business  
Department, Wheeling  
Development Team Leader  
Energy and Eco Services  
Headquarters

## Profile

Joined ORIX in April 2008. Subsequently, broadly engaged in the Environment and Energy segment, including energy service company (ESCO) business proposals for major companies, overseas investments in renewable energy such as wind and hydroelectric power, and new business development. Since 2022, involved in initiatives to commercialize a large-scale power storage station business as a team leader for new business development.

## An Idea from a Failed Ambitious Challenge Led a Diverse Team to Create Japan's First Power Storage Station Business

Backing the launch of this new business was the recognition that overcoming the instability of renewable energy power generation was a requirement for realizing a decarbonized society. Discussions on this issue began to gain momentum within government and industry around 2020, and ORIX also began to consider new business opportunities Group-wide in the fall of 2020.

Our initial approach was to borrow power from the in-house generation facilities of our customers to smooth out shortfalls and reimburse the power providers with revenue from the sale of the electricity. However, we were unable to differentiate ORIX because we were not using our own assets, so we were unable to achieve the results we had expected. Given this experience, we decided that our competitive advantage lay in using the knowledge and risk management capabilities we have developed over

many years in the renewable energy business and making the most of our own assets. This led us to the idea of investing in and owning energy storage facilities that are basically huge storage batteries.

Project members from throughout the Group came together to make the concept a reality as soon as possible, and we also collaborated with partner companies. This business began operating on a commercial scale in spring 2021. The power storage station business had few precedents in Japan and was a significant challenge, which was just what the project members who came together to launch this new business wanted. They met the challenge by taking full advantage of changes in the environment, such as the rapid drop in battery prices due to the proliferation of electric vehicles and the emergence of a new supply and demand adjustment market.



## Human Capital Management: Core Values

**We are encouraging ORIX Group employees to learn about and identify with the three values articulated in the ORIX Group Purpose & Culture. We plan to implement measures that will enable each employee to naturally act in accordance with the three values.**

### Step 1 Learn about, identify with, and rediscover the three values (2024)

Understanding the mindset and behavior required for our work creates the foundation for acting in accordance with the three values. We will implement various initiatives so that all employees can learn about the three values and how they emerged, and rediscover the importance of these values in the context of their own work.

### Step 2 Personalize the three values and act in accordance with each value (from 2025)

Delineating the specific practices required and then actually implementing them naturally leads to the behavioral changes among employees that are necessary for ORIX to generate sustainable business growth. We plan to promote behavioral change by helping to clarify desired practices and by providing opportunities to actually implement them.

## Encouraging People to Learn about, Identify with, and Rediscover the Three Values

### Cascading Dialogue Sessions for All Employees Worldwide

We are implementing level-specific group dialogue sessions to ensure that all ORIX Group employees understand the relationship between the three values, achieving our purpose, and business growth. These sessions began in January 2024, and sessions\*<sup>1</sup> for levels from executive officer to general manager have already taken place. In each session, participants verbalize and share ways to implement the ORIX Group Purpose & Culture in each organization and the roles they should play. We will hold sessions for everyone from section managers down to help all Group employees know about, identify with, and rediscover the three values.

\*<sup>1</sup> A total of 543 people from 35 Group companies have participated in the dialogue sessions.

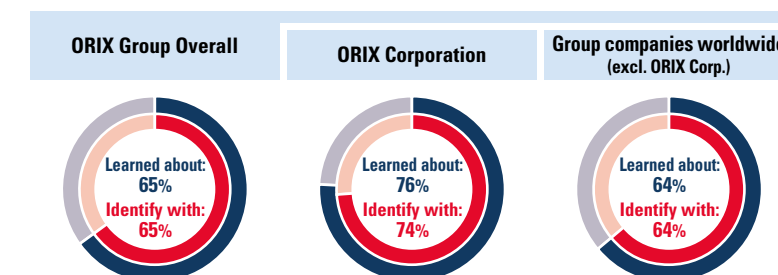
### Measuring Knowledge and Identification Using Value Surveys

A Group-wide annual survey that began in 2024 contains some questions that provide insights into values to measure the level to which we have permeated our core values, and to measure the degree to which employees learn about and identify with the ORIX

Group Purpose & Culture\*<sup>2</sup>. We are monitoring these insights as indicators linked to the ORIX Value Score.

In the fiscal year ended March 2024, the first year of the survey, ORIX Corporation outperformed Group companies in and outside Japan in learning about and identifying with the core values. However, our goal is to improve scores for the entire Group with Group-wide permeation programs.

\*<sup>2</sup> The percentage of employees who answered affirmatively (highest two points on a five-point scale) to the survey items, "I learned about the ORIX Group Purpose & Culture" and "I identify with the ORIX Group Purpose & Culture".



### Initiatives in Each Region Dialogue sessions held to promote permeation globally







## Human Capital Management

# Core Capabilities

## ORIX's Unique Organizational Transformation Capabilities Empower New Business Creation and Enhance the Value of Existing Operations

### Our Core Capabilities

ORIX's core capabilities are the unique organizational transformation capabilities that come from the expertise gained in growing a diverse business portfolio.

#### Three Core Capabilities

**Business Design**

The ability to create new businesses and services

Generating new business opportunities by anticipating emerging market and customer demands helps ORIX Group grow.

**Value Enhancement**

The ability to increase the value of businesses

Enhancing the quality of services and operations helps ORIX Group increase the value and profitability of existing businesses.

**Risk Management**

The ability to identify and assess business risks

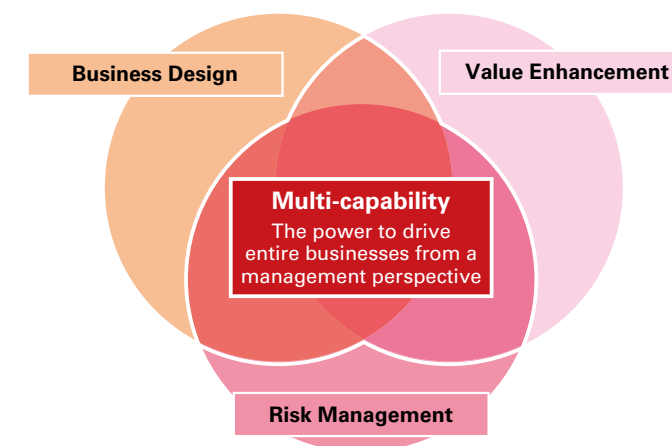
Accurately assessing business risks and returns helps ORIX Group make appropriate decisions for business growth.

### Multi-capability: Combining the Three Core Capabilities

Multi-capability is the combination of the three core capabilities to create the power to drive entire businesses from a management perspective.

Bringing together people with diverse experience and expertise enables us to quickly identify market and customer needs and objectively assess the growth potential of businesses to create new businesses and increase the value of existing operations.

Multi-capability is essential for sustainable Group growth and a source of innovation.

**Satoshi Hasegawa**

Managing Director  
Business Development and  
Investment Group I  
Investment and Operation  
Headquarters

**Profile**

Joined ORIX Corporation in April 1988. Some 20 years of experience in Corporate Financial Services in assistant manager and manager positions. Now involved in M&A project management and as a director of two investee companies improving investee value. Teaches in-house online courses for ORIX employees covering career development.

### Capabilities Gained through Dialogue with Various Executives

I define business design as the ability to bring new customers and businesses to ORIX Group and the ability to encourage relatability with ORIX Group. Value enhancement encompasses the ability to expand and diversify transactions with customers and the ability to expand business without being bound by preconceived notions. Risk management is the ability to combine a perspective that qualitatively identifies market changes with quantitative risk control driven by a financial mindset. These are capabilities that ORIX employees share and have consistently employed to generate growth by transforming market and customer changes into business opportunities.

During my time in Corporate Financial Services, I listened to numerous executives ranging from small, privately owned businesses to listed

companies discuss their challenges. I always did my best to provide unique solutions by combining the Group's diverse products and services. The challenges that managers face change as markets evolve, so I tried to identify changes in customer needs and trends to create long-term business relationships with ORIX for as many customers as possible.

PE Investment is also committed to proposing innovative growth strategies only ORIX can achieve to potential investees. After extensive discussion with management to understand the potential strengths of an investee, we share growth strategies and management issues from a long-term perspective and collaborate to improve investee value.

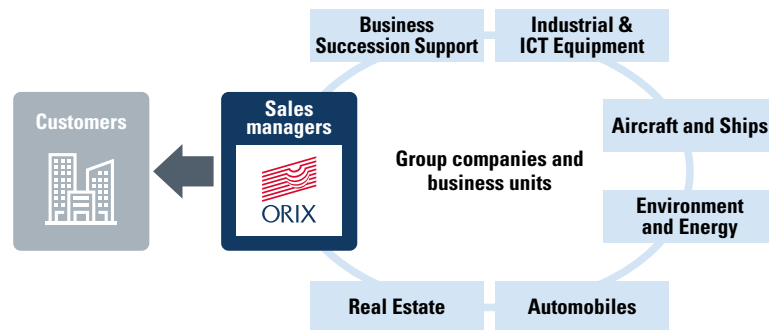


## Human Capital Management: Core Capabilities

# We are implementing a variety of Group-wide measures to simultaneously strengthen our three core capabilities and multi-capability.

### CO-WORK: A Unique Concept That Links the Expertise of Various Business Units

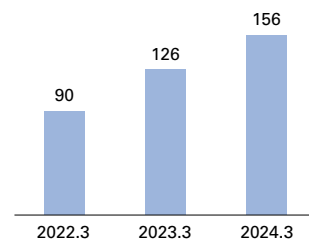
CO-WORK is a unique ORIX concept that involves diverse employees collaborating across companies, units, and departments to maximize their individual expertise and create new value. It has taken root throughout ORIX Group as a culture that allows us to provide the Group's comprehensive strengths to customers.



### Career Challenge System: Opportunities for New Challenges through Transfers

The Career Challenge System allows employees to directly transfer to their desired business unit, contingent upon mutual agreement. This system allows employees to acquire a wide range of expertise by experiencing various business operations within ORIX Group, thereby supporting employee-driven career development.

Career Challenge System Applicants



Note: Actual data from nine Group companies in Japan\*

### Orichare: A New Business Idea Competition for Collaboration with New Members to Plan New Businesses

Orichare (ORIX Challenge) is a system that enables employees to propose entrepreneurial ideas with members of their choice and directly present them to management. Members can speak with support departments, gain new insights and knowledge, and refine their new business ideas. We plan to upgrade this system to accelerate the commercialization of ideas.

#### New Business Ideas

Ideas	422
Participants	467

Note: Actual data from March 2020 to March 2024

### A Training System to Enhance Skills That Support the Growth and Value of Each Business

The three core capabilities that support growth and value enhancement in each business include expansive knowledge specific to each business, so strengthening these capabilities requires measures tailored to each business.

ORIX Group implements its own educational programs and skill certification systems that are tailored to the characteristics of each business, and each business unit plans and implements its own training in addition to the training organized by the Human Resources Department. ORIX Group strengthens its three core capabilities by enhancing the expertise of each employee, thereby creating the power to transform businesses from within.

#### Unit-specific Training Results (Total of Nine Group Companies in Japan\*)

Training sessions	576
Training time	111,374 hours

Notes: 1. Actual data from nine Group companies in Japan\*  
2. The ratio of unit-specific training hours to total training hours for the nine Group companies in Japan\* is 33%.

### Succession Management for Systematic Development of Multiple Successors Who Can Drive Businesses

Until now, ORIX has developed personnel with multi-capability by flexibly repositioning our talent pool to accommodate the expansion and growth of our business segments, thereby exposing people to a variety of work experiences.

Future initiatives will create a system that systematically produces personnel with multi-capability to enable further growth in each business unit.

We will refine the requirements needed to take on key positions, visualize the talent pool of potential successors, and share this information with the management team to develop people with Group-level multi-capability and effectively implement succession management.

At the same time, this process will enable us to select the skills and expertise that we believe will have a particularly positive impact on business growth and visualize the status of these skills and expertise Group-wide. Our objective is a more systematic and effective approach to enhancing each core capability.



\* The nine Group companies in Japan: ORIX, ORIX Auto, ORIX Rentec, ORIX Asset Management & Loan Services, ORIX Real Estate, ORIX Eco Services, ORIX Life Insurance, ORIX Bank, and ORIX Computer Systems  
Note: 2024.3 denotes the fiscal year ended March 2024.



## Human Capital Management

## Ensuring a Workplace in Which Diverse Human Resources Can Play an Active Role

## Ensuring a Workplace in Which Diverse Human Resources Can Play an Active Role

ORIX has created a series of valuable new businesses by bringing together diverse talent and engaging in ongoing discussions across organizational boundaries. Sustainable business growth requires a workplace in which diverse human resources can play an active role as the basis for instilling core values and enhancing core capabilities. We therefore accept people with diverse backgrounds and values, regardless of characteristics such as gender, nationality, or age, and are committed to maintaining a workplace in which employees can work in their own way with peace of mind.



## Welcome Diverse Talent and Support Their Growth

We believe that actively accepting people with diverse backgrounds and values in areas such as gender, nationality, age, race, and LGBTQ+ status, will support the creation of new value. Based on this belief, we are promoting various measures to accept and respect the diversity of our employees.

## Promote the Active Participation of Women

ORIX has been actively recruiting women since before Japan's Equal Opportunity Law came into effect in 1986. We provide a workplace in which employees can build their careers and participate in decision-making regardless of gender.

## ● Mentoring Program

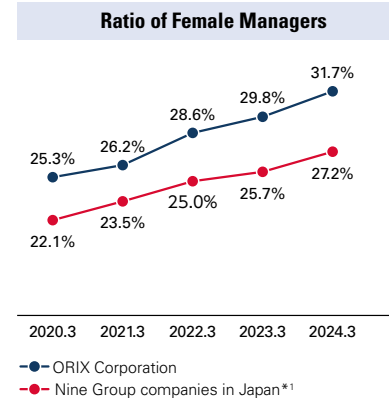
We assign experienced mentors within ORIX to newly appointed female managers and provide support through mentoring to nurture future female leaders.

## ● Inter-industry Study Group

This program is for female managers and provides opportunities for external interaction through social gatherings and group work with female executives and managers from participating companies.

## ● Pay Gap between Men and Women\*2

We compensate employees according to their roles and duties, regardless of gender, and pay is no different for men or women for the same roles and duties. The main reason for the difference in pay among employees is the significant difference in the distribution of men and women in job types.

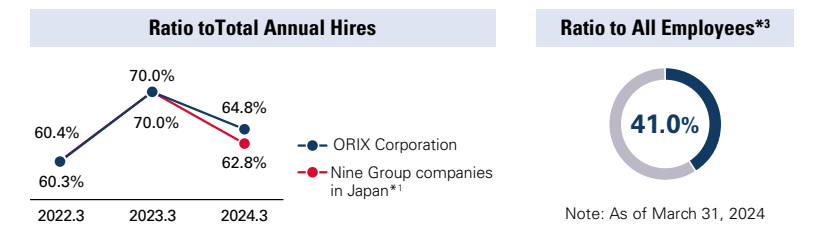


**General managers: 95.0%**  
**All employees: 62.2%**  
Note: FY ended March 2024

## Emphasis on Both Mid-career and New Graduate Hiring

Since day one, ORIX has energetically recruited people with a wide range of experience and expertise in order to acquire the new knowledge necessary to grow its businesses. In recent years, ORIX has been concentrating on recruiting people with expertise in areas such as digital transformation, information security, and business governance, in addition to its focus on the fields of environment and energy and private equity investment.

## Ratio of Mid-career Hires



## Initiatives to Hire New Graduates Outside Japan

Initiatives to grow our businesses outside Japan include hiring new graduates from major universities in China and Taiwan.



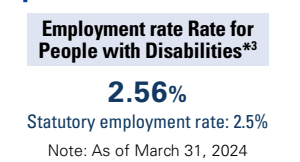
## Providing Opportunities for Older Employees

Older employees with diverse experience and expertise who continue to take on new challenges enhance the vitality of the entire organization.



## Promoting the Active Participation of People with Disabilities

ORIX Business Support Corporation helps each Group company by allocating work duties according to the characteristics of employees with disabilities so they can experience the joy and growth of working and live vibrant lives.



\*1 The nine Group companies in Japan: ORIX, ORIX Auto, ORIX Rentec, ORIX Asset Management & Loan Services, ORIX Real Estate, ORIX Eco Services, ORIX Life Insurance, ORIX Bank, and ORIX Computer Systems

\*2 Comparative ratio of the average annual wage of female employees to the average annual wage of male employee

\*3 ORIX Corporation



## Human Capital Management: Ensuring a Workplace in Which Diverse Human Resources Can Play an Active Role

### Maintain a Workplace in Which Employees Can Work in Their Own Way with Peace of Mind

We provide a wide range of support for employees to build and realize their own careers and for maintaining their physical and mental health, so that employees with different values can achieve their best while feeling physically and mentally fulfilled.

#### Initiatives to Support Employees in Realizing Their Own Careers

##### ● Support for balancing life events and career

We help both men and women balance their work and family lives with a flexible system for work before and after childbirth, and systems to support childcare and nursing care at levels that exceed statutory requirements.

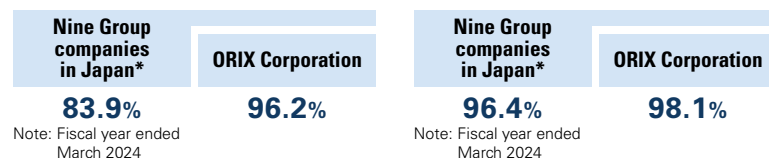
▶▶▶ [Promoting Diversity, Equity, and Inclusion](#)

##### ● Support for realizing diverse work styles

We have established flextime, hourly paid leave, and telecommuting systems and have introduced flexible seating arrangements and satellite offices to allow employees to adopt a flexible work style that suits them.

▶▶▶ [Systems to support diverse work styles](#)

#### Rate of Men Taking Childcare Leave



#### Rate of Women Returning to Work after Childcare Leave

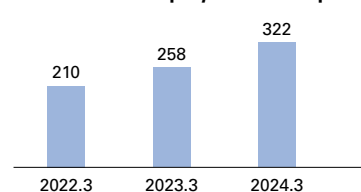


### Initiatives to Help Employees Independently Design Their Careers

##### ● Internal internship system (from 2017)

This system allows employees to deepen their understanding of various businesses by taking on the challenges of work in other units, thus providing the opportunity to increase career options.

#### Internal Internship System Participants



Note: Data from nine Group companies in Japan\*  
Note: 2024.3 denotes the fiscal year ended March 2024.

##### ● Online courses taught by employees (from the fiscal year ended March 2024)

Employees who are familiar with the operations of their respective business units teach these courses. They cover the work they do and the appeal of their jobs, and also discuss their careers to date and their personal approach to self-improvement. These courses are an opportunity to clarify required skills and self-improvement, and to map out careers.

##### ● Career development program (from the fiscal year ending March 2025)

This program supports the employee-driven career development of our employees. It helps employees map out their own career plans and enact them by providing career training by age group and role. It also offers both internal and external career consultation hotlines that give employees access to career consultants.

▶▶▶ [Human resource development and career development support](#)

### Employee Health Initiatives

We collaborate with the ORIX Group Health Insurance Association to promote health and support disease prevention and lifestyle improvements.

▶▶▶ [Employee Health and Safety](#)

Themes	Initiatives
Preventing the onset or progress of lifestyle-related diseases	Improved health guidance for high-risk individuals and young people
Providing mental health care	Stress checks, level-specific training, and e-learning Appropriate support from in-house industrial physicians and counselors, and an external hotline
Subsidizing health-related expenses	Subsidized complete medical examinations and cafeteria plans

#### Third-party Recognition & Awards



\* The nine Group companies in Japan: ORIX, ORIX Auto, ORIX Rentec, ORIX Asset Management & Loan Services, ORIX Real Estate, ORIX Eco Services, ORIX Life Insurance, ORIX Bank, and ORIX Computer Systems



#### Chieko Okamoto

Team Leader  
Osaka Sales Department II  
Corporate Business  
Headquarters

##### Profile

Joined ORIX in April 2003. Took maternity leave after sales positions in Real Estate and Leasing. Returned to work in Corporate Financial Services.

### Balancing Work and Childcare in a Gender-neutral Environment

I took two years of childcare leave when I gave birth. After returning to work, I took advantage of the inter-industry study group program and other opportunities, and increased the amount of time I spent at work and on self-improvement as my child grew. At that time, I had never even considered advancing to team leader, but a supervisor who knew me well opened up that possibility for me and supported my career development, for which I am very grateful.



#### Weiqi Hong

Aviation and Investment  
Group  
Global Transportation  
Services Headquarters

##### Profile

Joined ORIX in Taiwan as a new graduate in September 2016. Employed in the middle office in the Aviation and Investment Group.

### Making the Most of My Strengths in an Inclusive Work Environment

Training and other kinds of support have enabled me to improve my understanding of ORIX's culture and my Japanese language skills, and I feel that I can employ my language skills to contribute from a different perspective than others. I also feel that different opinions are actively accepted in meetings, regardless of position or nationality. In the future, I would like to gain additional expertise and become a bridge between ORIX and its Group companies outside Japan.





## Human Capital Management

# Case Study: How ORIX's Human Capital Management Creates Business Opportunities

## Second Founding: A New Chapter of Growth for DHC – ORIX's Commitment to Growing with Investees Engenders Unprecedented Collaboration –

### Q1: Please begin with the background and details of the investment in DHC.

**Odaka:** Healthcare is a focus for ORIX's PE Investment, which has extensive experience in business succession using M&A. DHC has strengths in health foods and supplements, which are gaining attention in the field of preventive healthcare as Japan's society ages. ORIX saw the appeal of DHC and reached out to it. ORIX was able to make the investment due to its approach of respecting DHC's independence while also providing hands-on support to improve its corporate value. Further, ORIX was able to create a growth story based on ORIX's international network. DHC was an opportunity for us to take on a new challenge with an investment on the scale of ¥300 billion, the largest in our history, by leveraging the knowledge we have gained through healthcare investments and the ability to assess risks that we gained through our experience with failure.

### Q2: What strengths has ORIX demonstrated in the project?

**Odaka:** One is the CO-WORK concept of creating new business value by fusing the knowledge and expertise of multiple businesses. One of ORIX's greatest strengths is its culture of reducing barriers between business units so everyone can work with the same enthusiasm, not just in the legal and accounting departments, but also in our businesses, such as collaboration with the Greater China Group to establish a foothold for international growth. ORIX has also demonstrated its ability to fuse diverse strengths and find adventure in challenges. ORIX has grown through its business-to-business (B2B) businesses, so project members found adventure in the challenge of deepening their understanding of a business-to-consumer (B2C) business like DHC. Members also fused their diverse knowledge to innovate and find ways to resolve complex challenges. United in our shared commitment to exploring how to grow the company, we

deepened our understanding of the business, assessed the risks we ought to take, and overall had very meaningful conversations despite this being a new field for us. All project members demonstrated initiative in taking on the adventure of a new and unfamiliar challenge.

**Murata and Sato:** In every project, the leader structures an appropriate team. Entrusting junior employees with responsibilities regardless of seniority, the leader works with team members to develop their own areas of expertise, which has given us a sense of personal growth through our work.

**Odaka:** While that is part of ORIX's culture, our No. 1 criterion for making decisions is whether or not ORIX's involvement will enhance the investee's business. We then keep risk management at the front of mind in making decisions. I think that our approach to and enthusiasm for deploying the strengths of DHC to collaboratively grow the business differentiated us from other investment funds and impressed DHC.

### Q3: What does ORIX require to leverage its strengths and succeed in future projects?

**Murata and Sato:** One key is an environment that supports independent action so ORIX can deploy the initiative of each individual. Open access to the latest information and diverse knowledge, and the unequivocal respect for the opinions of everyone on the team, enable us to fuse diverse insights and expertise to create innovative answers unique to ORIX, no matter how complex the challenge.

**Odaka:** I would say another key is maintaining an environment in which people can take on challenges. I always try to support junior members by making a point of entrusting them with specific areas to give them space to work independently and providing them with the personal connections and knowledge they need to solve problems. I want them to take on various challenges they may not think they can handle so that they can gain the experience to grow and succeed in that adventure.

#### Hiroyuki Odaka

Executive Vice President  
of DHC

Joined ORIX in April 2004.  
Currently in PE Investment  
following positions in  
Corporate Financial  
Services and corporate  
restructuring. Became  
Executive Vice President  
of DHC in 2023.



#### Hisayoshi Murata

PE Investment

Joined ORIX in April 2007.  
Currently in PE Investment  
following positions in  
Real Estate and global  
businesses. Core member  
of the DHC investment  
project.

#### Masakatsu Sato

PE Investment

Joined ORIX in April 2008.  
Currently in PE Investment  
following positions in  
Finance and Corporate  
Financial Services. Core  
member of the DHC  
investment project.







# Sustainability Promotion and Governance Structure

ORIX has diverse businesses, and each business has a wide range of sustainability issues that either affect society or are affected by society. For this reason, we divide our approach to sustainability issues into two categories: the corporate (Group-wide) level and the business unit level.

## Status of Recent Initiatives

The Sustainability Committee discussed and reported on items 1 and 2 below. Details of the Sustainability Committee meeting were submitted as a Progress Report on Sustainability Promotion Activities to the Board of Directors, where it was approved.

### 1. Group-wide themes

#### 1) Performance report for the fiscal year ended March 2024

- (1) Progress toward ESG-related key goals
- (2) Revision of ORIX Environmental Policy and ORIX Human Rights Policy
- (3) Disclosure of certain Scope 3 categories
- (4) Progress in promoting sustainability within the Group

#### 2) Focus themes for the fiscal year ending March 2025

- (1) Strengthen supply chain management system. Consider supply chain risk analysis, establishing a code of conduct, and operational methods.
- (2) Consider revising key goals related to ESG.
- (3) Increase opportunities to learn about social and environmental issues and relevant solutions, and utilize this knowledge in business activities. Provide more information about promoting sustainability, both inside and outside the Group.
- (4) Prepare to comply with regulations related to non-financial information disclosure.

- ▶ Pages 41-43 Status of Initiatives to Address ESG-related Material Issues and Key Goals
- ▶ Page 47 Scenario Analysis Based on TCFD Recommendations

### 2. Approach to and KPIs for sustainability in each business unit

We have reviewed the progress of the policy and KPIs set at the beginning of the fiscal year ended March 2024 to establish our approach for the fiscal year ending March 2025 and beyond.

Major initiatives for the fiscal year ended March 2024 were as follows.

- The ratio of next-generation vehicles\* is increasing in the leasing, rental and car sharing businesses. All rental car outlets have completed the conversion to green electricity. (Auto)
- Surveyed suppliers and contractors to structure a procurement system that incorporates ESG considerations. (Rentec)
- Reduced CO<sub>2</sub> emissions from owned properties. Reduced food waste and promoted recycling in operating businesses. (Real Estate Investment and Facilities Operation)
- Expanded renewable energy businesses both in and outside Japan. (Environment and Energy)
- Promoted sustainability finance. (Banking)
- Evaluated, monitored and annually reviewed ESG score. (ORIX USA)
- Reduced CO<sub>2</sub> emissions from investment activities. Robeco registered as a TNFD Early Adopter. (ORIX Europe)

\* Hybrid vehicles (HV), plug-in hybrid vehicles (PHV), electric vehicles (EV), and fuel cell vehicles (FCV).

Approach of Each Business Unit from the Fiscal Year Ending March 2025 Onward

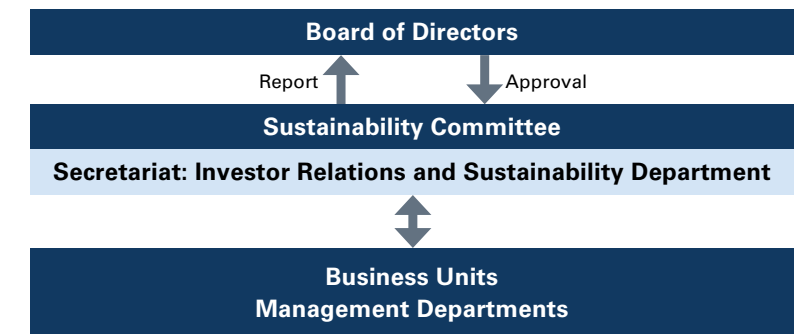
▶ Pages 71-84 “Approach to Sustainability” section for each business unit

Examples of Sustainability Initiatives in Each Business Unit

▶▶▶ [Contributing to Society through Our Business Activities](#)

## Sustainability Governance Structure

### Sustainability Governance Structure



The Board of Directors supervises and guides sustainability governance.

The Sustainability Committee implements ESG-related material issues and key goals Group-wide. It formulates strategic approaches, KPIs, and action protocols, and the results of its deliberations will then be reported to and approved by the Board of Directors.

Members: Group CEO (chair), people in charge of segments most directly related to ESG

Attended by other participants depending on the agenda

### Role of the Sustainability Committee

1. Discussion of specific measures to achieve 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 Task Force on Climate-related Financial Disclosures (TCFD) framework
4. Sharing of information on Japanese and international developments in corporate sustainability
5. Discussion of matters to report to the Board of Directors

▶▶▶ [Approach to Sustainability Issues](#)



# Status of Initiatives to Address ESG-related Material Issues and Key Goals



## Environment

### 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.

### Key Goals

- Reduce ORIX Group GHG (CO<sub>2</sub>) emissions by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030.
- ORIX Group to achieve net zero GHG (CO<sub>2</sub>) emissions by the end of the fiscal year ending March 2050.
- Reduce ORIX Group's investment and credit balance in GHG (CO<sub>2</sub>) emitting industries\* by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030.
- ORIX Group to achieve a zero investment and credit balance in GHG (CO<sub>2</sub>) emitting industries\* by the end of the fiscal year ending March 2040.

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

### Status of Initiatives to Address Issues and Goals

■ In order to achieve our GHG (CO<sub>2</sub>) emissions reduction targets, we are continuing to consider decarbonization measures such as reducing emissions by changing to different fuels at our two coal-biomass co-fired power plants, which accounted for more than 70% of our GHG emissions in the fiscal year ended March 2020.

- Our Scope 1 and Scope 2 GHG (CO<sub>2</sub>) emissions in the fiscal year ended March 2024 totaled 1,129 thousand tons. This was a decrease of 137 thousand tons, or 10.8%, compared to baseline emissions in the fiscal year ended March 2020.

▶ Page 86 Reducing GHG (CO<sub>2</sub>) Emissions

■ We revised our Environmental Policy in February 2024 to address the expansion of ORIX Group's businesses and diversifying environmental issues. Our initiatives involve reducing GHG emissions, energy saving measures and renewable energy investment and production, reducing waste and promoting recycling, resource conservation and green procurement, preventing environmental pollution, conserving water resources, and giving consideration to our impact on biodiversity.

▶▶▶ [Environmental Policy](#)

■ Regarding Scope 3 (GHG emissions in the value chain), we have roughly estimated the scale of emissions from the Auto, Aircraft and Ships, and Real Estate businesses, and the power generation and electric power retail business in the Environment and Energy segment, as well as emissions from investees and borrowers (Category 15). We disclose numerical data for Categories 6 and 7.

▶ Page 87 ESG Data (Scope 3)

■ We are promoting a business that supports waste recycling and processing, as well as a business that facilitates the reuse, recycling, and proper processing of unwanted goods.

▶▶▶ [Promoting the Circular Economy and Reducing Waste](#)

■ Three local subsidiaries in the Asia and Australia segment (in Indonesia, Malaysia, and Australia) aim to reduce their credit balance in industries that have a high environmental impact. As part of this process, they consider both business and regional characteristics when ascertaining which borrowers to target, as well as assessing the possible reduction impact.

- The credit balance (on a local currency basis) to industries with high environmental impact as of March 31, 2024 decreased compared to the fiscal year ended March 2020 for all three local subsidiaries.





## Status of Initiatives to Address ESG-related Material Issues and Key Goals



# Social

### 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, equity and inclusion and non-discrimination.
- 3 Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive and equitable working environment that promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

### Key Goals

- Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 2030.

### Status of Initiatives to Address Issues and Goals

- We revised the ORIX Human Rights Policy in April 2024 to promote initiatives relevant to respect for human rights throughout all of our business activities. We continue to implement human rights due diligence. For business divisions that appear to have relatively elevated potential for human rights risks, we are conducting fact-finding surveys that encompass stakeholder engagement, and are taking action to prevent and mitigate issues.

We provide training on human rights for employees to raise awareness of human rights and promote initiatives relevant to respect for human rights.

As a remedy system in the event of human rights violations, we have set up a compliance hotline for consultation and reporting that can be used not only by our own employees but also by external parties, and we have announced it on our website.

▶ Page 49 Human Rights

- ORIX aims to structure a sustainable supply chain with its suppliers, and is implementing initiatives such as conducting fair and equitable transactions, reducing environmental impact, and respecting human rights. We have initiated analyses to identify risks and understand current circumstances, with emphasis on business units with many suppliers that are essential to the continuity of our businesses, and that are at risk of negatively impacting human rights or burdening the natural environment because of the nature of their operations. In addition, when selecting or renewing a contractor, our screening process now includes confirmation of compliance with laws and regulations and information on ethical concerns.

▶ Page 48 Supply Chain Management

- We are working to promote the creation of comfortable workplaces where diverse human resources can play an active role, rewarding workplaces where they can demonstrate their abilities and expertise, and workplaces where they can continue to work for a long time in good physical and mental health. We will achieve this through the development of various systems that incorporate the opinions of employees.

▶ Pages 32-39 Human Capital Management

▶▶▶ [Human Resources Strategy to Support Sustainable Growth](#)

- As of March 31, 2024, the ratio of female managers in ORIX Group is 31.7% for ORIX Corporation and 27.2% for our nine domestic Group companies.

- We prohibit investing and lending in projects related to organizations and sectors / business activities that are social risks. We have set a key goal of reducing the balance of investing and lending in business areas with high environmental risks.

▶ Page 49 Sustainable Investing and Lending







Status of Initiatives to Address ESG-related Material Issues and Key Goals



# Governance

## 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.

## Key Goals

- Outside directors to account for over half of the composition of the ORIX Group Board of Directors by the General Meeting of Shareholders held in June 2023.
- 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 2030.

## Status of Initiatives to Address Issues and Goals

- We have established a sound and highly transparent corporate governance system. We are also taking the following measures to strengthen our system:
    - Increase the diversity of directors.
    - Evaluate the effectiveness of the Board of Directors and implement an action plan to improve its effectiveness based on the evaluation results.
    - We have introduced a compensation scheme for executive officers that evaluates contributions to business performance as well as medium- to long-term results.
    - We have begun reflecting the status of ESG initiatives in executive compensation, with the aim of encouraging executives to take the initiative in addressing ORIX Group’s ESG issues.
      - From the fiscal year ended March 2022, the status of ESG initiatives was added as a qualitative evaluation item for the division performance indicator for annual bonuses for executive officers.
      - From the fiscal year ended March 2024, ORIX Group’s progress in achieving ESG-related key goals was added to quantitative evaluation items for the president, senior managing executive officers, and managing executive officers.
- ▶ Page 54 Corporate Governance
- As of June 2024, the ratio of outside directors is 54.5% (of all 11 directors, 6 are outside directors).
  - As of June 2024, the ratio of female directors is 18.1% (of all 11 directors, 2 are female directors).

- We carefully ascertain our customers’ intentions, so that they can select the most suitable products and services, and we strive to propose products and services that meet their objectives. In order to provide and recommend products and services that are suitable for customers, we strive to acquire excellent work experience, specialized knowledge, and skills as professionals. Each business unit is committed to providing sustainable products and services.

- ▶▶▶ [Proper Consideration of Our Customers](#)
- ▶▶▶ [Contributing to Society through Our Business Activities](#)

- The Code of Conduct stipulates that ORIX employees must “comply at all times with all applicable laws, rules and regulations and ORIX Group policies and rules” and “understand and comply with tax laws, regulations and ORIX Group policies and rules.”

- ▶▶▶ [Tax Policy](#)

