

Human Resources Initiatives

Relationship with Employees

Maximizing the Capabilities and Expertise of Our Employees under the Concept of “Keep Mixed”

People are ORIX’s most important asset. Based on our concept of “Keep Mixed,” we hire diverse human resources regardless of nationality, age, gender or work history, integrating their diverse values and expertise with the aim of a Fusion of Intelligence to create new value and workplaces that maximize the capabilities and expertise of our employees. Specifically, we create fulfilling workplaces by establishing

a working environment that respects diverse work styles and embraces contemporary social conventions, and by reforming our human resource system. Moreover, we are enhancing training to offer opportunities for employees who embrace challenges and to enable employees to excel internationally.

Initiatives to Realize Our “Keep Mixed” Concept

ORIX promotes diversity and inclusion and the creation of workplaces that offer value (improved work-life balance) to realize its concept of “Keep Mixed.”



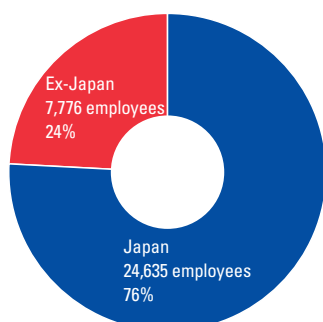
Promoting Diversity and Inclusion

We believe it is essential that the knowledge and experience acquired by employees be passed on to the next generations. However, with the changing social environment such as retirement age extensions, increase in dual-income households and the enforcement of the Act on Promotion of Women’s Participation and Advancement in the Workplace,

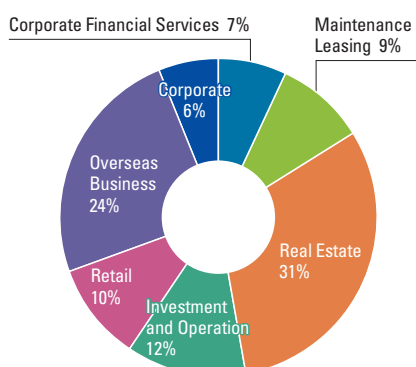
the need for a wider array of work styles is increasing. We strive to promote diversity and inclusion, and to create a workplace that is optimal for the performance of individuals with different capabilities and expertise, as well as to accommodate work style diversity and freedom.

Employee Composition: 32,411 employees (As of March 31, 2019)

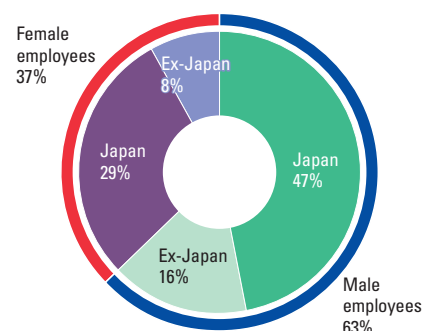
By Region



By Segment



By Gender



Promoting the Participation and Advancement of Women in the Workplace

ORIX was one of the earliest promoters of women's participation in the workplace. We started recruiting female university graduates for comprehensive work positions in 1982, before the enforcement of the Equal Employment Opportunity Law in 1986. We have also expanded our personnel system accordingly, but we are actively engaged not only to expand the system but also to strategically raise awareness about gender equality. Approximately 40% of our employees were women as of March 31, 2019.

ORIX Corporation had the goal of a 23% ratio of female employees in managerial positions by FY2020.3, and achieved this target with a ratio of 23.8% as of March 31, 2019. In addition, major domestic Group companies have steadily increased this ratio to 20.6% in aggregate.

Promoting the Participation and Advancement of Seniors in the Workplace

ORIX raised the retirement age from 60 to 65 in 2014, thinking that the participation of senior employees with extensive experience and expertise would enhance the organizational strength and vitality of the company. ORIX is carrying out a variety of initiatives so that its employees can constantly take on challenges and display their accumulated strengths and skills at any age.

• Career Challenge system for employees aged 45 or over

A free-agent system in which employees aged 45 and over can directly interview with their chosen division to transfer to a new position. If both parties come to an agreement, the employee may transfer.

• Career interview

An interview with a career supervisor upon reaching the milestone of the age of 50 offers employees an opportunity to reflect on their strengths, experiences and values and take the next step forward in their roles and work styles, with the aim of achieving consistent performance.

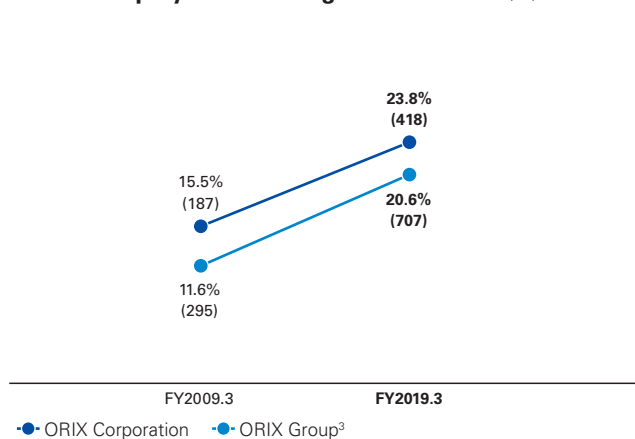
Mid-Career and Non-Japanese Recruiting

We also focus on recruiting mid-career employees and non-Japanese new graduates to secure diverse human resources aligned with our changing businesses. Since its establishment, ORIX has been active in hiring mid-career employees with job histories in fields including finance, manufacturing, consulting, trading, real estate, and services. 67% of employees who joined the company in FY2019.3 were mid-career hires. ORIX has been focusing on recruiting students with diverse values since 2016 by hiring new graduates from overseas universities in China, Taiwan and Korea as well as foreign students in Japan. About 10% of the new graduates who enter the company each year are non-Japanese.

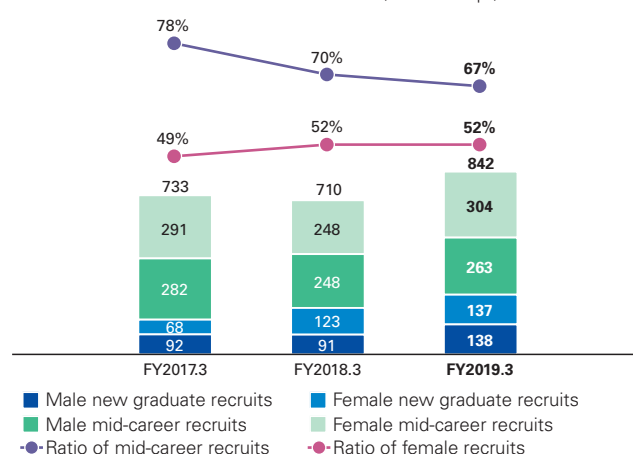
ORIX believes that an environment where employees accept one another's individuality and feel at ease in exercising their full abilities in their own right will give rise to new

challenges and ideas and lead to innovation. We will continue to promote diversity and inclusion with the aim of creating a more fulfilling place to work.

Female Employees in Managerial Positions¹ (%)²



Number of New Employees and Ratios of Mid-Career and Female Recruits (ORIX Group³)



1. Managerial positions are section leaders and other positions with work and responsibilities equivalent to section leader or above, regardless of job title or subordinate staff (does not include entry-level managers).

2. The percentages in "Female Employees in Managerial Positions" represent the ratio of female managers to the total number of managers.

3. Total of 10 ORIX Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services, and ORIX Asset Management & Loan Services. Total number of employees at these 10 companies as of March 31, 2019 was 10,216, which was 32% of all employees.

Human Resources Initiatives

■ Workplaces That Offer Value (Improved Work-Life Balance)

We have been improving work-life balance to realize a workplace environment where employees with diverse values can work healthily with peace of mind. We launched our Work Style Reform Project in 2016 under the direct control

of the CEO. The project aims for work with high productivity and promote activities with the aim of fostering a culture that recognizes diverse working styles.

Work Style Reform Project

The Work Style Reform Project began with six months of discussion by many employees throughout the Group, culminating in the submission to the CEO of issues and measures for work style reform. We have subsequently been implementing these proposals with a sense of urgency under the strong leadership of the CEO.

We have enhanced working hour flexibility by reducing regular working hours, establishing a new super flextime system that eliminated the core working hours of the pre-

ceding flextime system, establishing a system of annual paid leave in one-hour units, and expanding the incentive system for short vacations to refresh and rejuvenate. In addition, we have launched an internal intern system to support diverse career perspectives, and a system of financial support for self-improvement so that employees can effectively use the time created through the promotion of work style reforms. These systemic upgrades have led to a change in employee attitudes.

Recently Launched Systems

- **Reduction of regular working hours (launched FY2018.3)**

The end of the work day was changed from 17:20 to 17:00, reducing the prescribed working time by 20 minutes. Implemented without changing salary.

- **System for taking annual paid leave in hourly units (launched FY2018.3)**

Annual paid leave system in one-hour units.

- **Super flextime system (launched FY2019.3)**

Core working hours (from 11:00 to 15:00) were eliminated from the preceding flextime system. This system allows employees to set their working hours freely between 6:00 and 22:00 with a minimum working time of one hour per day.

- **Incentive system for short vacations to refresh and rejuvenate (launched FY2019.3)**

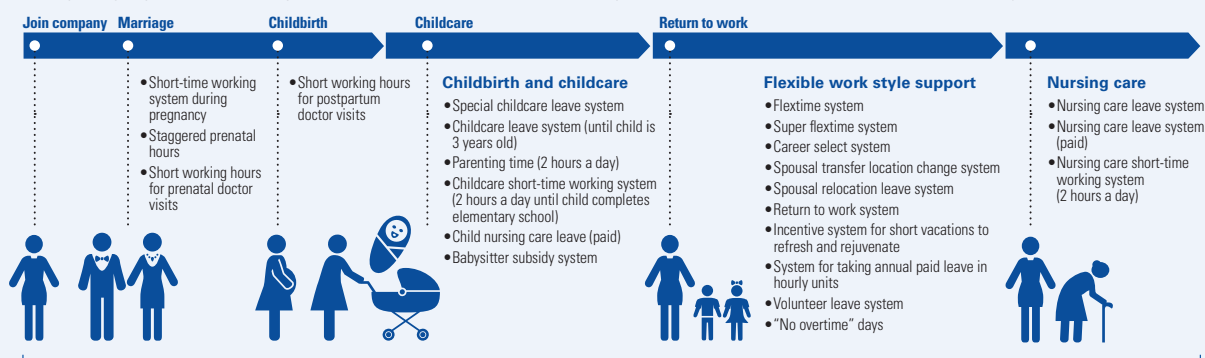
System that pays employees a standard incentive fee of ¥50,000 when taking consecutive holidays of 5 business days or longer.

- **Self-improvement system (launched FY2019.3)**

System in which employees receive standardized welfare benefit points annually so they can freely choose their own self-improvement, health promotion, and child and nursing care related services. The purpose is to create a mutually beneficial cycle of personal and professional benefits from promoting the effective use of time created through work style reform.

Personnel Systems That Accommodate Life Stage and Career

Many employees use the systems to achieve flexible work styles that accommodate their own life stage and career.



Career planning support Career Challenge System, Internal Public Offering System, Internal Intern System, Internal Career Change System, Self-Assessment System, Career Challenge System from Age 45, and Internal Recruiting System for Seniors

For detailed information on Personnel Systems, please refer to the following:

▶▶▶ https://www.orix.co.jp/grp/en/sustainability/employee/management_systems.html

Achievements*

- **Decreased overtime (average overtime per month)**
24.3 hours in FY2018.3 → 23.6 hours in FY2019.3
- **Improved rate of taking annual paid vacation days**
77.5% in FY2018.3 → 80.0% in FY2019.3

- **Rate of point usage in self-improvement system**
78.9% in FY2019.3 (system introduced in FY2019.3)

* Total of 10 ORIX Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services, and ORIX Asset Management & Loan Services

Our task for the future is to ensure that employee awareness of reform translates into behavioral change that further improves productivity. We are also working on infrastructures so that employees can work away from their desks, including enhancing the IT environment and expanding external satellite offices. In addition, we use seminars and employee portal

sites to provide employees throughout the Group with a variety of information such as internal best practices for productivity improvement and how to use systems. Given the ORIX Group's diverse business portfolio, each division is studying and implementing measures to improve productivity in accordance with business-specific characteristics.

Wednesday Seminar

The ORIX Wednesday Seminar has taken place twice a month since 2017 as a source of advice for what employees can do to improve their productivity. Focusing mainly on lectures by external experts, the seminars cover four topics: Work Styles, Management Skills, Work Efficiency Skills, and Work-Life Balance Support. We also provide live streaming and videos of previous events that employees can use to learn anytime and anywhere. A total of approximately 2,500 employees participated from the second half of 2017 through the first half of 2018.

Business Unit Case Studies

- **ORIX Auto: Project to Improve Operations**
By September 2017, ORIX Auto had collected 315 work improvement issues from throughout Japan. After front-line meetings, ORIX Auto organized the issues and consolidated them in January 2018 into 134 issues for resolution at a high level of improvement. In six months, the project had resolved or improved

71% of these issues, versus a target of 70%. Initiatives to improve the remaining issues are ongoing in each department.

• ORIX Bank

1. Monthly questionnaire survey

ORIX Bank conducts a questionnaire survey to serve as reference for an intuitive and objective review of personal and team status, and to directly communicate to management requests for the company, such as proposals for improving work and the work environment.

2. Digitalization promotion project

ORIX Bank launched a digitalization promotion project in October 2017, and is raising the efficiency of office work while reducing working hours in general. ORIX Bank reduced working hours by 387 hours per month by February 2019. The bank expects to reduce working hours by approximately 1,450 hours per month during FY2020.3.

External Recognition

"Certified Health & Productivity Management Organization 2019", Ministry of Economy, Trade and Industry

In February 2019, ORIX was named a "White 500 (Large Enterprise Category)" company in the "Certified Health & Productivity Management Organization Recognition Program" for 2019. This certification recognizes corporations that value their employees' health and strategically work to promote health from a management perspective. ORIX has been certified as a "White 500 (Large Enterprise Category)" company for three consecutive years since the certification's start in 2017.



"Semi-Nadeshiko Brand," Ministry of Economy, Trade and Industry and Tokyo Stock Exchange

ORIX was selected as a "Semi-Nadeshiko Brand" in March 2019. Semi-successful enterprises just below the "Nadeshiko Brand" enterprises that are outstanding in terms of encouraging women's success in the workplace for the purpose of improving corporate value in the mid- and long-term are selected from among the approximately 3,600 listed companies for the "Semi-Nadeshiko Brand."



"Eruboshi (highest level)" Certification from the Minister of Health, Labour and Welfare

In May 2019, ORIX obtained the highest level "Eruboshi (Grand 3)" company certification based on the Act on Promotion of Woman's Participation and Advancement in the Workplace. The "Eruboshi" company certification is granted to companies with a high level of implementation status of activities related to the promotion of women's success. Companies that meet all five criteria in the areas of recruitment, continued employment, working hours, proportion of women in managerial positions and various career courses are selected for Grand 3.

