



INTEGRATED REPORT 2020



ORIX Helps Create a Vibrant Society through a Range of Activities

At ORIX we're helping create a vibrant society by giving new energy to the economy and people's lives.

We're working to understand our customers as deeply as possible so we can assist them with all of their needs and challenges in life, and in doing so build truly reliable relationships.

We aspire to be a source of discovery and joy by working closely with specialists from many different fields and offering ideas from a unique perspective.

Every day we're dedicated to providing the best service and most thorough attention so that we'll always be the top choice for our customers.

Bringing our society "alive" — this is ORIX's continuing challenge.

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.

Contents

Our Vision	02
Creating Value.....	11
Our Foundation for Creating Value	22
Corporate Governance	36
Strategies by Business.....	51
Financial Section.....	68
About ORIX.....	73

Editorial Policy

We produced ORIX *Integrated Report 2020* by combining financial and non-financial information with a primary focus on giving shareholders, investors and a wide range of other stakeholders a multifaceted understanding of ORIX's sustainable growth. The report for this fiscal year is structured to explain our process for creating value, through which we achieve our vision, as well as our foundation for creating value. We hope readers will understand ORIX's basic approach of contributing to the economy and society through its business activities and our roadmap for value creation over the medium and long term. We produced this report with reference to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry.

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

https://www.orix.co.jp/grp/en/sustainability/sustainability_report/index.html

Scope of Reporting

This report covers ORIX Corporation and its Group companies in Japan and around the world. In this report, ORIX refers to the ORIX Group.



Our Vision

A History of Value Creation

Entering New Markets for 56 Years

Established in 1964, ORIX has broadened its business by repeatedly moving into neighboring fields and by rolling out complementary businesses around the world. Creating this diverse portfolio and continuously reviewing our businesses in response to changes in our operating environment have generated earnings and helped us take on challenges in new business fields.

A Track Record of Value Creation

(Data for FY2020.3)

Value Creation Model

→ Page 11

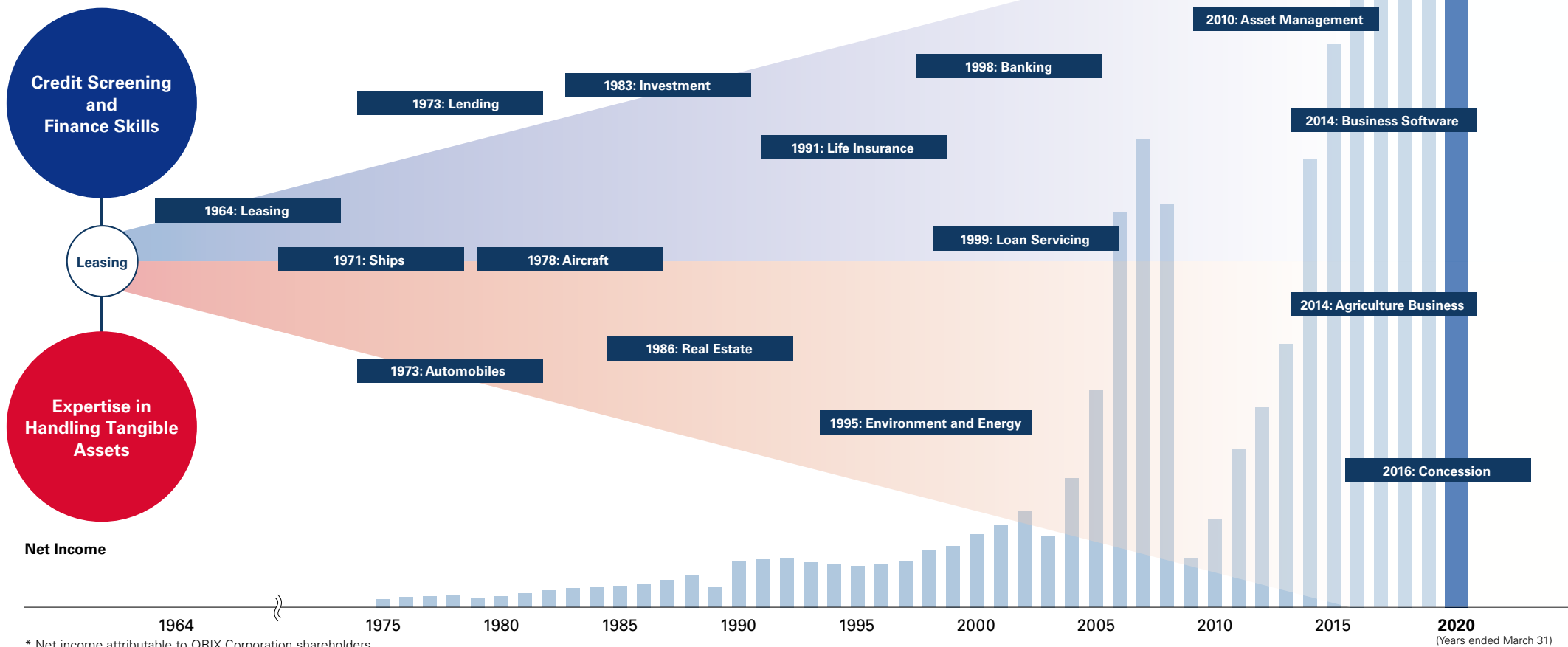
Since 1965
55 consecutive profitable years

10 segments encompassing diverse businesses

Overseas earnings ratio
38%

Group employees
31,233

Net income*
¥302.7 billion



Our Vision

A Message from the CEO

ORIX has been expanding into a broad array of businesses for 56 years since its establishment in 1964, and continues to grow today. We have complemented our group of financial businesses with non-financial companies, giving us a globally unique financial and non-financial portfolio.

Through FY2020.3, we disclosed financial accounting data in six segments. However, segment profits for the former Overseas Segment had increased to 38% of total segment profits, so we decided we should improve disclosure for overseas businesses. Consequently, we began disclosing data in 10 segments from FY2021.3.

ORIX operated in 37 countries and regions as of March 31, 2020, but the governance we need to broaden investment globally is constrained when it remains Japan centric. While ORIX Group governance is a key premise, localized management at discrete Group companies has become a critical theme.

“ORIX’s strategy for growing corporate value equitably benefits all stakeholders.”



Makoto Inoue

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



10 Segments

- Corporate Financial Services and Maintenance Leasing (includes Domestic Sales)
- Real Estate (includes DAIKYO)
- PE Investment and Concession
- Environment and Energy
- Life Insurance
- Banking and Credit
- Aircraft and Ships
- ORIX USA (operations in the Americas)
- ORIX Europe (operations in Europe)
- Asia and Australia (finance and investment in Asia and Australia)

ORIX equates globalization with localization. Our mindset emphasizes localized management that is flexible, customer-driven and market-oriented with a medium-to-long-term perspective.

Headquarters is committed to fully understanding conditions at Group companies in the countries and regions we serve, and maximizing synergies within the ORIX Group. We will localize management with even greater urgency given the constraints that the COVID-19 pandemic is placing on personal interaction.

Since the financial crisis of 2008-2009, major nations have been releasing abundant capital, leading national central banks to build heavy balance sheets. Sharply lower interest rates, higher asset prices, and reduced investment yields are among the numerous unhealthy indicators, and the COVID-19 pandemic is exacerbating economic weakness.

Developed countries have countered COVID-19 with massive economic stimulus packages, but

unfortunately, they do not help boost personal consumption. Unemployment rates have risen and signs of economic recovery are mixed.

The collapse of the financial sector during the crisis of 2008-2009 had a significant adverse impact on the real global economy. COVID-19, however, immediately shocked the real global economy first, and the negative impact is now likely to spread to the financial sector. Ultimately, this raises the possibility of significant balance sheet damage in all quarters.

The debt burden of developing countries is likely to increase, giving rise to issues of moral hazards in finance such as the application of bankruptcy laws to reduce debt and debt relief by the International Monetary Fund. The private sector needs to be selective about new investment and loans, and to rethink conventional approaches to credit.

Sovereign risk will be a requisite issue to verify in restructuring portfolios. Investment and lending decisions will draw on analysis of not only the private sector but also issues such as national policy. New

additions to due diligence will include supply chains, tariffs, protectionism and sustainability.

Amid societal and environmental change, focus markets include commodities, retail, financial services, healthcare, commerce, renewable energy, and IT because they are fields where new business models are most likely to emerge.

ORIX's portfolio includes many businesses with tailwinds. They include ORIX Rentec, which is capturing rental demand for IT equipment; ORIX Life Insurance, which was already doing business remotely; the Environment and Energy Segment, which operates the solar power business; and the logistics business, which enables electronic commerce.

However, COVID-19 is directly impacting some of our business segments. Aircraft leasing, concession and real estate facility operations are three businesses that we must address as we analyze the many uncertainties associated with COVID-19.

Consequently, forecasting results for FY2021.3 is difficult. We intend to share our outlook for the year and our medium-term management plan once the outlook for COVID-19 becomes clearer.

Liquidity is a key issue for ORIX in FY2021.3. In contrast to our situation immediately after the start of the financial crisis of 2008-2009, our financial fundamentals are rock solid. Yet we need to ensure sufficient liquidity to weather a second or third wave of COVID-19.

However, we see continued growth as our primary mission. Our pipeline is full of potential new investments, and we expect a series of favorable outcomes. ORIX is constantly looking for new business opportunities and investing for growth. We also want to provide appropriate shareholder returns while doing everything necessary to maintain our credit rating.

The first issue we need to address post COVID-19 is

accelerating our digital shift and transformation. We are a global company, so we need consistent digitalization throughout the ORIX Group to stay on top of our operations worldwide while strengthening portfolio management and governance. In addition, COVID-19 led us to pivot all employees outside Japan to telecommuting, while 60% of employees in Japan have shifted to telecommuting and 40% are working at offices. Although culture and business practices in Japan are factors that hinder 100% telecommuting, the Group must absolutely achieve it in the future through digitalization.

Using digitalization to advance the changes in work styles and lifestyles that COVID-19 has accelerated is another urgent theme for the future.

Promoting sustainability, strengthening comprehensive risk management, enhancing information security, and digital transformation (DX) are emerging priorities for the ORIX Group. Digitalizing Group operations will enable the development of a data col-

lection, management, and analysis platform for the medical and healthcare fields, which will be focus areas in the future.

With its core philosophy of decisively entering growth businesses while addressing the changing global economy, ORIX evolves year after year. New investment in untapped markets is essential for ORIX's growth and evolution.

Our process for making investment decisions places great importance on advance agreement with the investee regarding management policies such as governance. The types of investees vary according to country, but our investment decisions depend on key issues including their ability to maintain their growth strategy and legal restrictions on investment in their country.

ORIX's strategy for growing corporate value equitably benefits all stakeholders. We are able to address socioeconomic change because of our absolute commitment to this strategy as a matter of fundamental policy in making management decisions.

ORIX's strength lies in the diversity and expertise of its people. We recruit talent regardless of nationality, age, gender or work history. Ensuring employee diversity is a prerequisite for creating new value as a global company. Our basic policy is to leverage diversity in developing our people and our workplace.

Moreover, ORIX operates diverse businesses in global markets and requires people with relevant expertise in both operating and management roles. ORIX therefore continuously invites external hires while supporting the career development of executives and employees through internal education.

ORIX's approach to human resource management involves innovation of various work styles and transformation of work environments and systems. We have systematically established training programs that support initiatives to develop people capable of acting on a global level, utilize senior employees, and help women excel in ways such as increasing the ratio of female managers. Our system

for supporting childcare and nursing care also goes well beyond legal requirements.

One key to our ability to maintain sustainable growth is providing new value to society and being an organization that society needs. ORIX formulated the ORIX Corporate Sustainability Policy in September 2019, and issued its first Sustainability Report in October 2019. The ORIX Group formulates and implements its own policies and stance for promoting sustainability in addition to responding to the expectations and demands of all stakeholders, including society. Showing how the ORIX Group addresses these matters is crucial.

Making our policies into realities requires employees to understand and embrace the importance of sustainability. As CEO, I will therefore continue my dialogue with employees to share the importance of sustainability and of understanding and implementing policies. In addition, business and

sustainability are not separate and should be more integrated, so we are always considering initiatives to embed sustainability in our businesses.

► Please see our Sustainability Report for more information.

Our Vision

Mid to Long-term Direction

Basic Concepts

Continue Growth

Realize profits at the right time after adding value to the existing investments. Maintain the ROE target of 11% or higher for the medium to long term.

Never Miss Business Opportunities

We will not miss business opportunities in order to avoid a credit rating downgrade. At the same time, we are making maximum effort to maintain the credit rating.

Strengthen Shareholder Returns

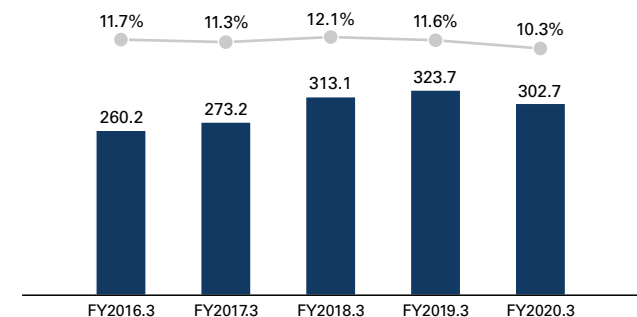
Prioritize investments but do not hold unnecessary capital. Return the excess.

ORIX has not changed the basic concepts of the Mid to Long-term Direction it announced in October 2019. COVID-19 has changed the environment, but we anticipate opportunities for further growth after the pandemic. Our net income targets of ¥400 billion to ¥500 billion yen also remain unchanged. However, ORIX needs to review timelines and processes. We need to determine how long the effects of COVID-19 will persist, and how long the global economy will take to recover once the pandemic subsides. The current circumstances make it difficult to disclose our short-term direction, including for FY2021.3, and to comment specifically on our Mid to Long-term Direction. We intend to prepare and disclose plans that incorporate our Mid to Long-term Direction once an end to the impact of COVID-19 is in sight.

FY2020.3 Results

Net income for FY2020.3 was ¥302.7 billion yen. The economic environment was challenging because of COVID-19, but we achieved our net income target of ¥300.0 billion despite a year-on-year decrease in earnings. ROE remained in double digits at 10.3%. While ROE decreased below 11%, we are committed to improvements that will keep it at our target of 11% or higher.

Net Income* and ROE



■ Net income (Billions of yen)

● ROE

* Net income attributable to ORIX Corporation shareholders

Impact of the COVID-19 Pandemic

ORIX has three businesses that are directly affected by the COVID-19 pandemic: the facilities operation business in the real estate segment, which includes hotels and inns; the airport management component of the concession business; and the aircraft leasing business.

First is the facilities operation business in the real estate segment. We operate facilities such as hotels and inns with more than 5,000 rooms in Japan. Almost all facilities were closed from the onset of the COVID-19 pandemic until the end of May 2020 to prevent the spread of infection. Since Japan rescinded its state of emergency in late May, our ongoing review of management procedures and expenses has included setting upper limits on occupancy rates while resuming operations gradually from June 2020, and removing the upper limits from August 2020.

Second is the concession business. Kansai Airports, in which ORIX has a 40% equity interest, operates three airports including Kansai International Airport. Global restrictions on cross-border travel caused airlines to reduce and suspend flights, especially international flights, and the number of airline passengers has also decreased. Domestic flights are

recovering, but the recovery outlook for international flights is uncertain. The number of airline passengers in general and inbound passengers in particular will need time to recover.

Third is the aircraft leasing business. Customer airlines requested the deferral of lease payments. Global aviation demand remains sluggish, especially for international flights, but domestic flights are showing signs of recovery in China and elsewhere. At the same time, the uncertain environment necessitates careful attention to conditions and to the outlook for FY2021.3

COVID-19 has also affected businesses other than the above due to reasons including a decrease in assets under management and requests for deferral of lease payments. At the same time, business units that have successfully adapted to lifestyle changes brought on by COVID-19 are generating solid results. Remote online sales are growing in the life insurance and banking businesses. In addition, Rentec has established a system to address increased demand for personal computer rentals in response to the growing use of telecommuting. The environment and energy segment's renewable energy business centered on solar power generation is also

strong. ORIX has a diversified business portfolio and will leverage its advantages to drive earnings with businesses that are adapting well to societal changes brought on by the COVID-19 pandemic.

Business Unit	Status and Initiatives as of May 2020
Real estate facilities operation and leasing	<ul style="list-style-type: none"> • Occupancy rates at hotels and inns have decreased significantly • Tenants have requested rent deferrals
Concession (Kansai Airports)	<ul style="list-style-type: none"> • Arrivals, departures and passenger numbers have decreased significantly • Ongoing cost reductions
Aircraft leasing	<ul style="list-style-type: none"> • Airlines have requested lease payment deferrals
Other than the above	<ul style="list-style-type: none"> • Requests for lease and loan payment deferrals worldwide • Rental car revenues have decreased

Investment Pipeline

ORIX has expanded into emerging growth businesses while addressing global economic change. New investment is an important factor in ORIX's growth. Over the past several years, ORIX has made numerous new investments and generated high returns with timely exits (sales). Our outstanding track record backs a well-stocked pipeline of potential deals

totaling approximately ¥2 trillion from which we are considering investment.

Stock and other asset prices have not fallen as expected because of the excess liquidity resulting from global monetary easing. Even this environment has not stopped ORIX from carefully considering projects that fit its investment philosophy,

with a focus on its strength in negotiated transactions. COVID-19 has caused us to put some projects on temporary hold and to lower our target price for others. We have sufficient liquidity to make new investments, so we will selectively commit to projects in our well-stocked pipeline that fit our investment philosophy.

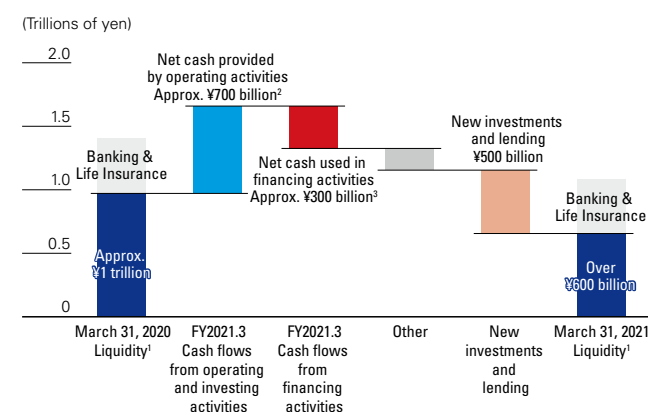
Liquidity

Liquidity is a priority in FY2021.3. The proportion of long-term debt is high and we have ensured sufficient liquidity. The impact of COVID-19 on ORIX Group's finances and sales cash flow is limited.

We have ensured sufficient liquidity even assuming that the effects of COVID-19 continue throughout FY2021.3. Our liquidity as of March 31, 2020 was approximately ¥1 trillion, excluding ORIX Bank and ORIX Life Insurance. We estimate liquidity of ¥600 billion or more even if we make new

investments and lending totaling ¥500 billion. While our stress tests assume that cash provided by operating activities would decrease by 30%, the fact is that cash provided by operating activities had only dropped by about 5% overall as of June 30, 2020, with payment deferral requests and postponements at very low levels.

In FY2021.3, we will ensure sufficient liquidity with a basic policy emphasizing funding and a cautious management approach.



- Liquidity: Cash and cash equivalents (incl. Banking & Life Insurance) + Available commitment lines
- Stress assumptions for cash flows from operating activities:
 - 30% deferral of receivables due on ¥1 trillion in debt-related assets
 - No large-scale asset sales
- Stress assumptions for cash flows from financing activities:
 - Capital market funding: No rollover at due date
 - Bank loans: 50% rollover at due date

Financial Soundness

ORIX has been emphasizing financial soundness since the financial crisis of 2009. All of our financial indicators have improved significantly since then.

ORIX also strongly emphasizes its credit ratings as indicative of financial soundness. As of August 31, 2020, we had received a single A rating or better from all rating agencies. We will continue to do everything required to maintain a single A rating (→ Page 20, ORIX from a Balance Sheet Perspective/Financial and Capital Strategies).

Credit Ratings (As of August 31, 2020)

Credit Rating Agency	Rating
S&P	A- (negative)
Moody's	A3 (negative)
Fitch	A- (negative)
R&I	AA- (stable)

Key Financial Indicators

	FY2008.3	FY2020.3
1. Financial leverage Debt/equity ratio (excluding deposits)	4.6 times	1.5 times
2. Dependence on short-term funding Short-term debt + Commercial paper	¥1.3 trillion	¥0.3 trillion
3. Liquidity Cash* + Available long-term commitment lines	¥0.4 trillion	¥1.3 trillion
4. Shareholders' equity ratio Shareholders' equity ÷ Total assets	14.1%	22.9%

* Includes cash of ORIX Bank and ORIX Life Insurance

Shareholder Returns

Dividends

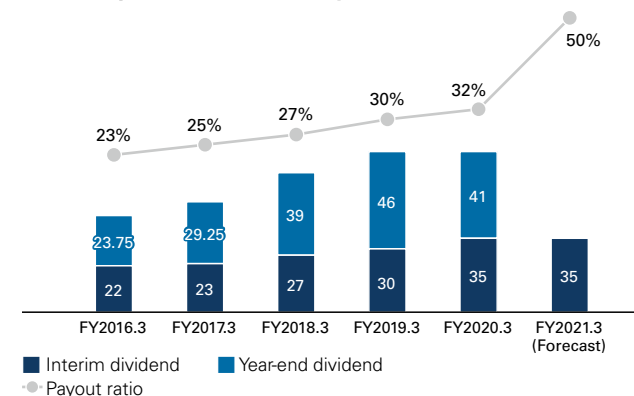
ORIX paid a full-year dividend of ¥76.00 per share for FY2020.3. The full-year dividend payout ratio was 32%, an increase of 2 percentage points year on year. Current difficulties prevent ORIX from disclosing a net income forecast for FY2021.3, but we forecast that the interim dividend will remain unchanged year on year at ¥35.00. We expect the dividend payout ratio to increase to 50% only for FY2021.3.

Share Buybacks

ORIX implemented a share buyback capped at ¥100 billion. We bought back approximately 34 million shares valued at ¥55.8 billion during the period from November 2019 through May 2020.

We are necessarily emphasizing liquidity for the time being due to the impact of COVID-19, and therefore suspended the share buyback rather than extending it. We will consider future share buybacks in light of the business environment, financial conditions and other factors, while remaining on the lookout for an eventual return to normal from COVID-19.

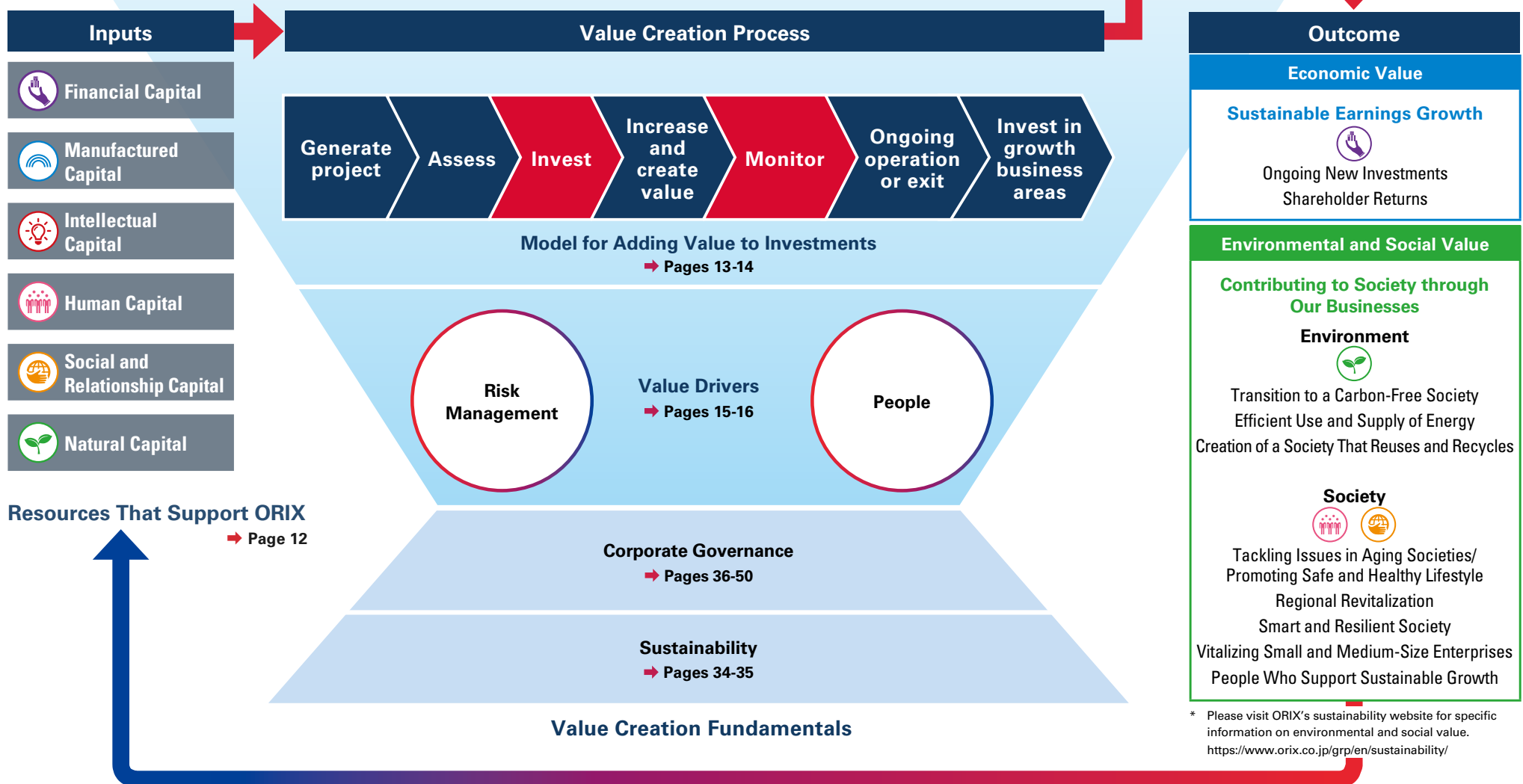
Dividend per Share (Yen) and Payout Ratio



Creating Value

Value Creation Model

ORIX employs the capital resources it has been acquiring since its founding to create value using its own model for adding value. This has enabled us to expand our business into our current 10 segments and to provide value unique to ORIX in multiple markets. We will continue to provide value to society with this serial, cyclical model.



Stakeholders select ORIX because our record of success earns their trust.

Creating Value

Value Creation Model

—Resources That Support ORIX—

Optimizing Capital Resources since Our Founding

Capital has supported ORIX in generating sustained growth by building a globally unique business model that goes beyond the boundaries of industries. It underpins our business activities today and funds the value we will create in the future. We will continue to build up and deploy capital resources for our sustainable growth.



Financial Capital

Funds that are available for use in the business

- Financial leverage: D/E ratio **1.5 times**
- Shareholders' equity ratio **22.9%**
- Liquidity (incl. ORIX Bank and ORIX Life Insurance) **¥1.3 trillion**
- Credit rating: Maintained at single **A or higher**



Manufactured Capital

Manufactured physical objects that are available for use in the business

- Autos, aircraft and ships
- Equipment rentals including ICT-related equipment and electronic measurement instruments
- Operating facilities in the real estate business
- Facilities related to environment and energy



Intellectual Capital

Organizational, knowledge-based intangibles

- Perspectives from finance
- Expertise in handling tangible assets
- Interdepartmental collaboration



Human Capital

Employee competencies, capabilities and experience, and their motivation to innovate

- Diverse people with specialized expertise **31,233**
- Ex Japan employee ratio **25%**
- Female employee ratio **37%**



Social and Relationship Capital

Connection with stakeholders and communities

- Global operations **37 countries and regions**
- Locations in Japan **1,429**
- Locations ex Japan **739**
- Broad customer base



Natural Capital

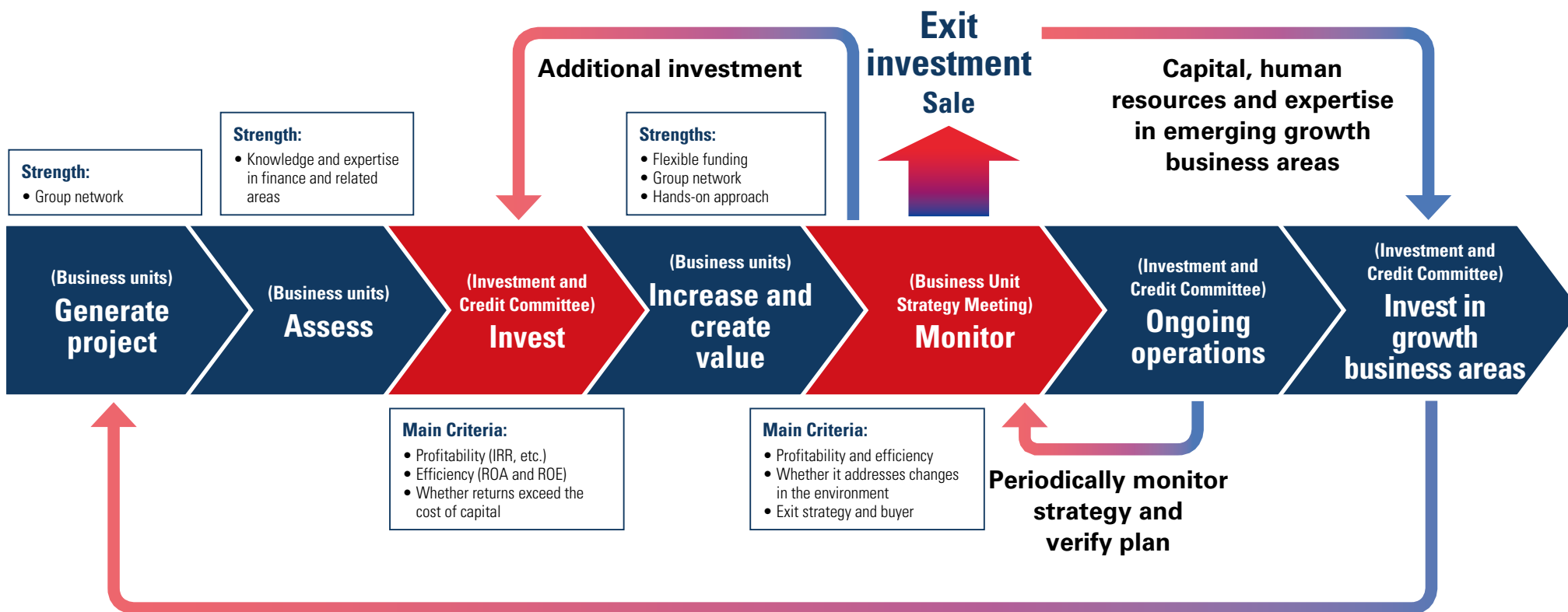
Environmental resources that support the business

- Renewable energy (solar, wind, geothermal)
- Scenic resources such as forests and lakes

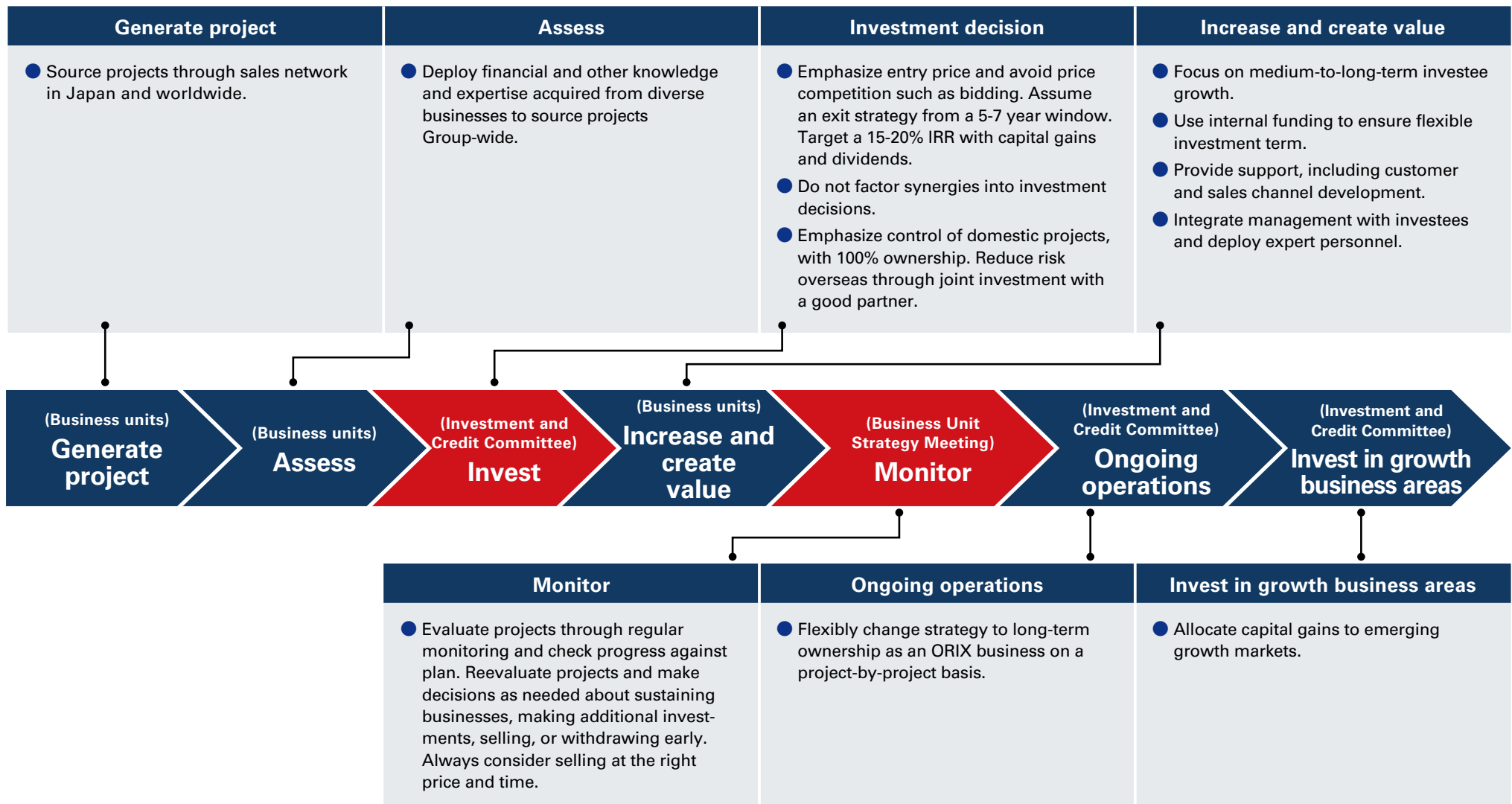
Model for Adding Value to Investments

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 (model for adding value to investments) that allows us to correctly assess risks and business potential to lead to various forms of value and generate growth.

Here, we explain the components and features of ORIX's model for adding value to investments.



ORIX's Model for Adding Value to Investments



Value Drivers

Risk management and people are value drivers, or factors that increase corporate value, for ORIX.

This section explains ORIX's approach to risk management and people and how they increase corporate value.

Risk Management

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

Self-discipline Supports Independence

ORIX has been independent since day one. We can only maintain this independence through management with the disciplined mindset that misjudgment affects the survival of the Company. Our independence is a function of this self-discipline.

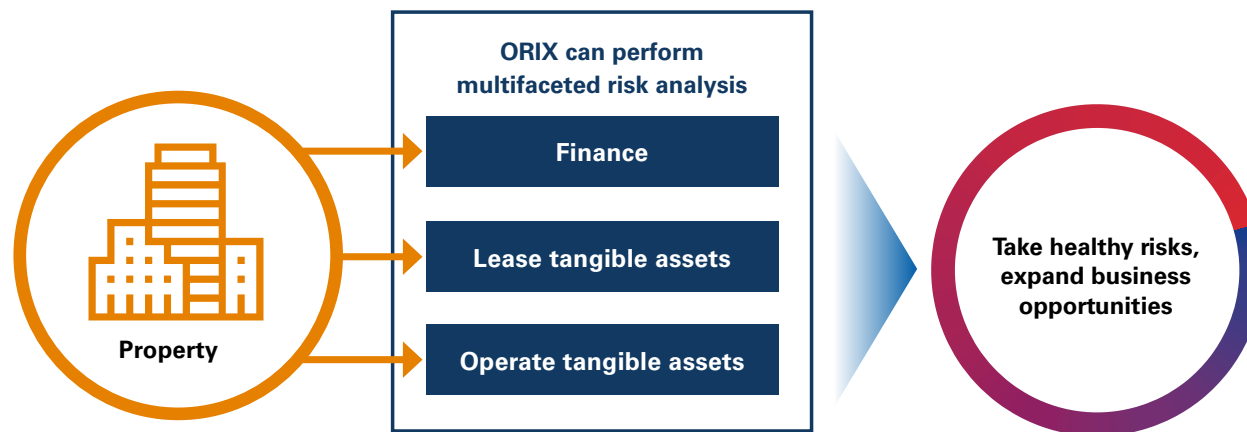
Take Healthy Risks

Companies must take intelligent risks to survive and keep growing. ORIX is an independent company that does not belong to a larger business group, so we have broad freedom to make bold strategies and plans. At the same time, we carefully and conscientiously identify and evaluate healthy risks we must take to grow. This is how we maintain soundness as we expand and grow our businesses.

Ability to Identify Risks from the Perspective of Finance

ORIX started out as a leasing company in 1964, and has been acquiring finance expertise for over 50 years. Our knowledge of finance is the crucial foundation for all our work. The ability to analyze businesses and make decisions from the perspectives of finance is a unique ORIX strength. We have also cultivated the ability to analyze risks from

multiple perspectives by expanding into investment and operation with finance as the point of entry. The ability to identify risk that we have developed is not simply defensive. It also empowers us to identify smart risks we should take even though they may appear too dangerous at first glance.



Risk Monitoring

We continue to monitor risks after we take them. We regularly check risk status on an individual project and a portfolio basis, and mitigate risk when it has diverged from

initial assumptions. In addition, regularly confirming future potential and profitability enables us to optimally time portfolio replacement.

People

Based on our concept of “Keep Mixed,” we hire diverse human resources. Each and every employee has the ability to identify change globally and the mindset to turn those changes into opportunities. Our people are an asset that drives growth for ORIX.

Business Expansion Drives Human Resource Diversification

ORIX was established as a leasing company. However, we recognized that limiting ourselves to leasing would limit growth, so we gradually expanded into other business. We developed employees during this process while aggressively bringing on mid-career employees, thus adding diverse human resources with diverse specialties as our businesses expanded.

A Corporate Culture of Astute Moves and Adaptability

We need to identify changes worldwide and turn them into opportunities in order to expand our businesses. Our corporate culture therefore requires employees to be astute and adaptable.

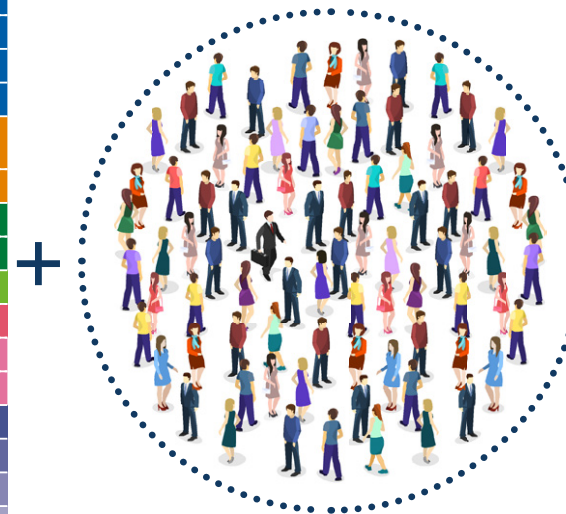
Consolidated Group Management and Interdepartmental Collaboration

Our management policy calls for consolidated Group management. ORIX has various business divisions and Group companies, but all share the mindset that mutual cooperation is essential. Therefore, our organization is not vertically segmented. Diverse people commonly collaborate horizon-

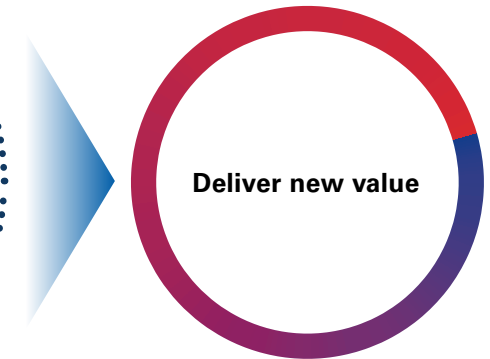
tally across departments and Group companies. This horizontal collaboration enables our diverse people to cooperatively share their expertise in taking on new business opportunities.

Corporate Financial Services
Yayoi
Auto
Rentec
RE Investment and Facilities Operation
DAIKYO
Investment and Operation
Concession
Environment and Energy
Life Insurance
Banking
Credit
Aircraft and Ships
ORIX USA
ORIX Europe
Asia and Australia

Broad range of businesses (16 business units)



Diverse people collaborate interdepartmentally

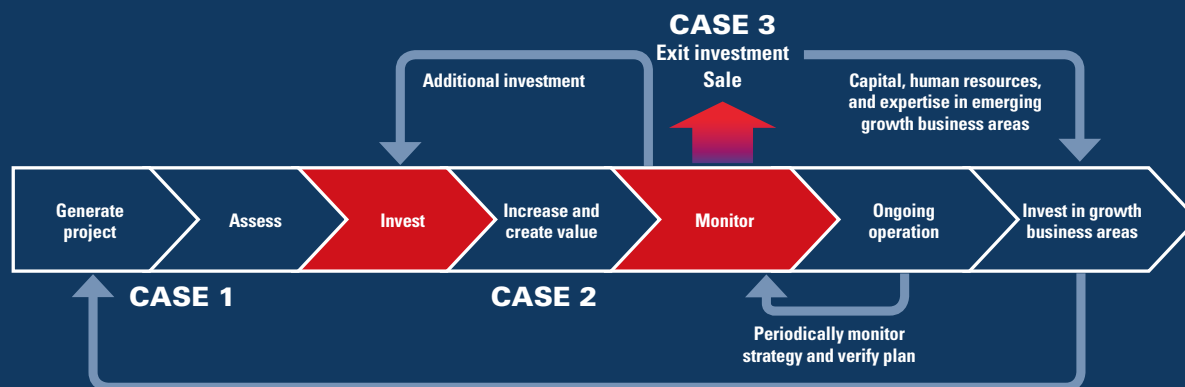


➔ Human Resource Strategy (Page 30)

Value Creation Case Studies

Change is the only constant.
The ORIX business model manages risk and generates growth.

ORIX achieves sustainable growth through cycles of adding value. This section presents three case studies that describe each process in our model for adding value.



CASE 1 ▶ Generate Project/ Assess

Environment and Energy

(Business details on page 60)

Create projects by reacting promptly to changes in the environment.

Commercialize quickly by combining internal and external expertise.

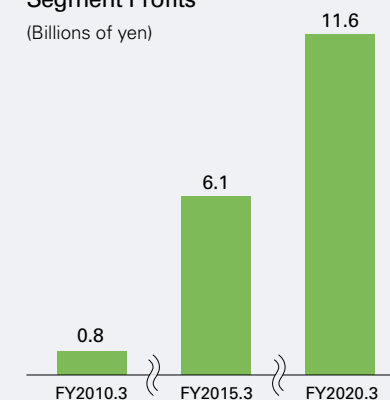
Anticipating changes in the energy business in Japan, ORIX's Environment and Energy Business began preparing for the commercialization of renewable energy before the start of the feed-in tariff (FIT) system in 2012. As a result, ORIX was quicker than its competitors to successfully establish a profitable business model for the solar power business.



We commercialized solar power generation by deploying our domestic corporate sales network as well as our ability to structure projects and documentation skills in real estate development, structured finance and equity investment. We also supplemented our technological knowledge by proactively working with experienced external specialists. This approach enabled ORIX to build an organization that could reliably execute in every project phase, from new project sourcing and structuring to technological and contractual coordination. Bringing together people with the ability to make reasoned judgements from both inside and outside the Company is key to entering new fields.

Environment and Energy: Segment Profits

(Billions of yen)



Solar power business in Japan

Prior to business launch	700MW capacity 180MW in operation	1,000MW capacity 910MW in operation
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CASE 2 ▶ Increase and Create Value

ORIX USA

(Business details on page 65)

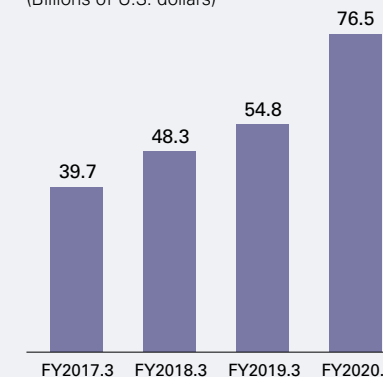
Expand business domains by identifying the characteristics of the North American market. Continue to grow independently while controlling balance sheet risk.

ORIX Corporation USA (ORIX USA) was established in 1981 and currently operates in more than 50 locations across the United States with more than 1,400 employees. Former subsidiary Houlihan Lokey, Inc.'s high internal rate of return exemplified ORIX USA's ability to add value. ORIX USA acquired Houlihan Lokey in 2006, sold a portion of its equity in 2015 via initial public offering, and sold its remaining equity in July 2019.

ORIX USA's growth driver is its timely and efficient ability to respond to market trends and direction. ORIX USA typically invests in bonds and real estate using its own balance sheet. Over the past several years, however, ORIX USA has made several strategic acquisitions and enhanced its ability to fund investments with external capital. This has empowered a broadly based asset management business that ranges from conventional assets such as equities and bonds to hedge funds, unlisted corporate equities, commodity funds and real estate, allowing growth with reduced balance sheet risk. ORIX USA's revenue includes conventional asset management fees as well as fees for arranging and gains on sale of financial instruments to investors.

ORIX USA: End of Period AUM

(Billions of U.S. dollars)



CASE 3 ▶ Exit Investment

Sale of ORIX Golf Management and ORIX Living

Sell at the right time. Structure optimal portfolios.

ORIX is committed to improving the business models of existing businesses to increase corporate value. At the same time, we look at asset sales to increase corporate value as a strategic option.

In 2019, ORIX sold its businesses operating golf courses and related facilities (ORIX Golf Management) and senior housing and private nursing homes (ORIX Living). ORIX Golf Management launched in 1986 and had grown to the third-largest company in its industry.

Established in 2005, ORIX Living led the industry as a business that linked lifestyle, nursing care and medical services in response to the social needs of an aging society.

After considering emerging social change and the poor prospects of these two companies as independent entities, however, we sold both to other prominent companies. This is representative of ORIX's commitment to increasing the value of existing businesses while consistently turning over the portfolio after considering future potential.

Golf course management

Sale completed in March 2019

- Launched in 1986
- Third-largest golf course operator in Japan with 41 facilities
- Sale to Accordia Golf was ideal because both companies together created the largest golf course operator in Japan and maximized economies of scale

Senior housing and private nursing homes

Sale completed in August 2019

- Launched in 2005
- 32 facilities and 2,726 rooms (As of March 2019)
- Integration with the resources of Daiwa Securities Group Inc. was best for further increasing value

A Diverse Portfolio of Businesses

ORIX Operates a Diverse Portfolio of Businesses

ORIX has increased its expertise in its businesses and has grown without limiting itself in the process of responding to the diversifying needs of its customers and changes in the economic environment. We have expanded outward from leasing into a diverse array of businesses, providing a wide variety of products and services to corporate and individual customers, and to communities and social infrastructure.

10 Segments and 16 Business Units

ORIX generates sustainable growth by structuring a business portfolio that responds to changes in society. ORIX's main businesses today are shown in the table at right. Each segment and business unit makes the most of its unique strengths and creates synergies, such as systematically enabling intersegment collaboration in providing products and services.

→ **Overview by Segment (Page 51)**

Segments	Business Units	Main Businesses
Corporate Financial Services and Maintenance Leasing	Corporate Financial Services	Provides leasing, financing, and various solutions (products and services) to small and medium-size enterprises
	Yayoi	Develops and sells a range of business software and provides after-sales support and services
	Auto	Automobile leasing and rental, car sharing; used automobile purchase and sale
	Rentec	Electronic measurement instruments and IT-related equipment rentals and leasing
Real Estate	RE Investment and Facilities Operation	Develop and rent office buildings, commercial facilities, logistics centers, and other properties, and operate businesses such as asset management, hotels, inns, and aquariums
	DAIKYO	Real estate development and brokerage and building maintenance and management, with a focus on condominiums
PE Investment and Concession	Investment and Operation	Private equity investment in Japan and overseas
	Concession	Operation of airports and wastewater treatment plants
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
Insurance	Life Insurance	Life insurance, including medical insurance
Banking and Credit	Banking	Banking with a focus on real estate investment loans
	Credit	Card loans, guarantees of unsecured loan handled by other financial institutions, and housing loans (Flat 35)
Aircraft and Ships	Aircraft and Ships	Aircraft leasing and management, ship-related finance
ORIX USA	ORIX USA	Finance, investment and asset management in the Americas
ORIX Europe	ORIX Europe	Equity and fixed income asset management
Asia and Australia	Asia and Australia	Finance and investment in Asia and Australia

ORIX from a Balance Sheet Perspective/Financial and Capital Strategies

Fundamental Mindset

Profit growth: Long-term, we will increase net income from ¥300 billion to ¥400 billion-¥500 billion.

Capital efficiency: ROE 11% or higher

Financial soundness: Make every effort to maintain a single A credit rating

Strategy to Improve Capital Efficiency Risk Capital-based Returns

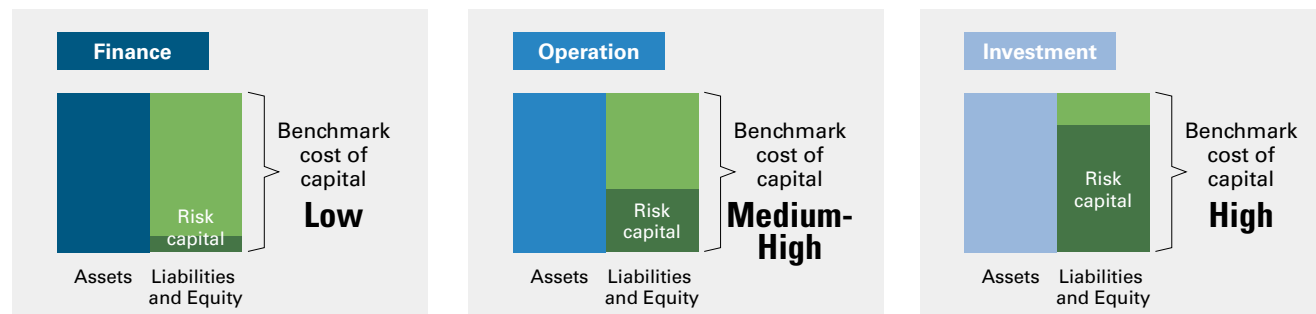
Rigorously select investments by requiring returns commensurate with business risks.

ORIX allocates capital to discrete businesses on a risk-adjusted basis, then manages businesses to generate the required return on this risk capital. Capital requirements vary according to investment asset, and returns must be commensurate with the capital requirements. ORIX allocates risk capital based on historical maximum decrease for each asset.

Balance Sheet from a Three-Category Portfolio (As of March 31, 2020)

Other investments: ¥2.1 trillion	Other investments: ¥1.6 trillion
Investment: ¥2.1 trillion	Policy liabilities: ¥1.6 trillion
Operation: ¥4.3 trillion	Deposits: ¥2.2 trillion
Finance: ¥4.5 trillion	Long- and Short-Term Debt: ¥4.6 trillion
	Shareholders' Equity: ¥3.0 trillion
Assets	Liabilities and Equity

Capital Allocation Models by Asset



Supplementary Data for Three Portfolio Categories

Three Categories	Primary Risks	Primary Businesses
Finance	Credit risk	Leasing in Japan and overseas, loans, housing loans, card loans, others
Operation	Operation risk Business risk	Environment and infrastructure: Real estate facility operation, environment and energy, concession Financial services: Asset management, life insurance Maintenance services: Automotive services, rental business, others
Investment	Market risk	Fixed income: Non-performing loans and bonds Tangible assets: Real estate, aircraft and ships Equity investment: Private equity investment in Japan and overseas, others

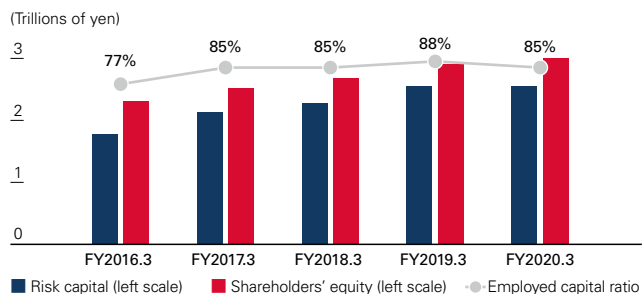
**Strategy to Improve Capital Efficiency
Capital Allocation**

Allocate capital to investments with high ROA and control the employed capital ratio.

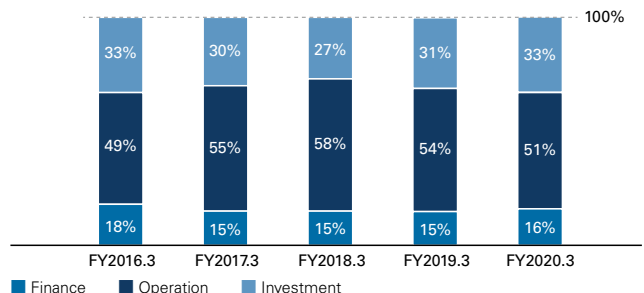
We allocate risk capital to growth investments to ensure profitability while controlling overall asset growth.

Capital allocation to our three categories over the past five years was under 20% for Finance; steady at about 30% for Investment because of both new investment and replacement of portfolio assets; and about 50% for Operation with a focus on investments with growth potential.

Risk Capital, Shareholders' Equity and Employed Capital Ratio



Risk Capital Allocation

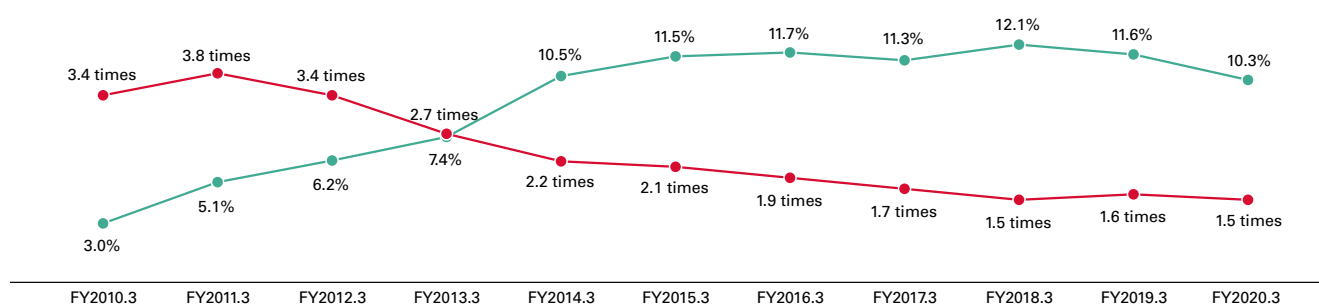


**Strategy to Improve Capital Efficiency
Leverage**

Make every effort to maintain a single A credit rating and appropriate controls.

We have drawn on our experience during the financial crisis of 2008-2009 to increase capital efficiency by reducing leverage and improving ROA. We will continue to employ leverage appropriately to optimize capital costs and improve ROE.

ROE and Debt/Equity Ratio

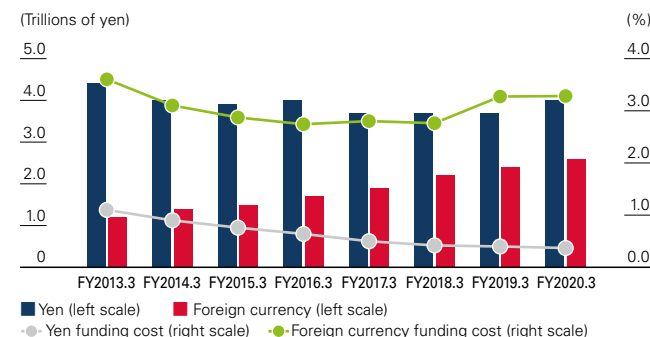


ORIX has established an asset and liability management (ALM) policy to deal with liquidity risk and market risk in procuring funding.

We address liquidity risk by diversifying funding sources, lengthening durations, and leveling out our maturity ladder. We also conduct stress tests based on experience in past financial crises to ensure the greatest possible liquidity to meet financing requirements over extended periods.

We obtain foreign currency funding in ways such as borrowing from financial institutions in Japan and overseas and issuing bonds in local capital markets. We maintain a stable funding framework by diversifying funding methods, markets and areas, and by lengthening durations.

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



Our Foundation for Creating Value

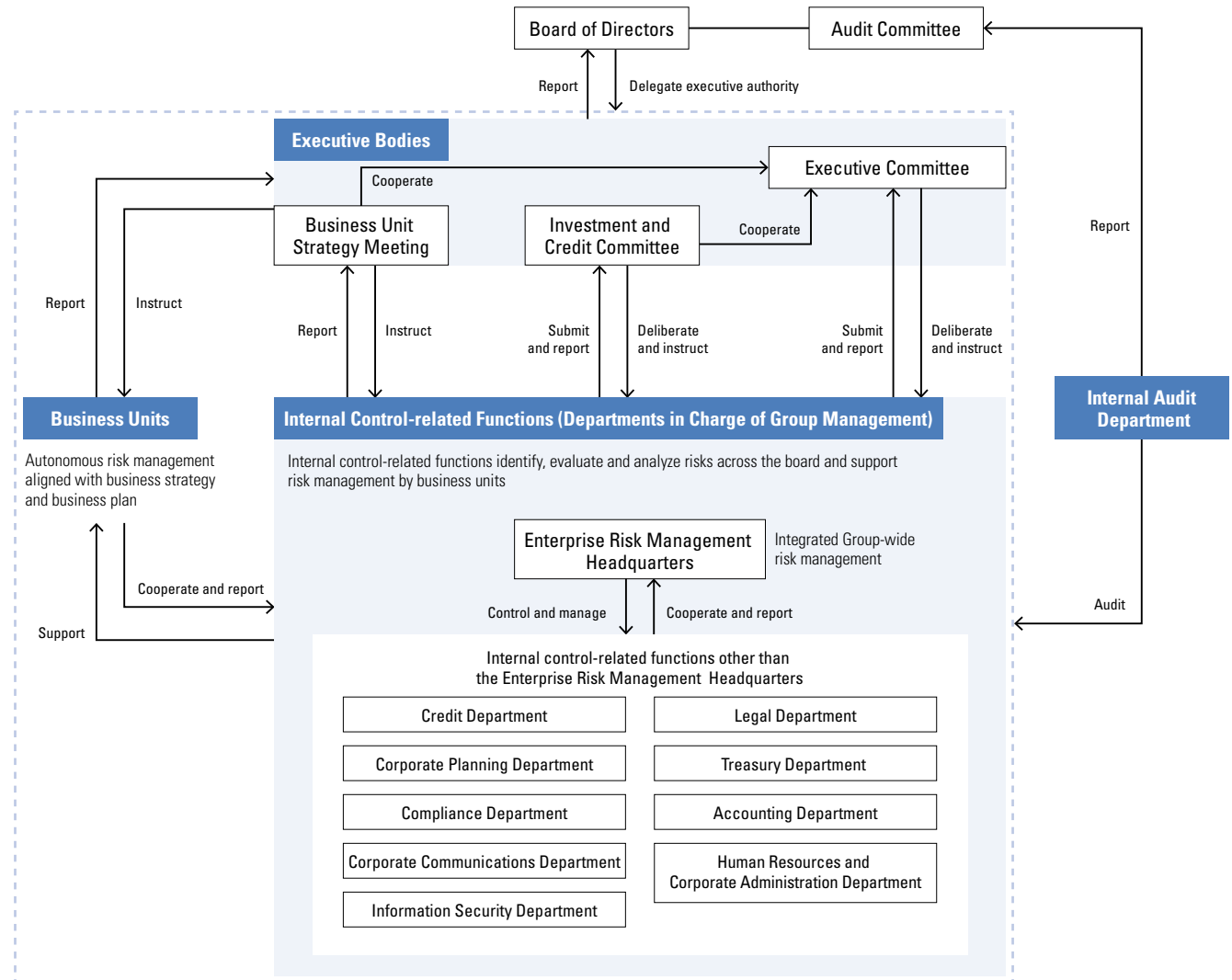
Risk Management

Group-wide Risk Management System

ORIX allocates resources in line with Group-wide risk preferences based on management strategies and the strategies of individual business units. We optimize the risk-adjusted allocation of resources with a system that effectively profiles the various risks relevant to Group businesses worldwide and reports them to the Board of Directors and the executive bodies as the situation warrants. We have also established the Enterprise Risk Management Headquarters to control risk Group-wide. It centralizes risk management and collaborates with the internal control-related functions to analyze and manage risks.

➔ Strengthening Group-wide Risk Management Systems (Page 26)

Group-wide Risk Management System



Risk Factors and Risk Management

Risk Factors	External environment-related risk	Credit risk	Business risk	Market risk	Liquidity risk (risk related to funding)
Risks	<ul style="list-style-type: none"> Global economic and political change Unpredictable events (incl. accidents, disasters, terrorism, and outbreaks of infectious diseases) 	<ul style="list-style-type: none"> Increase in credit-related costs in financial business (incl. leasing and installment loans) 	<ul style="list-style-type: none"> Project management failures in business expansion, M&A, joint ventures with other companies, or alliances Losses on assets due to fluctuations in the price of portfolio and investment assets Lower earnings in the asset management business due to asset price fluctuations 	<ul style="list-style-type: none"> Negative effect on earnings and assets due to large fluctuations in interest rates and exchange rates Derivative transactions do not have the intended economic effect Financial impact of price fluctuations on portfolio securities 	<ul style="list-style-type: none"> Constraints on new funding and refinancing, and higher funding costs Increased interest costs and reduced funding capabilities due to lower credit rating
Risk Management	<ul style="list-style-type: none"> Diversify ORIX's revenue structure by operating in multiple businesses and ensure sufficient liquidity to systematically enable consistently sound financial management. Upgrade disaster risk management systems. ➔ Business Continuity Planning (Page 25) 	<ul style="list-style-type: none"> Comprehensively evaluate customer credit based on the customer's financial position, cash flow, underlying security interests, profitability and other factors of individual credit transactions. Enhance credit risk management for individual transactions and portfolios (acquire sufficient collateral and guarantees, diversify industries and creditors, and control exposure to potentially high-risk markets). 	<ul style="list-style-type: none"> Thoroughly analyze risk before launching businesses and investing (scenario analysis and stress tests). Evaluate and verify product and service quality improvement and withdrawal costs through regular monitoring after launching businesses and investing. ➔ Investment Risk Management (Page 24) 	<ul style="list-style-type: none"> Systematically manage and control assets and liabilities (comprehensively verify and understand market risk, and hedge it with derivatives). 	<ul style="list-style-type: none"> Diversify funding methods. Strengthen management of liquidity on hand (conduct liquidity risk stress tests and employ countermeasures, and understand liquidity risk for each country and subsidiary and employ countermeasures).

Risk Factors	Compliance risk	Legal risk	Information risk	Operational risk
Risks	<ul style="list-style-type: none"> Decline in trust and loss of corporate value due to behavior by organizations and individuals that violates laws or company regulations or deviates from social norms 	<ul style="list-style-type: none"> Restrictions on business activities from laws, regulations and regulatory authorities in each country ORIX serves Restrictions on business activities from and higher costs to address the enactment, revision, or change of laws and accounting standards 	<ul style="list-style-type: none"> Loss, damage or leakage of customer information including personal information and information assets such as ORIX Group financial information and personnel information Interruption of services and corporate activities caused by system failures due to cyberattacks, computer viruses or other factors 	<ul style="list-style-type: none"> Loss of market trust due to being regarded as having ineffective internal control over financial reporting Ineffective risk management in addressing rapid business expansion and changes in the external environment Reduced operational quality and unreliable business continuity due to inability to develop, bring on and retain diverse human resources Other various operational risk events arising as a result of conducting diverse businesses
Risk Management	<ul style="list-style-type: none"> Systematically implement appropriate compliance, and promote a highly ethical culture of compliance (formulate and implement annual compliance plans, enhance awareness of compliance through internal regulations and communication, and maintain internal and external whistleblower channels). ➔ Enhancing Compliance (Page 27) 	<ul style="list-style-type: none"> Systematically ensure legal compliance and manage legal risk (enforce internal rules for legal compliance, understand laws and regulations applicable to each business, and respond appropriately to legal revisions). 	<ul style="list-style-type: none"> Systematically manage information risk (enforce internal regulations, implement technical measures such as measures to manage information system vulnerability and protect networks, maintain systems for responding to information security incidents, and implement measures to mitigate system failure risk). ➔ Enhancing Information Security (Page 29) 	<ul style="list-style-type: none"> Develop, disseminate and inculcate internal rules. Employ business execution systems. <ul style="list-style-type: none"> Establish internal control systems for financial reporting. Deploy personnel systems and work environments to reliably bring on and retain diverse human resources. ➔ Human Resources Strategy (Page 30) <ul style="list-style-type: none"> Continuously strengthen the overall risk management system with operational risk monitoring by the Internal Audit Department.

Investment Risk Management

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

Investment then follows top management investment decisions. We subsequently increase investee corporate value over the medium and long term and regularly monitor businesses to determine whether to continue or exit. Our

demonstrated ability to maximize investee corporate value has made ORIX an investment partner of choice, which helps us source new investments.



Assess
Deploy Knowledge and Expertise in Finance and Neighboring Fields to Assess Profitability and Risk

ORIX takes a bottom-up approach to identifying investments. Fundamentally, we use our Group network in Japan and around the world to identify investments driven by frontline sales in our 10 segments and 16 business units. We do not limit ourselves to a single investment theme or business. We explore a broad range of investments without constraint so that we can adapt quickly to changes in our operating environment.

The knowledge of and expertise in finance and neighboring fields we have developed since our establishment is critical to the success of our diverse investment portfolio. We screen investment projects by examining investee potential and control risk. Frontline sales operations lead projects, leveraging specialized financial knowledge in collaboration with teams that have expertise ranging from accounting and law to taxation and compliance.

Make Investment Decisions
Emphasize Entry Price in Investment Decisions

The Investment and Credit Committee, which comprises top management and Executive Officers associated with projects, deliberates and decides on investment deals that exceed set capital parameters. Each business unit submits investment proposals to the committee. The key to investment is a sharp focus on entry price. Whether we are making a strategic or a pure financial investment, we focus on profitability indicators including internal rate of return and net operating income and efficiency indicators including ROA and ROE, premised on an exit strategy for five to seven years in the future. We do not incorporate neighboring business areas or synergies in price. ORIX makes investment decisions after confirming that discrete projects will generate returns that are commensurate with their risks and exceed our cost of capital.

Increase Corporate Value
Deploy Group Resources to Increase Corporate Value

Business units in charge of projects act independently in our process for adding value, which emphasizes medium-to-long-term growth in investee corporate value. We invest our own capital, so we can be flexible about investment period. We also support investees in a variety of ways such as leveraging our Group network to help them find new customers and expand sales channels. We emphasize a hands-on approach in which we work together with investees to increase their corporate value. This involves business administration and deployment of expert personnel.

Monitor
Verify Strategies and Plans to Make Continue or Exit Decisions Flexibly as the Environment Changes

We conduct periodic checks after we invest. Business Unit Strategy Meetings take up the status of investments in each of our businesses, then the Investment and Credit Committee further deliberates and makes decisions about critical matters including additional investments and exit timing. We also properly assess risk by testing for impairment and calculating the cost of withdrawal from a business as necessary.

Our know-how, experience and expertise empower us to look at markets and continue with an investment or pick the right time to sell it. At the time of sale we choose the method and buyer with due respect for the intentions of the investee management team. Investees often choose ORIX as a business partner because of our record of results from this approach, which also helps us source new investments. ORIX reinvests proceeds from the sale of investments in emerging growth markets to generate sustainable earnings growth.

Business Continuity Planning (Disaster Risk Management System)

ORIX's Basic Disaster Risk Management Rules stipulate our basic stance in the case of unforeseen incidents, including natural disasters or accidents, along with specific responses and the framework for organizationally managing risk. Defining disasters largely as damage from natural phenomena such as earthquakes and typhoons, terrorism, accidents, fires and infectious diseases, we have laid out our fundamental responses in a disaster response manual and a manual for countering new influenza strains or similar diseases.

We have established systems for confirming the safety and status of employees if our offices are closed due to an event such as a disaster or the spread of an infectious disease. We have also prepared for situations in which working from our offices is impossible or inadvisable by introducing systems that enable employees to work remotely so that our business operations are not disrupted.

As a rule, in Japan we confirm the safety of employees in prefectures affected by an earthquake with a seismic intensity of 5 or higher, and conduct safety confirmation training several times annually. We have also set up a disaster response headquarters at the Osaka head office in case damage in greater Tokyo knocks out the Tokyo head office, and we are conducting relevant training in collecting information. In addition, each base has stockpiled food and drinking water for three days per employee.

Response to the COVID-19 Pandemic

■ Chronology

- Japan's first confirmed case of infection in January 2020 prompted the ORIX Group to position COVID-19 as a crisis that requires a Group response with circumspect prevention of infection among officers and employees, information gathering at all Group companies, and Group coordination of information. We enhanced our telecommuting infrastructure and external communication capabilities, and initiated countermeasures Group-wide.
- We moved to prevent infection among officers and employees by banning business trips to China and refraining from overseas business trips from late January 2020. During February 2020, we recommended staggered schedules for in-office work or telecommuting, and that individuals avoid in-person meetings, entertaining and business trips in Japan. When the Japanese government declared a state of emergency in April, we established the COVID-19 Headquarters, and as a rule required telecommuting to address the emergency.
- When the state of emergency was lifted in May 2020, we accommodated the policies of local government and new lifestyles in putting the health and safety of officers and employees first. We operated responsibly to prevent the spread of COVID-19 and continued telecommuting insofar as it did not impede work.

■ Employee Response

[Daily Confirmation of Employee Health and Attendance]

- We used a daily safety confirmation system covering about 29,000 full-time, temporary and part-time employees (as of July 31, 2020) at ORIX Group companies in Japan to understand the work situation and identify people who had developed symptoms and missed consecutive days of work.

[Infection Prevention and Response to Actual or Suspected Infection]

- We collected data for each business unit and Group company covering specific guidelines for preventing infection and policies for addressing suspected infection, and provided timely reports to management and the relevant business units. We also cooperate with business units that report actual or suspected

infection to implement necessary measures including contact tracing and office disinfection.

[Telecommuting Environment Upgrades]

- We improved the telecommuting environment by distributing various IT resources including personal computers, smartphones, and communication devices, and urgently expanded virtual private networks (VPN) that employees can access from home.
- The majority of officers and employees at locations both inside and outside Japan telecommuted, and we helped prevent infection in ways such as setting up shifts and rotation schedules for employees who had to be on-site for business purposes.

[Additional Measures besides Telecommuting]

- We encouraged staggered schedules for on-site work, provided special disaster leave for people with health issues or who are forced to be on call at home, prohibited business trips, refrained from face-to-face meetings, and used video conferencing at meetings of the Board of Directors and executive bodies such as the Executive Committee.

■ Measures for Customers

- Accommodations and aquariums operated by ORIX Hotel Management Corporation and ORIX Aquarium Corporation, both wholly owned by ORIX Real Estate Corporation, were closed for up to three months due to the COVID-19 pandemic. Operations have resumed gradually since June 2020 following the formulation of our own hygiene and disinfection guidelines.
- ORIX Auto Corporation is operating its rental car and car sharing businesses with measures to enhance hygiene to prevent the spread of infection.
- ORIX Life Insurance Corporation is prioritizing payment of hospitalization benefit claims, among other measures.
- ORIX Corporation participates in operating Kansai International Airport, Osaka International Airport, and Kobe Airport, which are implementing an array of measures to counter infectious diseases.

Strengthening Group-wide Risk Management Systems

Steadily and Speedily Create a Suitable Enterprise Risk Management System

Tomoko Kageura

Executive Officer

Head of Enterprise Risk Management Headquarters

Joined ORIX in April 1994. After a total of 20 years in the legal and compliance fields, transferred to the Internal Audit Department in 2014. Became General Manager of the Group Internal Audit Department in 2017 and Head of the Enterprise Risk Management Headquarters in January 2020.

Mission of the Enterprise Risk Management Headquarters

The main role of the Enterprise Risk Management Headquarters, which was established in June 2017, is to formulate Group-wide risk management policies and standards necessary for ORIX to achieve its overall strategy, and to create mechanisms to continuously improve the effectiveness of structures and internal control systems for doing so.

Group-wide risk management is a component that ORIX requires not only to prevent losses and avoid risks, but also to take healthy risks to increase corporate value and help achieve growth targets. Moreover, sustainable management requires that we identify acceptable and unacceptable risks and add risk controls to make ORIX the best it can be. We also need to evaluate and visualize the risk control outcomes to distribute as management information.

We are empowering the Enterprise Risk Management Headquarters to fulfill its responsibilities, and enabling sustainable growth for ORIX by employing and enhancing systems that can appropriately identify, evaluate, control and manage risks.

Enterprise Risk Management Headquarters: Issues and Countermeasures

The Enterprise Risk Management Headquarters is currently addressing two main issues. The first is strengthening its functions as a department that comprehensively controls Group-wide risk. The Enterprise Risk Management Headquarters and other internal control-related functions (Corporate Planning Department, Corporate Communications Department, Information Security Department, Treasury Department, Accounting Department, Human Resources and Corporate Administration Department, Credit Department, Legal Department, and Compliance Department) are consistently managing risk in their respective areas of responsibility. However, we need to further improve our ability to comprehend an expanding global matrix of risks and businesses Group-wide.

We are therefore restructuring our Group-wide risk management system so that we can visualize Group financial and non-financial risk for distribution as strategic management information. We will monitor risk levels and confirm if they are appropriate while continuously enhancing risk management systems. Furthermore, we will quantify issues such as risk concentration by determining risk at the Group-wide portfolio level to support management decisions and earnings growth.

Group-wide risk management requires that we visualize risks, identify them comprehensively, and understand them exhaustively in real time. We will also digitalize our risk management system to address the increasing complexity and rigor of regulations relevant to ORIX's business, and to move away from departmentalized risk management.

The second issue the Enterprise Risk Management Headquarters is addressing is enhancing Group-wide BCP initiatives. Fortunately, the COVID-19 pandemic did not cause serious problems for ORIX employees and businesses. However, ORIX had assumed that its current BCP measures would be mainly for responding to disasters such as earthquakes, bringing to light the necessity of a review in the context of pandemic initiatives based on our experience responding to COVID-19.

Given the new normal, the Enterprise Risk Management Headquarters will be central in strengthening measures for ORIX's businesses. It has begun considering how ORIX can deal with the impact on resources from risks other than natural disasters, with an initial focus on telecommuting effectiveness together with the IT Infrastructure, Information Security, and Group Human Resources and Corporate Administration departments.

The Future

ORIX has a broad portfolio of businesses in markets that are expanding and growing with exceptional speed, so we must continuously enhance risk management systems. We can take an aggressive stance for growth, with proactive investment in Japan and overseas, because we protect the Group well. We recognize that the business environment surrounding ORIX is also changing very quickly. ORIX is looking five to ten years into the future and beyond to accurately identify issues in steadily and speedily creating a suitable Enterprise Risk Management system.

Our Foundation for Creating Value

Enhancing Compliance

Emphasize Effective Compliance and Support New ORIX Businesses

Tomoko Hara

Enterprise Risk Management Headquarters
Managing Director, Group Compliance Department

Joined ORIX in April 1996. After working in corporate sales, risk management, systems and other departments, was mainly engaged in IR in the Corporate Planning Department from 2010. Became General Manager of the Corporate Planning Department in 2019 and Managing Director of the Group Compliance Department in 2020.

ORIX's Approach to Compliance and Compliance Structure

ORIX prioritizes compliance, and inculcates a highly ethical corporate culture of appropriately structured compliance. Specifically, we formulate and implement compliance plans, establish internal rules and promote awareness of compliance through communication. We also have internal and external whistleblower channels.

In addition, ORIX reports important compliance matters to the Audit Committee, the Executive Committee and the Group Executive Officer Committee. The Compliance Department, under the jurisdiction of the Head of Compliance, cooperates with the compliance officers appointed at subsidiaries and business units, and promotes compliance activities across ORIX.

Initiatives in FY2020.3

Compliance initiatives in FY2020.3 included the following

- **Compliance reviews:** Training and individual interviews with staff at 21 locations in Japan. Met with the senior management and compliance managers at 10 locations outside Japan and confirmed compliance activities.
- **Enhanced system for preventing money laundering:** Reaffirmed outcomes after identifying and evaluating money laundering and other risks in light of guidelines of the Financial Action Task Force (FATF) and the Financial Services Agency, and implemented measures to further reduce risk.
- **New external reporting system:** Complemented our existing internal reporting system by establishing an external reporting system. Important cases are reported to the Audit Committee immediately, and other cases are reported to the Audit Committee quarterly.

- **Education through training:** Used e-learning to provide education to raise awareness of compliance and other important laws and regulations, such as ethics regulations training for officers and employees and bribery prevention training.
- **Work environment improvement:** Interviewed employees in a wide range of occupations to improve the work environment.

Compliance Issues and Initiatives

The scope of compliance has expanded from conventional management of the risk of legal and regulatory violations to management that includes avoiding damage to shareholder value and loss of trust from stakeholders. ORIX must comply with both the letter and the spirit of laws and regulations inside and outside Japan, so implementing effective compliance measures after accurately identifying the features and risks of our businesses is an important issue. Our compliance initiatives emphasize effectiveness rather than form and completeness, support ORIX's aggressive new business development, and address the issue of shareholder and stakeholder trust by enhancing our ability to protect their interests.

Going Digital

Increased Profitability and Sustainable Growth through Digitalization

Shin Inoue

Head of Group IT

Joined ORIX in March 2020. Twenty years in Silicon Valley founding, raising venture capital for, and building world-class financial technology companies. B.S. in Mathematical and Computational Science and M.S. in Operations Research from Stanford University.

Why Digitalization and Information Security

Increasing net income to ¥400 billion and even above ¥500 billion is our medium-to-long-term target. To achieve that goal, we must accelerate digitalization of our businesses and strengthen Group-wide information security. This will unlock the possibility of the massive transactional data accumulated over the years, dramatically shorten the distance between us and our customers through online interactions, and ultimately drive scaling of existing businesses and new business innovations.

Digitalization and Information Security Initiatives

COVID-19 has restricted the movement of people and goods and forced us to reimagine our traditional workstyle and business models. ORIX, too, needs to rethink the strategy, timeline and process for achieving its earnings targets. While the path to the end of the COVID-19 crisis is not yet

clear, as a company striving for sustainable growth no matter the economic environment, we are driving digitalization and enhanced information security with a sense of urgency.

Step one involves solidifying the ORIX Group's IT infrastructure, digitalizing many inefficient business operations and strengthening the security of digitized data. ORIX has thoughtfully expanded its business to adjacent fields and now has a broad array of businesses in 10 segments. Given our expansive coverage, establishing a Group-wide, unified IT infrastructure has not been a straightforward process, and we have historically thrown people and manual processes at the operational challenges. Digitalizing our back and middle office operations will transform the cost structure of existing businesses and help improve profitability. We have achieved roughly only 10% of the impact of digitalization, but that also means that we have a tremendous upside potential. We will continue to deploy segment-specific digitalization teams and strive to implement over 80% of our digitalization and information security measures over the next three years.

Step two involves leveraging information technology to expand existing core businesses and launch new ones. Digitalization not only reduces the operational costs of existing businesses, but also enables us to expand into new markets and connect with customer segments not reachable previously. For example, reaching and engaging with small and medium size enterprises (SMEs) completely online would be an opportunity that didn't exist before. It is true that digitalization naturally increases information security risks if not managed properly, but we see new business opportunities that leverage digitalized data far outweighing those managed security risks. We are especially keen to develop a digitalized platform that integrates our SME relationships and expansive business data globally.

Looking Forward

In order to 1) accelerate the digitalization of business operations, 2) strengthen our information security, 3) expand core businesses to reach new customers, and 4) innovate new business models using technology, we must aggressively pursue recruiting and training to build a globally competitive, world-class technology organization. Leveraging my leadership and successes in Silicon Valley, I intend to make full use of information technology and contribute to increasing profitability and sustainable growth for ORIX.

Enhancing Information Security

Acquire New Business Opportunities by Enhancing Security

Robert Veres

Group Chief Information Security Officer (acting), Group Strategy Business Unit

In September 2018, Robert joined ORIX from AXA in Paris with a mission to establish sustainable group-wide information security practices. He brings over 20 years' experience in this field.

Our Approach to Information Security

ORIX considers information security an integral part of its business. The increasing criminal activity and fraud in cyberspace pose a risk to ORIX's business activities, so it is necessary to take cutting-edge information security measures. Information security is not seen as a cost to our bottom line, but rather an enabler of our top line. By strengthening information security, it will be possible to use IT safely in various businesses and acquire new business opportunities. The Information Security Department plays a role in contributing to ORIX's growth.

Information Security System

The Information Security Department has a mission to establish sustainable information security for the entire Group. ORIX has established internal rules for information security management. We have implemented technical measures such as vulnerability countermeasures for our information systems and maintenance of various network security measures to protect against or mitigate cyber-attacks. We endeavor to reduce the risk of system failure within ORIX, including from cyber-attack and damage to information security, through the maintenance, operation and management of internal systems. We have also created a system for responding to information security incidents.

Specific Information Security Measures

We have a cybersecurity roadmap defined for ORIX. In partnership with a leading global cybersecurity advisor, a target operating model has been defined for ORIX, based on internationally recognized cybersecurity capability frameworks published by the Chartered Institute of Information Security (of which we are a corporate partner - https://www.ciisec.org/Corporate_Partners). The resulting organizational model ensures we have the right roles with the right skills to deliver the cybersecurity capabilities essential for ORIX.

Our Security Incident Response Team (SIRT) is championed by domestic ORIX Group entities and is being adapted to incorporate Group companies outside Japan as well. A Group-wide security program has been initiated to establish a level of security that is appropriate for the risk appetite of each ORIX Group company. This risk-based strategy is underpinned by internationally recognized security and governance standards (ISO 31000, ISO 27001, COBIT5 and NIST). Consistent among all ORIX Group companies is the requirement to meet at least a fundamental set of security controls, or a "minimum security standard."

In partnership with a leading global cybersecurity advisor, we are assessing the information security maturity of key ORIX Group companies globally. This assessment also provides ORIX with greater visibility of security gaps across the

Group, which in turn has focused security investment towards areas that are most impactful for managing risks associated with information security. ORIX engages independent security ratings services to continually monitor and quantitatively grade the security level of the Group.

Future Actions for Information Security

As we emerge from the COVID-19 pandemic and adjust to the new normal, information security is proving its relevance as a key business enabler, most visibly through the secure mobilization of our workforce. In part because of the maturity of our security practices, we were able to promptly provide a mobile working environment for about 60% of our workforce in Japan and 100% outside Japan. We are actively incorporating the security lessons we have learned into our future workforce mobility platforms. We will continue to improve our information security capabilities.

• For more detailed information on information security management, please refer to the following: ▶▶▶ https://www.orix.co.jp/grp/en/ir/governance/structure/risk_management/main/information.html

Our Foundation for Creating Value

Human Resources Strategy

Human Resources Strategy at ORIX

Maximizing the Professional Development 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 professional development of our employees. Specifically, we create fulfilling workplaces by establishing a working environment that respects diverse working styles and reforming our human resource system ahead of the pack instead of just reacting to current social conventions. 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 for all employees to realize its concept of “Keep Mixed.”

Promoting Diversity and Inclusion

With the changing social environment, the need for a wider array of working styles is increasing. We are promoting diversity and inclusion to create workplaces that are optimal for the performance of individuals with different capabilities and expertise, as well as to offer diverse working styles to accommodate different life events.

Workplaces That Offer Value

ORIX defines a “workplace that offers value” as a dynamic, fulfilling working environment in which employees can perform to their full potential in good health and with peace of mind. We are implementing a variety of initiatives to foster workplaces that offer value for all employees.



People Who Support ORIX’s Sustainable Growth

The ORIX Group has more than 30,000 employees. Approximately 75% of them work in Japan and 25% outside Japan. As ORIX operates a wide range of businesses globally, it requires people with expertise in various fields. Therefore, we create personnel systems and career development programs tailored to each country and business area so that

employees can build their careers and deepen their expertise. At the same time, we seek talented professionals from the market who can make an immediate contribution. We believe that it is vital to maintain flexibility in our diverse business operations to attract and retain people who will contribute to the ORIX Group’s growth over the medium

and long term.

It is equally important to establish an environment where employees with diverse backgrounds can maximize their potential. We are therefore focusing not only on supportive work environments, but also on initiatives to provide employees with a sense of fulfillment.

Initiatives to Date

ORIX has established a variety of programs with an emphasis on diversity. These programs are available for employees with diverse backgrounds to utilize according to their needs, but it is also necessary to continuously improve them in response to change, while anticipating future changes in society.

1) From Improvement of Workplace Environments to Career Support to Enable Women to Continue to Work

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 Japan's Equal Employment Opportunity Law in 1986. The Japanese government has set a goal of increasing the share of women in leadership positions to 30% as early as possible in the 2020s. At ORIX Corporation, women held more than 25% of managerial positions as of March 31, 2020. In addition, four female executives were serving as Directors or Executive Officers as of June 30, 2020, accounting for 13% of all executives. We will continue to promote the advancement of women by improving career support programs that help female employees to develop their careers, expand their roles and make full use of their abilities.

2) Enabling Senior Employees to Continue to Make Use of Their Experience

ORIX raised the retirement age from 60 to 65 in 2014 to enable employees with diverse experiences and multiple skills to continue to work without age limits. This stems from our belief that the participation of senior employees who have experiences and expertise gained through their work enhances the vitality of the organization. Therefore, we have established a system that encourages senior employees to think proactively about their careers and take on challenges. Specifically, we have introduced

personnel and employee evaluation systems for employees age 60 and over according to their roles and performance, and also introduced systems (Career Challenge System, Self-assessment System for employees to plan their careers up to the age of 65 from early on.

3) Active Recruiting of Mid-Career Professionals

ORIX has always actively recruited mid-career talent. According to the pace of our business expansion we hire people with diverse areas of expertise who are ready to contribute from day one. They come not only from the finance industry, but from various other sectors, including manufacturing, consulting, trading, real estate and professional services. 66% of the employees who joined one of 10 domestic Group companies¹ in FY2020.3 were mid-career hires. In recent years, we have focused on recruiting specialists in technology in the environment and energy segment; legal and compliance experts who can work in a global context; and experts in digital transformation and information security. We will continue to actively recruit mid-career professionals, who bring different experiences and perspectives to ORIX.

4) Work Styles That Offer Flexibility in Time and Space and Boost Productivity

We place importance on arranging work environments so that all employees not only find it easy to work, but can also work on their own initiative with enthusiasm and a sense of fulfillment. In 2016, we launched a workplace reform project to create pleasant work environments that incorporate the ideas of employees. More than 200 employees are members of the project committee, which considers ways to foster a culture that recognizes diverse working styles, with the aim of working with high productivity. Approximately 80 measures recommended by the committee have been implemented to date. Examples include reduction of regular working hours, establishment of satellite offices, and the adoption of a super flex-

time system, a system to incentivize employees to take their vacation days, and a system of financial support for self-improvement. The project has led to increased employee awareness of productivity, a decrease in overtime, and an improved rate of taking annual paid vacation days.²

By utilizing the systems we have established, we have been able to protect the health and safety of employees and maintain business continuity, even during the COVID-19 pandemic. For example, in Japan, we switched to working from home, encouraged staggered work hours, and applied special paid leave for disasters. We also collect information on the health status of employees at a fixed time every day through a specialized system, and take appropriate and timely response measures.

5) Reflection of Results of Employee Morale Survey in Personnel Measures

Since 2004, we have conducted an employee morale survey to gauge how employees feel toward their jobs, and reflect the results in various personnel measures. Annual surveys of the employees of the 10 domestic Group companies¹ have been conducted since 2016, and the survey results are released internally. The survey results are reported to management, which refers to them in making decisions on personnel measures and uses them to verify the effectiveness of measures currently being implemented.

1. 10 domestic 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
2. Decrease in overtime: Decrease of approximately 4 hours per month (13%) on average for 10 Group companies¹ from FY2017.3 to FY2020.3 (excluding the 20 minute decrease in regular working hours).
Improved rate of taking annual paid vacation days: The average rate for the 10 domestic Group companies¹ increased from 72% in FY2017.3 to 83.8% in FY2020.3.

Specific Initiatives

Systems to Support Work-Life Balance

Childcare Support Systems

ORIX has established systems that go beyond legal requirements, as shown in the table on the right. The percentage of female employees who are working mothers in FY2020.3 was 33.6%, about 2.3 times higher than 10 years earlier. In addition, virtually 100% of female employees return to work from childcare leave. Balancing work and family care is not an issue that concerns only women, so we have introduced a special childcare paid time off system to help male employees participate in childcare, and also conduct a childcare seminar for couples.

Scheme	Japanese Law	ORIX
Childcare leave ¹	Until the child reaches 2 years of age	Until the child reaches 3 years of age
Paid parenting time ²	1 hour a day (unpaid)	2 hours a day (paid)
Reduced working hours during childcare	Under 3 years old	Until graduation from elementary school
Child nursing care leave (paid)	5 days per year (unpaid)	5 days per year, 10 days per year for parents with 2 or more children (paid)
Other	—	Babysitter subsidy system until graduation from elementary school Special childcare paid time off ³

1. The period of childcare leave to be taken is limited to 5 years in total. The period of childcare leave in excess of this limit is determined by law.

2. Paid parenting time is available to employees who return to work before the child reaches the age of 1.

3. Separate system from childcare leave that allows employees to take paid time off to care for children. Expected to be used mainly by male employees.

Nursing Care Support System

We offer systems that go beyond legal requirements, as shown in the table on the right.

Scheme	Japanese Law	ORIX
Nursing care leave system	93 days	6 months
Nursing care leave system (paid)	—	5 days per year, 10 days per year for employees with 2 or more family members who require care (paid)
Reduced working hours for nursing care	—	Maximum 2 hours a day, ⁴ up to 3 years per family member who requires care (may be split up)

4. Limited to one hour a day when taken concurrently with paid parenting time.

Other Systems

ORIX has the systems shown on the right to assist employees in continuing their careers while balancing work and home life.

Internal career change system	A system that enables employees to change to a job with a broader role in order to advance their career. (Launched FY1983.3)
Career select system	A system that enables employees to temporarily change to a job with a limited role due to childcare or nursing care. (Launched FY2013.3)
Spousal transfer location change system	A system for requesting a job transfer to the region one's spouse was transferred to. (Launched FY2016.3)
Spousal relocation leave system	A system for requesting leave for up to five years to accompany spouse on job transfer (Launched FY2016.3)

Career Planning Support Systems

Return to Work System

A system that allows people who left the company for any reason (even if due to a job transfer) to apply to rejoin the company. Their occupation and level when they are rehired are guaranteed to be at least equivalent to those they held prior to leaving. (Launched FY2016.3)

Internal Intern System

A system that enables employees who have been with the company for at least three years to engage in the work of the department of their choice for a certain period of time. The system is intended to encourage employees to take charge of their career development. It also boosts the motivation of younger employees in particular, and helps to expand their range of career options by experiencing the work of other departments. (Launched FY2017.3)

In FY2020.3, a total of 185 people from 13 domestic Group companies¹ participated.

Career Challenge System

A system through which employees can apply directly to their chosen department for a transfer to a new position. Each year, about 80-100 employees apply to create their own career path. This system also facilitates transfers within the ORIX Group, and ultimately leads to better employee retention. (Launched FY2006.3)

Career Challenge System from Age 45

The Career Challenge System, specifically for employees aged 45 and over, is designed to encourage the active

participation of the increasing number of senior employees. A total of 17 people from 15 domestic Group companies² applied in FY2020.3, and nine of them moved to and are now working in their chosen departments. (Launched FY2019.3)

Self-development Support Systems

System of Financial Support for Self-improvement

A system in which employees receive standardized welfare benefit points annually (equivalent to a voucher of ¥60,000 per year) so they can freely choose their own self-improvement, health promotion, and childcare and nursing care-related services. The purpose is to create a mutually beneficial cycle of personal and professional benefits by promoting the effective use of time created through the workplace reform project. (Launched FY2019.3)

Systems to Support Flexible Working Styles

System to Incentivize Employees to Take Their Vacation Days

A system that pays employees a standard incentive fee of ¥50,000 when taking consecutive holidays of 5 business days or longer. The objective of short vacations is not only to help employees to continue to perform at a high level, but to

prevent work from becoming dependent on any single individual. Taking on the duties of others during their absence helps to improve teamwork. (Launched FY2018.3)

In FY2020.3, the usage rate of this system was 94.2% in 9 domestic Group companies.³

1. 13 domestic Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services, ORIX Asset Management & Loan Services, ORIX Asset Management, ORIX Real Estate Investment Advisors and ORIX Environmental Resources Management
2. 15 domestic Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services, ORIX Asset Management & Loan Services, ORIX Asset Management, ORIX Real Estate Investment Advisors, ORIX Environmental Resources Management, ORIX Management Information Center and NS Lease
3. 9 domestic Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Eco Services, and ORIX Asset Management & Loan Services

- Please visit our website for details about our personnel system and human resource development system.
 Personnel system: ▶▶▶ https://www.orix.co.jp/grp/en/sustainability/employee/management_systems.html
 Human resource development system: ▶▶▶ <https://www.orix.co.jp/grp/en/sustainability/employee/development.html>
- Personnel-related data is available here: ▶▶▶ <https://www.orix.co.jp/grp/en/sustainability/employee/data.html>

Our Foundation for Creating Value

Sustainability

Sustainability at ORIX

Since our founding, contributing to society by creating new value through our business activities has been fundamental to ORIX. We believe that it is important for a company to make a profit, but making a profit is not everything. Providing new value to society and being a company that is needed by society are also important, and the profit that results makes the company's sustainable growth possible.

In addition, operating with an awareness of sustainability has become fundamental to the survival of companies amid constantly shifting economic, social and environmental conditions. Such changes include the dramatic changes in the natural environment due to climate change, along with their related economic impacts, as well as changes in society's expectations regarding the relationship between companies and society.

Based on this thinking, ORIX strives to accurately assess and identify the opportunities and risks arising from economic, social and environmental changes in order to work with our stakeholders and community to contribute to the economic development and sustainable growth of the larger global community, and to incorporate those opportunities and risks into corporate management.

Sustainability Initiatives

2018: October	Established Sustainability Task Force
2019: July	Established Sustainability Team in Corporate Planning Department
September	Adopted the ORIX Corporate Sustainability Policy, ORIX Human Rights Policy, and ORIX Sustainable Investing and Lending Policy Released Modern Slavery Act Statement
October	Issued Sustainability Report (English edition issued in November) Began sustainable investing and lending screening (began screening the ESG elements of investment and lending proposals pursuant to the Sustainable Investing and Lending Policy)
November	Began formulating and establishing sustainability action plans and targets of business units (aiming for finalization during FY2021.3)
2020: January	Issued green bonds
June	Launched the Sustainability Library to raise sustainability awareness in the company (introduces basic knowledge about sustainability and ORIX's sustainability initiatives)
July	Began sustainability training for employees

Initiatives We Support

Name	Participating/Member/Supporting Companies (Initial year of participation/membership/support in parentheses)
UN Global Compact	ORIX Group (2014)
PRI (Principles for Responsible Investment)	Robeco (2011)
UNEP FI (UN Environment Programme Finance Initiative)	Robeco, ORIX Asset Management (2020)
TCFD (Task Force on Climate-related Financial Disclosures)	Robeco, ORIX Asset Management (2019)
21st Century Financial Behavior Principles	ORIX, ORIX Bank (2011), ORIX Asset Management (2019)
Japan Climate Leaders' Partnership (JCLP)	ORIX Group (2014)
Kansai SDGs Platform	ORIX Facilities (2015), ORIX Baseball Club, ORIX, ORIX Bank (2019)
SDGs for Regional Revitalization Public-Private Partnership Platform	ORIX Facilities (2015)

Note: As of September 30, 2020

Sustainability Governance Structure

Core Principles of Our Sustainability

Care for the natural environment

We measure and minimize our environmental impacts and look to provide solutions to society's environmental issues through our business.

Respect human and labor rights

We uphold human and labor rights as defined in international standards such as the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Promote diversity, and care for the well-being of our employees

We respect the diversity of our employees and provide opportunities and environments maximizing their professional development. Furthermore, ORIX is committed to respecting the culture, customs and environment of countries and regions where we operate, and positively contribute to those economies and societies. We are also committed to creating safe and secure workplaces where our employees can thrive and where no forms of discrimination are tolerated.

Uphold the highest business ethics

At all times we conduct our business in accordance with all laws and promote fair competition. This includes rejecting all forms of corruption and bribery, not engaging in unethical transactions, associating with anti-social forces, or engaging in activities that could lead to conflicts of interest.

- For details of the Core Principles, see the ORIX Corporate Sustainability Policy.
- ▶▶▶ https://www.orix.co.jp/grp/en/pdf/sustainability/about/orix_corporate_sustainability_policy.pdf
- ORIX is preparing to set Group goals (ESG goals) from a medium- and long-term perspective based on the Core Principles.

Sustainability Governance Structure

The Sustainability Team reports to the Executive Committee, which makes decisions on promoting sustainability. It also reports as necessary to the Audit Committee, which is an internal organization of the Board of Directors. This both educates and prompts discussion and decision-making among the top executives and Directors at ORIX.



*As of September 30, 2020

Corporate Governance at ORIX

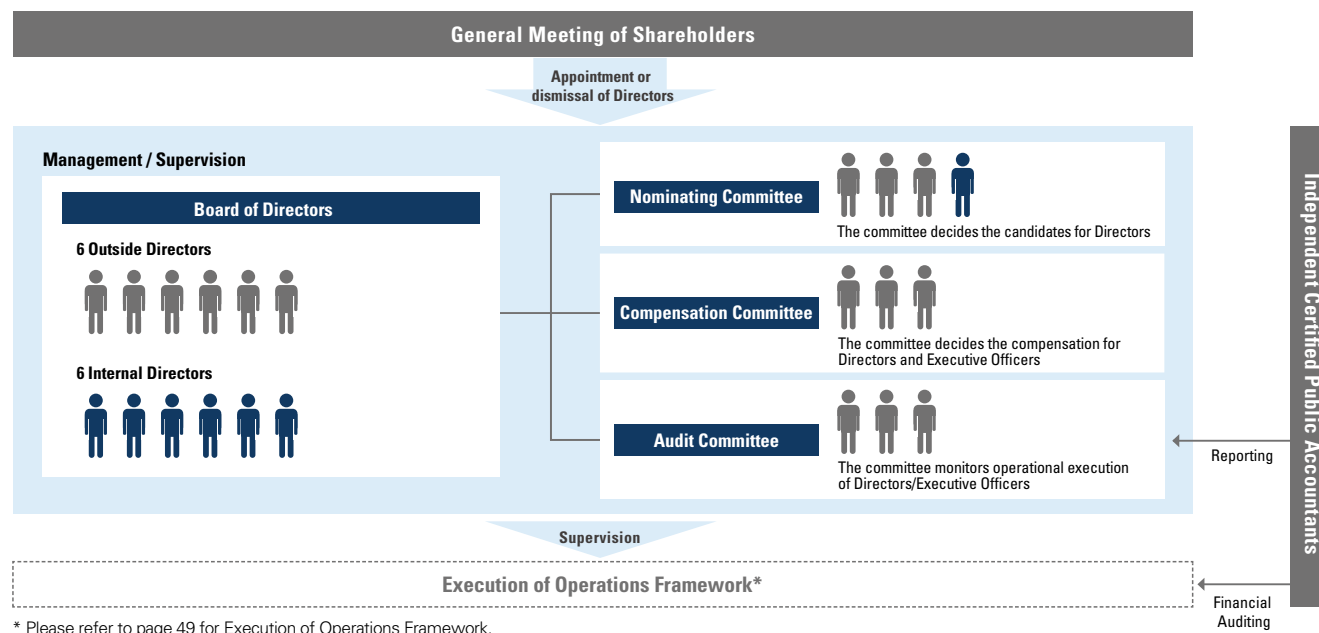
Approach to Corporate Governance

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

Corporate Governance System (As of June 30, 2020)

ORIX’s corporate governance system is characterized by:

- Separation of operation and oversight through a “Company with Nominating Committee, etc.” board model;
- The Nominating Committee being comprised of a majority of Outside Directors and the Audit Committee and Compensation Committees being fully composed of Outside Directors, with an Outside Director acting as chairperson for all aforementioned committees;
- All Outside Directors satisfying ORIX’s strict conditions for independence; and
- All Outside Directors being highly qualified in their respective fields.



* Please refer to page 49 for Execution of Operations Framework.

For more detailed information on corporate governance, please refer to the following:

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

Initiatives to Enhance Corporate Governance

Providing new value and contributing to society through business activities are fundamental to ORIX. We also believe that being a company trusted by our customers and society will help increase business opportunities and enable sustainable growth. A highly transparent governance framework that enables swift decisions is essential to being a trusted company that can achieve sustainable growth.

ORIX has been strengthening corporate governance as a management oversight function since its founding. The current corporate governance framework requires a high level of discipline from the managers, but we believe this is how corporate governance is supposed to be. The following table elucidates the initiatives that ORIX has emphasized in strengthening its corporate governance framework.

	Key Initiatives	Objectives
Overall Corporate Governance	1964 Adopted U.S. GAAP 1970 Listed on the second section of the Osaka Securities Exchange 1997 Established Advisory Board 1998 Introduced Corporate Executive Officer System and listed on the New York Stock Exchange 2003 Transitioned to a "Company with Committees" board model (currently a "Company with Nominating Committee, etc.")	<ul style="list-style-type: none"> • Communicate results and businesses accurately to investors • Increase corporate value • Separate management oversight and execution to raise the efficiency of business execution • Increase convenience for foreign shareholders • Ensure the involvement and counsel of independent Outside Directors regarding executive personnel and compensation • Appoint managers and determine their compensation from the perspective of shareholders
Management Team Diversity → Page 38	1999 Introduced an Outside Director system 2003 Began appointing non-Japanese Outside Directors 2010 Began appointing female Outside Directors 2017 Outside Directors make up at least half of the Board of Directors	<ul style="list-style-type: none"> • Strengthen oversight • Ensure that people with diverse backgrounds judge risk objectively • Operation led by Outside Directors
Evaluation of Effectiveness of the Board of Directors → Page 42	2016 Evaluation of effectiveness of the Board of Directors initiated Key initiatives to improve effectiveness implemented since 2016: <ul style="list-style-type: none"> • More interaction between Outside Directors and frontline executives and employees • Paperless materials • Occasions for informal exchange of opinions 	<ul style="list-style-type: none"> • Ensure sufficient time for study and deliberation of Board of Directors agenda items to improve the quality of deliberation • Formulate an action plan to improve effectiveness
Compensation System → Page 44	1997 Introduced stock option plan 2002 Abolished retirement bonuses 2005 Initiated share component of compensation 2016 Began reflecting division performance in annual bonuses 2020 Increased ratio of performance-based compensation for Directors and Executive Officers	<ul style="list-style-type: none"> • Improve motivation to contribute to operating results and medium-to-long-term results

Management Team (As of June 26, 2020)

Members of the Board of Directors

Makoto Inoue

Age: 67

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



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

Shuji Irie

Age: 57

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



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

Shoji Taniguchi

Age: 56

Member of the Board of Directors
Senior Managing Executive Officer
Responsible for Treasury and Accounting
Headquarters
Responsible for Enterprise Risk Management
Headquarters
Responsible for Corporate Planning
Department
Responsible for Corporate
Communications Department
Assistant to CEO



Profile Joined ORIX in 1987. After serving in positions including president of RBS Securities Japan Ltd., he rejoined ORIX in 2018 as Senior Advisor. Appointed Director and Senior Managing Executive Officer in January 2020 (to present).

Satoru Matsuzaki

Age: 54

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



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

Yoshiteru Suzuki

Age: 57

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



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

Stan Koyanagi

Age: 59

Member of the Board of Directors
Managing Executive Officer
Global General Counsel



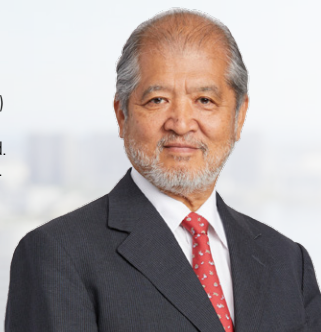
Profile Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP in 1985. After serving in positions including General Counsel at ORIX USA Corporation (currently ORIX Corporation USA), joined ORIX in 2013. Appointed Director and Managing Executive Officer in June 2017 (to present).

Outside Directors

Ryuji Yasuda

Age: 74

- Compensation Committee (Chairperson)
- Nominating Committee
- Outside Director, Yakult Honsha Co., Ltd.
- Outside Director, Benesse Holdings, Inc.
- Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy
- Outside Director, Kansai Mirai Financial Group, Inc.
- President, Tokyo Women's Christian University



Profile Has served in positions including Director, McKinsey & Company and Chairman, A.T. Kearney, Asia. Appointed Outside Director in June 2013 (to present).

Main Area of Expertise Corporate strategy

Heizo Takenaka

Age: 69

- Audit Committee
- Professor, Faculty of Global and Regional Studies at Toyo University
- Chairman and Director, PASONA Group Inc.
- Director, Academyhills
- Director, Center for Global Innovation Studies at Toyo University
- Outside Director, SBI Holdings, Inc.



Profile Has served in positions including Minister of State for Economic and Fiscal Policy, Minister of State for Financial Services, Minister of State for Communications and Privatization of Postal Services, and Minister for Internal Affairs. Appointed Outside Director in June 2015 (to present).

Main Area of Expertise Economics and finance

Michael Cusumano

Age: 65

- Compensation Committee
- Professor, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology
- Senior Specially Appointed Professor, Tokyo University of Science
- Outside Director, Ferratum Plc



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

Main Area of Expertise Business strategy and technology management

Sakie Akiyama

Age: 57

- Nominating Committee (Chairperson)
- Founder, Saki Corporation
- Outside Director, Sony Corporation
- Outside Director, JAPAN POST HOLDINGS Co., Ltd.
- Outside Director, Mitsubishi Corporation



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

Main Area of Expertise Corporate management

Hiroshi Watanabe

Age: 71

- Nominating Committee
- Audit Committee
- President, Institute for International Monetary Affairs
- Outside Director, Mitsubishi Materials Corporation



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

Main Area of Expertise Economics and finance

Aiko Sekine

Age: 62

- Audit Committee (Chairperson)
- Compensation Committee
- Member of the Nominating Committee, International Federation of Accountants
- Advisor of Japanese Institute of Certified Public Accountants
- Outside Audit & Supervisory Board Member, Sumitomo Riko Company Limited
- Outside Audit & Supervisory Board Member, IHI Corporation



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

Main Area of Expertise Accounting

Messages from Outside Directors

Maintaining a Corporate Culture of Constantly Taking On Challenges Is Essential for a Company to Remain Needed by Society

Our era of accelerating socioeconomic change requires companies to competently address change in order to grow. ORIX has a 56-year history that began with the leasing business, and has expanded into a wide array of financial businesses worldwide. It has also consistently invested in its

businesses, and increased its value by operating businesses on its own to continuously generate and increase core earnings. This has served as a demonstration of ORIX's corporate culture that constantly takes on the challenge of creating value. Energetic personnel exchanges among business units have been instrumental in taking on frontline challenges. Diverse people with a rich tapestry of experience stimulate one another and generate new ideas within teams building new businesses. ORIX has an organization that innovates by embracing diversity.

Society will always need ORIX if it makes the most of its strengths in embracing diversity and constantly taking on challenges as a sustainable company.

Digital transformation (DX) is now a key management theme for ORIX, which must move forward by rethinking how it operates its existing business from the ground up. This is an outstanding opportunity for ORIX to make the most of its corporate culture of constantly taking on challenges, which is a strength. That involves energetically deploying people with diverse experience and values, including women and people from outside Japan. As an Outside Director, I am committed to maximizing this management advantage.

Criteria for Selecting Directors and Orientation of the Nominating Committee

Companies are intensely scrutinizing the effectiveness of their boards of directors, and especially outside directors, now that Japan's Corporate Governance Code is in place. The chair of ORIX's Nominating Committee is an Outside Director, and its members are primarily Outside Directors. The committee's perspective will encompass a broad range of businesses, operations in global markets and future growth markets in structuring a diverse and highly effective Board of Directors.



**Sustainable growth
is achieved through
diversity-driven innovation.**

Sakie Akiyama

Chairperson, Nominating Committee

Ongoing Enhancements to Build an Effective Governance Structure

ORIX's superiority arises from its diversification, meaning it is not dependent on any one business, and has many different ways of generating cash. Solid cash flow also means that the Company need not rely heavily on debt. The quality and diversity of ORIX's people worldwide is also a major strength. Moreover, ORIX's business management is more integrated than it may appear from the outside. Communication across divisions is smooth, with a corporate culture of sharing excellent ideas. ORIX has also built an effective internal structure for its corporate governance, and is working to further enhance it. Disciplined management of diversified operations spread across the world and more than 30,000 employees is difficult, but the management teams at each Group company maintain high standards for reporting and have been rated as fulfilling their accountability in matters of governance.

ORIX Outside Directors commonly attend all committee meetings, either as members or observers. We have plenty of opportunities to comment on important matters, including major investments proposed by the divisions. The Compensation Committee, of which I am a member, plays an important role in establishing effective compensation policies that take into account changes in business performance and other factors. Of course, the balance between performance-based and fixed compensation is important, but the committee is also working to gradually address areas for improvement highlighted by comparative compensation data from ORIX's competitors in order to make ORIX more competitive in terms of talent acquisition and retention.

Overseas Investments Pay Off and Drive Growth

The COVID-19 pandemic has had a massive impact on the global economy, but the businesses that ORIX operates will not disappear any time soon. Society will always have a need for the services ORIX provides. However, the domestic market still accounts for about 60% of ORIX's businesses and given a shrinking Japanese population, overall opportunities in Japan are likely to decrease. However, Japanese companies are shifting from purchasing to leasing assets, and this is good for ORIX. In addition, overseas investments ORIX has made in the past have paid off and been a real driver of growth for the Company. To ensure its success in decades to come, I believe ORIX must invest more overseas and bring in more foreign talent.

The topic of the next generation of ORIX's management has been discussed among Outside Directors for some time. The Nominating Committee has brought different executives into top management positions and is giving them opportunities to learn about the different businesses. We are particularly focused on succession for our top roles, including Group

Diverse human resources and operations anticipate social needs to develop new businesses.

Michael Cusumano

Compensation Committee

CEO. I would say that there is quite a talented pool of potential candidates.

For a company with a history that dates back nearly 60 years, ORIX has been able to maintain an entrepreneurial culture that gives management and employees sufficient ground to pursue new business development. Going forward, I expect ORIX to become more entrepreneurial, both within and outside Japan.



Board of Directors

The Board of Directors is responsible for deciding and monitoring ORIX's policies on a regular basis, which include corporate planning such as capital management, fund procurement, human resource strategy and internal controls.

Aside from such items, the Board of Directors delegates decision-making regarding operations to Representative Executive Officers to facilitate greater efficiency and speed. The Board of Directors also receives reports from Executive

Officers and committees regarding the status of business operations.

Evaluation of Effectiveness of the Board of Directors

The Secretariat of the Board of Directors conducts a survey of all Directors. The effectiveness of the Board of Directors is evaluated and analyzed, and actions to improve the administration of the Board of Directors are implemented.

An overview of the effectiveness of the Board of Directors for FY2020.3 is as follows.

Evaluation Process

- The Secretariat of the Board of Directors provided a questionnaire (details at right) to the Directors.
- Based on the results of the questionnaire, the Secretariat of the Board of Directors personally interviewed each Director to gather additional information including opinions not available from the questionnaire alone and requests concerning the operations of the Board of Directors.
- The Secretariat of the Board of Directors reported the results of the questionnaire and interviews to the Board of Directors. The Board of Directors formulated action plans for the issues raised by the report.

Process

June 2020: Questionnaire conducted

July 2020: Interviews conducted based on the questionnaire

August 2020: Final results of the evaluation presented to the Board of Directors, and action plan formulated

Questionnaire Contents

- Composition of the Board of Directors
- Operation of the Board of Directors
- Agenda of the Board of Directors and other bodies
- Effectiveness of the Board of Directors discussions
- Board of Directors support system

Evaluation Results

- The results of the questionnaire confirmed the effectiveness of the Board of Directors in terms of its composition, operation, agenda, effectiveness of discussion, and support system.
- The operation of the Board of Directors received a highly positive evaluation. The effectiveness of its discussions also received a highly positive evaluation, with questionnaire responses indicating that the Board demonstrated effectiveness in maintaining and improving compliance and governance because Outside Directors exercised their monitoring function, and that executive members provided appropriate explanations in response to the opinions of Outside Directors.

- At the same time, the questionnaire identified "IT-related knowledge," "international business experience" and "senior management experience at other companies" as areas with a lack of experience and knowledge in the composition of the Board. In addition, although the overall evaluation of the agendas of Board of Directors and other meetings was generally highly positive, the questionnaire indicated "the Company's direction, medium-to-long-term strategies and management plans," "succession plan" and "sharing of information about the results of communication with investors and shareholders" as areas with room for improvement.

Action Plan

The Board of Directors formulated the following policies for improving effectiveness based on the results of the above evaluation.

- Draw on societal change to deepen discussions on medium-to-long-term strategies and future directions.
- Fully share the details of discussions with investors and rating agencies.
- Create opportunities to informally exchange opinions by proactively holding divisional reporting meetings* and other events to promote greater understanding of each business.

* Meetings held to explain and report to Outside Directors on projects and strategies in each division. Convened separately from Board of Directors meetings.

Nominating Committee

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

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

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

Outside Director Independence

Certain voting advisory firms recommended voting against the proposed appointment of Directors at the general meeting of shareholders convened in June 2020 because they reported that certain Outside Directors were affiliated with major lenders to the ORIX Group. However, all Outside Directors currently in office as of June 2020 meet the requirements for independent directors of the Tokyo Stock Exchange and the New York Stock Exchange, and the Conditions for Director Independence established by ORIX’s Nominating Committee. The look-back period sufficient to eliminate conflicts of interest between directors and past employers is normally three years for the New York Stock Exchange and one year for the Tokyo Stock Exchange. ORIX has set the period at one year, but has confirmed that the look-back period for all of its Outside Directors was at least four years.

Introduction of New Outside Directors

Hiroshi Watanabe

Mr. Watanabe has a track record as an expert in finance and economics both in Japan and overseas that includes serving successively in key positions at the Ministry of Finance and as Governor of the Japan Bank for International Cooperation, and he currently serves as President of the Institute for International Monetary Affairs. He is expected to utilize the extensive experience and deep knowledge he has cultivated through these achievements to play a substantial role in highly effective supervision of the Company’s management from an independent and objective standpoint.



He is expected to utilize the extensive experience and deep knowledge he has cultivated through these achievements to play a substantial role in highly effective supervision of the Company’s management from an independent and objective standpoint.

Aiko Sekine

Ms. Sekine has a track record as an expert in accounting that includes serving on government and institutional finance and accounting councils both in Japan and overseas, as partner of Aarata Audit Corporation and as Chairman and President of the Japanese Institute of Certified Public Accountants. She is expected to utilize the extensive experience and deep knowledge she has cultivated through these achievements to play a substantial role in highly effective supervision of the Company’s management from an independent and objective standpoint.



She is expected to utilize the extensive experience and deep knowledge she has cultivated through these achievements to play a substantial role in highly effective supervision of the Company’s management from an independent and objective standpoint.

Audit Committee

- The Audit Committee monitors the execution of the duties of the Directors and Executive Officers and creates audit reports. The Audit Committee decides the content of proposals to appoint, dismiss or refuse the reappointment of the Company’s Independent Certified Public Accountants, and the proposals are submitted to the general meeting of shareholders.

Compensation Committee

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

Note: Please refer to page 44 for detailed information about Director and Executive Officer compensation.

Board of Directors and Committee Meetings in FY2020.3

	Number of Meetings	Attendance Rate
Board of Directors	9	96%
Nominating Committee	5	95%
Audit Committee	8	96%
Compensation Committee	6	100%

Compensation System

Compensation for Directors and Executive Officers

ORIX's management objective is to increase shareholder value over the medium and long term. We also believe that teamwork is key to ensuring that Directors and Executive Officers reliably execute their duties, and to continuous growth for ORIX as a whole.

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

In light of this fundamental policy, the Committee therefore determined the following compensation policies in accordance with the responsibilities of Directors and Executive Officers, based on deliberation at the Compensation Committee meeting held on June 26, 2020.

Compensation Policy for Directors (those who do not concurrently serve as Executive Officers)

- The compensation policy for Directors who are not also Executive Officers aims for compensation composed in a way that is effective in maintaining the supervisory and oversight functions of Executive Officers' performance in business operations, which is the main duty of Directors, and consists of fixed compensation and share component of compensation.* In addition, ORIX maintains a competitive level of compensation according to the roles of Directors, and receives third-party research reports on Director compensation for this purpose.
- Fixed compensation is, in principle, a certain amount that is added to the compensation of the chairperson and members of each committee.
- For share component of compensation reflecting medium-to-long-term performance, Directors are granted a fixed amount of points on an annual basis for their period of service, and they are paid in ORIX shares corresponding

to the amount of points they have accumulated at the time of retirement.

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

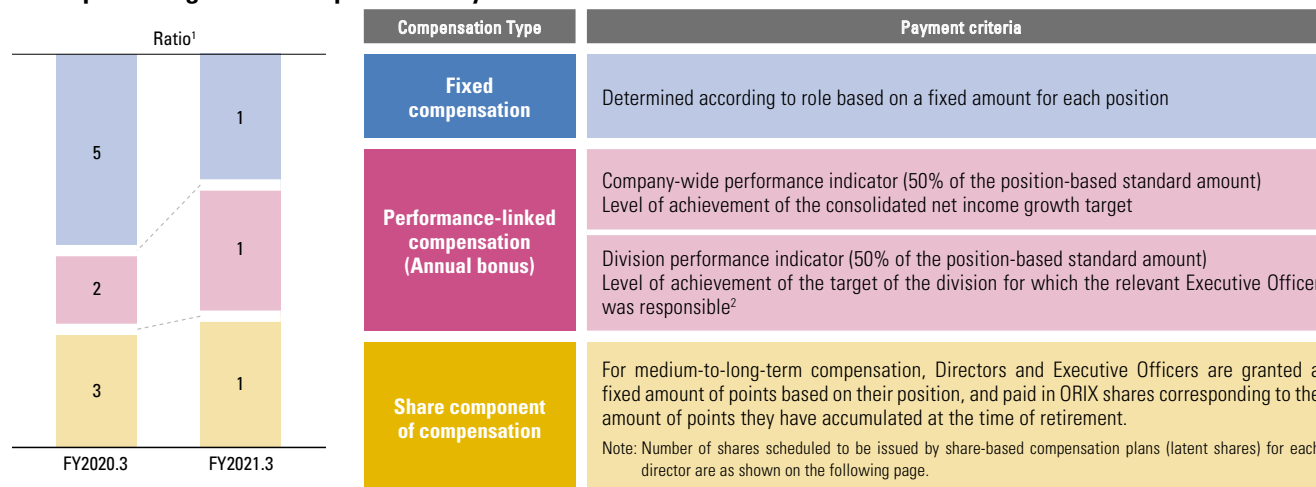
Compensation Policy for Executive Officers (including those who concurrently serve as Directors)

- Compensation consists of fixed compensation, performance-linked compensation (annual bonus) and share component of compensation. In addition, ORIX draws on third-party compensation research reports to provide effective incentives for Executive Officers and maintain a competitive level of compensation.
- Fixed compensation, performance-linked compensation (annual bonus) and share component of compensation are set in a performance-linked composition that encourages Executive Officers to execute their primary responsibility for business execution. Compensation policy has changed in FY2021.3. We have increased the ratio of performance-linked compensation (annual bonus) and share component of compensation to equalize the ratio of fixed compensation, performance-linked compensation (annual bonus) and share

component of compensation at 1:1:1 with the objective of sharing additional value with shareholders and other stakeholders.

- Fixed compensation is decided based on the standardized base amount for each position followed by an adjustment in accordance with each position's respective role and responsibility.
- Compensation linked to business performance for FY2020.3 uses the level of achievement of the consolidated net income growth target as a company-wide performance indicator, adjusting 50% of the position-based standard amount within the range of 0% to 200% while, at the same time, using the level of achievement of the target of the division for which the relevant Executive Officer was responsible as a division performance indicator,² adjusting 50% of the position-based standard amount within the range of 0% to 300%. In the case of the Representative Executive Officers, the consolidated net income growth target is used as a sole performance indicator, adjusting the standard amount within the range of 0% to 200%.
- For share component of compensation reflecting medium-to-long-term performance, Executive Officers are granted a fixed amount of points based on their position, and they are paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement.

Conceptual Diagram of Compensation System for Directors and Executive Officers



1. Ratio of fixed compensation, performance-linked compensation and share component of compensation for Directors and Executive Officers. The ratio was 5:2:3 for FY2020.3, but has changed to 1:1:1 for FY2021.3.
 2. Determined through a comprehensive evaluation that takes into account qualitative factors (target difficulty, performance, preparation for the future, etc.), centered on the annual growth rate of the performance of the relevant division for the fiscal year under review.

Performance-linked Compensation (Annual Bonus)

Method for Calculating Performance-linked Compensation (Annual bonus; excludes Representative Executive Officers):

Performance-linked compensation (Annual bonus)	=	Standardized base amount for each position (50%)	×	Company-wide performance indicator (Variable: 0% to 200%)	Level of Achievement of Target FY2019.3 99%	Level of Achievement of Target FY2020.3 90%
		Standardized base amount for each position (50%)	×	Division performance indicator (Variable: 0% to 300%)	50% to 150% (Median: 100%)	0% to 135% (Median: 90%)

• **Company-wide Performance Indicator**

To support the achievement of medium-term management targets, the Compensation Committee sets milestones for annual growth rate related to consolidated net income. The level of achievement of this milestone for FY2020.3 was 90%.

• **Division Performance Indicator**

Division performance targets are based on Company-wide performance targets. The level of achievement of division performance targets among the 25 responsible Executive Officers for FY2020.3 (comprehensive evaluation including qualitative aspects) ranged from 0% to 135%, with a median of 90%.

ORIX Shares Held (As of the date of submission of the securities report for FY2020.3)

Name (Internal Directors)	Currently Held Common Shares	Latent Common Shares*	Name (Outside Directors)	Currently Held Common Shares	Latent Common Shares*
Makoto Inoue	85,788	445,948	Ryuji Yasuda	0	10,500
Shuji Irie	2,936	81,490	Heizo Takenaka	0	7,500
Shoji Taniguchi	25,000	18,250	Michael Cusumano	0	1,500
Satoru Matsuzaki	8,536	76,420	Sakie Akiyama	0	1,500
Yoshiteru Suzuki	0	27,295	Hiroshi Watanabe	0	0
Stan Koyanagi	2,000	0	Aiko Sekine	0	0

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

Compensation for Directors, Executive Officers and Group Executives (FY2020.3)

Category	Fixed Compensation		Performance-linked Compensation (Annual Bonus)		Share Component of Compensation		Total Compensation (Millions of yen)
	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	
Directors (Outside Directors)	8 (8)	94 (94)	—	—	8 (8)	14 (14)	109 (109)
Executive Officers and Group Executives	34	655	34	280	34	465	1,401
Total	42	750	34	280	42	479	1,510

For detailed information on compensation for Directors and Executive Officers, please refer to the following:

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









1. Number of recipients and amounts paid include two Directors, five Executive Officers (including those serving concurrently as Directors and Executive Officers) and four Group Executives who retired during FY2020.3. As of March 31, 2020, ORIX had 12 Directors (6 Outside Directors), 20 Executive Officers (including Directors serving concurrently as Executive Officers), and 5 Group Executives.
2. At ORIX, no Directors serving concurrently as Executive Officers received compensation as Directors. Total compensation for the eight people serving concurrently as Directors and Executive Officers is shown in the Executive Officers and Group Executives line.
3. The amount of share component of compensation paid is calculated by multiplying the number of points confirmed to be provided as the portion for FY2020.3 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,594.7 per share). The total amount of share component of compensation actually paid in FY2020.3 is ¥572 million for two Directors and four Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during FY2020.3, and two Executive Officers who retired before the end of FY2019.3.
4. ORIX did not provide stock options in the form of stock acquisition rights in FY2020.3.
5. Figures shown are rounded down by truncating figures of less than ¥1 million.

Corporate Governance

Management Team: Executive Officers and Business Unit Managers

(As of August 31, 2020)

ORIX manages its diverse business portfolio in 10 segments. In addition, each of the 10 segments consists of one to four business units that differ by business and region, for a total of 16 business units. The table below presents the Executive Officers and Business Unit Managers, including those in charge of Corporate. Diverse people with differing experience and specializations manage ORIX's business portfolio.












	Business Unit	Name	Positions	Term of Office for Executive Officers (Including Group Executives)		Began Career	
				Less than 3 Years	3 Years or More	ORIX	Non-ORIX
	CEO	Makoto Inoue	Member of the Board of Directors, Representative Executive Officer, President and Chief Executive Officer, Responsible for Group Strategy Business Unit		○	○	
	Corporate Financial Services, Yayoi, Auto and Rentec	Satoru Matsuzaki	Member of the Board of Directors, Senior Managing Executive Officer, Head of Corporate Business Headquarters, Chairman, ORIX Auto Corporation, Chairman, ORIX Rentec Corporation		○		○
	Corporate Financial Services	Tetsuya Kotera	Executive Officer Deputy Head of Corporate Business Headquarters	○			○
	Corporate Financial Services	Eiji Arita	Executive Officer Deputy Head of Corporate Business Headquarters Outside Director, Kanamoto Co., Ltd.	○		○	
	Yayoi	Koichiro Okamoto	President, Yayoi Co., Ltd.		—		○
	Auto	Yuji Kamiyauchi	Group Executive President, ORIX Auto Corporation	○		○	
	Rentec	Nobuhisa Hosokawa	Group Executive President, ORIX Rentec Corporation	○		○	
	RE Investment and Facilities Operation	Toshinari Fukaya	Group Managing Executive President, ORIX Real Estate Corporation		○	○	

10 Segments

- Corporate Financial Services and Maintenance Leasing
- Real Estate
- PE Investment and Concession
- Environment and Energy
- Insurance
- Banking and Credit
- Aircraft and Ships
- ORIX USA
- ORIX Europe
- Asia and Australia












Please refer to the website below for details about positions and bios.

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

	Business Unit	Name	Positions	Term of Office for Executive Officers (Including Group Executives)		Began Career	
				Less than 3 Years	3 Years or More	ORIX	Non-ORIX
	RE Investment and Facilities Operation	Toyonori Takahashi	Executive Officer, Group Kansai Representative, Responsible for MICE-IR Office, Responsible for Real Estate Sales Department, Senior Managing Executive Officer, ORIX Real Estate Corporation		○	○	
	RE Investment and Facilities Operation	Michio Minato	Executive Officer Group Strategy Business Unit President, ORIX Baseball Club Co., Ltd. President, Osaka City Dome Co., Ltd.	○		○	
	RE Investment and Facilities Operation	Takaaki Nitani	Group Executive Senior Managing Executive Officer, ORIX Real Estate Corporation	○		○	
	DAIKYO	Kazuo Kojima	Representative Director and President DAIKYO INCORPORATED		—	○	
	PE Investment and Concession	Shuji Irie	Member of the Board of Directors Senior Managing Executive Officer Head of Investment and Operation Headquarters		○		○
	PE Investment	Seiichi Miyake	Executive Officer Deputy Head of Investment and Operation Headquarters	○		○	
	Environment and Energy	Hidetake Takahashi	Executive Officer Head of Energy and Eco Services Business Headquarters	○		○	
	Life Insurance	Kazunori Kataoka	President, ORIX Life Insurance Corporation		—		○
	Banking	Haruyuki Urata	Chairman, ORIX Bank Corporation		—	○	
	Banking	Yuichi Nishigori	Representative Director and President, ORIX Bank Corporation		—		○
	Credit	Hiroko Yamashina	Group Executive President, ORIX Credit Corporation		○	○	

10 Segments

- Corporate Financial Services and Maintenance Leasing
- Real Estate
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- ORIX USA
- ORIX Europe
- Asia and Australia

	Business Unit	Name	Positions	Term of Office for Executive Officers (Including Group Executives)		Began Career	
				Less than 3 Years	3 Years or More	ORIX	Non-ORIX
	Aircraft and Ships Asia and Australia	Kiyoshi Fushitani	Senior Managing Executive Officer Head of East Asia Business Headquarters, Head of Global Transportation Services Headquarters		○		○
	ORIX USA	Yoshiteru Suzuki	Member of the Board of Directors Senior Managing Executive Officer President and CEO, ORIX Corporation USA	○		○	
	ORIX Europe	Yoshiaki Matsuoka	President, ORIX Corporation Europe N.V.		—	○	
	Asia and Australia	Harukazu Yamaguchi	Executive Officer Group Strategy Business Unit Responsible for Global Business Group		○		○
	New Business	Nobuki Watanabe	Executive Officer Responsible for CEO's Office, Responsible for New Business Development Department	○			○
	Treasury and Accounting Planning, Public Relations and ERM	Shoji Taniguchi	Member of the Board of Directors, Senior Managing Executive Officer, Responsible for Treasury and Accounting Headquarters, Responsible for Enterprise Risk Management Headquarters, Responsible for Corporate Planning Department, Responsible for Corporate Communications Department, Assistant to CEO	○		○	
	Treasury and Accounting	Hitomaro Yano	Executive Officer Head of Treasury and Accounting Headquarters		○		○
	Corporate Administration and Human Resources	Yasuaki Mikami	Managing Executive Officer, Head of Group Human Resources and Corporate Administration Headquarters, Responsible for Secretariat of the Board of Directors, Responsible for Work Style Reform Project		○	○	
	ERM	Stan Koyanagi	Member of the Board of Directors Managing Executive Officer Global General Counsel		○		○
	ERM	Tomoko Kageura	Executive Officer, Head of Enterprise Risk Management Headquarters, Responsible for Global General Counsel Office	○		○	
	Credit and Investment Management	Yasuhiro Tsuboi	Executive Officer Head of Credit and Investment Management Headquarters	○			○
Percentage of Total 30-Person Team				54%	46%	60%	40%

10 Segments

- Corporate Financial Services and Maintenance Leasing
- Real Estate
- PE Investment and Concession
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- Insurance
- Banking and Credit
- Aircraft and Ships
- ORIX USA
- ORIX Europe
- Asia and Australia

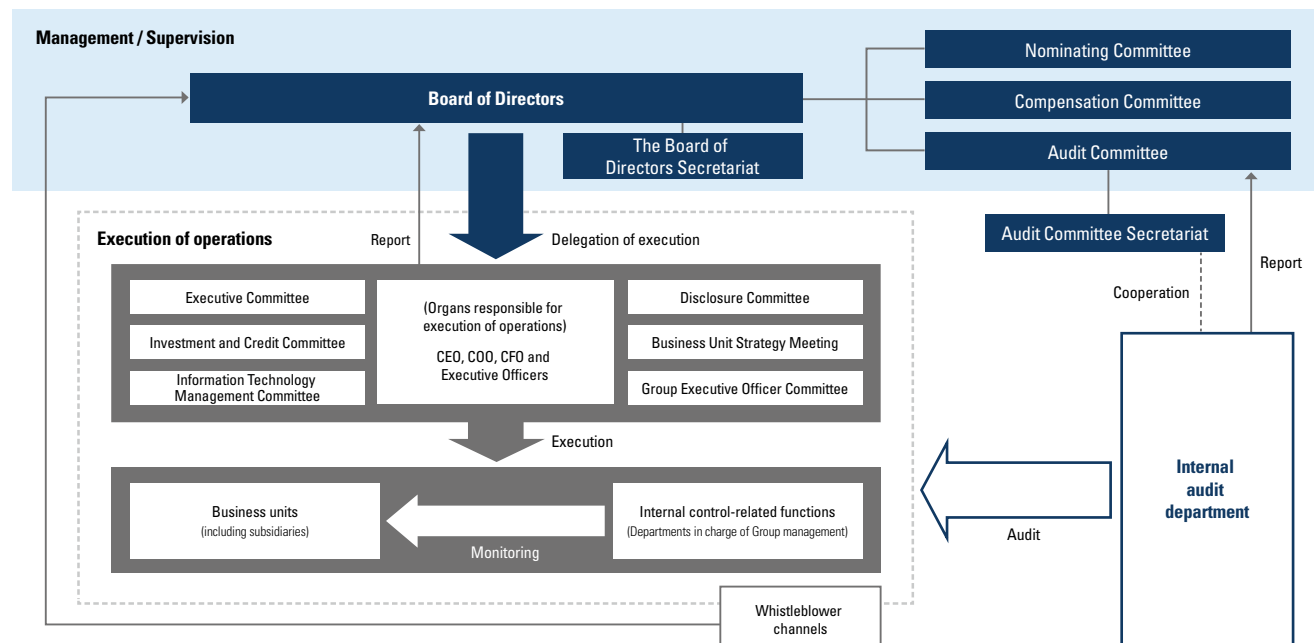
Execution Framework

Organization of Executive Officers

The Representative Executive Officers of ORIX make important business execution decisions after deliberations by the Executive Committee, the Investment and Credit Committee and other bodies in accordance with ORIX’s various rules.

The duties of Executive Officers are decided by the Board of Directors and the Representative Executive Officers and are carried out in accordance with ORIX’s various rules. Group Executives are appointed by the Board of Directors from among the Directors and Executive Officers of the Group companies.

Execution of Operations Framework (As of September 1, 2020)



Executive Body	Attendees*	Contents
Executive Committee	Top management and Executive Officers	<ul style="list-style-type: none"> Meets primarily to discuss important issues related to management and strategy of the ORIX Group.
Investment and Credit Committee	Top management and Executive Officers involved in projects responsible for investment and credit	<ul style="list-style-type: none"> Meets primarily to deliberate on credit transactions and investments that exceed certain specified investment or credit amounts.
Group Executive Officer Committee	Executive Officers and Group Executives	<ul style="list-style-type: none"> Meets to share important information related to the business administration of the ORIX Group.
Business Unit Strategy Meeting	Top management and each divisional head	<ul style="list-style-type: none"> Meets to discuss matters such as the state of achievement of strategic targets of each division and changes in the business environment, and make necessary strategic changes.
Information Technology Management Committee	Top management and the President of ORIX Computer Systems Corporation	<ul style="list-style-type: none"> Meets to deliberate on important matters concerning fundamental policies for IT operations and IT systems.
Disclosure Committee	CFO (Chairperson) and Executive Officers in charge of Treasury Department, Accounting Department, Credit Department, Legal Department, Compliance Department, Human Resources and Corporate Administration Department, and Internal Audit Department	<ul style="list-style-type: none"> Meets to consider matters related to disclosure of important information and takes necessary steps to realize and ensure the timely and appropriate disclosure of important information in the ORIX Group.

* For detailed information on ORIX’s execution framework, please refer to the following:
 • Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/index.html>

Dialogue with Shareholders and Investors (IR Activities)

Proactive IR Activities

ORIX is committed to timely, appropriate and easily understood disclosure. We energetically engage in active dialogue with shareholders and investors. We conduct financial results briefings, small group meetings, individual meetings and business unit briefings for sell-side analysts and institutional investors, make presentations to individual investors and shareholders, issue shareholder reports, and conduct surveys. The opinions obtained through these dialogue opportunities are shared with management and used to increase corporate value.

Our IR activities are proactive and geared to the needs of shareholders and investors. They include easily understood disclosure and presentations to help people understand our growth strategies and business models.

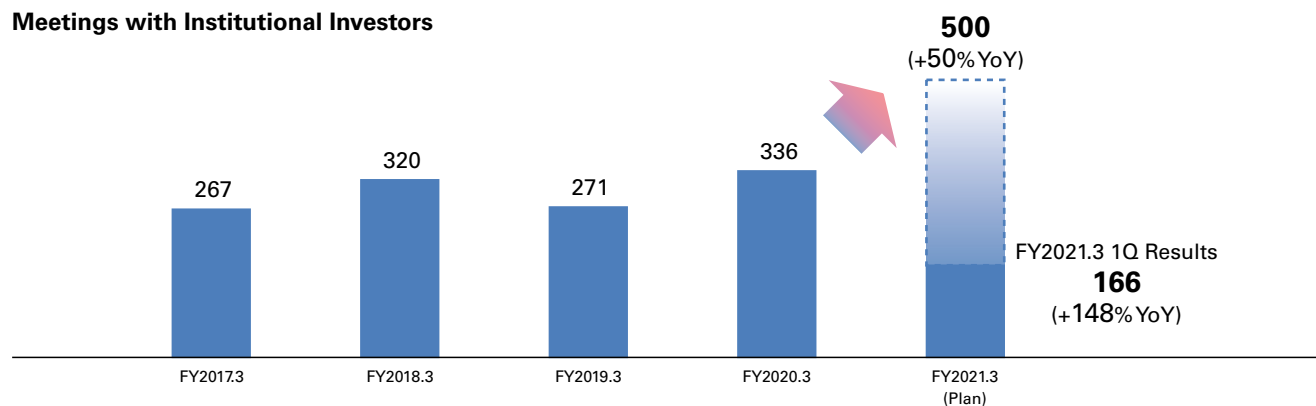
IR Priorities for FY2021.3

Approach new investors more effectively in Japan and overseas.

Improve disclosure materials and provide a concise equity story.

Improve stock performance with trends at peers in mind.

Meetings with Institutional Investors



Mission of the Global IR Head

The mission of Investor Relations is three-fold: 1) To communicate to external investors the goals and strategy of senior management; 2) to simplify the investment case for ORIX shares; and 3) to achieve a fair multiple in the market. To outside investors, the Company's diverse portfolio is both complex and confusing while the stock looks optically very cheap. These "3 C's (Cheap, Complex, Confusing)" highlight the need for proactive investor relations to explain ORIX better. Focusing primarily on overseas investors who are the marginal buyers of ORIX shares, we will look to establish an Overseas IR Office in NY in 2021 which will only improve our day to day communication. Good disclosure is dynamic and constantly evolving. We will work

to continue to improve the transparency of our written presentation materials. To that end from FY2021.3, we have increased the number of reporting segments from 6 to 10 to enable investors to more easily analyze ORIX, particularly our overseas business. ORIX was established in 1964 and has been profitable every year since. We have a unique business model within Japan. It's the responsibility of Investor Relations to enthusiastically communicate the workings of that business model to investors globally. By doing so, we will achieve a fair valuation.

Global IR Head Patrick Hogan

Joined ORIX in February 2020 after 30 years of experience in Japanese Equities, most recently at Deutsche Bank, where he had twin responsibilities of running Japanese Equities and Asia Pacific Equity Sales.

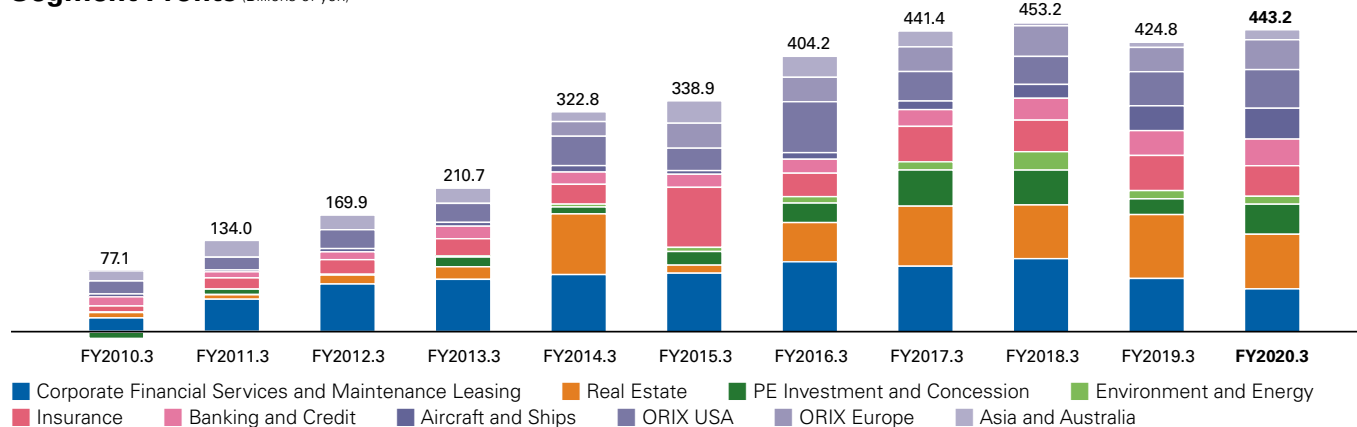


Overview by Segment

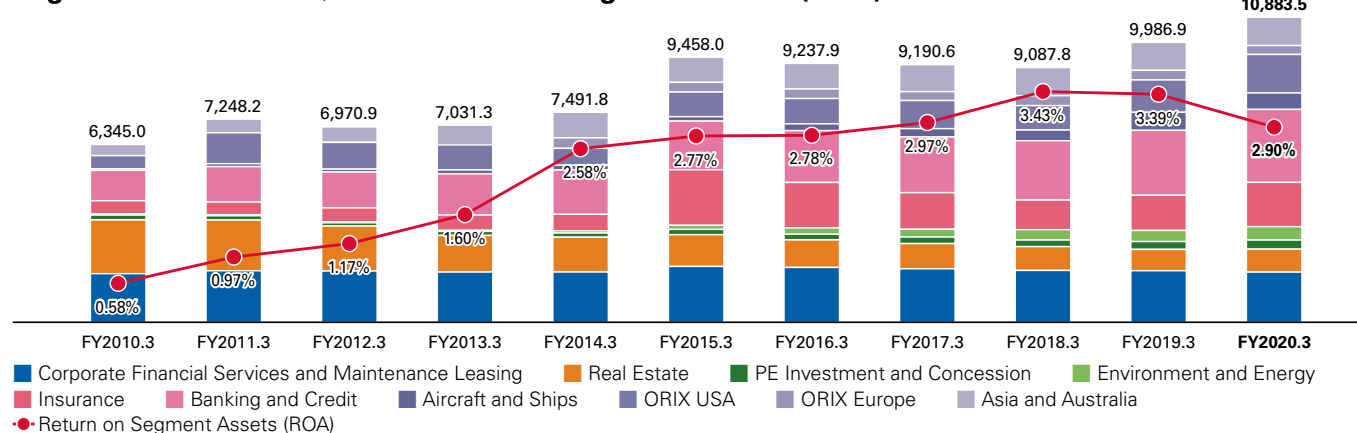
As a result of its business diversification, ORIX is currently organized in 10 independent business segments and has a diversified portfolio ranging from finance to service-related businesses.

Each segment consists of from one to four business units, with a total of 16 business units in the 10 segments.

Segment Profits (Billions of yen)



Segment Assets (Billions of yen) **and Return on Segment Assets (ROA)** (%)



10 Segments and 16 Business Units

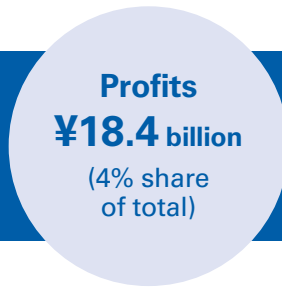
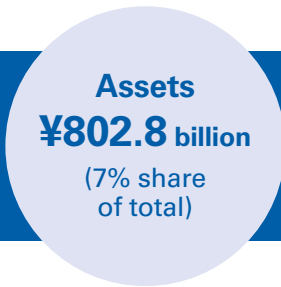
Corporate Financial Services and Maintenance Leasing Corporate Financial Services →Page 52 Yayoi →Page 53 Auto →Page 54 Rentec →Page 55	Banking and Credit Banking →Page 62 Credit →Page 63
Real Estate RE Investment and Facilities Operation →Page 56 DAIKYO →Page 57	Aircraft and Ships Aircraft and Ships →Page 64
PE Investment and Concession Investment and Operation →Page 58 Concession →Page 59	ORIX USA ORIX USA →Page 65
Environment and Energy Environment and Energy →Page 60	ORIX Europe ORIX Europe →Page 66
Insurance Life Insurance →Page 61	Asia and Australia Asia and Australia →Page 67



Corporate Financial Services and Maintenance Leasing

Corporate Financial Services

Business ▶ Provides leasing, financing and solutions (various products and services) to small and medium-size enterprises



Features

Core Sales Platform for the Group

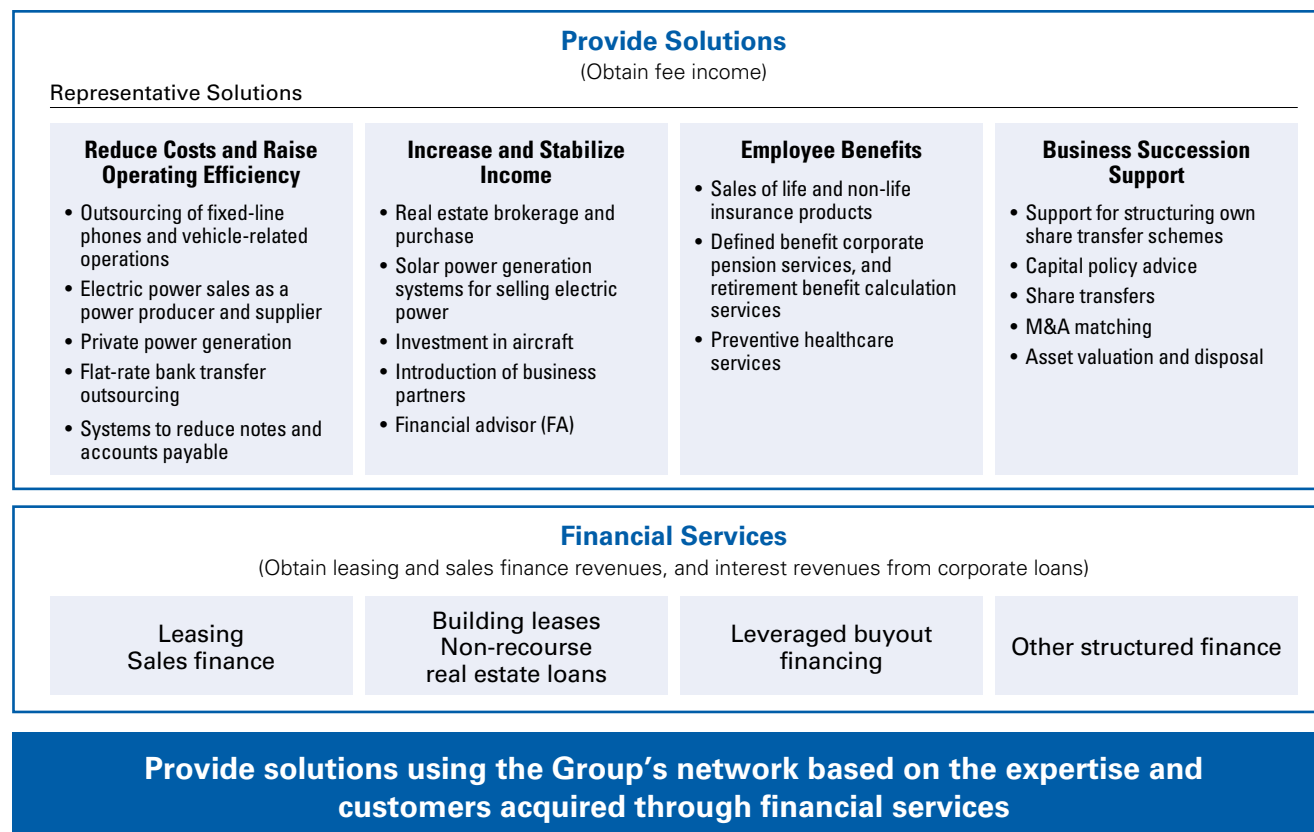
Corporate Financial Services are ORIX's point of origin, and remain the core sales platform for the Group. This business provides a broad array of products and services including life insurance, environment and energy, and automobile leasing, in addition to equipment leasing and loans to small and medium-size enterprises (SMEs), which are our core customers. Moreover, it communicates and collaborates with other parts of the Group, drawing on the Group's know-how, expertise and wide range of products and services to propose ideal solutions for customer needs and management issues.

Strategies for Growth

Increase Value in Close Partnership with Communities

We launched business succession support services in 2018, then acquired equity in two companies in March 2019. The number of consultations with customers has subsequently increased. We stand out because we use our own capital, people and expertise to provide business strategy and financial support, and also enable companies to which we provide succession support to expand product and service sales channels through our nationwide sales network. We believe that by helping companies thrive in the regions they serve, we can deepen our relationship with them and increase the value of ORIX as a partner more deeply rooted in the region.

Broad Array of Products and Services from Corporate Financial Services





Corporate Financial Services and Maintenance Leasing

Yayoi

Business ▶ Develops and sells a range of business software and provides after-sales support and services

Assets
¥97.3 billion
(1% share of total)

Profits
¥6.7 billion
(2% share of total)

Features

A Business Software Services Company that Supports Small Businesses

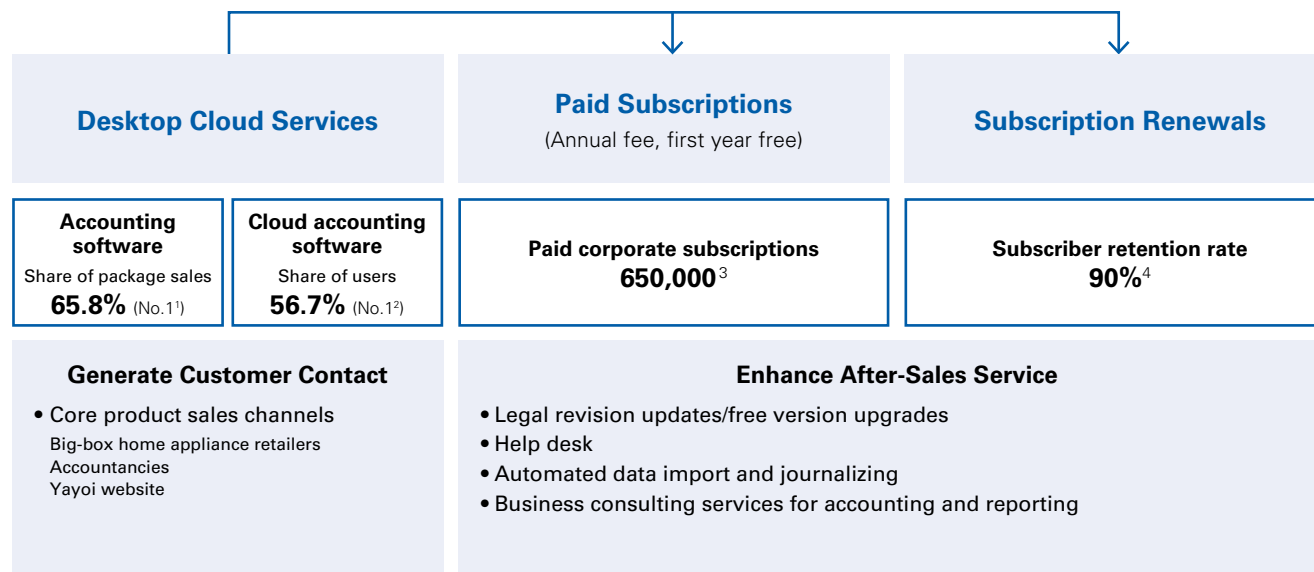
ORIX acquired Yayoi in 2014. It is a business software services company that develops and sells a range of business software and provides after-sales support and services. Yayoi has built a solid customer base on its strong product development capabilities, brand and partnerships with accountancies. Yayoi's business software supports sales management, payroll, customer management and small enterprise back office operations as well as accounting operations. Yayoi also supports customer back-office operations with a wide range of business consultation and employee benefit services that go beyond the framework of software after-sales service.

Strategies for Growth

Evolution into a "Business Concierge"

We will build a service business targeting a customer base of small businesses, which account for more than 80% of Japanese companies. Combining ORIX's financial and service know-how with Yayoi's service and IT expertise will empower enhanced services that meet the needs of small businesses. Yayoi's strength is its ability to provide a variety of support services as well as business software. Yayoi aspires to be a "business concierge" that provides comprehensive business support for customers in the launch and growth phases of SMEs, sole proprietors and entrepreneurs.

Yayoi's Business Model



1. Yayoi share of business software: Calculated based on market research from a third-party organization (Period: October 1, 2019 to June 30, 2020)

2. MM Research Institute, "Survey of Cloud Accounting Software Use," April 2020

3. Paid subscriptions for desktop and cloud applications as of September 30, 2019 4. As of March 2020

Support the growth of small businesses with a focus on SMEs, sole proprietors and entrepreneurs.



Corporate Financial Services and Maintenance Leasing

Auto

Business ▶ Automobile leasing and rental, car sharing, used automobile purchase and sale

Assets
¥740.3 billion
(7% share of total)

Profits
¥26.1 billion
(6% share of total)

Features

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

ORIX Auto was established as a company specializing in automobile leasing in 1973. Its strengths include extensive expertise and a broad lineup of products and services. It incorporates automobile leasing, rental and car sharing in comprehensive proposals aligned with various customer usage conditions such as length, frequency and purpose of use. We are a one-stop provider of every kind of automobile-related service, including solutions that meet needs for compliance, environmental friendliness, safe driving, labor management and accident prevention, as well as comprehensive vehicle management outsourcing and used car leasing and sales.

Strategies for Growth

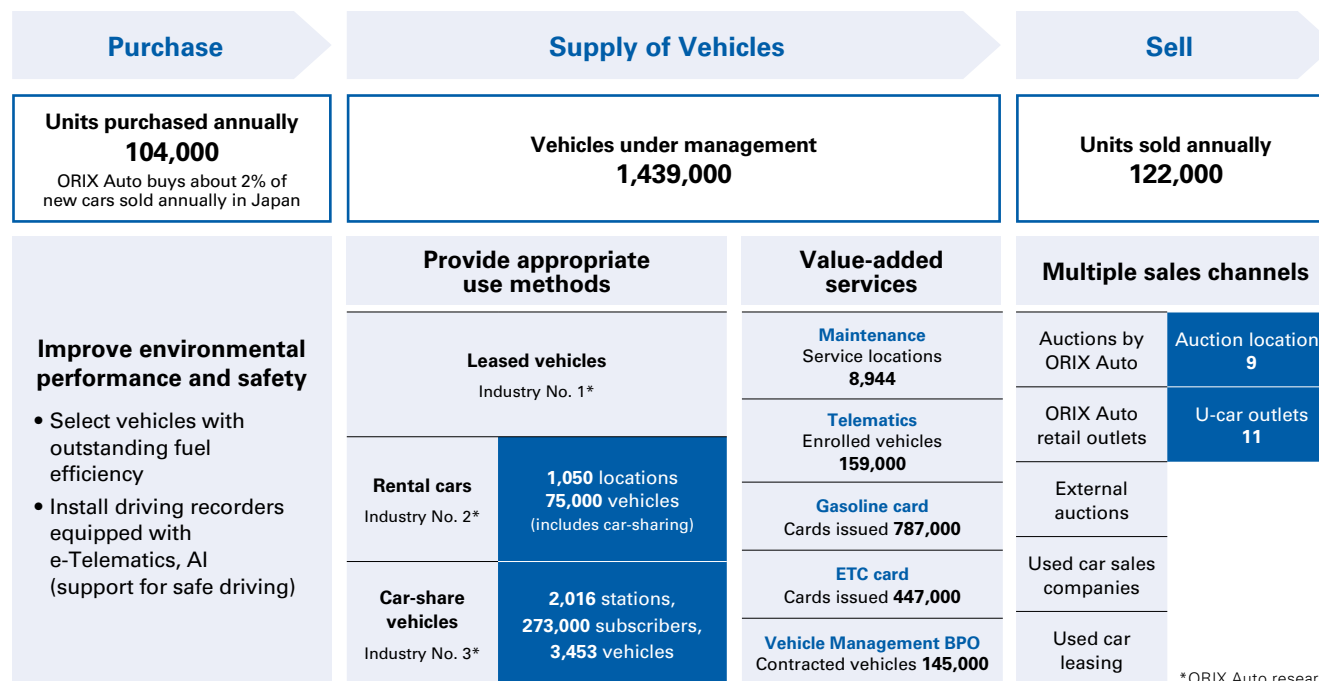
Ensure ORIX Auto's Presence in the Next-generation Automotive Industry

The environment for automotive services continues to change and evolve at a very rapid pace. New opportunities from CASE¹, MaaS² and similar innovations are gaining attention, but companies that excel at providing automotive and related services along with market requisites will be necessary to society, regardless of how the operating environment may change. ORIX Auto will address the ongoing mobility revolution through alliances with domestic and overseas companies and deploy data and digital technologies to ensure its presence in the next-generation automotive industry.

1. Acronym for Connected, Autonomous, Shared and Electric

2. Acronym for Mobility as a Service. Describes the use of ICT to port traffic, both public and private, to the cloud without regard to the management agency and mobility solutions that are consumed as a service enabled by combining transportation services from public and private providers other than personally owned vehicles through a unified gateway.

ORIX Auto's Value Chain (Data as of March 31, 2020)



*ORIX Auto research

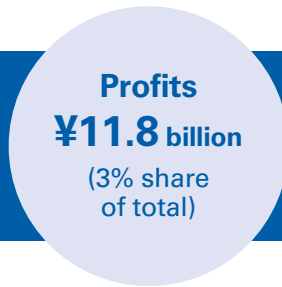
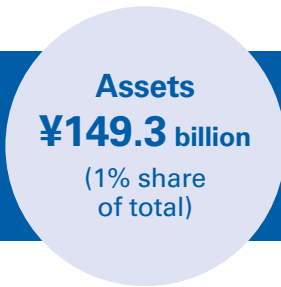
A global leader in number of vehicles under management.
Broad array of products, services and expertise.



Corporate Financial Services and Maintenance Leasing

Rentec

Business ▶ Electronic measurement instruments and IT-related equipment rental and leasing



Features

A Leading Equipment Rental Company in Japan

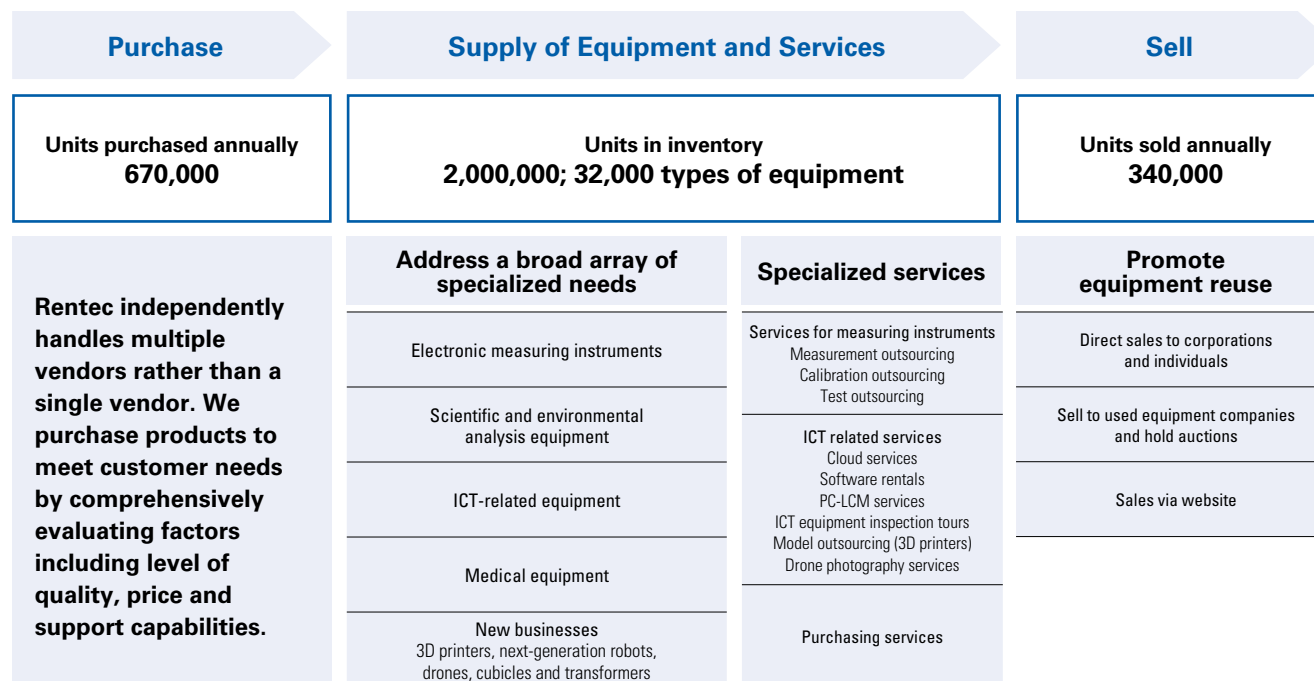
Founded in 1976 as the first measuring instrument rental company in Japan, ORIX Rentec is an industry leader and one of the largest companies of its kind in Japan, with 32,000 types of rental equipment and 2.0 million units (as of March 31, 2020). ORIX Rentec focuses on equipment rentals including electronic measuring instruments, scientific and environmental analysis equipment, ICT-related equipment, and medical equipment. We offer outsourcing services for measuring instruments that cover quality control and instrument operation. We also offer ICT-related services that provide customers with optimal operations support for IT assets, used equipment sales, and a purchasing service for instruments and equipment that customers own.

Strategies for Growth

A Sharing Service Platform

ORIX Rentec has an excellent customer base that includes major manufacturing industries such as automobiles, aircraft and aerospace, and electronics, and helps customers resolve issues in work environments ranging from research and development to the manufacturing floor and offices. In addition to providing rental equipment, ORIX Rentec will transform into a provider of services that adds value by combining various services with hardware such as robots, drones and ICT equipment. Furthermore, ORIX Rentec aims to be a platform that provides various sharing services by developing business models such as flat-rate subscriptions.

ORIX Rentec's Value Chain (Data as of March 31, 2020)



**Leading rental equipment inventory in Japan.
 Wide range of rentals including next-generation robots and drones.**



Real Estate

RE Investment and Facilities Operation

Business ▶ Develop and rent office buildings, commercial facilities, logistics centers and other properties, and operate businesses such as asset management, hotels, inns, and aquariums.

Assets
¥611.5 billion
 (6% share of total)

Profits
¥59.0 billion
 (13% share of total)

Features

A Comprehensive Real Estate Business

ORIX launched its real estate business in 1986 by leasing corporate dormitories for single male employees. We subsequently expanded into a diverse portfolio of businesses including real estate development and rental, asset management and facility operation. Our real estate business has comprehensive capabilities not found at other companies because we leverage the ORIX Group's network to collect information on properties, identify investors, attract tenants, and introduce customers to operating facilities. In 2019, ORIX sold its golf course, senior housing and private nursing home businesses.

Strategies for Growth

Full Use of the ORIX Group Network

In the logistics centers business, which is part of the development and rental business, we will acquire land using the ORIX Group network. We will promote new development while identifying locations suitable for logistics facilities to provide state-of-the-art logistics centers that can meet the needs of a wide variety of tenant companies. In the asset management business, our private equity funds and integrated REITs will increase assets under management (AUM). The facility management business takes a long-term perspective with the objectives of adding value at existing facilities through renovation and remodeling, and opening and achieving stable operation at facilities now under development.

RE Investment and Facilities Operation Business Portfolio (Data as of March 31, 2020 unless otherwise noted)

Launched 1986	Launched 1991	Launched 2000
Development and Rental (Obtain real estate rental income and gains on sale of real estate)	Facility Management (Obtain income from facility operation and gains on sale of facilities)	Asset Management (Obtain asset management fees)
Rental assets Approx. ¥240.0 billion	Facilities under management (As of August 2020) 47	Assets under management Approx. ¥1,310.0 billion

Portfolio Overview

Office buildings: 25%	Logistics centers: 21%	Inns and hotels: 23	Aquariums: 2	ORIX Asset Management (J-REIT)	Assets under management Approx. ¥680.0 billion (As of February 29, 2020)
Rental condominiums: 10%	Commercial facilities: 12%	Service offices: 7	Training facilities: 4		ORIX Real Estate Investment Advisors (Private real estate fund)
Building leasing activities: 16%	Other: 16%	Other (incl. restaurants and a theater): 11			
Mortgage lending (launched 1970s) was the point of entry into the real estate leasing and development businesses Strengthened collaboration with DAIKYO, which was added to the Group in 2019.		Started rehabilitation support for hotels and inns circa 2000. Launched ORIX Hotels & Resorts in 2019 (12 directly managed facilities).			

Expanded from real estate development to facility management and asset management. Goals are to improve portfolio profitability and stability.



Business ▶ Real estate development and brokerage and building maintenance and management, with a focus on condominiums

Assets
¥209.7 billion
 (2% share of total)

Profits
¥21.2 billion
 (5% share of total)

Features

Japan's Number One* Supplier of Condominiums

ORIX took an equity stake in DAIKYO in 2005 and made it a wholly owned subsidiary in 2019. DAIKYO is involved in real estate development and brokerage and building maintenance and management, with a focus on condominiums. It therefore complements ORIX's existing real estate operations. The development business supplies new condominiums and rental condominiums. The management business handles maintenance, cleaning and other services for condominiums, office buildings and facilities, and provides support for homeowners associations. The real estate brokerage business brokers the purchase and sale of properties, and operates a renovation business that purchases homes and prepares them for resale by handling repairs and adding new value and functions, and also provides management support for rental properties.

*Real Estate Economic Institute Co., Ltd. survey

Strategies for Growth

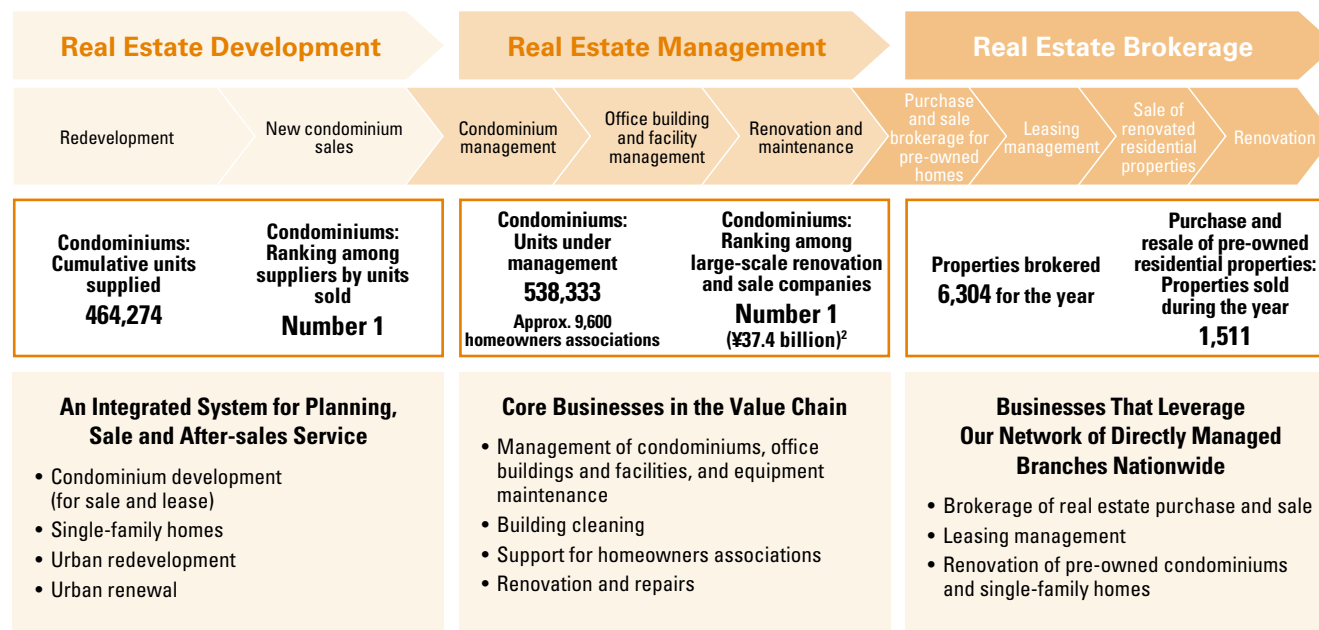
Leveraging the ORIX Group Network, AI and IoT

The real estate development business will energetically participate in redevelopment and strengthen the condominium business in Japan's three major metropolitan areas, where we expect solid demand. It will also grow by developing rental properties. Given Japan's shrinking population, declining birthrate and aging society, the condominium management business is structuring a new business model that employs artificial intelligence and the Internet of Things. The office building management business will

grow earnings by leveraging the ORIX Group's network, increasing orders in target markets, expanding into neighboring fields, and capturing orders in the repair and renovation business. The real estate brokerage business will expand purchase and resale

operations, and step up brokerage with a focus on more sophisticated promotions and greater transaction volume in high-end urban markets.

DAIKYO's Value Chain (Data as of March 31, 2020 unless otherwise noted)



1. Calculated using Real Estate Economic Institute data as of December 31, 2019 2. Japan Journal of Remodeling survey (As of March 2019)

We resolve social issues with real estate solutions that leverage our real estate development, management and brokerage expertise.



PE Investment and Concession Investment and Operation

Business ▶ Private equity investment in Japan and overseas

Assets
¥262.4 billion
(2% share of total)

Profits
¥24.8 billion
(6% share of total)

Features

An Investor That Combines the Strengths of a Fund and an Operating Company

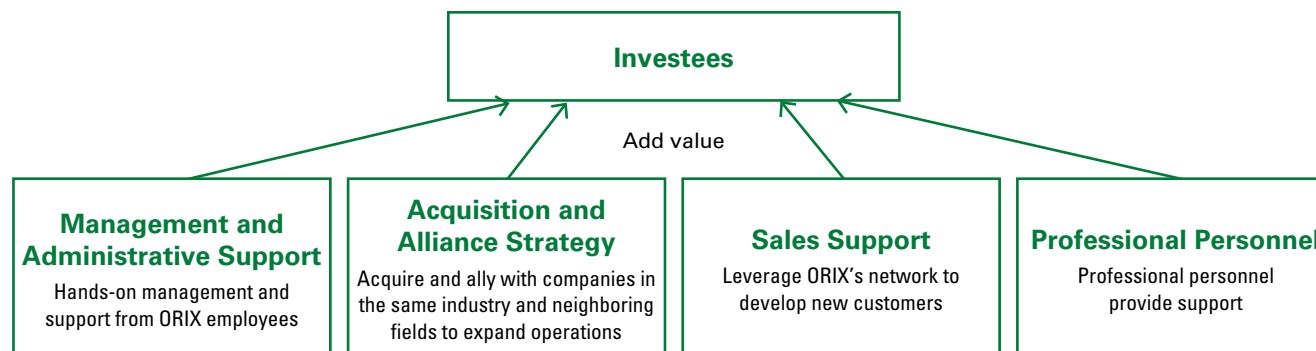
ORIX's Investment and Operation business dates back to 1983, when we launched the venture capital firm ORIX Capital. We then expanded the scope of businesses in which we invested, only to weather a downturn in performance as a result of the financial crisis of 2008-2009. We fully returned to private equity investment in FY2012.3. In Japan, we emphasize a hands-on approach to improve investee corporate value in many ways. This includes integrating with investee administration and providing business support, assigning specialized personnel to investees, and collaborating with the many ORIX Group divisions to develop new customers and expand sales channels.

Growth Strategies

Expansion into Neighboring Fields and Diversified Structuring

In Japan, we will use ORIX's unique network to identify investees, grow market share through investee roll-ups, and expand into neighboring fields. Focus industries include healthcare, business process outsourcing, IT and information services, logistics and rental, and dairy farming. Rather than limit ourselves to pure financial investments with a 3-to-5 year time frame, in growth areas such as healthcare we will add investees and leverage synergies among investees in making long-term, strategic investments. Overseas, we will focus investment on specific regions and sectors and collaborate with good partners.

Investee Relationships Built on Trust



	Investment objective	Independent management	Neutrality (Not part of a larger business group)	Diverse investment approaches	Investment term Flexible exits	Synergy
ORIX	Pure financial investments and strategic investments	◎	○	○	○	◎
Fund	Pure financial investments	◎	○	△	×	×
Operating company	Strategic investments	×	×	×	No exit	◎

Investment returns over the past 5 years
Over **¥140.0 billion**

Investees since 2012
23 companies

Investees as of September 30, 2020
14 companies

Make full use of the Group's network and expertise to increase the corporate value of investees.



PE Investment and Concession

Concession

Business ▶ Operation of airports and wastewater treatment plants

Assets
¥60.1 billion
 (1% share of total)

Profits
¥19.3 billion
 (4% share of total)

Features

Operate Public Facilities While Public Entities Retain Ownership

We started operating Kansai International Airport and Osaka International Airport (Itami Airport) in April 2016 as the first privately-owned full-scale operation business for an airport in Japan, and have been operating Kobe Airport since April 2018. All three are operated by Kansai Airport Co., Ltd., established by a consortium centered on ORIX and VINCI Airports of France. In addition, we have been operating a wastewater treatment plant in Hamamatsu City, Shizuoka Prefecture since April 2018. ORIX participates in the operating company, which was established with the Japanese subsidiary of the French company Veolia at its core.

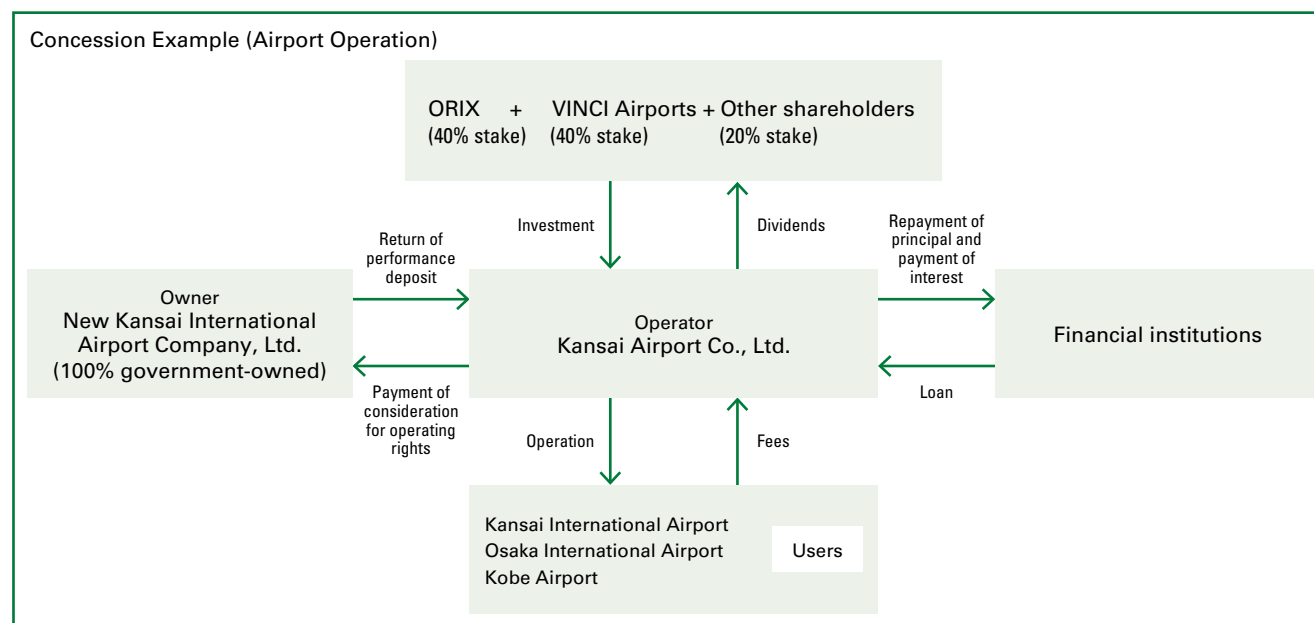
Strategies for Growth

Emphasis on Cooperation with Local Companies and Local Governments

Kansai Airports will increase earnings by using the expertise of the ORIX Group, focusing on commerce, real estate development, headcount reduction and labor-saving services. We will also enhance measures in preparation for OSAKA, KANSAI EXPO 2025. In addition, we continue to execute initiatives to improve airport facilities and emphasize cooperation with local companies and local governments. As a new initiative, we will pursue new business opportunities that make use of airport management knowledge. We will continue to solidify our position as Japan's leading concessionaire.

Concession System

A system in which private enterprises are responsible for the operation of public facilities such as airports, roads, and water supply and sewage systems, while public entities retain ownership.



Build track record and solidify position as Japan's leading concessionaire.



Environment and Energy

Business ▶ Renewable energy in Japan and overseas, electric power retail, energy-saving services, sale of solar panels and electricity storage systems, recycling and waste management

Assets
¥478.8 billion
 (4% share of total)

Profits
¥11.6 billion
 (3% share of total)

Features

Leadership in an Integrated Environment and Energy Business

ORIX entered the environment and energy field by taking a stake in a wind power generation business in 1995. We subsequently expanded our energy business using our skills in leasing and consulting, and our environmental business by properly disposing of leased items at the end of their useful life. We are now expanding our business in a wide range of energy markets such as renewable energy power generation, electric power retail, and energy-saving services, while growing environment businesses such as recycling and waste treatment. Notably, we are a leader in renewable energy in Japan, with 1,000 MW of solar power generation capacity in operation or planned for construction, and 13 MW of geothermal power generation capacity planned for construction. Overseas, we are participating in wind power generation projects with approximately 870 MW of capacity, geothermal power generation projects with approximately 910 MW of capacity, and hydroelectric power generation projects with approximately 900 MW of capacity.

Strategies for Growth

Globally Deploy Experience and Expertise Gained in Japan

In Japan, we will expand our focus from the solar power generation business to include geothermal power generation and wind power generation, including offshore. We also aim to be a major player in distributed energy supply. In electric power retail, we will make full use of our know-how in managing supply and demand, and will carefully respond to customer needs, such as providing new options for power from 100% renewable energy. Our resource and waste disposal businesses are planning new capital

investments with a focus on general waste treatment through ORIX Environmental Resources Management. Overseas, we invested in a geothermal power generation company in the United States in 2017 and made the wind power generation business in

India a wholly owned subsidiary in 2019. We will continue to accelerate global expansion by considering entry into the renewable energy business in Europe through M&A and other means.

Environment and Energy Business Portfolio

Energy		
Generation	Solar power generation Megasolar and rooftop	1,000 MW capacity in Japan with 910 MW in operation
	Wind power generation	Research, study and investment in Japan. Made wind power generation company in India a wholly owned subsidiary.
	Biomass power generation	One fully biomass-fired power plant and two partially biomass-fired plants in Japan
	Geothermal power generation	Research and development in Japan. Invested in U.S. geothermal power generation company.
	Hydroelectric power generation	Invested in hydroelectric power generation company in Vietnam
Supply	Electric power retail	Target corporate facilities that use high-voltage (including extra-high voltage) power
Management	Energy-saving services	Save energy and reduce costs in line with energy usage

Environment			
Collection Transportation	Appropriate processing network	Structure an efficient, nationwide collection network	
	Reuse Recycling Resource recovery	Recycling plant	Sell reusable items to second-hand sales companies. Dismantle items that cannot be reused and recycle as materials.
		Resource recovery plant	Complete resource recovery at an advanced waste processing facility
	Appropriately managed processing	Final disposal site	Properly dispose of waste that cannot be recycled

Target a sustainable society by integrating energy and environment know-how.



Insurance

Life Insurance

Business ▶ Life insurance , including medical insurance

Assets
¥1,580.2 billion
(15% share of total)

Profits
¥44.8 billion
(10% share of total)

Features

Committed to Medical Insurance and Appreciated by Customers and Society

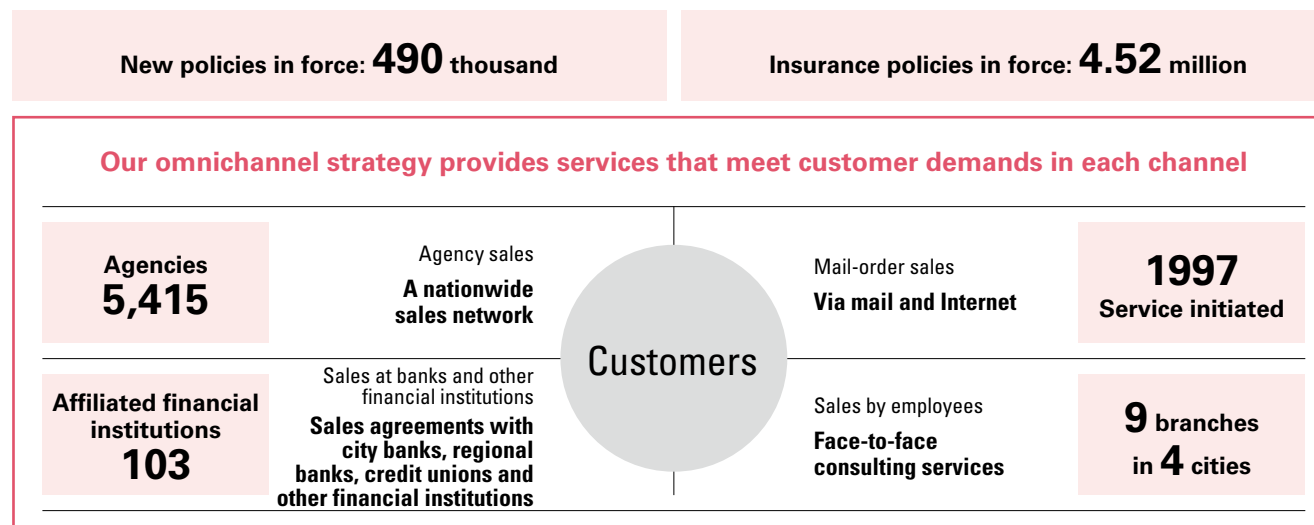
ORIX Life Insurance launched in 1991 and offers an extensive lineup with an approach of offering simple and easily understood products and reasonably priced coverage. Our commitment to new product research and development has earned the appreciation of customers and society. ORIX Life Insurance markets through insurance agents, financial institutions, mail-order and online sales, and sales by ORIX Life Insurance employees known as Conserve Advisors. We organically integrate these four sales channels within an omnichannel strategy that provides services as required by the channels.

Strategies for Growth

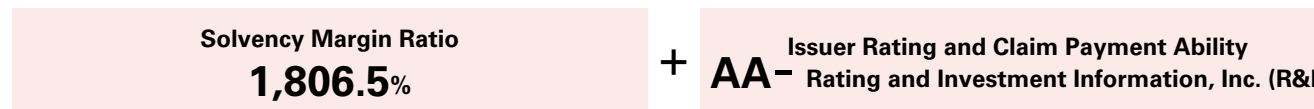
Expanded Product Lineup

ORIX Life Insurance has been complementing its traditional strength in third-sector insurance products such as medical insurance by handling a broader array of first-sector insurance products including death insurance and income security insurance. Moreover, in April 2019, ORIX Life Insurance launched its first foreign-currency denominated product, a U.S. dollar whole life insurance product called Candle. In October 2019, we launched three simplified issue insurance products: FINE Support Plus term insurance, RISE Support Plus whole life insurance, and CURE Support Plus medical insurance. We will respond to new markets and needs by developing and providing products that will help expand our customer base.

Overview of ORIX Life Insurance (Data for FY2020.3 or as of March 31, 2020)



Soundness



We will enhance our product lineup and expand sales channels to steadily increase the number of insurance policies in force.



Banking and Credit Banking

Business ▶ Banking with a focus on real estate investment loans

Assets
¥2,421.5 billion
(22% share of total)

Profits
¥26.9 billion
(6% share of total)

Features

Decades of Experience in Real Estate Investment Loans

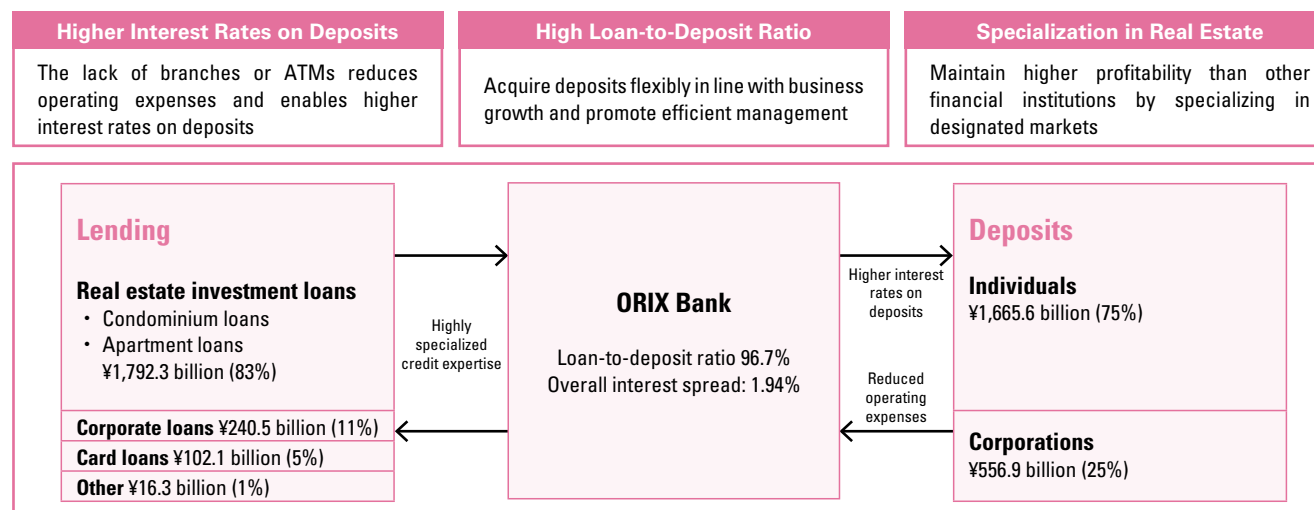
Since joining the ORIX Group in 1998, ORIX Bank has not done business like conventional banks. We do not have a branch network or ATMs, and we do not handle account settlement functions. Instead, we emphasize Internet transactions to reduce operating expenses and earn customer support with higher interest rates on their deposits. We have also expanded our business by focusing on real estate investment loans rather than on conventional mortgage loans in order to differentiate ourselves and demonstrate our strengths in specialized markets. In addition, we use the comprehensive strengths and trust functions of the ORIX Group to meet the operational and succession needs of customers.

Strategies for Growth

Digitalization and Business Field Expansion

Accelerating digitalization enables ORIX Bank to make customer-focused loan proposals because we can help customers visualize the risks of real estate to the greatest extent possible through measures such as explanations that incorporate rent projections in addition to the risks associated with real estate investment. Digital technology also helps us increase productivity by making the most of customer contact points and increasing the efficiency of administrative procedures. In addition, we are targeting further growth by expanding business fields and functions to enter new specialized markets.

ORIX Bank's Business Model (Data as of March 31, 2020*)



Overview of Real Estate Investment Loans

Condominium Loans	Loan balance	Apartment Loans	Loan balance
Funds purchase of a rental condominium (mainly studio, 1K and 1DK)	¥1,533.4 billion	Funds purchase, construction, or land purchase for construction of a rental apartment building	¥242.4 billion

* Source: ORIX Bank financial disclosure materials (Japanese GAAP)

Proactively expand businesses and functions by leveraging expertise acquired over many years.



Banking and Credit Credit

Business ▶ Card loans, guarantees of unsecured loans handled by other financial institutions, and housing loans (Flat 35)

Assets
¥182.2 billion
(2% share of total)

Profits
¥12.2 billion
(3% share of total)

Features

The ORIX Group's First Retail Business, Launched in 1979

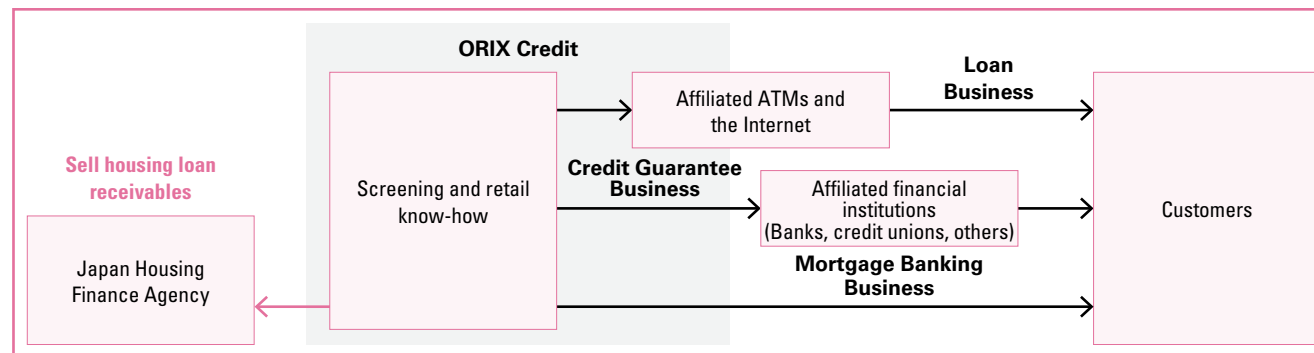
ORIX Credit operates a loan business, a credit guarantee business, and a mortgage banking business. The loan business primarily provides unsecured loans to individual customers. The main product is the ORIX VIP Loan Card, which was launched in 1987. Based on the credit expertise ORIX Credit has acquired in the loan business, the credit guarantee business guarantees unsecured loans mainly handled by financial institutions and as of March 31, 2020, ORIX Credit partnered with more than 190 financial institutions. The mortgage banking business, launched in 2017, provides housing loans with emphasis on the Flat 35 product.

Strategies for Growth

Deploy Expertise in Consumer Finance Services

In the loan business, ORIX Credit will further enhance the brand value of the ORIX VIP Loan Card, improve product appeal and services, and build relationships with blue-chip customers. In addition, ORIX Credit will employ a strategy of IT and digital alliances with companies that have a customer base. In the credit guarantee business, ORIX Credit will strengthen portfolio management and increase the balance of guarantees by expanding guarantees for diversified pools of smaller, high-quality receivables. In the mortgage banking business, ORIX Credit is targeting the leading share in the Flat 35 market. ORIX Credit will also expand its product menu to meet diverse funding needs in ways such as launching reverse mortgages.

ORIX Credit's Business Model



VIP Loan Card Brand
Launched **1987**

Balance of Consumer Loan Guarantees
¥341.5 billion
(As of March 31, 2020)

Leverage credit expertise to further enhance services.



Aircraft and Ships

Business ▶ Aircraft leasing and management, ship-related finance

Assets
¥583.5 billion
 (5% share of total)

Profits
¥45.3 billion
 (10% share of total)

Features

Expertise Acquired over Four Decades

Aircraft business: We have acquired aviation business expertise by entering the aircraft financing business in 1978 and entering the aircraft operating lease business with the establishment of a specialized aircraft leasing company in Ireland in 1991. In addition to leasing owned aircraft, we deploy our extensive experience in the aircraft business to provide domestic and overseas investors with asset management services including aircraft investment arrangements and aircraft sale and re-lease.

Ship business: ORIX entered the ship leasing business in 1971 and has owned ships since the 1980s, investing in ships and chartering them to Japanese and international shipping companies. We have accumulated a wide range of know-how related to ship financing, the management and operation of ships we own, and ship trading and brokerage.

Strategies for Growth

Target Growth in High-Potential Markets

Aircraft business: We aim to achieve sustainable growth in light of the future of the passenger market, and will manage our portfolio while observing trends in the airline and leasing market and investor demand. In addition, we will replace assets with an emphasis on airline credit to improve the quality of our portfolio. In addition, we will use our strong affinity with Avolon Holdings Limited, in which we acquired a stake in 2018, to expand in the aircraft leasing market.

Ship business: Our policy is to flexibly replace assets while closely observing the market environment. In addition, we continue

to target increased fee income by arranging ship investments for domestic corporate investors.

Revenue Opportunities for Aircraft and Ships

Revenue Opportunity		Lease Revenue or Chartering Fees	Gains on Sale	Fee Income
Owned aircraft and ships	Lease owned aircraft to airline or charter owned ships to shipping companies	○	○	
Joint investment	Own and lease aircraft or own and charter ships with joint investors	○	○	○
	Provide asset management services or operations management under contract from joint investors			○
Arrange investment	Arrange investment for investors			○
	Provide asset management services or operations management under contract from investors			○

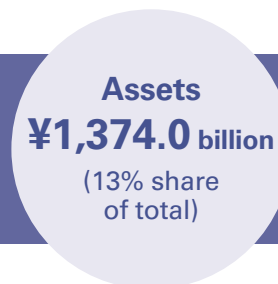
Comparative Aircraft Leasing Business Overview

Business Model	
Avolon	Sizable direct orders for aircraft manufacturers, strengths in direct leasing of the fleet (buy and hold)
ORIX Aircraft Leasing Business	Mainly trading in secondhand market, strengths include arrangement of aircraft purchases for third parties and asset management services

Years of experience and multiple revenue opportunities empower our businesses to adapt to change and grow.



Business ▶ Finance, investment and asset management in the Americas



Features

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

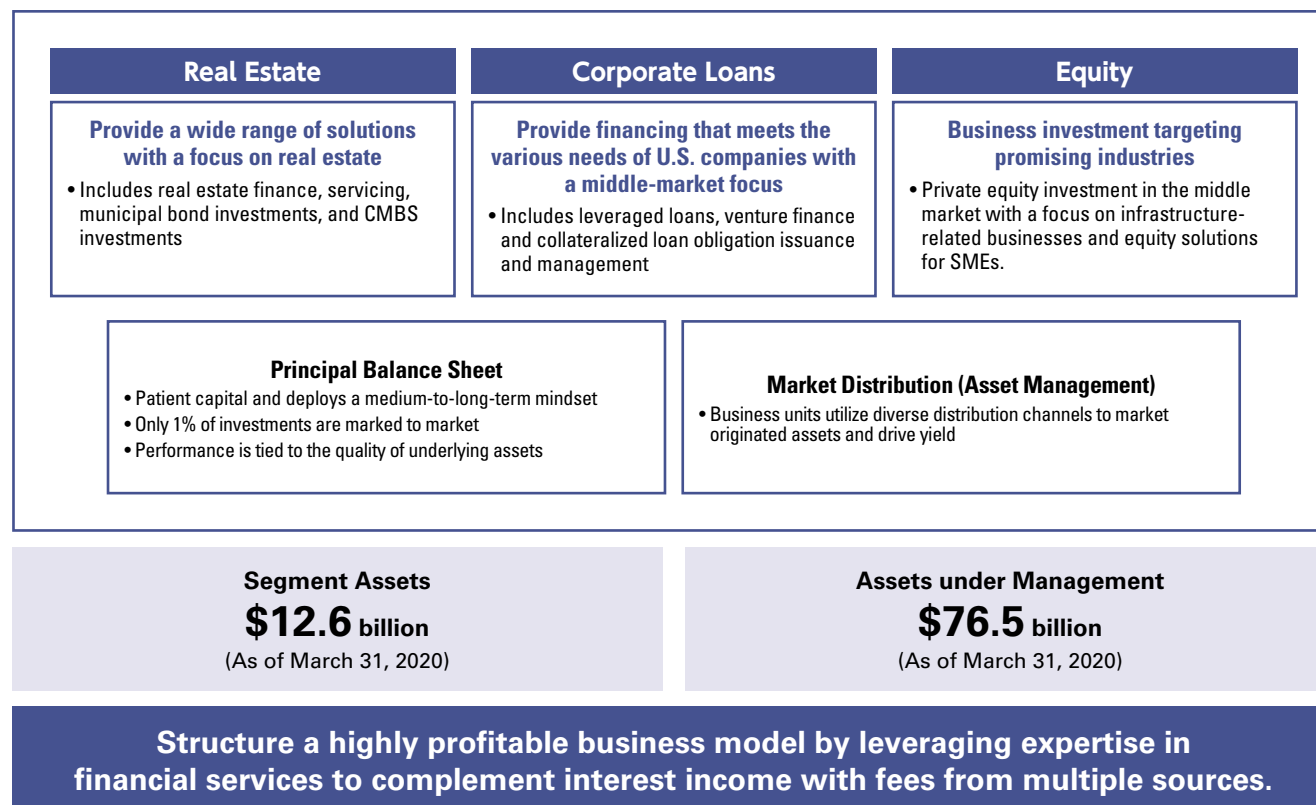
Established in 1981, ORIX Corporation USA (ORIX USA) operates in the corporate loan business, including leveraged loans and venture capital; invests in securities such as municipal bonds; provides real estate and infrastructure financing; provides real estate financing, servicing and investment in the real estate business; and has an equity investment business that includes private equity investment. ORIX USA also provides asset management services for these assets. In addition, ORIX USA has enhanced its alternative asset management services by acquiring several companies involved in financing, servicing, asset management and other businesses since 2010.

Strategies for Growth

Employ Assets On and Off the Balance Sheet

ORIX USA pursues a hybrid strategy that relies upon its strong balance sheet as both an investor and as a bridge toward asset management and capital market solutions. It therefore aims to build its balance sheet while expanding assets under management (AUM) and fee businesses. In January 2020, ORIX USA acquired Hunt Real Estate Capital, which primarily extends loans in the multifamily sector. It also manages and services collateralized mortgage-backed securities after transferring the loan receivables to government housing agencies. We intend to expand asset management services centered on private credit and private equity, including the acquisition of companies with relevant asset management and operation capabilities.

ORIX USA's Businesses





ORIX Europe

Business ▶ Equity and fixed income asset management

Assets
¥317.8 billion
 (3% share of total)

Profits
¥43.8 billion
 (10% share of total)

Features

Longstanding Track Record in Asset Management

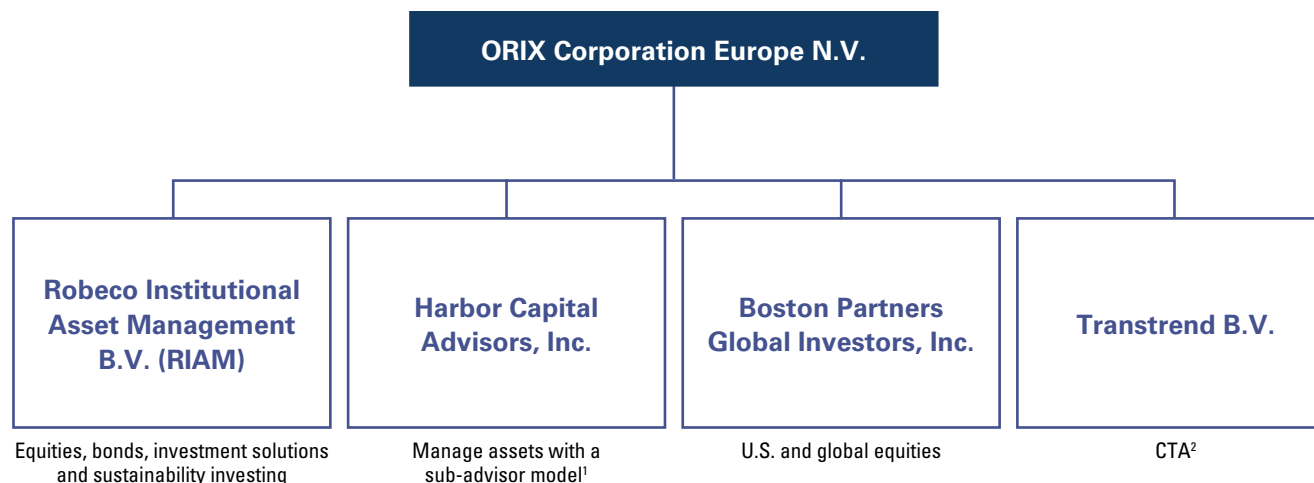
ORIX made a full-scale entry into the global asset management business by acquiring the Netherlands-based asset management company Robeco Groep N.V. in 2013. We changed its name to ORIX Corporation Europe N.V. in 2018. Robeco Institutional Asset Management B.V., which operates in the asset management business under the “Robeco” brand, complements several other ORIX Corporation Europe asset management companies. Founded in 1929, Robeco has long been researching new asset management technologies while constantly investing, and now offers a wide range of active asset management solutions from stocks to bonds. Its clients are numerous European institutional investors, including pension funds, banks, insurance companies and public institutions.

Strategies for Growth

Open to Mergers, Acquisitions, Reorganization and Integration

We have been proactively considering M&A to expand the scale of assets under management since acquiring Robeco in 2013. M&A will remain central to our growth strategy, and we will continue to explore acquisition opportunities including roll-ups. We will also consider deals to expand existing businesses, and asset management acquisitions outside of traditional equity and fixed income. At the same time, we will reorganize and integrate the entire asset management business to facilitate synergy with new acquisitions.

ORIX Europe Organization Chart



Assets under Management EUR 232.8 billion (As of March 31, 2020)	1929 Established in Rotterdam, Netherlands	2013 Joins ORIX Group
--	---	---------------------------------

1. Structure stock and bond mutual funds and select the optimal manager (sub-advisor) for each fund.
 2. Commodity trading advisor. Companies and managers that invest in commodity futures and a wide range of financial products such as currencies and stock index futures to manage financial assets deposited by customers.

Balanced asset management among asset classes, investment styles, customer segments and regions.



Asia and Australia

Business ▶ Finance and investment in Asia and Australia

Assets
¥1,010.3 billion
(9% share of total)

Profits
¥14.7 billion
(3% share of total)

Features

Financial Services Businesses with Deep Regional Ties

Since launching operations in Hong Kong in 1971, ORIX has built a global network of subsidiaries that serve Southeast Asia, South Asia, Oceania and the Middle East. We mainly operate financial services companies and we are familiar with the differing business practices, laws and regulations from country to country. We provide local customers with machinery and equipment leasing, automobile leasing, sales finance, loans and rentals. Companies in Greater China (China, Hong Kong, Taiwan) also make private equity investments. Each local subsidiary is diversifying its operations using the expertise ORIX has acquired in businesses in Japan.

Strategies for Growth

Grow Beyond the Traditional Leasing Business

Local companies that operate in traditional financial services businesses such as leasing and finance tend to have diminishing profitability and growth potential, depending on the country and region. Therefore, based on market size as determined by factors including a country's population and economy, the growth potential of the market and the competitive situation, we will optimize our portfolio through a balanced focus on key markets and businesses. At the same time, we will diversify human resources by hiring employees with knowledge and experience in areas other than leasing such as IT, as well as people with knowledge of finance. In the private equity investment business, we will continue to create investment opportunities and business opportunities based on a network that leverages the know-how and expertise of local talent.

Asset Breakdown in Asia and Australia (as of March 31, 2020)



Businesses	Asia and Australia Timeline (Establishment of Local Subsidiaries)	
	Year	Country or Region
Leasing and sales finance	1971	Hong Kong
	1972	Singapore
	1973	Malaysia
Auto loans and corporate loans	1975	Indonesia
	1977	Philippines
Auto leasing	1978	Thailand
	1986	Pakistan
Private equity investment in Greater China and elsewhere		Australia
	1988	New Zealand
Investment in securities and other	1991	Taiwan
	1993	India
	1997	Egypt
	2001	Saudi Arabia
		South Korea
	2002	United Arab Emirates
	2005	China

ORIX began expanding overseas in the 1970s. We provide various financial services that address the specific needs of countries and regions.

Financial Section

Eleven-Year Summary

ORIX Corporation and its Consolidated Subsidiaries
Years ended March 31, 2010 through 2020

(Millions of yen)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Financial Position:											
Net Investment in Leases	¥ 756,481	¥ 830,853	¥ 900,886	¥ 989,380	¥1,094,073	¥ 1,216,454	¥ 1,190,136	¥ 1,204,024	¥ 1,194,888	¥ 1,155,632	¥ 1,080,964
Installment Loans	2,464,251	2,983,164	2,769,898	2,691,171	2,315,555	2,478,054	2,592,233	2,815,706	2,823,769	3,277,670	3,740,486
Investment in Operating Leases	1,213,223	1,270,295	1,309,998	1,395,533	1,379,741	1,296,220	1,349,199	1,313,164	1,344,926	1,335,959	1,400,001
Investment in Securities	1,104,158	1,175,381	1,147,390	1,093,668	1,214,452	2,846,257	2,344,792	2,026,512	1,729,455	1,928,916	2,245,323
Property under Facility Operations	186,396	207,480	194,576	218,697	295,863	278,100	327,016	398,936	434,786	441,632	562,485
Total Assets	7,722,017	8,561,910	8,332,830	8,435,193	9,063,517	11,439,874	10,992,918	11,231,895	11,425,982	12,174,917	13,067,528
Short-term Debt, Long-term Debt and Deposits	5,263,104	6,075,076	5,828,967	5,556,330	5,363,968	5,701,356	5,685,014	5,753,059	5,890,720	6,423,512	6,847,889
Long- and Short-term Debt	4,409,835	5,009,901	4,725,453	4,477,743	4,157,555	4,413,976	4,286,542	4,138,451	4,133,258	4,495,771	4,616,186
Debt/Equity Ratio											
Short-term Debt, Long-term Debt and Deposits/ Shareholders' Equity (Times)	4.1	4.6	4.2	3.4	2.8	2.7	2.5	2.3	2.2	2.2	2.3
Short-term Debt and Long-term Debt/ Shareholders' Equity (Times)	3.4	3.8	3.4	2.7	2.2	2.1	1.9	1.7	1.5	1.6	1.5
Share of Long-term Debt (%)	87	90	90	91	93	94	92	93	93	93	93
ORIX Corporation Shareholders' Equity	1,287,179	1,306,582	1,380,736	1,643,596	1,919,346	2,152,198	2,310,431	2,507,698	2,682,424	2,897,074	2,993,608
Shareholders' Equity Ratio (%)	16.7	15.3	16.6	19.5	21.2	18.8	21.0	22.3	23.5	23.8	22.9
Revenues and Expenses:											
Total Revenues	¥ 887,290	¥ 938,258	¥ 963,721	¥1,052,477	¥1,375,292	¥ 2,174,283	¥ 2,369,202	¥ 2,678,659	¥ 2,862,771	¥ 2,434,864	¥ 2,280,329
Total Expenses	856,326	865,992	841,506	901,624	1,172,244	1,917,454	2,081,461	2,349,435	2,526,576	2,105,426	2,010,648
Provision for Doubtful Receivables and Probable Loan Losses	71,857	31,065	19,186	10,016	13,838	11,631	11,717	22,667	17,265	22,525	24,425
Income before Income Taxes and Discontinued Operations	56,748	90,271	127,515	172,572	286,339	344,017	391,302	424,965	435,501	395,730	412,561
Income from Continuing Operations	35,723	65,437	82,907	118,890	187,786	254,960	270,990	280,926	321,589	327,039	306,724
Net Income Attributable to ORIX Corporation Shareholders	36,512	66,021	83,509	111,909	187,364	234,948	260,169	273,239	313,135	323,745	302,700
ROA (%)	0.45	0.81	0.99	1.33	2.14	2.29	2.32	2.46	2.76	2.74	2.40
ROE (%)	3.0	5.1	6.2	7.4	10.5	11.5	11.7	11.3	12.1	11.6	10.3
Per Share Data (Yen):											
Net Income Attributable to ORIX Corporation Shareholders:											
Basic Earnings per Share	¥ 35.83	¥ 61.42	¥ 77.68	¥ 102.87	¥ 147.75	¥ 179.47	¥ 198.73	¥ 208.88	¥ 244.40	¥ 252.92	¥ 237.38
Diluted Earnings per Share	30.58	51.83	65.03	87.37	143.20	179.21	198.52	208.68	244.15	252.70	237.17
ORIX Corporation Shareholders' Equity per Share	1,197.55	1,215.44	1,284.15	1,345.63	1,465.77	1,644.60	1,764.34	1,925.17	2,095.64	2,263.41	2,386.35
Cash Dividends	7.50	8.00	9.00	13.00	23.00	36.00	45.75	52.25	66.00	76.00	76.00
Segment:											
Segment Profits	¥ 77,176	¥ 134,009	¥ 169,979	¥ 210,752	¥ 322,843	¥ 338,950	¥ 404,287	¥ 441,411	¥ 453,215	¥ 424,869	¥ 443,252
Segment Assets	6,345,044	7,248,218	6,970,998	7,031,316	7,491,827	9,458,077	9,237,950	9,190,667	9,087,803	9,986,916	10,883,545
Return on Segment Assets (ROA) (%)	0.58	0.97	1.17	1.60	2.58	2.77	2.78	2.97	3.43	3.39	2.90
Number of Employees	17,725	17,578	17,488	19,043	25,977	31,035	33,333	34,835	31,890	32,411	31,233

Notes: 1. In FY2011.3, the Company and its subsidiaries adopted FASB Accounting Standards Update No. 2009-16 (ASC 860 ("Transfers and Servicing")) and FASB Accounting Standards Update No. 2009-17 (ASC 810 ("Consolidation")). The effects of adopting these updates on the Company and its subsidiaries' financial conditions at the initial adoption date were an increase of ¥1,147.4 billion in total assets, an increase of ¥1,169.0 billion in total liabilities and a decrease of ¥22.5 billion in retained earnings, net of tax, in the consolidated balance sheets.

2. Cash dividends represent the amount of dividend per share for the corresponding fiscal year.

3. Balance sheet data and income statement data have been changed beginning in the third consolidated fiscal period of FY2015.3. The amounts in the previous years have been retrospectively reclassified to reflect this change.

4. During FY2015.3, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified to reflect this change.

5. From FY2017.3, FASB Accounting Standards Update No. 2015-03 (Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs) has been applied retroactively to consolidated financial statements for prior fiscal years.

6. From the first quarter of FY2019.3, consolidated VIEs for securitizing financial assets such as direct financing lease receivables and loan receivables are included in segment revenues, segment profits and segment assets. The amounts in the previous years have been retrospectively reclassified to reflect this change.

7. From the first quarter of FY2020.3, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

8. From the fourth quarter of FY2020.3, FASB Accounting Standards Update No. 2018-20 (Leases (Topic 842): Narrow-Scope Improvements for Lessors) has been applied, and the method of presentation on the statement of income has changed for certain expenses, including taxes on lessors' direct financing leases and operating leases.

9. From the first quarter of FY2021.3, the classification of business segments has been reorganized. Segment profits and segment assets for previous years have been retrospectively reclassified to reflect this change.

10. From the first quarter of FY2021.3, the methods of allocating expenses to business divisions and calculating segment profits have changed. Segment profits for previous years have been retrospectively reclassified to reflect this change.

Consolidated Balance Sheets

ORIX Corporation and its Consolidated Subsidiaries
As of March 31, 2018, 2019 and 2020

	(Millions of yen)		
	2018	2019	2020
ASSETS			
Cash and Cash Equivalents	¥ 1,321,241	¥ 1,161,032	¥ 982,666
Restricted Cash	83,876	122,548	152,618
Net Investment in Leases	1,194,888	1,155,632	1,080,964
Installment Loans	2,823,769	3,277,670	3,740,486
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(54,672)	(58,011)	(56,836)
Investment in Operating Leases	1,344,926	1,335,959	1,400,001
Investment in Securities	1,729,455	1,928,916	2,245,323
Property under Facility Operations	434,786	441,632	562,485
Investment in Affiliates	591,363	842,760	821,662
Trade Notes, Accounts and Other Receivable	294,773	280,590	312,744
Inventories	111,001	115,695	126,013
Office Facilities	112,962	108,390	203,930
Other Assets	1,437,614	1,462,104	1,495,472
Total Assets	¥11,425,982	¥12,174,917	¥13,067,528

Note: 1. From the first quarter of FY2020.3, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

	(Millions of yen)		
	2018	2019	2020
LIABILITIES			
Short-term Debt	¥ 306,754	¥ 309,549	¥ 336,832
Deposits	1,757,462	1,927,741	2,231,703
Trade Notes, Accounts and Other Payable	262,301	293,480	282,727
Policy Liabilities and Policy Account Balances	1,511,246	1,521,355	1,591,475
Income Taxes:			
Current	18,798	42,010	28,203
Deferred	348,149	313,833	328,147
Long-term Debt	3,826,504	4,186,222	4,279,354
Other Liabilities	588,474	617,746	912,921
Total Liabilities	8,619,688	9,211,936	9,991,362
Redeemable Noncontrolling Interests	7,420	9,780	10,331
Commitments and Contingent Liabilities			
EQUITY			
Common Stock:	220,961	221,111	221,111
Authorized		2,590,000,000 shares	
Issued			
March 31, 2018		1,324,495,728 shares	
March 31, 2019		1,324,629,128 shares	
March 31, 2020		1,324,629,128 shares	
Additional Paid-in Capital	267,291	257,625	257,638
Retained Earnings	2,315,283	2,555,585	2,754,461
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains on investment in securities	10,465	17,389	(5,001)
Debt valuation adjustments	—	582	1,457
Defined benefit pension plans	(20,487)	(27,902)	(26,375)
Foreign currency translation adjustments	(31,806)	(43,558)	(72,471)
Net unrealized losses on derivative instruments	(3,738)	(7,854)	(16,142)
Sub-Total	(45,566)	(61,343)	(118,532)
Treasury Stock, at Cost:	(75,545)	(75,904)	(121,070)
March 31, 2018		44,494,856 shares	
March 31, 2019		44,667,776 shares	
March 31, 2020		70,157,472 shares	
ORIX Corporation Shareholders' Equity	2,682,424	2,897,074	2,993,608
Noncontrolling Interests	116,450	56,127	72,227
Total Equity	2,798,874	2,953,201	3,065,835
Total Liabilities and Equity	¥11,425,982	¥12,174,917	¥13,067,528

Notes: 1. The Company's shares held through the Board Incentive Plan Trust (1,651,443 shares as of March 31, 2018, 1,823,993 shares as of March 31, 2019 and 1,476,828 shares as of March 31, 2020) are included in the number of treasury shares as of March 31, 2018, 2019 and 2020, respectively.

2. From the first quarter of FY2020.3, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

Consolidated Statements of Income

ORIX Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2018, 2019 and 2020

(Millions of yen)

	2018	2019	2020
Revenues:			
Finance revenues	¥ 228,252	¥ 242,893	¥ 276,864
Gains on investment securities and dividends	43,302	15,958	22,499
Operating leases	379,665	413,918	430,665
Life insurance premiums and related investment income	351,590	347,136	367,778
Sales of goods and real estate	1,079,052	596,165	406,511
Services income	780,910	818,794	776,012
Total revenues	2,862,771	2,434,864	2,280,329
Expenses:			
Interest expense	76,815	93,337	99,138
Costs of operating leases	252,327	257,321	289,604
Life insurance costs	255,070	246,533	269,425
Costs of goods and real estate sold	1,003,509	535,261	354,006
Services expense	482,796	508,320	483,914
Other (Income) and expense	429	1,301	14,925
Selling, general and administrative expenses	431,594	437,028	460,199
Provision for doubtful receivables and probable loan losses	17,265	22,525	24,425
Write-downs of long-lived assets	5,525	2,418	3,043
Write-downs of securities	1,246	1,382	11,969
Total expenses	2,526,576	2,105,426	2,010,648
Operating Income	336,195	329,438	269,681
Equity in Net Income of Affiliates	50,103	32,978	67,924
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	49,203	33,314	74,001
Bargain Purchase Gain	—	—	955
Income before Income Taxes	435,501	395,730	412,561
Provision for Income Taxes	113,912	68,691	105,837
Net Income	321,589	327,039	306,724
Net Income Attributable to the Noncontrolling Interests	8,002	2,890	3,640
Net Income Attributable to the Redeemable Noncontrolling Interests	452	404	384
Net Income Attributable to ORIX Corporation Shareholders	¥ 313,135	¥ 323,745	¥ 302,700

(Yen)

Amounts per Share of Common Stock for Income Attributable to ORIX Corporation Shareholders:

	2018	2019	2020
Basic	¥ 244.40	¥ 252.92	¥ 237.38
Diluted	244.15	252.70	237.17
Cash Dividends	66.00	76.00	76.00

- Notes: 1. Cash Dividends represent the amount of dividends per share for the corresponding fiscal year.
2. From the first quarter of FY2019.3, the classification method of the statement of income has changed. Figures for the previous year have been reclassified to reflect the change.
3. From the fourth quarter of FY2020.3, FASB Accounting Standards Update No. 2018-20 (Leases (Topic 842): Narrow-Scope Improvements for Lessors) has been applied, and the method of presentation on the statement of income has changed for certain expenses, including taxes on lessors' direct financing leases and operating leases. Due to this application, figures for the first quarter to the third quarter of FY2020.3 have been reclassified.
4. Due to the application of FASB Accounting Standards Update No. 2016-01 (Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities) from the first quarter of FY2019.3, unrealized changes in fair value of equity securities are included in "Gains on investment securities and dividends."

Consolidated Statements of Comprehensive Income

ORIX Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2018, 2019 and 2020

(Millions of yen)

	2018	2019	2020
Net Income	¥321,589	¥327,039	¥306,724
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	(22,834)	10,215	(22,456)
Net change of debt valuation adjustments	—	231	875
Net change of defined benefit pension plans	(2,962)	(7,346)	1,529
Net change of foreign currency translation adjustments	(1,955)	(11,537)	(31,664)
Net change of unrealized gains (losses) on derivative instruments	779	(4,118)	(8,556)
Total other comprehensive income (loss)	(26,972)	(12,555)	(60,272)
Comprehensive Income	294,617	314,484	246,452
Comprehensive Income Attributable to the Noncontrolling Interests	6,433	2,784	756
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	36	730	187
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥288,148	¥310,970	¥245,509

Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2020)

(Millions of yen)

	Corporate Financial Services and Maintenance Leasing	Real Estate	PE Investment and Concession	Environment and Energy	Insurance
Main Components of Segment Assets	1,789,693	821,194	322,522	478,796	1,580,158
Net Investment in Leases	Corporate leasing, sales finance and auto leasing 648,627	Real estate leasing 73,279	—	Leasing of energy-saving equipment 25,355	—
Installment Loans	Corporate loans, loans purchased under loan servicing unit 379,541	—	—	—	17,720
Investment in Operating Leases	Leasing and rental of auto and precision measuring equipment 572,492	Real estate rental 319,550	Investees' operating assets 9,367	—	Operating assets (rental properties) 29,271
Investment in Securities	Investment in listed shares 28,616	Investment in funds 7,274	Investment in listed shares and in funds 17,916	—	Management of corporate and government bonds and other assets 1,528,042
Property under Facility Operations and Servicing Assets	Solar power facilities (JV with Kyudenko Corporation) 19,992	Facility operation 140,416	Investees' operating assets 43,735	Environment and energy-related facilities and equipment 338,695	—
Inventories	—	Condominiums 82,762	Investees' operating assets 40,263	—	—
Advances for Finance Leases and Operating Leases	—	Rental properties under development 37,272	—	—	—
Investment in Affiliates	Investment in joint ventures including new businesses 18,347	Joint development of rental properties 91,835	Investment in concession business and PE investment 68,603	Investment in power business abroad 82,253	—
Advances for Property under Facility Operations	—	Operating facilities under development 7,327	—	Environment and energy-related facilities and equipment under development 12,229	—
Goodwill, Intangible Assets Acquired in Business Combinations	—	—	—	—	—
	120,289	61,479	142,252	15,860	5,125
Main Components of Segment Revenues	428,036	468,086	296,365	148,423	371,387
Finance Revenues	Interest revenues from loans, revenues from corporate leasing and sales finance, and auto leasing revenues 61,402	Revenues from real estate leasing 6,723	—	Leasing revenues from energy-saving equipment 1,959	—
Gains on Investment Securities and Dividends	Gains on listed shares 111	—	Gains on sales of investees, equity income/dividends from investees and funds (139)	—	—
Operating Leases	Auto and precision measuring equipment leasing, rental revenues and gains on sales from used cars 243,977	Rental revenues from rental properties and gains on sales of rental properties 63,149	—	—	—
Life Insurance Premiums and Related Investment Income	—	—	—	—	Life insurance premiums and investment income 370,144
Sales of Goods and Real Estate	Revenues from sales of software of Yayoi and used rental equipment 11,536	Gains on sales of condominiums 122,230	Revenues from sales of goods by investees 261,475	—	—
Services Income	Various fees and revenues from vehicle maintenance services 111,010	Revenues from facility operation and asset management fees 276,123	Revenues from services provided by investees 32,465	Revenues from Environment and Energy businesses and gains on sales 141,714	—
					1,023

Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2020)

(Millions of yen)

	Banking and Credit		Aircraft and Ships		ORIX USA		ORIX Europe		Asia and Australia		Total
Main Components of Segment Assets		2,603,736		585,304		1,374,027		317,847		1,010,268	10,883,545
Net Investment in Leases	—	—	—	1,839	—	1,172	—	—	Leasing and sales finance	330,346	1,080,759
Installment Loans	Real estate investment loans and card loans	2,318,347	Ship loans purchased	24,088	Corporate loans	778,249	—	—	Auto loans and corporate loans	222,465	3,740,409
Investment in Operating Leases	—	—	Aircraft and ship leasing	253,717	—	9,148	—	—	Auto leasing	195,660	1,391,163
Investment in Securities	Management of corporate and government bonds and other assets	273,218	—	—	Investment in municipal bonds, CMBS and funds	320,217	Investment in funds	38,056	Investment in funds	29,248	2,242,780
Property under Facility Operations and Servicing Assets	—	—	—	—	Mortgage servicing rights	66,416	—	—	—	2,600	611,854
Inventories	—	—	—	—	—	1,442	—	—	—	242	125,839
Advances for Finance Leases and Operating Leases	—	—	Vessels under construction	4,990	—	1,259	—	—	—	1,742	47,417
Investment in Affiliates	—	400	Investment in Avolon	284,453	PE investment	52,361	—	1,495	PE investment	221,853	821,599
Advances for Property under Facility Operations	—	—	—	—	—	—	—	—	—	—	20,560
Goodwill, Intangible Assets Acquired in Business Combinations	—	11,771	—	16,217	—	143,763	—	278,295	—	6,112	801,164
Main Components of Segment Revenues		84,355		64,650		135,709		148,524		137,797	2,283,332
Finance Revenues	Interest revenues from real estate investment loans and card loans	80,868	—	2,478	Interest revenues from loans and CMBS	79,973	—	559	Leasing and sales finance revenues and interest revenues	43,694	278,001
Gains on Investment Securities and Dividends	—	195	—	6	Gains on sales of investees, equity income from PE funds and gains on sales of municipal bonds	15,956	Equity income from funds	(2,079)	Equity income from PE funds	8,971	22,986
Operating Leases	—	—	Lease income and gains on sales of aircraft and ships	49,271	—	715	—	—	Auto leasing revenues and gains on sales of used cars	66,322	425,723
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	—	—	370,144
Sales of Goods and Real Estate	—	—	—	2,680	—	1,949	—	—	—	487	405,154
Services Income	—	3,291	Investment arrangement fees, asset management income	10,216	Asset management fee revenues	37,116	Asset management fee revenues	150,044	Revenues from auto maintenance services	18,323	781,323

Group Companies (As of March 31, 2020)

Company Name	Principal Business	Established (Acquired)	ORIX Group Controlling Share
Corporate Financial Services and Maintenance Leasing			
ORIX Auto Corporation	Automobile Leasing, Rental, Car Sharing, Sales of Used Automobiles	Jun. 1973	100%
ORIX Rentec Corporation	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Sep. 1976	100%
ORIX Asset Management & Loan Services Corporation	Loan Servicing	Apr. 1999	100%
NS Lease Co., Ltd.	Leasing, Lending, Other Financial Services	(Jul. 2002)	100%
ORIX Tokushima Corporation	Leasing, Other Financial Services	(Oct. 2005)	95%
ORIX Loan Business Center Corporation	Personal Loan Related Asset Management, Customer Relations	May 2009	99%
Tsukuba Lease Corporation	Leasing	(Jun. 2010)	95%
Kyuko-Lease Inc.	Leasing, Other Financial Services	(Jan. 2012)	85%
FREEILL CORPORATION	Medical Equipment Rental	(May 2013)	100%
ORIX Agriculture Corporation	Production of Vegetables at Plant Factory and Their Sales	Feb. 2014	100%
Yayoi Co., Ltd.	Development, Marketing, and Support of Business Management Software and Related Services	(Dec. 2014)	99%
ORIX Yatsugatake Farm Co., Ltd.	Production and Sales of Hydroponic Vegetables	Apr. 2015	97%
ORIX Food Supply Corporation	Purchase and Sales of Fruits and Vegetables	Jul. 2016	100%
Altoa, Inc.	Online Lending	Feb. 2017	91%
Yodogawa Transformer Co., Ltd.	Manufacturing, Rental, Sales, and Purchasing of Power Receiving, Transforming, and Generating Facilities and Equipment, Various Types of Transformers, Cubicles, etc.	(Jan. 2018)	100%

Real Estate			
ORIX Interior Corporation	Real Estate Rental, Parking Lot Business	(Jan. 1987)	100%
ORIX Hotel Management Corporation	Hotel and Training Facility Management	Jan. 1997	100%
ORIX Real Estate Corporation	Real Estate Investment, Development, Rental, Facilities Operation and Management	Mar. 1999	100%
ORIX Asset Management Corporation	Asset Management of J-REIT	Sep. 2000	100%
Chofu Driving School Corporation	Driving School	(Dec. 2005)	100%
ORIX Real Estate Investment Advisors Corporation	Real Estate Investment and Advisory Services	Sep. 2007	100%
ORIX Aquarium Corporation	Aquarium Operation	Apr. 2011	100%
DAIKYO INCORPORATED	Housing Development and Sales, Redevelopment	(Jan. 2019)	100%

Company Name	Principal Business	Established (Acquired)	ORIX Group Controlling Share
PE Investment and Concession			
ORIX Capital Corporation	Venture Capital	Oct. 1983	100%

Environment and Energy			
ORIX Eco Services Corporation	Trading of Recycled Metals and Other Resources, Collection and Transportation of Industrial Waste, and Intermediate Waste Processing	Apr. 1998	100%
ORIX Environmental Resources Management Corporation	Waste Recycling	Sep. 2002	100%
Agatsuma Bio Power Co., Ltd.	Biomass Power Generation	Jan. 2006	100%
Ubiteq, INC.	Development and Manufacturing of Electronic Equipment and In-Vehicle Devices, Development and Operation of Systems, IoT Business	(Jul. 2010)	57%
ONE Energy Corporation	Sales, Leasing and Rental of Solar Panels and Electricity Storage Systems	Mar. 2013	70%
Zeeklite Co., Ltd.	Waste Landfill, Mining and Sales of Zeolite	(Feb. 2017)	100%
ORIX Renewable Energy Management Corporation	Operation, Management, and Maintenance of Power Plants That Use Renewable Energy Sources	Jun. 2018	100%

Insurance			
ORIX Life Insurance Corporation	Life Insurance	Apr. 1991	100%
ORIX Insurance Consulting Corporation	Insurance Agency Services	Oct. 2012	100%

Banking and Credit			
ORIX Credit Corporation	Consumer Finance Services	Jun. 1979	100%
ORIX Bank Corporation	Banking	(Apr. 1998)	100%

Aircraft and Ships			
ORIX Maritime Corporation	Ship Charter and Ship Broker Service	Nov. 1977	100%
ORIX Aircraft Corporation	Aircraft Leasing	May 1986	100%

ORIX Headquarter Functions (Not included in Segment Financial Information)			
ORIX Insurance Services Corporation	Insurance Agency Services	Sep. 1976	100%
ORIX Computer Systems Corporation	Software Engineering and Systems Management	Mar. 1984	100%
ORIX Baseball Club Co., Ltd.	Professional Baseball Team Management	(Oct. 1988)	100%
ORIX Management Information Center Corporation	Accounting and Administration Services	Oct. 1999	100%
ORIX Business Center Okinawa Corporation	Business Center, Contact Center	Nov. 1999	100%
ORIX Business Support Corporation	Business Support Services	Apr. 2007	100%

Group Companies (As of March 31, 2020)

Company Name	Country (Region) ¹	Principal Business	Established (Acquired)	ORIX Group Controlling Share
Overseas Businesses				
ORIX Corporation USA	USA	Financial Services	Aug. 1981	100%
Mariner Investment Group LLC ²	USA	Fund Operation and Management	(Dec. 2010)	70%
Boston Partners Global Investors, Inc.	USA	Asset Management	(Jul. 2013)	100%
Harbor Capital Advisors, Inc.	USA	Asset Management	(Jul. 2013)	100%
ORIX Real Estate Capital Holdings, LLC ³	USA	Mortgage Banking and Loan Servicing	Sep. 2013	100%
Boston Financial Investment Management, LP	USA	Low Income Housing Tax Credit Syndicator	(Jul. 2016)	100%
Ormat Technologies, Inc. ⁴	USA	Geothermal Power Generation	(Jul. 2017)	21%
NXT Capital Group, LLC	USA	Loan Origination, Asset Management	(Aug. 2018)	100%
ORIX Brazil Investments and Holdings Limited	Brazil	Equity Investment	Aug. 2012	100%
RB Capital S.A.	Brazil	Real Estate Securitization, Asset Management, Real Estate Development and Investment	(Dec. 2016)	66%
ORIX Asia Limited	Hong Kong	Leasing, Automobile Leasing, Lending, Banking	Sep. 1971	100%
ORIX Asia Capital Limited	Hong Kong	Equity Investment, Fund Operation and Management, Lending	Jul. 1973	100%
ORIX Taiwan Corporation	Taiwan	Leasing, Sales Finance, Insurance Agency Services	(Feb. 1991)	100%
ORIX Auto Leasing Taiwan Corporation	Taiwan	Automobile Leasing	Apr. 1998	100%
ORIX Taiwan Asset Management Company	Taiwan	NPL Investment, Loan Servicing	Nov. 2004	100%
ORIX Rentec (Korea) Corporation	South Korea	Rental and Leasing of Test and Measurement Instruments and IT-Related Equipment	Apr. 2001	100%
ORIX Capital Korea Corporation	South Korea	Automobile Leasing, Leasing, Lending	Feb. 2004	100%
ORIX Private Equity Korea Corporation	South Korea	Fund Operation and Management	Mar. 2010	100%
ORIX China Corporation	China	Leasing, Rental	Aug. 2005	97%
CHINA RAILWAY LEASING CO., LTD.	China	Railway-related Leasing	(Jan. 2006)	14%
Beijing Oriental Jicheng Co., Ltd.	China	Rental and Sales of Precision Measuring Equipment	(Feb. 2006)	23%
ORIX (China) Investment Co., Ltd.	China	Leasing, Equity Investment, Other Financial Services	Dec. 2009	100%
Pang Da ORIX Auto Leasing Co., Ltd.	China	Automobile Leasing	May 2012	25%
TenGer Financial Group LLC	Mongolia	Banking, Leasing, Non-Life Insurance	(Oct. 2013)	16%
ORIX Leasing Singapore Limited	Singapore	Leasing, Sales Finance, Lending	Sep. 1972	50%
ORIX Investment and Management Private Limited	Singapore	Equity Investment, Lending	May 1981	100%
ETHOZ Group Ltd.	Singapore	Automobile Leasing and Rentals, Leasing	Sep. 1981	45%
ORIX Rentec (Singapore) Pte. Limited	Singapore	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Oct. 1995	100%
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending	Sep. 1973	100%
ORIX Credit Malaysia Sdn. Bhd.	Malaysia	Sales Finance	Jan. 1981	100%
ORIX Car Rentals Sdn. Bhd.	Malaysia	Automobile Rentals	Feb. 1989	100%
ORIX Rentec (Malaysia) Sdn. Bhd.	Malaysia	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Nov. 1996	100%

Company Name	Country (Region) ¹	Principal Business	Established (Acquired)	ORIX Group Controlling Share
ORIX Auto Leasing Malaysia Sdn. Bhd.	Malaysia	Automobile Leasing	Oct. 2000	100%
ORIX Asset Management Malaysia Sdn. Bhd.	Malaysia	NPL Investment	Jan. 2008	100%
PT. ORIX Indonesia Finance	Indonesia	Leasing, Automobile Leasing	Apr. 1975	85%
PT. Sinar Mitra Sepadan Finance	Indonesia	Used Car Loans for Sole Proprietors and Individual Customers	(Nov. 2015)	85%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Automobile Leasing, Lending	Jun. 1977	40%
ORIX Auto Leasing Philippines Corporation	Philippines	Automobile Leasing	Sep. 1989	40%
Thai ORIX Leasing Co., Ltd.	Thailand	Leasing, Automobile Leasing and Rentals	Jun. 1978	96%
Indochina Capital Corporation	Vietnam	Real Estate Development and Advisory, Investment Banking	(Nov. 2010)	25%
ORIX Leasing Pakistan Limited ⁴	Pakistan	Leasing, Automobile Leasing	Jul. 1986	49%
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	India	Infrastructure Investment, Investment Banking	(Mar. 1993)	23%
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing, Rentals, Leasing, Commercial Vehicle Loans, Commercial Mortgage Loans	Mar. 1995	99%
Canara Robeco Asset Management Company Limited	India	Asset Management	(Jul. 2013)	49%
Sama Finance SAE	Egypt	Leasing, Automobile Leasing	Jun. 1997	34%
Saudi ORIX Leasing Company	Saudi Arabia	Leasing, Automobile Leasing	Jan. 2001	28%
Al Hail ORIX Finance PSC	UAE	Leasing, Automobile Leasing, Lending	Mar. 2002	38%
The Mediterranean & Gulf Insurance & Reinsurance Company B.S.C.	Bahrain	Non-Life Insurance, Life Insurance, Reinsurance	(Jun. 2013)	25%
ORIX Australia Corporation Limited	Australia	Automobile Leasing and Truck Rentals	Jul. 1986	100%
ORIX New Zealand Limited	New Zealand	Automobile Leasing	Dec. 1988	100%
ORIX Aviation Systems Limited	Ireland	Aircraft Leasing, Aircraft Asset Management	Mar. 1991	100%
ORIX Polska S.A.	Poland	Leasing, Automobile Leasing	(Oct. 1995)	100%
ORIX Corporation Europe N.V.	Netherlands	Headquarters for the Business in Europe	(Jul. 2013)	100%
Robeco Institutional Asset Management B.V. (RIAM)	Netherlands	Asset Management	(Jul. 2013)	100%
Transtrend B.V.	Netherlands	Asset Management	(Jul. 2013)	100%
RobecoSAM AG	Switzerland	Asset Management	(Jul. 2013)	100%
ORIX Corporation UK Limited	UK	Equity Investment	Jan. 2018	100%

Notes: 1. ORIX has offices in other locations not included in the list above. In total, ORIX's business operations currently extend across 37 countries and regions worldwide.

2. Sold in July 2020.

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

4. Listed company

Corporate Profile/Stock Information/Investor Memo

Corporate Profile (As of March 31, 2020)

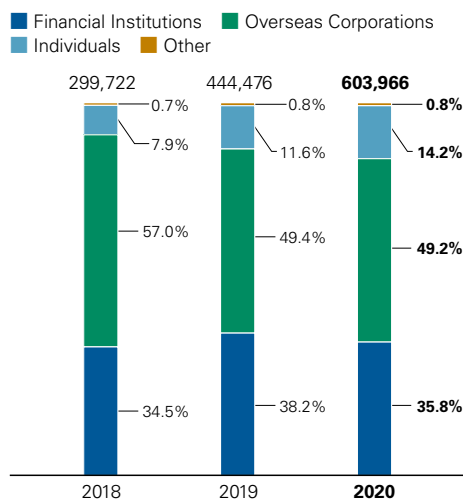
Company Name	ORIX Corporation
Established	April 17, 1964
Head Office	World Trade Center Bldg., 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-6135, Japan Tel: +81-3-3435-3000
Shareholders' Equity	¥2,993,608 million
Fiscal Year-End	March 31
Consolidated Companies	923
Affiliates	204
Number of Employees	31,233
Global Network	2,168 locations in 37 countries and regions worldwide Japan 1,429 locations Ex-Japan 739 locations

Stock Information (As of March 31, 2020)

Number of Shares

Total Number of Shares Authorized	2,590,000,000 shares
Total Number of Shares Issued and Outstanding	1,324,629,128 shares
Number of Shareholders	603,966

Number of Shareholders/ Composition of Shareholders (%)



Note: Calculated excluding treasury shares.

Major Shareholders

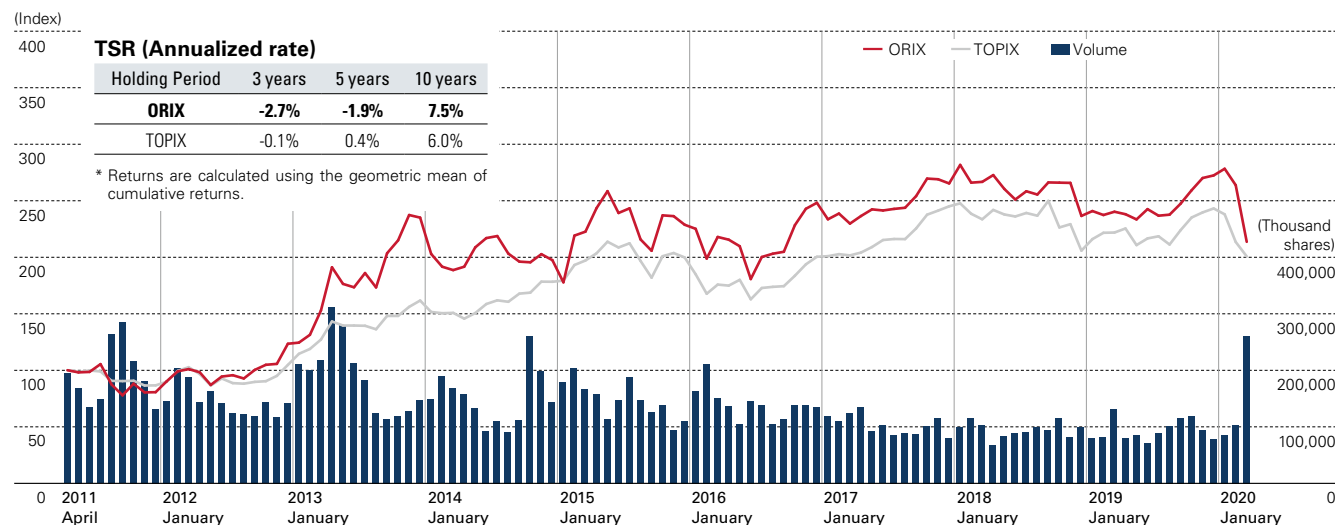
Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	106,417	8.47
The Master Trust Bank of Japan, Ltd. (Trust Account)	99,484	7.92
Japan Trustee Services Bank, Ltd. (Trust Account 9)	31,280	2.49
Japan Trustee Services Bank, Ltd. (Trust Account 7)	29,260	2.32
SSBTC CLIENT OMNIBUS ACCOUNT	27,184	2.16
Japan Trustee Services Bank, Ltd. (Trust Account 5)	25,145	2.00
CITIBANK, N.A.–NY, AS DEPOSITARY BANK FOR DEPOSITARY SHAREHOLDERS	23,515	1.87
BNYM AS AGT/CLTS 10 PERCENT	23,460	1.86
JP MORGAN CHASE BANK 385151	22,440	1.78
STATE STREET BANK WEST CLIENT–TREATY 505234	19,732	1.57

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. Percentages of total shares in issue are rounded down from the third decimal place.
3. The calculation of percentage of total shares in issue excludes treasury stock.

Corporate Profile/Stock Information/Investor Memo

Stock Information (As of March 31, 2020)

Total Shareholder Return (TSR*)



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

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

Passive Foreign Investment Company Rules

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

Presentation of Financial Information

The Company's fiscal year ends on March 31. The fiscal year ended March 31, 2020 is referred to throughout this Integrated Report as "FY2020.3" and other fiscal years are referred to in a corresponding manner.

Forward-Looking Statements

This document may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under "Risk Factors" in the Company's Form 20-F filed with the U.S. Securities and Exchange Commission and under "Business Risk" of the securities report (*yukashoken houkokusho*) filed with the Director of the Kanto Local Finance Bureau. The Company makes available free of charge on or through its website (<https://www.orix.co.jp/grp/en>) its annual report on Form 20-F and other reports.

Investor Memo (As of August 1, 2020)

Transfer Agent for Common Shares

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

Stock Exchange Listings

Tokyo Stock Exchange, First Section
Securities Code: 8591
New York Stock Exchange Trading Symbol: IX

Depository and Registrar for American Depository Receipts

Citibank, N.A., Shareholder Services
P.O. Box 43077
Providence, RI
02940-3077
USA
Tel: 1-877-248-4237 (toll-free in the U.S.)
1-816-843-4281 (outside the U.S.)
Fax: 1-201-324-3284
E-mail: citibank@shareholders-online.com
Ratio 1 ADR = 5 common shares
NYSE: IX

ORIX Corporation

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