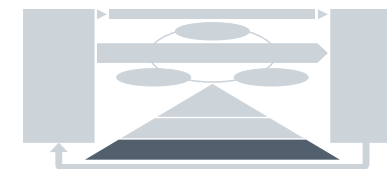


Corporate Governance at ORIX

Strengthening corporate governance to help society develop sustainably, increase corporate value, and be a company all stakeholders trust is a management priority for ORIX. We are committed to exceptionally sound and transparent corporate governance.



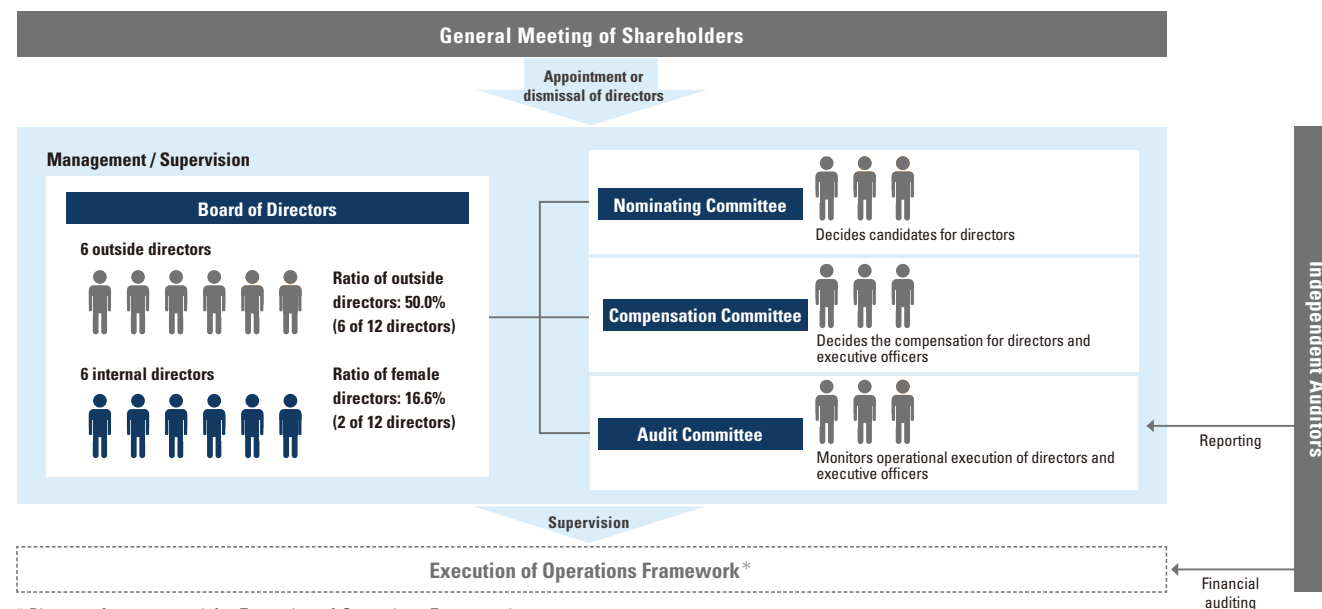
Approach to Corporate Governance

- ORIX believes that a robust corporate governance system is essential for ensuring fair management and carrying out appropriate business initiatives 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 sensitivity required toward 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 play a crucial role in corporate governance at ORIX. 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 protocols and the Company's ingrained practices. Moreover, by virtue of their external perspectives, outside directors are in the position to objectively evaluate the risks of management not taking adequate levels of good risk.

Corporate Governance Framework (As of June 30, 2021)

ORIX's corporate governance system is characterized by the following four points.

- Separation of the supervisory function of the Board of Directors and the executive function that controls execution of operations through a "Company with Nominating Committee, etc." board model;
- The Nominating Committee, Compensation Committee, and Audit Committee are all constituted entirely of outside directors, with an outside director chairing each of these committees;
- All outside directors satisfy ORIX's strict conditions for independence; and
- All outside directors are highly qualified in their respective fields with an eye to board membership, balance and diversity.



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

For details on ORIX's 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 Report ▶▶▶ <https://www.orix.co.jp/grp/en/ir/governance/>

Corporate Governance at ORIX

Initiatives to Enhance Corporate Governance

Providing new value and contributing to society through business initiatives are fundamental to ORIX. We also believe that client trust is essential when it comes to expanding our business and enabling sustainable growth. A highly transparent governance framework that enables swift decisions is essential in gaining stakeholder trust and achieving sustainable growth.

ORIX has been strengthening corporate governance as a management oversight function since its founding. The current corporate governance framework requires management to maintain a high level of discipline; we believe this is crucial and necessary in achieving a sound, secure corporate governance system, both for management itself and from a corporate management perspective. 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 execution of operations • 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 2021 Disclosed skill matrix for all directors Skill Matrix ➔ Page 44	<ul style="list-style-type: none"> • Strengthen oversight • Ensure objectivity by using people with diverse backgrounds • 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 47	1997 Introduced stock option plan 2002 Abolished retirement bonuses 2005 Initiated share component of compensation Began reflecting division performance in addition to company-wide performance in annual bonuses from the fiscal year ended March 2017 Increased ratio of performance-based compensation for directors and executive officers in the fiscal year ended March 2021 To begin reflecting status of ESG initiatives in annual bonuses in the fiscal year ending March 2022	<ul style="list-style-type: none"> • Improve motivation to contribute to operating results and mid- to long-term results

Management Team (As of June 25, 2021)

Members of the Board of Directors

Makoto Inoue

Age: 68

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: 58

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 (Toby) Taniguchi

Age: 57

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 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: 55

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 (Terry) Suzuki

Age: 58

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: 60

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).

Management Team

Members of the Outside Directors

Heizo Takenaka

Age: 70

- Compensation Committee (Chair)
- Chairman and Director, PASONA Group Inc.
- Director, Academyhills
- 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).

Michael Cusumano

Age: 66

- Compensation Committee
- Deputy Dean, Sloan School of Management at Massachusetts Institute of Technology
- Professor, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology
- Senior Specially Appointed Professor, Tokyo University of Science
- Member of the Board of Directors (Outside Director), Multitude SE



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).

Sakie Akiyama

Age: 58

- Nominating Committee (Chair)
- 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).

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).

Aiko Sekine

Age: 63

- Audit Committee (Chair)
- Nominating Committee
- Professor, Waseda University, Faculty of Commerce
- Member of the Nominating Committee, International Federation of Accountants
- Trustee, International Valuation Standards Council
- 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).

Chikatomo Hodo

Age: 60

- Audit Committee
 - Compensation Committee
 - Outside Director, Konica Minolta Inc.
 - Outside Director, Mitsubishi Chemical Holdings Corporation
 - Senior Corporate Advisor, Accenture Japan Ltd.
- Note: Retired in August 2021



Profile Has served as Representative Director and President and Senior Corporate Advisor of Accenture Japan Ltd. Appointed Outside Director in June 2021 (to present).

Messages from Outside Directors

Improving Effectiveness with a Resourcefully Operated Board of Directors

ORIX's Board of Directors refines its agenda in advance, preparing concise materials and arranging meetings in a way that allows ample time for discussion after explanatory presentations. At the same time, I believe the Board will have a greater understanding and be better equipped to advise if, at the preparatory stage, more details from discussions held

among executive officers are shared with Board members—by doing this, we will be able to enhance Board effectiveness.

Our Agenda Toward Enduring Growth Includes Instilling Sustainability

ORIX's ability to accurately identify peoples' natural gravitations toward new undertakings is reflected in its current diversified business portfolio. In addition, ORIX's commitment to acquiring new expertise by expanding into businesses that may initially seem divergent, rather than only extending existing businesses or entering adjacent fields, deserves recognition.

I believe ORIX's ability to remain attuned to change and grow its businesses rests on elevating its awareness of sustainability. My impression is that, until now, ORIX has been focusing on how it can make itself a sustainable entity; henceforth, ORIX must focus on corporate sustainability within the context of contributing to sustainable economic and social development on a global scale. I am committed

to helping instill an understanding of the importance of sustainability throughout the enterprise.

As a former finance bureaucrat, I specialized in taxation and monetary affairs. In the latter twenty years of my career, I have been involved in research and analysis of international financial markets, monetary policy, negotiations with financial authorities in various countries, and long-term funding for developing countries. One key to governance is the understanding that when it comes to business we conduct overseas, we must engage not just with direct business partners but above all with governmental and administrative organizations in the host country's public sector as their regulatory regimes affect corporate taxation and accounting. My mission is to help ORIX grow further by deploying my experience to enhance its global risk management and improve its ability to identify risk while maintaining conditions that allow and encourage intelligent risks.



Helping to enhance risk management for business outside of Japan based on experience in international finance

Hiroshi Watanabe

Nominating Committee, Audit Committee

Messages from Outside Directors

In an Age of Significant Change, Diversity of Business is a Major Strength

ORIX's roots lie in the leasing industry, from which it expanded to its neighboring financial services industry and then to business investment. It now manages a diverse array of businesses. This broad portfolio can be challenging to grasp for those looking at the organization from the outside. However, given diversity is a central theme in this age of significant change, ORIX's business model—which has expanded in many directions over the years—is now sure to be a strength.

In order to utilize this strength and continue to evolve and grow, it is imperative that ORIX deploys digital technology to support decision-making regarding increasingly complex corporate management as well as execution of operations, particularly in relation to making discussions addressing global issues and swift judgments more efficient.

Individual ORIX businesses are boldly using IT and digital transformation to develop the enterprise. As an organization, ORIX is in the process of working out an optimum way in which it can deploy digital technologies for big picture Group-wide management, and is currently addressing this change.

Operating business amid the coronavirus pandemic—which has spawned unprecedented circumstances for business environments—may prove to be an opportunity for growth, as ORIX's business model has made it accustomed to periodic changes in its business portfolio. It is critical that ORIX manages data assets from its various divisions centrally in a way it sees fit for an optimized, holistic approach that facilitates cross-organizational access and use.

An Open Structure That Allows Observer Participation in Committees

ORIX has a very open structure that allows outside directors to participate as observers in committees of which they are not members. I was appointed Audit Committee chair at the same time I was appointed director. Outside directors (with the exception of Audit Committee members) have participated as observers, and I have participated in the discussions of other committees. My colleagues and I are deepening our understanding by participating in and listening to these discussions.

Outside directors are expected to give their opinions to management from an objective, external standpoint. At the same time, we believe providing relevant opinions and engaging in meaningful discussion without correctly understanding an organization's corporate culture and actual state of business can be extremely challenging.

The past year proved to be arduous, with onsite and in-person visits being difficult to conduct due to effects of the coronavirus; yet despite these circumstances, I was allowed opportunities to deepen my understanding of the

business due to support from the Secretariat in addition to the privilege of one-on-one discussions with the CEO and other executive officers.

By receiving such support, I am committed to making use of my expertise as a certified public accountant, my involvement in audit work for various companies, and my experience attending conferences in Japan as well as overseas to fulfill the role of director at ORIX, whose business is ever-changing and developing consistently.



Deploying digital technologies will be a key future theme

Aiko Sekine

Audit Committee (Chair), Nominating Committee

Corporate Governance

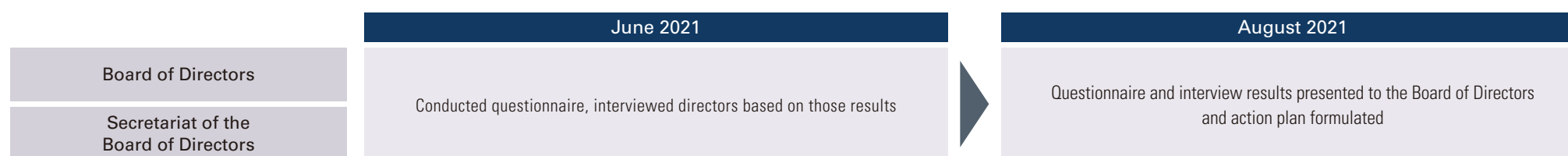
Board of Directors

The Board of Directors is responsible for deciding and regularly monitoring ORIX's management plans and basic policy for its internal control system, based on its policies for capital management, fund procurement, and human resource strategy. Aside from such items, the Board of Directors del-

egates decision-making regarding execution of 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, collects information

necessary for supervision of execution of operations, and supervises the appropriateness of execution of operations based on such information.

Evaluation of Effectiveness of the Board of Directors (FY Ended March 2021)



Evaluation Process

- The Secretariat of the Board of Directors provides a questionnaire (details below) to the directors.
- Based on the results of the questionnaire, the Secretariat of the Board of Directors personally interviews 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 reports the results of the questionnaire and interviews to the Board of Directors. The Board of Directors formulates action plans for the issues raised by the report.

Questionnaire Contents	Evaluation Results	Action Plan
<ul style="list-style-type: none"> • 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 	<p>The evaluation confirmed the effectiveness of the Board of Directors in terms of its composition, operation, agenda, effectiveness of discussions, and support system. At the same time, many responses and interviews offered suggestions to further improve the Board of Directors, such as creating more opportunities for open dialogue to facilitate discussions of mid- to long-term strategies and future directions.</p>	<p>The Board of Directors formulated the following policies for improving effectiveness based on the results of the evaluation at left.</p> <ul style="list-style-type: none"> • Determine important themes for ongoing discussion by the Board of Directors, engage in lively discussions, and deepen discussions of fundamental management policies. • Further deepen the understanding of outside directors about ORIX's businesses with more meetings to outline divisions and explain their strategies.

Corporate Governance

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 details on ORIX’s “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>

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 auditors, 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 pages 47 and 48 for details on director and executive officer compensation.

Board of Directors and Committee Meetings in FY Ended March 2021

	Number of Meetings	Attendance Rate
Board of Directors	8	100%
Nominating Committee	5	100%
Audit Committee	11	97%
Compensation Committee	4	100%

Statements by Outside Directors at Board of Directors and the Three Committees for FY Ended March 2021

Officer	Statements Made at Board of Directors Meetings and Meetings of Three Committees	
	Board of Directors Meetings	Meetings of the Three Committees
Ryuji Yasuda (Retired in June 2021)	He proactively expressed his opinions and made proposals, mainly from his perspective as an expert in corporate strategy.	As chair of the Compensation Committee, he played a leading role in deliberating on the compensation system and compensation levels for directors and executive officers to enhance the mid- to long-term incentive function.
Heizo Takenaka	He proactively expressed his opinions and made proposals, mainly from his perspective as an expert in economics and finance.	At meetings of the Audit Committee, he contributed to deliberations on the effectiveness of the internal control system from a variety of perspectives, including changes in the domestic and international environment surrounding corporate management.
Michael Cusumano	He proactively expressed his opinions and made proposals, mainly from his perspective as an expert in technology.	He contributed to the Compensation Committee’s deliberations on compensation for directors and executive officers from a variety of perspectives, including comparative analyses with global companies.
Sakie Akiyama	She proactively expressed her opinions and made proposals, mainly from her perspective as an expert in corporate management.	As chair of the Nominating Committee, she played a leading role in deliberating on the composition of the Board of Directors and executive officers appropriate for the Company’s business development, as well as on the succession plan.
Hiroshi Watanabe	He proactively expressed his opinions and made proposals, mainly from his perspective as an expert in finance, economics, and corporate management.	He contributed to the Nominating Committee’s deliberations on the fulfillment of the functions of the Board of Directors from a variety of perspectives, including changes in the internal and external environment surrounding the Company.
Aiko Sekine	She proactively expressed her opinions and made proposals, mainly from her perspective as an expert in accounting and finance.	As chair of the Audit Committee, she played a leading role in deliberating on the effectiveness of the Company’s internal control system by receiving regular reports from the Internal Audit Department and conducting interviews with senior executives.

Please refer to the following for details on the main activities of ORIX’s outside directors.

- Notice of the 58th Annual General Meeting of Shareholders and related materials
▶▶▶ https://www.orix.co.jp/grp/en/ir/library/shareholder_meeting/index.html

Corporate Governance

Skill Matrix

The Nominating Committee appoints candidates for directors in accordance with Nomination Criteria for Director Candidates established by the Nominating Committee, so the Board of Directors has an overall structure that ensures knowledge, experience, and abilities that are balanced and diverse.

Name		Main Skills and Experience, etc. of Candidates for Member of the Board of Directors				
		Corporate Management	Global Business	Finance	Business Investment	Business Knowledge
Makoto Inoue	11 years	●	●	●	●	
Shuji Irie	3 years	●	●	●	●	
Shoji Taniguchi	2 years	●	●	●	●	
Satoru Matsuzaki	2 years	●	●	●	●	
Yoshiteru Suzuki	1 year	●	●	●	●	
Stan Koyanagi	4 years		●	●		● (Enterprise Risk Management, Legal)
Heizo Takenaka	6 years			●		● (Economics and financial policies)
Michael Cusumano	2 years					● (IT technology)
Sakie Akiyama	2 years	●	●			● (Technology)
Hiroshi Watanabe	1 year	●	●	●		● (International finance, Tax affairs)
Aiko Sekine	1 year					● (International accounting)
Chikatomo Hodo	—	●	●			● (IT technology)

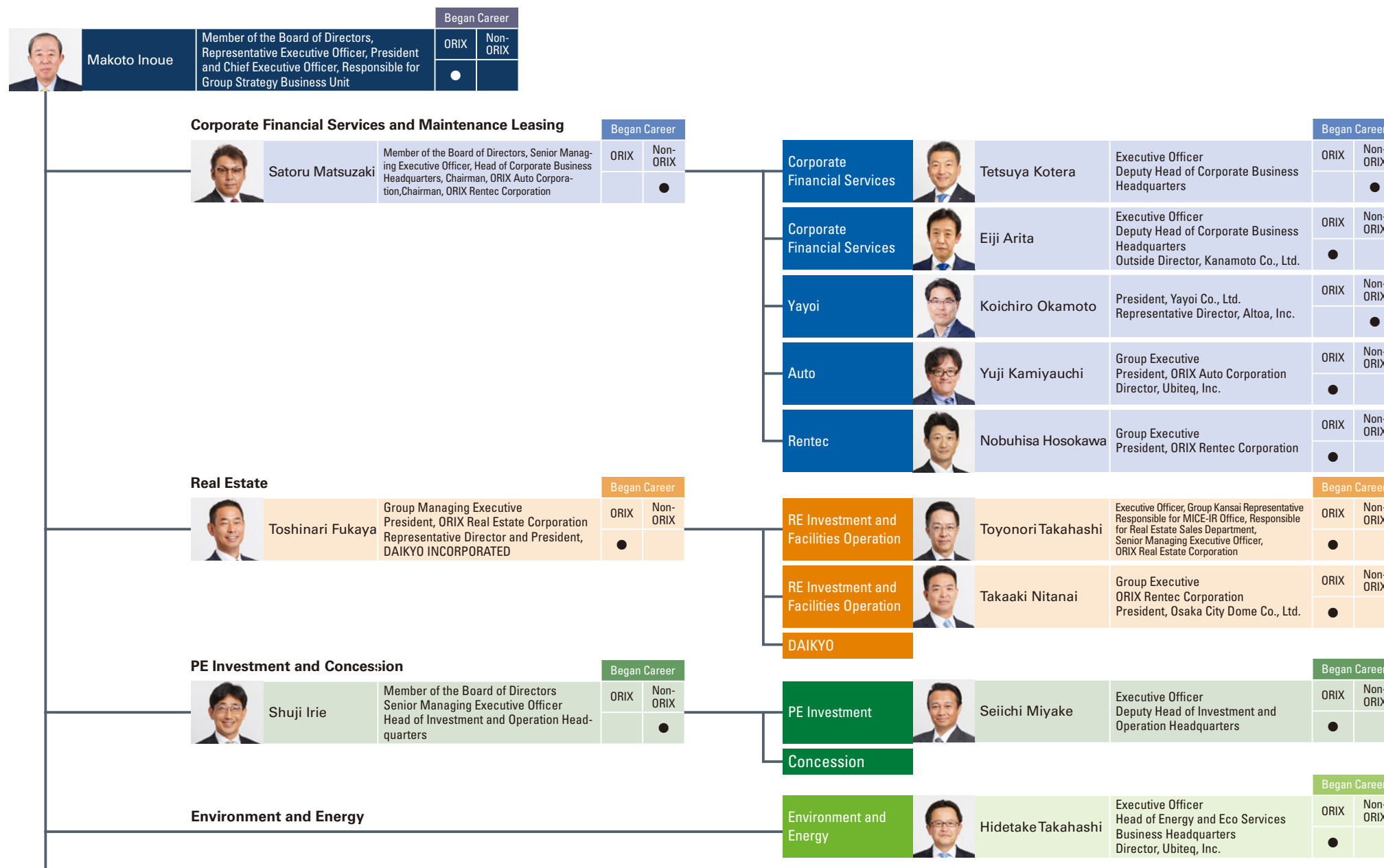
Ratio of outside directors: 50% (6 of 12 directors); Ratio of female directors: 16.6% (2 of 12 directors)

Notes: 1. Above items that are particularly expected of each person are listed.















2. The above matrix does not represent all the knowledge and experience of each person.

Management Team: Executive Officers and Business Unit Managers

(As of August 31, 2021)



Management Team: Executive Officers and Business Unit Managers

Insurance				Began Career						
				ORIX	Non-ORIX					
Banking and Credit				Life Insurance			Kazunori Kataoka	President, ORIX Life Insurance Corporation		●
				Banking			Yuichi Nishigori	Representative Director and President, ORIX Bank Corporation	ORIX	Non-ORIX
				Credit			Yasushi Okada	President, ORIX Credit Corporation	ORIX	Non-ORIX
Aircraft and Ships/Asia and Australia				Began Career						
				ORIX	Non-ORIX					
ORIX USA				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	Non-ORIX
ORIX Europe/Asia and Australia				ORIX Europe/Asia and Australia			Yoshiaki Matsuoka	President, ORIX Corporation Europe N.V. Group Strategy Business Unit Head of Global Business Group	ORIX	Non-ORIX
				Began Career						
New Business				ORIX		Non-ORIX				
				New Business			Nobuki Watanabe	Executive Officer Responsible for CEO's Office Responsible for New Business Development Department	ORIX	Non-ORIX
Group Strategy				Group Strategy			Michio Minato	Executive Officer Group Strategy Business Unit President, ORIX Baseball Club Co., Ltd. President, Osaka City Dome Co., Ltd.	ORIX	Non-ORIX
				Treasury and Accounting, Planning, Public Relations, ERM, and Sustainability		Began Career				
 Shoji Taniguchi				ORIX		Non-ORIX				
				ERM			Hitomaro Yano	Executive Officer Head of Treasury and Accounting Headquarters	ORIX	Non-ORIX
 Stan Koyanagi				ORIX		Non-ORIX				
				ERM			Tomoko Kageura	Executive Officer, Head of Enterprise Risk Management Headquarters, Responsible for Global General Counsel Office	ORIX	Non-ORIX
Corporate Administration and Human Resources				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	ORIX	Non-ORIX
				Credit and Investment Management			Yasuhiro Tsuboi	Executive Officer Head of Credit and Investment Management Headquarters	ORIX	Non-ORIX

Please refer to our website for details on ORIX’s job titles and profiles.

Please refer to our website for details on ORIX's job titles and profiles.

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

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 in 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 mid- 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 25, 2021.

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 chair and members of each committee.
- For share component of compensation reflecting mid- 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.

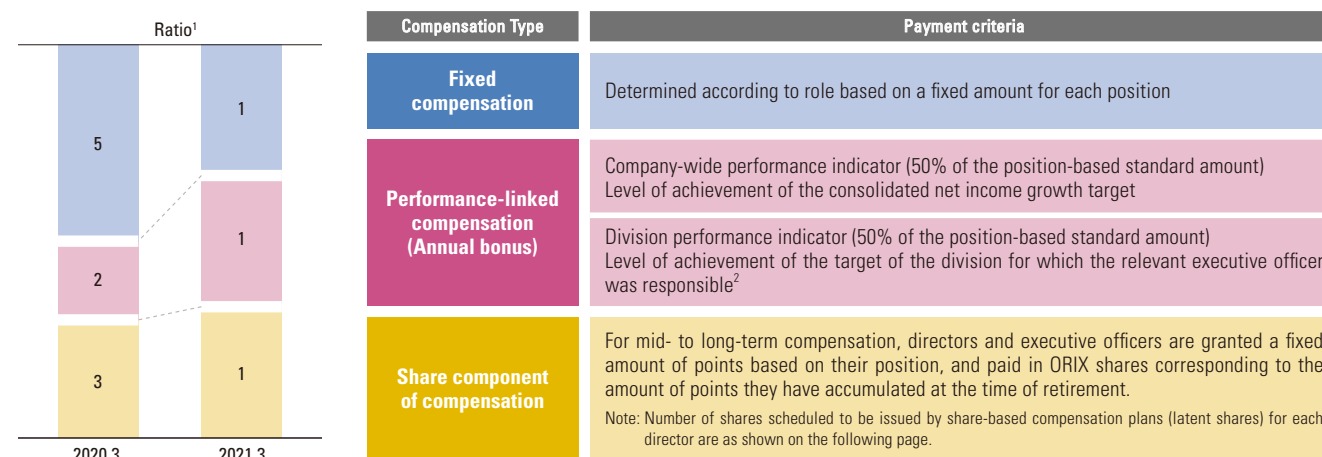
* Share component of compensation is a program in which a fixed amount of points are annually allocated to directors and executive officers based upon prescribed standards while in office, and granted through ORIX shares in trust based on the number of accumulated points at the time of retirement. Points 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)

- 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 execution of operations. Compensation policy has changed in the fiscal year ended March 2021. 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.

- ORIX draws on third-party compensation research reports to provide effective incentives for executive officers and maintain a competitive level of compensation.
- 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 the fiscal year ended March 2021 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 mid- 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 Executive Officers



Note: 2021.3 denotes the fiscal year ended March 2021.

- Ratio of fixed compensation, performance-linked compensation, and share component of compensation for directors and executive officers. The ratio was 5:2:3 for the fiscal year ended March 2020, but changed to 1:1:1 for the fiscal year ended March 2021.
- Determined through a comprehensive evaluation that takes into account qualitative factors (target difficulty, performance, preparation for the future, status of ESG initiatives, etc.), centered on the annual growth rate of the performance of the relevant division for the fiscal year under review.

Compensation System

Performance-linked Compensation (Annual Bonus)

Method for Calculating Performance-linked Compensation
(Annual bonus; excludes representative executive officers):

			Level of Achievement of Target 2020.3	Level of Achievement of Target 2021.3
Performance-linked compensation (Annual bonus)	Standardized base amount for each position (50%)	× Company-wide performance indicator (Variable: 0% to 200%)	90%	64%
	Standardized base amount for each position (50%)	× Division performance indicator (Variable: 0% to 300%)	0% to 135% (Median: 90%)	50% to 150% (Median: 95%)

Note: 2021.3 denotes the fiscal year ended March 2021.

ORIX Shares Held (As of the Date of Submission of the Securities Report for the FY Ended March 2021)

Name (Internal Directors)	Currently Held Common Shares	Latent Common Shares*	Name (Outside Directors)	Currently Held Common Shares	Latent Common Shares*
Makoto Inoue	91,799	524,948	Heizo Takenaka	0	9,000
Shuji Irie	3,437	106,490	Michael Cusumano	0	3,000
Shoji Taniguchi	25,000	43,250	Sakie Akiyama	0	3,000
Satoru Matsuzaki	9,037	101,420	Hiroshi Watanabe	0	1,500
Yoshiteru Suzuki	0	52,295	Aiko Sekine	0	1,500
Stan Koyanagi	2,000	0	Chikatomo Hodo	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 (FY Ended March 2021)

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)	93 (93)	—	—	8 (8)	13 (13)	106 (106)
Executive Officers and Group Executives	25	682	25	425	25	591	1,699
Total	33	775	25	425	33	604	1,805

For details on ORIX's 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>

• Company-wide Performance Indicator

To support the achievement of mid-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 the fiscal year ended March 2021 was 64%.

• Division Performance Indicator

Division performance targets are based on Company-wide performance targets. The level of achievement of division performance targets among the 18 responsible executive officers for the fiscal year ended March 2021 (comprehensive evaluation including qualitative aspects) ranged from 50% to 150%, with a median of 95%.

Reflecting Status of ESG Initiatives in Annual Bonuses

From the fiscal year ending March 2022, "Status of ESG Initiatives" has been added to the qualitative evaluation items in the division performance indicator for annual bonuses. The objective is to have directors, executive officers and Group executives set an example of considering the impact of the efforts of each division on the environment, economy, and society in conducting corporate initiatives from a mid- to long-term perspective.

1. Number of recipients and amounts paid include two directors and two executive officers (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2021. As of March 31, 2021, ORIX had 12 directors (6 outside directors), 18 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 seven 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 the fiscal year ended March 2021 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,479.87 per share). Therefore, the total amount of share component of compensation actually paid in the fiscal year ended March 2021 is not presented. The total amount of share component of compensation actually paid in the fiscal year ended March 2021 was ¥302 million for two directors and two executive officers (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2021.
4. ORIX did not provide stock options in the form of stock acquisition rights in the fiscal year ended March 2021.
5. Figures shown are rounded down by truncating figures of less than ¥1 million.

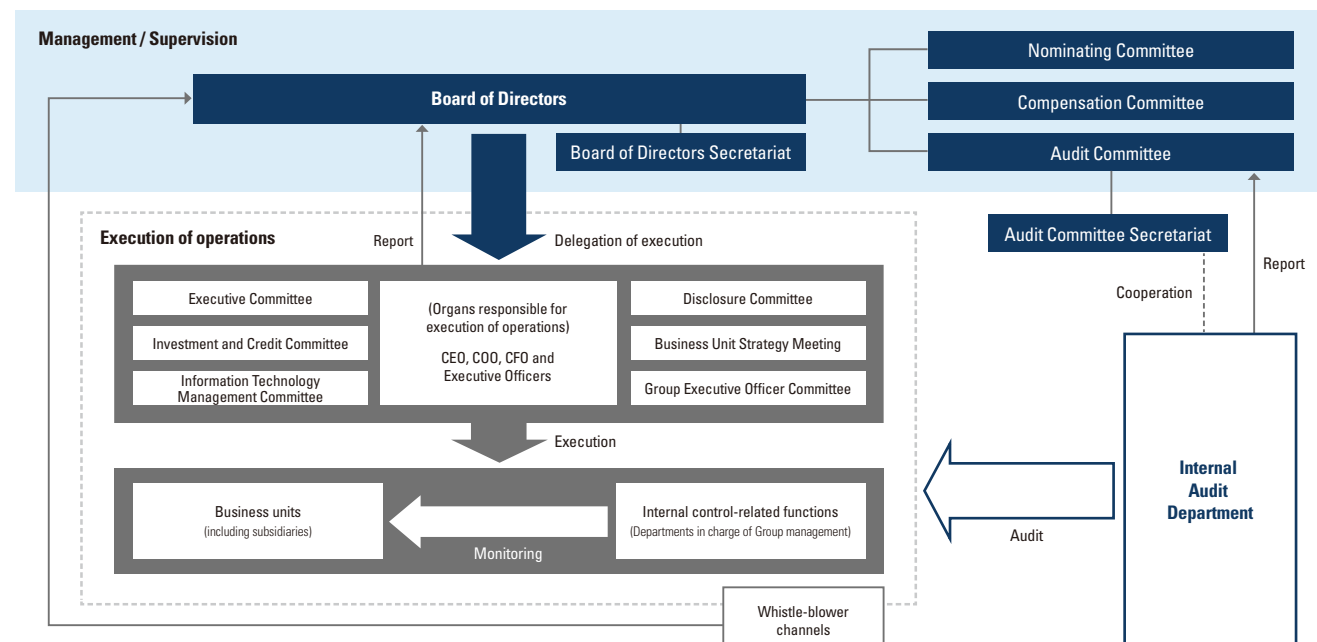
Execution of Operations Framework

Organization of Executive Officers

The representative executive officers of ORIX make important decisions on execution of operations 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 June 30, 2021)



Executive Body	Activities
Executive Committee	<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	<ul style="list-style-type: none"> Meets primarily to deliberate on credit transactions and investments that exceed certain specified amounts.
Group Executive Officer Committee	<ul style="list-style-type: none"> Meets to share important information related to execution of the business of the ORIX Group.
Business Unit Strategy Meeting	<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.
Information Technology Management Committee	<ul style="list-style-type: none"> Meets to deliberate on important matters concerning fundamental policies for IT operations and IT systems
Disclosure Committee	<ul style="list-style-type: none"> Meets to receive reports of undisclosed important information from the persons in charge of each department and to consider matters related to disclosure of such important information, including the necessity of its timely disclosure and its disclosure method, in order to take necessary measures for realizing the timely and appropriate disclosure of important information in the ORIX Group.

* For details on ORIX's execution of operations 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 Initiatives)

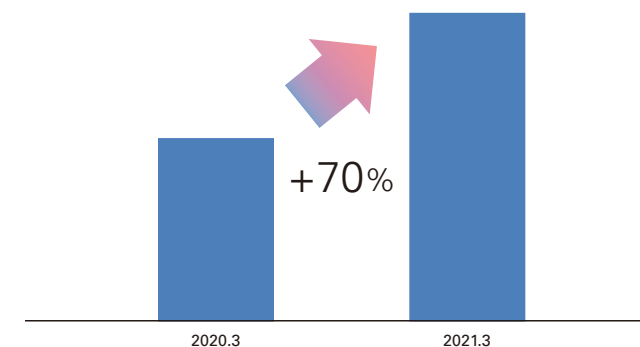
Proactive IR Initiatives

In the fiscal year ended March 2021, ORIX expanded its IR team both numerically (with new hires) and geographically with the establishment of an IR Office in New York. Our focus has been on increasing dialogue with overseas investors especially. We have been more proactive in targeting potential shareholders, and as a result, the number of investor meetings increased by approximately 70% from the prior fiscal year. We aggregate the investor feedback and share with top executives and the Board of Directors to create a virtuous feedback loop, where the voice of the market is

understood by management. At the same time, we continue to improve disclosure with a view to simplifying the investment case for ORIX shares.

The IR team has increased active communication with ESG rating agencies. It is encouraging to see that, in the year just finished, we saw our ratings with MSCI and Sustainalytics improve as a result of this added focus.

Meetings with Institutional Investors



Note: 2021.3 denotes the fiscal year ended March 2021.

Addressing Shareholder and Investor Feedback

Theme	Past Shareholder and Investor Feedback	ORIX's Initiatives (FY Ended March 2021)
Enhanced financial information disclosure	<ul style="list-style-type: none"> Insufficient disclosure of financial data for discrete businesses inhibits analysis of ORIX's diverse business portfolio. In particular, large-scale overseas businesses can be difficult to understand because they are all in one segment. 	<ul style="list-style-type: none"> Expanded disclosure of financial data by reclassifying six segments into ten segments. Enhanced financial results presentation materials by increasing the number of explanatory slides for each segment and including timely business details and highlights.
Detailed explanation of focus areas	<ul style="list-style-type: none"> The background and intended direction of new investment can be difficult to understand from release materials alone. In particular, details on large-scale investments are appreciated. 	<ul style="list-style-type: none"> The Head of Energy and Eco Services held multiple small meetings and IR meetings to explain the Environment and Energy Business, which announced multiple large-scale investments. Improved IR materials to facilitate understanding of the Environment and Energy Business's global expansion.
Enhanced ESG information disclosure	<ul style="list-style-type: none"> ORIX should understand the needs of a wider range of investors and further promote ESG information disclosure. 	<ul style="list-style-type: none"> Increased the number of interviews with ESG investors and enhanced the system for explaining ESG information. Announced important ESG-related key goals such as greenhouse gas (CO₂) emission reduction targets in fall 2021.