

Corporate Governance at ORIX

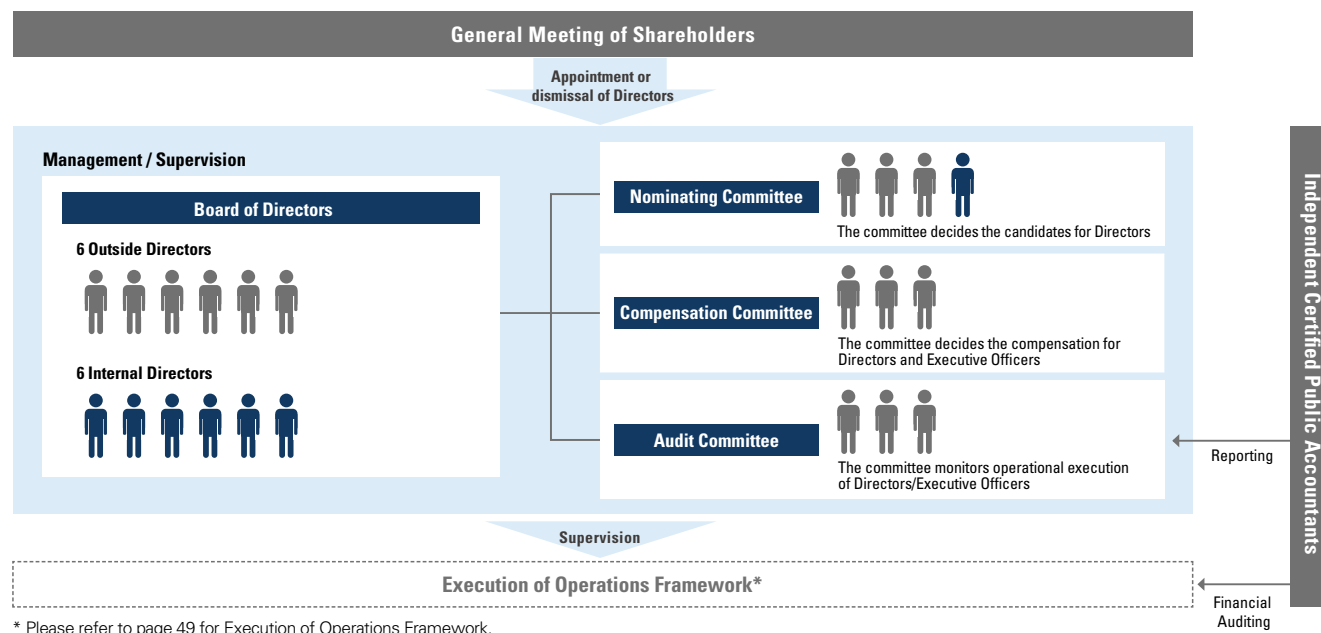
Approach to Corporate Governance

- 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



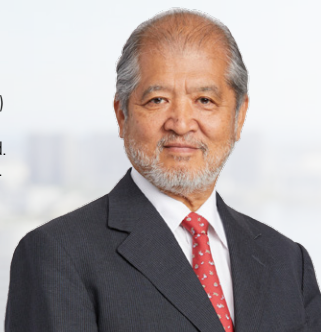
Profile Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP in 1985. After serving in positions including General Counsel at ORIX USA Corporation (currently ORIX Corporation USA), joined ORIX in 2013. Appointed Director and Managing Executive Officer in June 2017 (to present).

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.

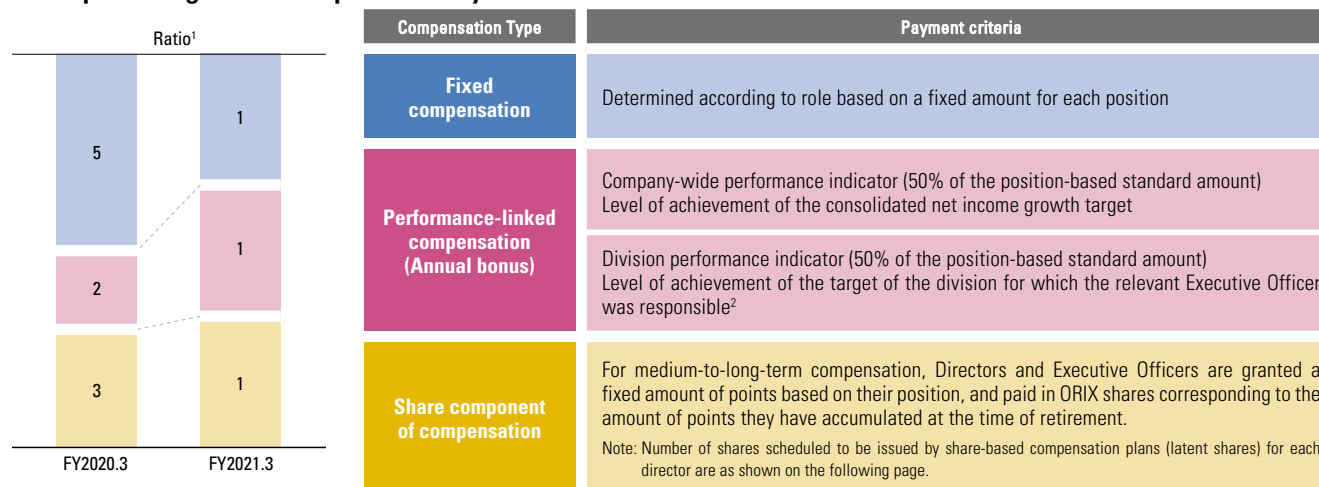
Compensation Policy for Executive Officers (including those who concurrently serve as Directors)

- 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
- PE Investment and Concession
- Environment and Energy
- Insurance
- Banking and Credit
- Aircraft and Ships
- 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
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- Asia and Australia

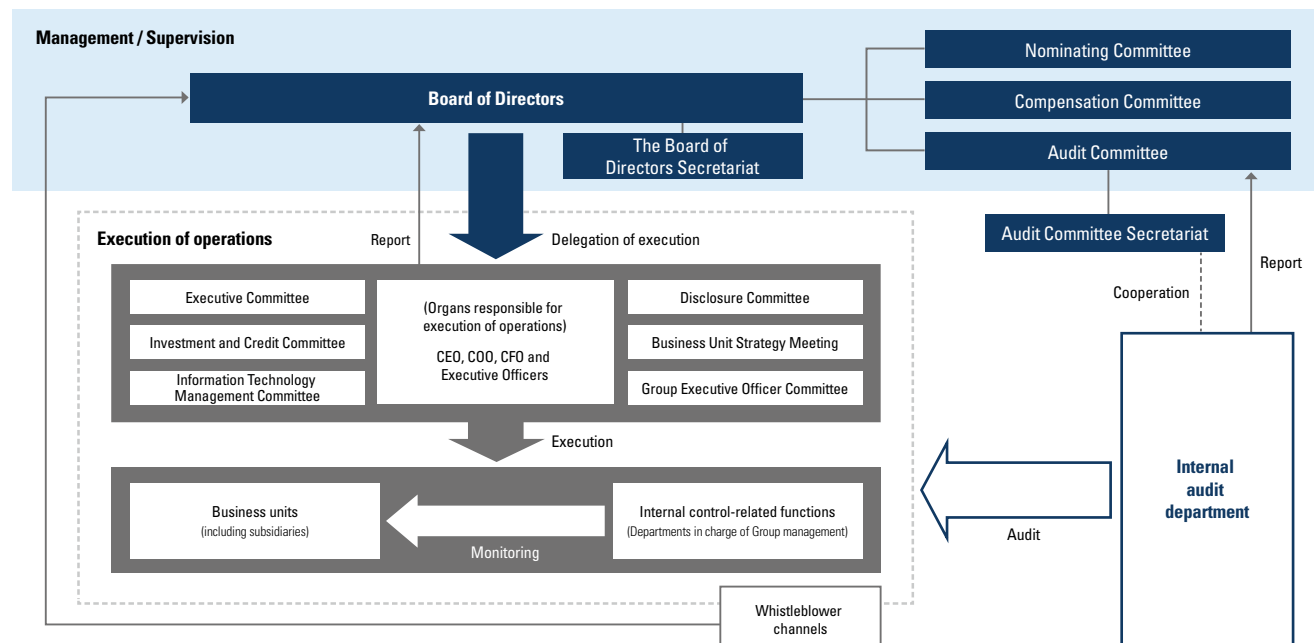
Execution Framework

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.

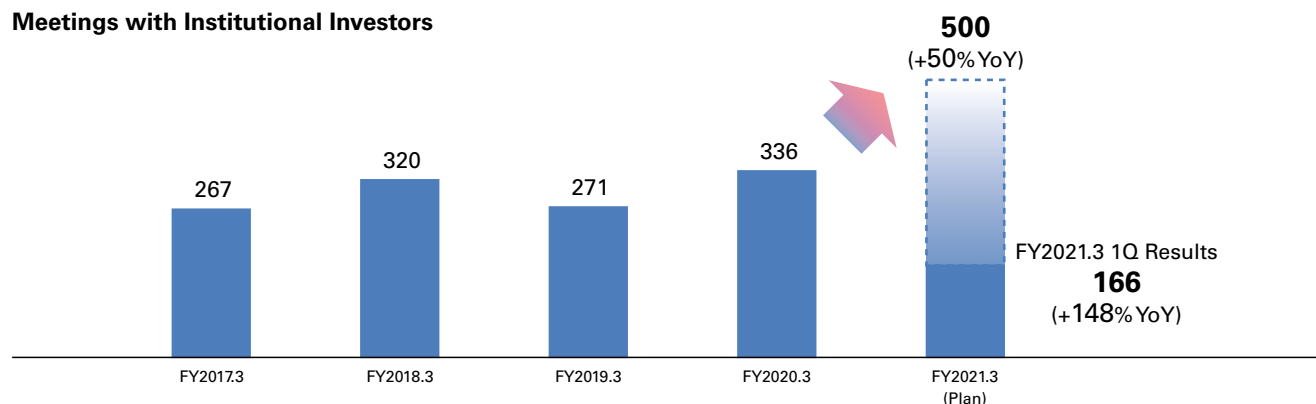
IR Priorities for FY2021.3

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.

