

Introducing the ORIX Group Purpose & Culture: A Clear Articulation of Why ORIX Group Exists in Our World

We announced the ORIX Group Purpose & Culture on November 1, 2023 after approximately 18 months of consideration by the ORIX Group Purpose Discovery Project. The Discovery Project incorporated opinions from a wide array of stakeholders and involved in-depth discussions among executives and employees of Group companies both in and outside Japan to clearly articulate why ORIX Group exists in our world.

We received feedback from a wide range of stakeholders to determine ORIX Group's unique strengths and its vision for the future it wants to create.

Founded in 1964 as a leasing company, ORIX has grown into a corporate entity with a wide range of businesses, with more than 30,000 employees around the world. The globalization of business and the necessity to incorporate SDGs and other sustainability initiatives into business have significantly changed the roles that corporations must play in our world. Committed to addressing these global shifts with a shared mindset among employees engaged in diverse businesses worldwide, we launched the ORIX Group Purpose Discovery Project (the Discovery Project) in June 2022 and began considering the ORIX Group Purpose & Culture (Purpose & Culture).

During this process of discovery, we first prepared a framework to determine why ORIX Group exists in our world – our Purpose – within the nexus of ORIX Group's unique strengths and its vision for the future it wants to create. We then conducted interviews around these points with a wide range of stakeholders, encompassing executives and employees of Group companies worldwide along with customers, investors, and outside directors.

Gathered from Group companies worldwide, 103 employees held in-depth discussions through workshops.

Discussion among 103 workshop members was central to the process of identifying the essence of our Purpose & Culture and considering specific ideas. The workshop members were a diverse group of employees, primarily leaders of the next generation in their twenties to forties, and included mid-career hires and employees of Group companies worldwide. Our approach emphasized the idea that our

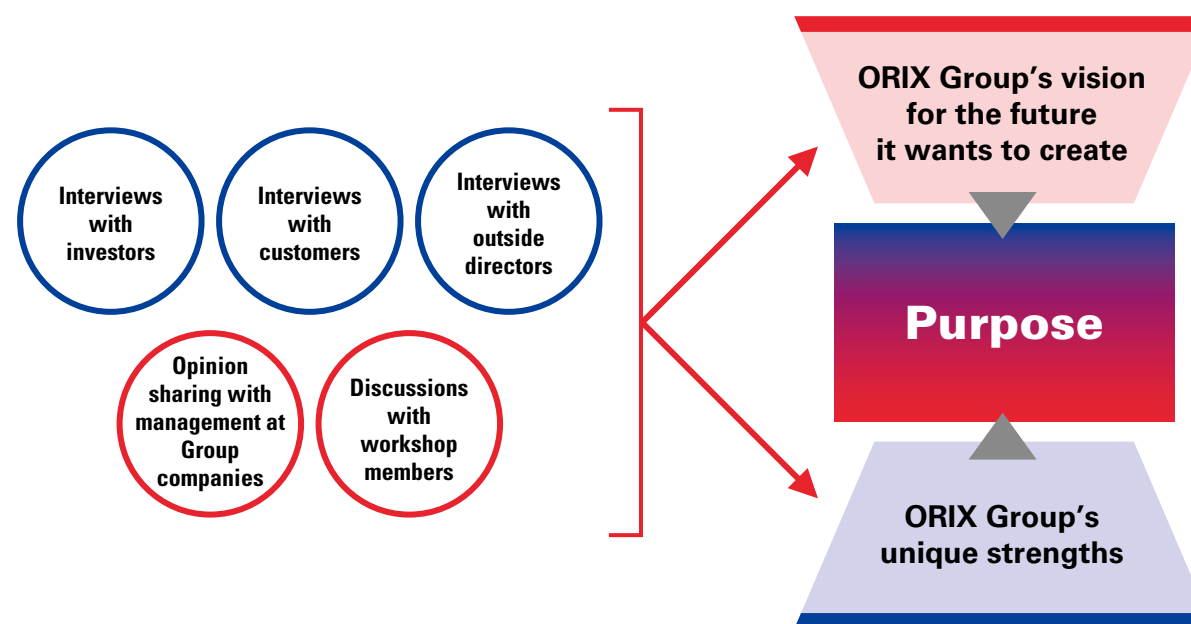
Purpose & Culture should be owned by the employees who will lead ORIX Group into the next generation.

Based on interviews with customers, investors, outside directors, and managers at Group companies worldwide, workshop members held multiple discussions and considered specific proposals for our Purpose. This became the basis for managers to further share their opinions and refine proposals, with the development of the final Purpose & Culture taking a total of about 18 months.

Our Purpose & Culture comprises our Purpose, which clearly states why ORIX Group exists in our world, and our Culture, which describes

the set of shared values that ORIX Group employees around the world live and champion to achieve our Purpose. Our Culture, in particular, directly reflects the views of our workshop members. Although ORIX Group is involved in a variety of different businesses, the project enabled us to develop a compelling story that clearly outlines the core values we have embraced since the Group was founded.

Our Purpose involved multiple discussions among Group executives to refine the proposals from the workshops to ensure it covered everyone's opinions satisfactorily. ORIX has, until now, largely communicated its value to the world in terms of profit and growth as



ORIX Group Purpose & Culture

a corporation. Our Group executives discussed alternative ways of demonstrating ORIX Group's reason for existence in the world, rather than simply using profit as a yardstick, and this was a new challenge to which we devoted significant time and care.

Our broad business portfolio uniquely empowers ORIX to find pathways to impact in a variety of areas.

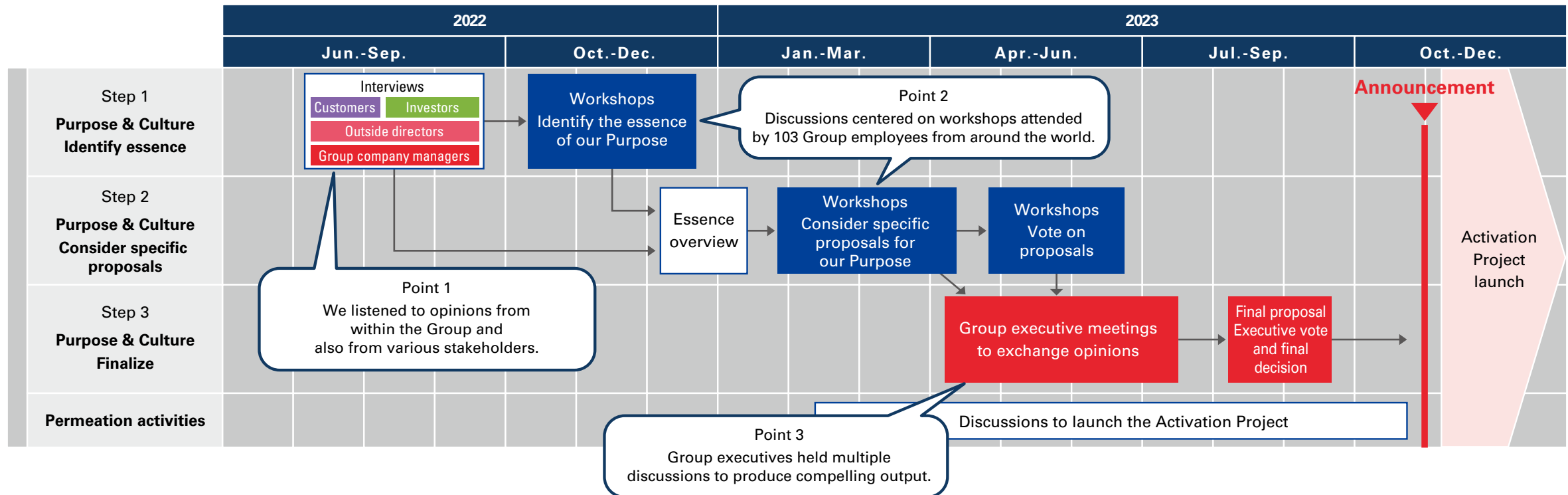
Finding pathways to impact involves shaping new possibilities for a brighter future globally. Our Purpose encompasses a vision for the future in which companies evolve over time, communities are revitalized, individuals realize their full potential, and our world

develops in a sustainable way, and we will help to realize this vision through our diverse array of businesses and services. We believe that our broad business portfolio uniquely empowers ORIX to find pathways to impact in a variety of areas.

The ORIX Group Purpose Activation Project (the Activation Project) was launched in October 2023 to internalize the Purpose & Culture by increasing awareness, understanding, and empathy for it among our employees worldwide, as well as to help our people rediscover the meaning and benefits of working in ORIX Group.

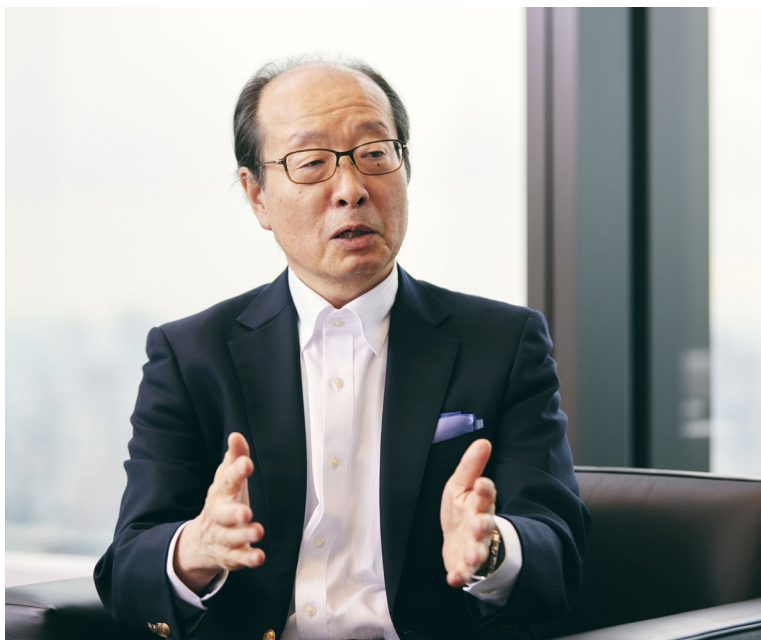
During the Activation Project, Takashi Nawa, a visiting professor at Hitotsubashi University Business School, served as the

moderator for the executive sessions, during which executives from our Group companies engaged in multiple discussions from the perspective of how to incorporate our Purpose into business strategies for each aspect of management. Sessions for department heads and teams continued after the executive sessions, providing an opportunity for all executives and employees of Group companies to deepen their understanding of our Purpose & Culture. Our objective for the Activation Project was to ensure that our Purpose & Culture fully inform business strategies, rather than letting them become a mere formality.



Further Evolving ORIX Group through the Activation of its Purpose & Culture

Professor Takashi Nawa was a moderator in the cascading dialogue sessions that were part of the ORIX Group Purpose Activation Project. His commentary follows.



Takashi Nawa

Professor at Kyoto University of Advanced Science and visiting professor at Hitotsubashi University Business School. Graduated from the Faculty of Law, The University of Tokyo and Harvard Business School. After working at Mitsubishi Corporation, he worked at McKinsey & Company for about 20 years. The Activation Project included cascading dialogue sessions. Dr. Nawa moderated the executive sessions held from January 2024, and spoke with a total of 187 people.

Dialogue among managers reaffirmed the free and open corporate culture that ORIX has maintained since day one.

I was a moderator for cascading dialogue sessions held as part of the Activation Project, during which we discussed how to apply ORIX's Purpose & Culture to business operations in each segment. I have interacted with ORIX on occasion for quite some time, and I feel that the free and open corporate culture that it has maintained since its founding is still alive and well. Unlike many large corporations, political maneuvering does not define the organization, and I have the impression that ORIX is operating soundly.

ORIX has a Culture that finds adventure in challenge to achieve further growth.

Finding adventure in challenge is a particular cultural component that really expresses the essence of ORIX. I think this phrase aptly expresses the positive, aggressive attitude that ORIX has passed down throughout its history.

ORIX started out in the leasing business, and it has grown into the diversified enterprise that it is today because it has consistently been proactive in taking on the challenge of new businesses that have frustrated other companies. While ORIX's corporate culture has matured through this process, I feel that its long-held spirit of taking on challenges remains totally relevant today.

Frankly, however, I feel there is still room to further actuate this spirit within the organization. The name ORIX shares its first three letters with the word "original," followed by an X that expresses flexibility and diversity. However, because of the progress achieved through this combination of ORIGINAL + X, ORIX has grown and now has much to protect, and I wonder if ORIX sometimes experiences difficulty in maintaining its traditionally aggressive stance.

I am confident that ORIX can achieve further growth by having management and employees reaffirm its Culture of finding adventure in challenge while maintaining the governance appropriate for a large corporation.

I expect ORIX's Purpose & Culture to function as a magnet drawing together diverse businesses.

Each organization within ORIX must put the soul into its Purpose & Culture. The management team members I spoke with gave me the impression that they viewed the Purpose & Culture as a new expression of the elements of ORIX's heritage. Meanwhile, many of them believe that ORIX, which has grown into a corporate group that operates a diverse and global portfolio of businesses, needs to carefully discuss how to find the pathways to impact that society demands in each aspect of management.

ORIX has long been a company that promotes diversity as a matter of course, but this kind of organization must value inclusion. In this context, ORIX's Purpose & Culture are extremely important as a governance function that serves as a magnet drawing the organization together.

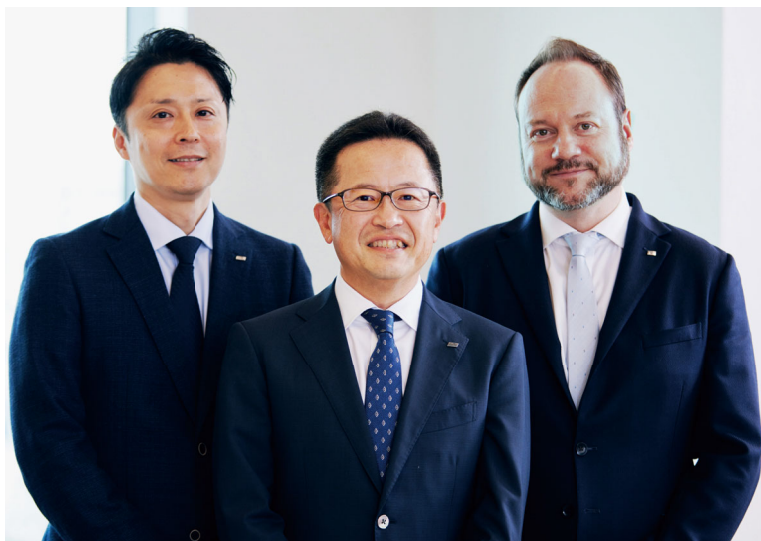
ORIX excels at leveraging its expertise in finance to create and implement new business structures in areas where social issues exist. I am confident that ORIX can exercise this structuring capability even more powerfully by having its Purpose & Culture function as a magnet that draws together diverse businesses and employees.

Everyone at ORIX will need to make a personal effort to further ORIX's Purpose, but I am not concerned about that because they are a group of people who love to put plans into action. However, ORIX is a company that identifies change and evolves flexibly, so its focus can tend toward the short term. I would suggest unequivocally that ORIX needs to take a long-term view toward its Purpose.



Using Our Purpose & Culture to Find Pathways to Impact in Our World

Hidetake Takahashi, Member of the Board of Directors, Senior Managing Executive Officer, Koichi Uchida, General Manager, Group Corporate Communications Department, and Daniel Lochmann, Managing Director, Group Corporate Communications Department outline how business units and Group companies in Japan and around the world have embraced the ORIX Group Purpose & Culture, and how we will move forward with the ORIX Group Purpose Activation Project to foster a sense of unity throughout the Group.



(Center)

Hidetake Takahashi

Member of the Board of Directors, Senior Managing Executive Officer
Head of Energy and Eco Services Headquarters
Group Strategy Business Unit
Responsible for Global Investment Strategy

(Left)

Koichi Uchida

General Manager, Corporate Communications Department
Responsible for the secretariat promoting the ORIX Group Purpose Discovery Project and the ORIX Group Purpose Activation Project.

(Right)

Daniel Lochmann

Managing Director, Corporate Communications Department
Responsible for facilitating communication with Group companies outside Japan for the ORIX Group Purpose Discovery Project and the ORIX Group Purpose Activation Project.

Our Purpose & Culture function as a unifying force in a Group that operates diverse businesses.

Takahashi: ORIX has grown from a leasing company into a diversified business entity by repeatedly advancing into neighboring fields. As a result, adjacent departments regularly take on completely different businesses. In this context, I believe that our Purpose & Culture will serve as a unifying force throughout the Group.

In the process of considering our Purpose & Culture, 103 Group employees from Japan and around the world participated in workshops where they engaged in lively discussions across generations and positions, and executives also repeatedly exchanged opinions. I sense that our employees agree that the final Purpose & Culture feels right.

Lochmann: As part of the Activation Project, we are now engaged in dialogue with all our main Group companies outside Japan to bring the Purpose & Culture to life around the world. Some regional differences in perceptions and understanding of the project notwithstanding, I get the impression that Group companies worldwide are enthusiastically embracing our Purpose & Culture and using it in a positive way to drive their businesses forward.

Many employees in Asian countries have indicated their alignment with our Purpose & Culture, and we expect the project to be an opportunity in Europe to foster a sense of Group unity. Group companies in the United States are particularly inspired by the rallying cry “Find Power in Diversity,” perhaps influenced by a national character that values individuality.

Uchida: The Corporate Communications Department served as the secretariat with the Group Human Resources Department and the Investor Relations and Sustainability Department. In executing this project, we listened to a wide range of opinions from stakeholders as well as employees and executives of Group companies both in Japan and around the world. While seeking to remain unbiased, we tried to articulate what makes ORIX unique and why it exists in our world. As a result, I feel that we were able to define our Purpose & Culture so that they are acceptable to the Group’s employees.

Repeated dialogue centered on our Purpose & Culture will close gaps within the Group.

Takahashi: While many employees agree with the wording of the Purpose & Culture, they still sense a gap between the target direction each segment should take to align it with reality. In the cascading dialogue sessions conducted as part of the Activation Project, executives had serious discussions with the moderator Takashi Nawa, a visiting professor at Hitotsubashi University Business School, about how to close these gaps and how to communicate ideals and commitments to their people. At this point, I think that simply recognizing the gaps was meaningful.

I believe that our Purpose & Culture needs to go beyond being an ideal; it must be firmly integrated into our business strategies and incorporated into our day-to-day actions.

Uchida: I think few employees feel uncomfortable with the elements of flexibility and diversity that are incorporated into our Purpose &

Using Our Purpose & Culture to Find Pathways to Impact in Our World

Culture. At the same time, the reality is that each business unit and Group company interprets ORIX's unique flexibility and diversity differently. We need to use our Purpose & Culture to fill these gaps by facilitating dialogue and mutual understanding.

Lochmann: While dialogue is necessary to bridge gaps, we also need to be flexible in understanding regional differences in business and cultural characteristics while localizing the rollout to Group companies outside Japan.

ORIX needs to share a common interpretation of its Purpose & Culture to truly share its meaning globally. At the same time, we need to carefully contextualize our Purpose & Culture so that employees in every country and region outside Japan can easily comprehend and bring it to life within their own business and cultural contexts.

What are the pathways to impact that ORIX will find?

Takahashi: Traditionally, ORIX has achieved sustainable growth by identifying business opportunities early on in niche fields and turning



them into businesses. ORIX has grown larger, however, so we will likely have trouble increasing corporate value further simply by employing our traditional strategies. Under these circumstances, we need to conceptualize and propose fundamental solutions through businesses in areas with major social relevance in order to continue finding pathways to impact. Differentiating ORIX from other companies is generally harder in the business areas we consider more orthodox, but I believe that our Purpose & Culture will guide ORIX in creating value by leveraging the strengths it has developed to date.

Uchida: Until now, ORIX has approached society with the mindset of contributing to the world by generating profit as a company. However, as times change, the role that companies must play in society is also changing. The introduction of our Purpose & Culture will require employees to recognize anew that social value and economic value are two wheels of the same cart.



Lochmann: I joined ORIX because I felt that ORIX's business model, which adapts to change and flexibly evolves businesses, was unique and distinctive among Japanese companies. I see our Purpose & Culture as an opportunity to communicate to stakeholders how we create social value befitting ORIX.



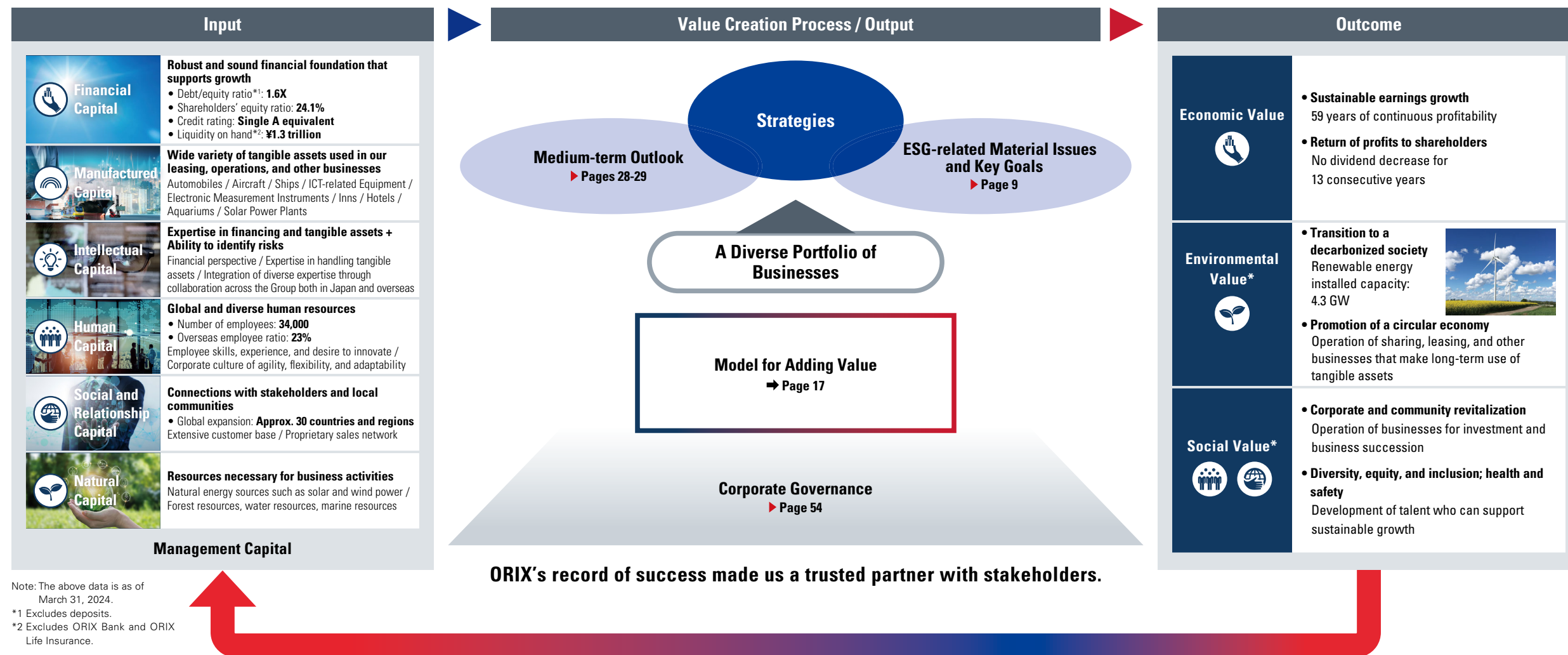
Takahashi: I really like the phrase "Finding Paths. Making Impact." in the Purpose. Finding Paths has always informed our initiatives to innovate, but we have more work to do in Making Impact. To my mind, the scale and nature of the impact that the diversified ORIX of today ought to make are very different from the ORIX of 30 years ago. And we need to go beyond just thinking about impact on revenue to consider the degree to which ORIX can have a positive impact on helping move the world in a better direction.

I want employees to tenaciously bring new ideas and businesses to fruition. Starting small is just fine, but they should think about how we can ultimately have a significant impact.



Value Creation Model

ORIX employs the capital resources it has acquired since its founding to create value, using its own value creation model to add further value. This has enabled us to expand our business into our current 10 segments and to provide value unique to ORIX in multiple markets. We will continue to provide new value to society by repeating this cycle.





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 feasibility to create value and generate growth. Here, we explain the components and features of our model for adding value.

