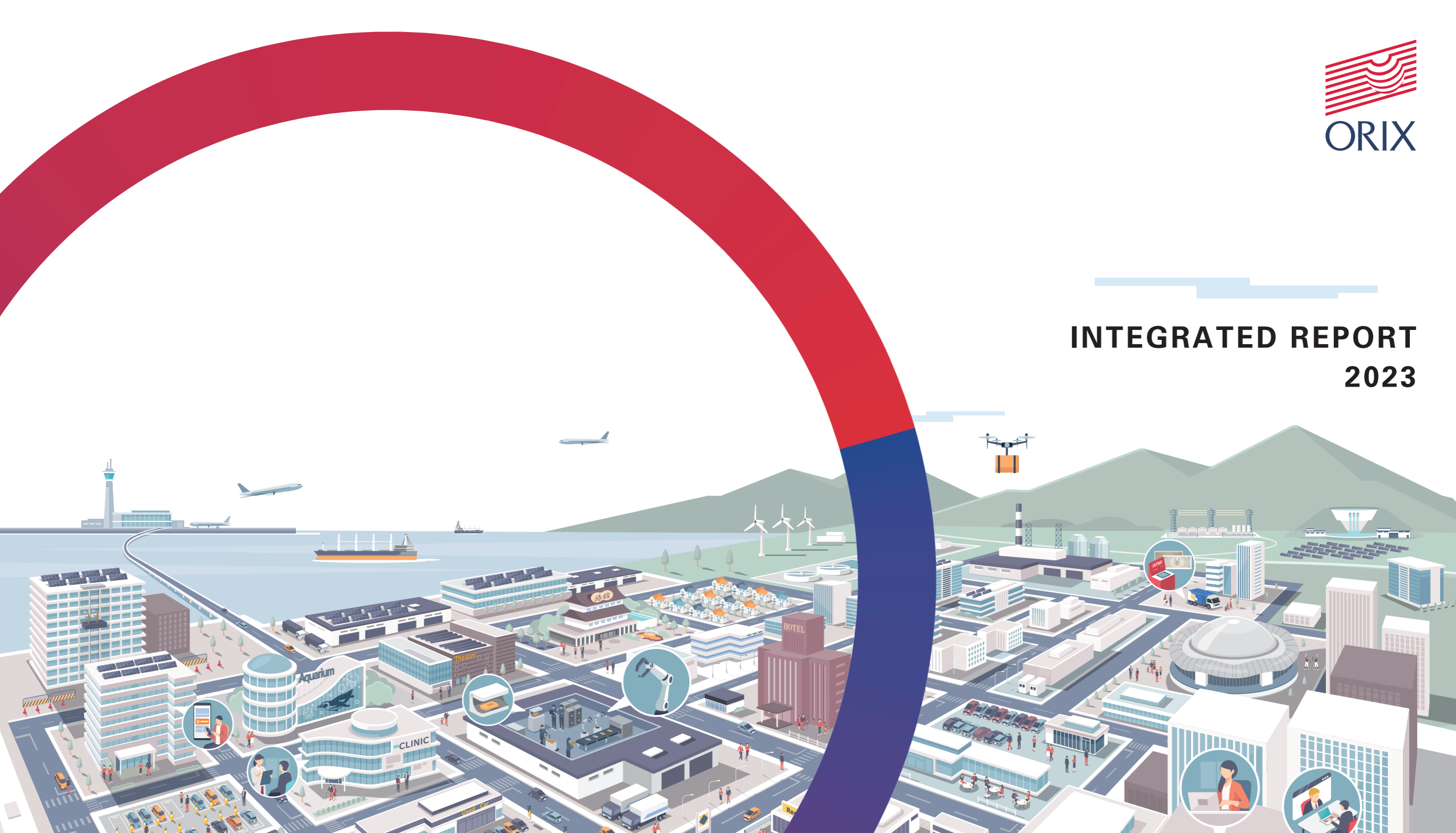


INTEGRATED REPORT 2023





Introducing ORIX

Corporate Philosophy

ORIX is constantly anticipating market needs and working to contribute to society by developing leading financial services on a global scale and striving to offer innovative products that create new value for customers.

Management Policy

1. ORIX strives to meet the diverse needs of its customers and to deepen trust by constantly providing superior services.
2. ORIX aims to strengthen its base of operations and achieve sustained growth by integrating its resources to promote synergies amongst different units.
3. ORIX makes efforts to develop a corporate culture that shares a sense of fulfillment and pride by developing personnel resources through corporate programs and promoting professional development.
4. ORIX aims to attain stable medium- and long-term growth in shareholder value by implementing these initiatives.

Action Guidelines

Creativity

Develop the flexibility and foresight to constantly take actions that are creative and innovative.

Integration

Enhance ORIX Group strength by actively exchanging knowledge, ideas, and experiences.

Contents

Introducing ORIX	1
ORIX by the Numbers	3
A Diverse Portfolio of Businesses	4
ORIX in Society	5
Responding to Social Issues and SDGs	6
CEO Message	7
Value Creation Story	13
Value Creation Model	14
ORIX's Value Creation Story	15
History and Inherent Values	16
Value Drivers	17
Model for Adding Value	18
Value Creation Case Studies	19
Creating Value	23
Medium-term Direction	24
ESG-related Material Issues and Key Goals	28
Sustainability Promotion and Governance Structure	29
Status of Initiatives to Address ESG-related Material Issues and Key Goals	30
Addressing Climate Change	33
Initiatives for Human Rights /Sustainable Investing and Lending	36
Management Foundation that Supports Sustainable Growth	37
Financial Strategy and Capital Policy	38
Human Resources Strategy	42
Risk Management	46
Promoting a Digital Transformation	49
Corporate Governance	50
Corporate Governance at ORIX	51
Management Team	53
Messages from Outside Directors	55
Evaluation of Effectiveness of the Board of Directors	57
Activities of the Board of Directors and the Three Committees	58
Compensation System	59
Execution of Operations Framework	61
Management Team: Executive Officers and Business Unit Managers	62
Strategies by Business	64
Data	81



About Integrated Report 2023

Applicable Scope

ORIX Corporation and its Group companies in Japan and around the world

Reporting Period

The fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)

Note: Some activities and information contained in this report are from before or after the reporting period.

Reference Guidelines

- The International Financial Reporting Standards (IFRS) Foundation (the former Value Reporting Foundation), “International Integrated Reporting Framework”
- The Ministry of Economy, Trade and Industry, “Guidance for Collaborative Value Creation”



Inquiries

ORIX Corporation Investor Relations and Sustainability Department




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Information Disclosure

Primary Disclosure Channels

ORIX discloses information through multiple platforms and media so a wide range of stakeholders, including shareholders and investors, can acquire a multifaceted understanding of its sustainable growth.

Main Content	Annual Reports	Latest Information
Non-Financial		 Group website Sustainability section
Financial	 Integrated Report	 Group website Investor Relations section
	Securities Report (Japanese only) / Form 20-F	

Editorial Policy

ORIX issues integrated reports to give shareholders, investors, and a wide range of other stakeholders a comprehensive understanding of ORIX as an enterprise and of its continuing growth.

Starting in 2023, we have consolidated information from our Sustainability Report into the Integrated Report. By compiling financial and non-financial information into one concise report, we believe that we can convey our roadmap for mid- to long-term value creation in a

more easily understood manner. For broader and more detailed information, please refer to the “Investor Relations” and “Sustainability” sections of the ORIX Group website.

ORIX will continuously enhance its information disclosure to achieve a deeper dialogue with all its stakeholders through the Integrated Report. We look forward to hearing your valued opinions on this report and other matters.

Key Points of Integrated Report 2023

The CEO Message contains CEO Makoto Inoue’s self-assessment of his role since taking office in 2014, his approach to capital recycling and thorough due diligence learned through his duties, the importance of learning from failures, passing the torch to the next generation, and ORIX’s future management structure, as well as his thoughts on promoting sustainable business and human resources. The message also includes an update on the corporate purpose statement that is currently being formulated, and his thoughts on disseminating the purpose statement so that ORIX can achieve new growth.

The Value Creation Story uses two business case studies to explain ORIX’s unique model for adding value, which is the most important aspect of our value creation model.

The sections on our Medium-term Direction and Initiatives for ESG describe and review our business strategies and progress toward ESG goals from a Group-wide perspective, as well as our growth strategies and initiatives for sustainability in each business unit, including a review

of the fiscal year ended March 2023.

The Messages from Outside Directors section offers varied perspectives on issues and expectations for ORIX, including digitalization, succession, sensitivity to financial markets, our approach to ESG initiatives, and the pursuit of “the ORIX Way.”





ORIX by the Numbers

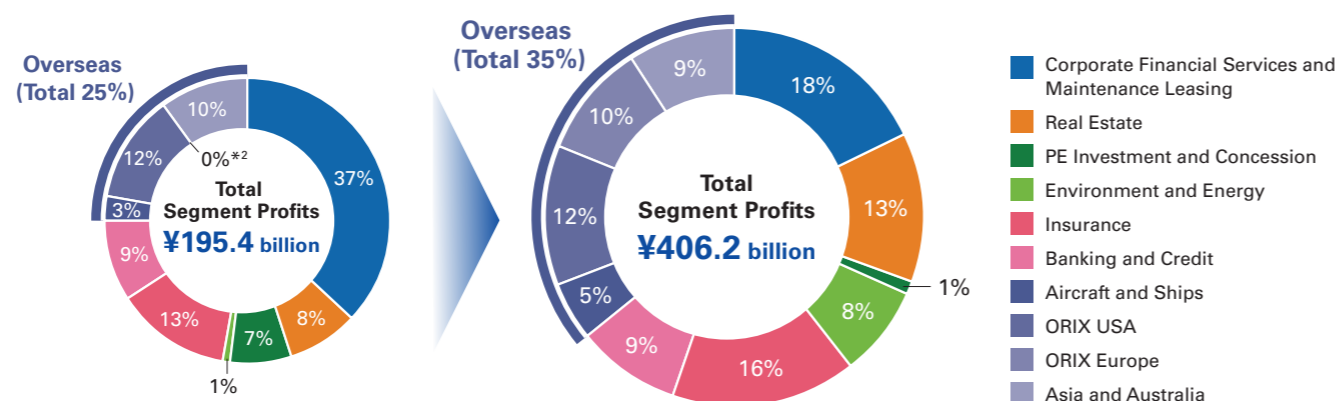
ORIX has been entering new business fields since its founding as a leasing company in 1964, and has emerged as a unique corporation unlike any other worldwide. We have realized sustainable growth by building a diversified business portfolio while responding to changes in the environment.

	Fiscal year ended March 2013	Fiscal year ended March 2023
Net Income* ¹	¥111.9 billion	¥290.3 billion
ROE	7.4 %	8.5 %
Dividends per Share	¥13.0	¥85.6
Number of Employees	19,043	34,737

	As of March 31, 2023
Continuous Profitability	58 years
Global Network	28 countries and regions
Financial Soundness	Single A credit rating or higher

Net Income
¥290.3 billion

Profits by Segment



Net Income

1964

1975

1980

1985

1990

1995

2000

2005

2010

2015

2020

2023

Years ended March 31

*1 Net income refers to net income attributable to ORIX Corporation shareholders.

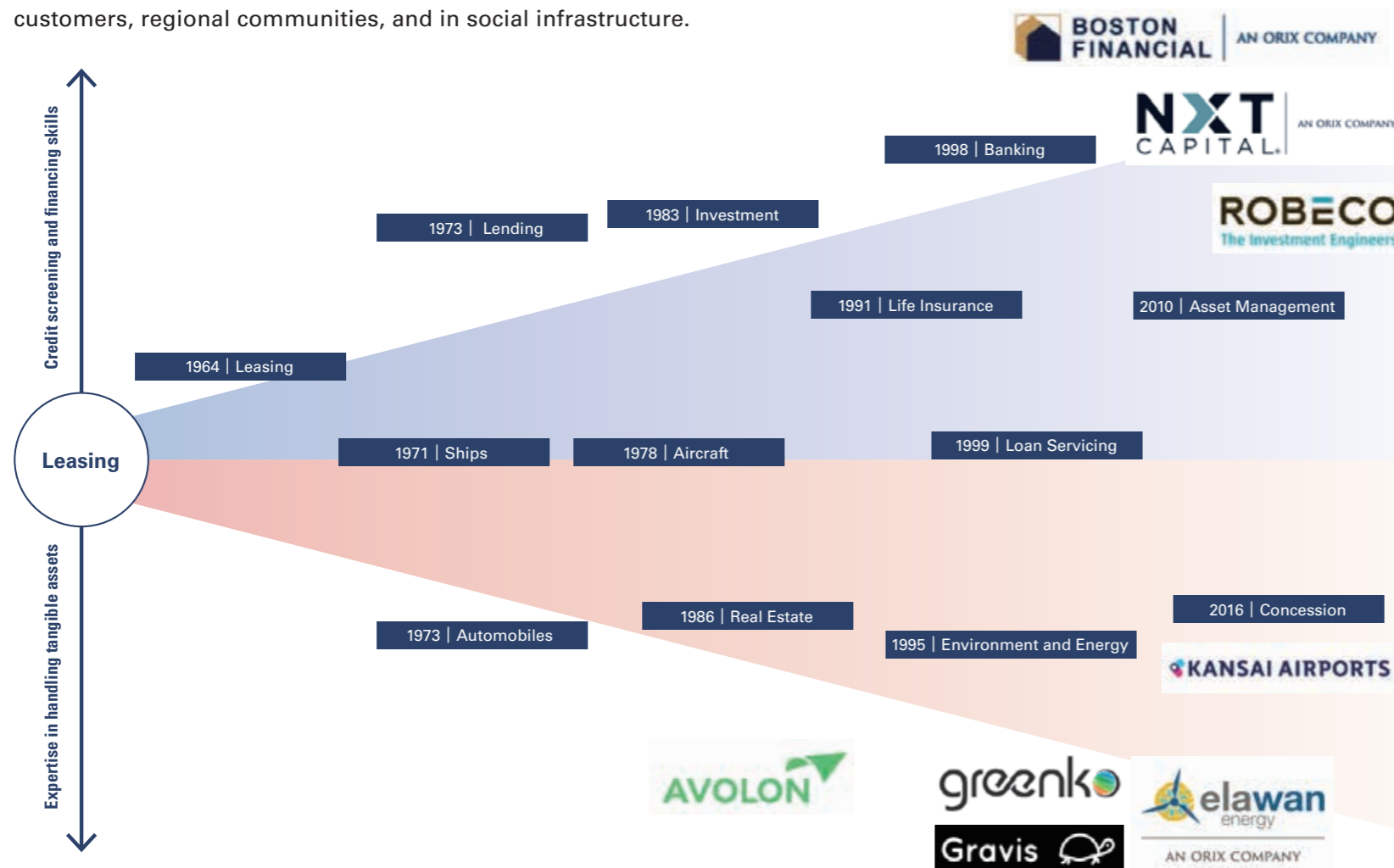
*2 There was no segment profit for ORIX Europe for the fiscal year ended March 2013. ORIX acquired the Robeco Group in July 2013.



A Diverse Portfolio of Businesses

ORIX's expertise and breadth of businesses continue to grow as we meet customer needs and respond to changes in the economic environment.

We have expanded from our original leasing business into a diverse array of areas, delivering a wide variety of products and services to corporate and individual customers, regional communities, and in social infrastructure.



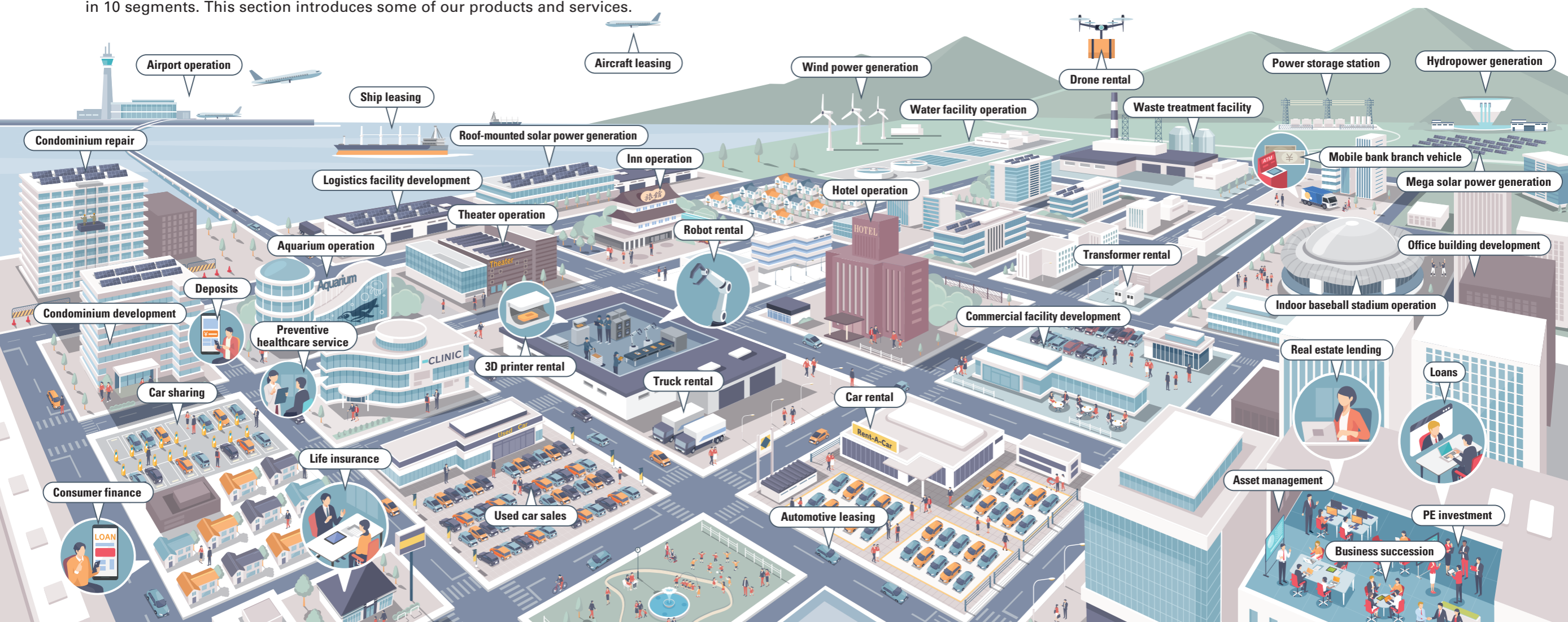
Segments	Main Businesses
Corporate Financial Services and Maintenance Leasing	Financing and fee businesses, leasing and rental of automobiles, electronic measurement instruments, ICT-related equipment, etc.
Real Estate	Real estate development, rental, and management, facility operation, and real estate asset management
PE Investment and Concession	Private equity investment, operation of airports and water businesses
Environment and Energy	Renewable energy in Japan and overseas, electric power retail, energy-saving services, sale of solar panels and electricity storage systems, recycling and waste management, and resource recycling
Insurance	Life insurance, including medical insurance and death insurance
Banking and Credit	Real estate investment loans, corporate loans, consumer finance, trust business, guarantees of unsecured loans handled by other financial institutions, and housing loans (Flat 35)
Aircraft and Ships	Leasing and asset management services for aircraft and ships
ORIX USA	Finance, investment, and asset management in the Americas
ORIX Europe	Asset management of global equity and fixed income
Asia and Australia	Finance and investment businesses in Asia and Australia



ORIX in Society

Note: The illustration on this page represents a fictitious location created to introduce the products and services of each segment.
▶ Please refer to pages 64 to 80 for details on the businesses of each segment.

Based on an approach of contributing to society through our business activities, we provide a variety of products and services in a broad range of businesses in 10 segments. This section introduces some of our products and services.



Examples of Products and Services by Segment

● **Corporate Financial Services and Maintenance Leasing:** Loans, business succession, preventive healthcare service, auto leasing, car rental, truck rental, car sharing, used car sales, mobile bank branch vehicle, drone rental, 3D printer rental, robot rental, transformer rental

● **Real Estate:** Office building development, logistics facility development, commercial facility development, aquarium operation, inn operation, hotel operation, theater operation, condominium development, condominium repair, asset management

● **PE Investment and Concession:** Private equity investment, airport operation, water facility operation

● **Environment and Energy:** Mega solar power generation, roof-mounted solar power generation, wind power generation, hydropower generation, power storage station, waste treatment facility

● **Insurance:** Life insurance

● **Banking and Credit:** Deposits, loans, real estate lending, consumer finance

● **Aircraft and Ships:** Aircraft leasing, ship leasing

● **ORIX USA:** Loans, real estate lending, asset management, private equity investment

● **ORIX Europe:** Asset management

● **Asia and Australia:** Auto leasing, loans, private equity investment

Responding to Social Issues and SDGs

ORIX aims to bring new vitality to companies and people in order to realize a sustainable society.

Uncertainty in society is increasing due to a complex interplay of factors, including deepening environmental problems and changes to industrial structures. This opaque outlook makes predictions difficult. In this age of uncertainty, ORIX is using its diverse business portfolio to help resolve various social issues.

Social Issues We Can Help Resolve

Environmental Issues



Climate change / Reducing GHG emissions

Conserving energy / resources

Promoting a circular economy

Waste treatment and reduction

Climate change / Spreading and promoting renewable energy generation

Biodiversity / Environmental conservation

Social Issues



Aging society

Disaster recovery

Safe working environment

Promoting health /
Extending healthy life expectancy

Investments and
lending that take ESG into account

Improving labor productivity

Addressing aging public infrastructure

Vitalizing small and
medium-size enterprises

Safe and secure mobility solutions

Stable energy supply

Regional vitalization

Promoting innovation and
technological change

Decreasing workforce

Material Issues and Key Goals

ORIX has identified material issues and key goals related to ESG.

► Page 28 ESG-related Material Issues and Key Goals



The Society We Envision

We aim to realize a vibrant and sustainable society by resolving social issues through our diverse business activities.

**SUSTAINABLE
DEVELOPMENT
GOALS**



CEO Message



Makoto Inoue

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

What We've Accomplished

Self-assessment as CEO

In the fiscal year ended March 2023, net income decreased 8.5% year-over-year to ¥290.3 billion. Segment profits totaled ¥406.2 billion, and would have increased ¥38.4 billion year-over-year excluding the impact of the gain on the sale of Yayoi in the previous fiscal year. The economic environment continues to be challenging due to the COVID-19 pandemic, the Russia-Ukraine conflict, global inflation, and interest rate hikes in various countries, but ORIX's performance remains solid.

Founded in 1964, ORIX will celebrate 60 years in business in 2024, and this will also mark the tenth year as CEO since my appointment in June 2014. In Integrated Report 2019, I candidly assessed my performance for my first five years as CEO and gave myself 50 points out of 100. Four years have passed, and I would now give myself 60 out of 100.

One issue I identified in 2019 that needed to be addressed was stronger back and middle office corporate functions. Although dashboards and other approaches have added sophistication to our risk management system, I am still not entirely satisfied. I am promoting digital transformation (DX) as chairman of the Information Technology Management Committee to ensure that we properly incorporate our front-line expertise and the knowledge of technology experts. However, I feel we need to move faster, so I dock myself points in this area.

On the business front, the timely sale of Yayoi and owned shipping vessels exemplifies ORIX's ability to adeptly anticipate change. However, we still have challenges. Examples include evolving our business model by enhancing our U.S. asset management business

and other operations. In terms of rising U.S. dollar interest rates brought on by changes in fiscal policy, we need to adjust our market timing even more nimbly. For these reasons, I currently give myself 60 out of 100 this time around. ORIX started out in the leasing business and has grown by deploying capital and assets in neighboring businesses. We have evolved our portfolio into its present form while transforming market changes into opportunities for growth. Our history of selectively diversifying our business portfolio and our experience drive our ability to maintain dialogue with markets and generate growth.

Lessons from Ship Leasing about Capital Recycling and Thorough Due Diligence

ORIX was called Orient Leasing Co., Ltd. when I joined in 1975, and it had only several hundred employees. My first assignment as a new employee was in the shipping business, which was in dire straits because of a global shipping recession. Ship lending accounted for a large percentage of total assets, and a concerted companywide effort was required to recover outstanding debts. Most of my work as a new employee involved repossessing ships. Repossessing a vessel used to collateralize credit generates no value in and of itself, so in 1977 ORIX created a ship maintenance and management company called Perseus Shipping Co., Ltd. (now ORIX Maritime Corporation) where I was also involved in ship operation. Ship leasing led ORIX to launch a business that monetized repossessed assets by operating them, and this experience has significantly influenced ORIX's approach to expanding its business portfolio.



CEO Message

Moreover, ship leases generally have long-term durations of ten years or more, and something almost always happens during the lease term. Back in the 1970s, many ship lease contracts were non-cancellable, and stipulated substantial penalties that the customer, as lessee, would bear in the event of cancellation. As a result, customers that no longer needed leased vessels for business for whatever reason would let them sit in port, rather than cancel the deal and pay the large penalty. This ultimately damaged the asset value of the collateral and created credit problems. I felt that contractually prohibiting customers from returning unwanted vessels was an unreasonable business model. Rather, I saw value in a financial business model with mechanisms that allowed us to treat leased vessels as operating assets we could recycle for subsequent lease to other customers. This is a capital recycling mindset. Both asset and capital turnover require committed effort, and there is no “dream deal” that generates profits without effort. However, no one knows when and to what extent market changes will occur, so ORIX must always be prepared to turn over and recycle assets and capital on a daily basis.

Furthermore, the manager initially responsible for long-term deals such as ship leases is not necessarily responsible for that deal until its maturity. In many cases, someone else assumes responsibility in the midst of the deal term. Ever since my days handling ship lease deals, I have been highly focused on thoroughly checking contracts at the beginning of the deal and at the time of handover to eliminate problems for the new manager. “Always Be Thorough” just might be my motto. The last thing I wanted was for a new manager to run into

an issue and ask why Inoue had let it happen on his watch. Even now, when hearing presentations about investment and credit deals, I often point out concerns I may have, and then check the draft of the contract with my own eyes and let the people responsible know about the importance of checking contracts in advance and conducting thorough due diligence. People on the front lines do not want the CEO looking over their shoulder, and I also do not think a CEO necessarily needs to do that. At the same time, my experience with ship leasing deals during an industry downturn drove home the need to thoroughly confirm details and conduct due diligence prior to committing to contracts, and I like to share that experience with the people of ORIX when the opportunity arises.

Finding the Strength to Grow after Experiencing Failure

I also had challenges when I was responsible for aircraft leases that were similar to the troubles I faced while starting a new business handling ship operations during a shipping industry recession. At one point I went to South America to repossess aircraft that ORIX had leased to an airline company that went bankrupt. A coup d'état had taken place and soldiers with machine guns were at the airport. People were demanding money, and I felt I was in danger. I had no choice but to resolve this failed deal, and at the time, I felt as though no one in ORIX could ever have had such an experience of wrapping up such a deal where so many things went wrong. In retrospect, I learned much from this failure.

ORIX has experienced a period of relative calm in the 15 years since

“The experience of failure gives rise to a company’s growth.”

the 2008 global financial crisis, and the number of ORIX people who have not had the experience of recovering from failures or resolving major crises during this time is slowly increasing, which gives me cause for concern. Other companies may often remove people responsible for failed deals, but at ORIX, these individuals are neither dismissed nor penalized. The reason is simple: a committee had approved those failed deals, so the failure was not simply a result of the responsible manager’s judgment. ORIX acquires expertise by keeping people even if they experience failure during execution. The expertise we gain from failure is invaluable. People may experience the unpleasant feeling of having their back against the wall when they fail, but that experience will help ORIX grow in the future. A committee initially approves deals, and also stays in touch with them through reports on progress and any problems, and all relevant parties discuss and share their experiences. When a problem arises, I tell the responsible manager that I have no problem if ORIX loses ¥100 million but ends up gaining ¥10 billion. Failure is not bad in and of itself, but I do expect people to grow by rebounding from it.



CEO Message

Passing the Torch onto the Next Generation

People Who Evolve Rather than Follow

Nine years have passed since I became CEO, but I have always been aware of the need to pass the torch to the next generation. Some feel that a successor who follows in the current leadership's footsteps should be selected, but I think otherwise. Our next CEO should have enough self-confidence to even reverse my way of doing things, if necessary.

The mindset of a company's leader, the CEO, changes the corporate culture to some extent. ORIX's corporate culture is manifested in how everyone coalesces around the CEO. Our corporate culture has the flexibility to accept that ORIX will continue to grow under a new CEO with a somewhat different approach. I would like to see the next leader effectively express their management style on the way to shaping the next iteration of ORIX's corporate culture.

The Right Management System for the Future

Given the extent to which the Group's business portfolio has expanded, ORIX's next CEO will most likely not be able to take a granular view of things as I do. We delegate authority for our businesses to the head of each segment within a system that enables the CEO to concentrate on overall portfolio management and the Board of Directors, including outside directors, to supervise execution. This is a management system suitable for the next generation. Given the responsibilities of the next generation of senior management, any person qualified to be CEO will have excellent knowledge of and a strong desire to protect governance

and compliance, along with the ability to objectively evaluate talent. I am not breaking any new ground here by saying this—these qualities are simply crucial for ORIX to generate sound growth in the future.

“Management intuition is honed through practice, not learned from a teacher.”

Corporate managers need to consider a wide array of stakeholders. ORIX has a wide range of investors, some of whom push for short-term returns. At the same time, many others call for sustainable growth. Satisfying all stakeholders at all times is not easy, but we have to maintain a reasonable and mutually agreeable relationship. We make decisions about short-term results while gaining understanding of growth strategies to guide us in the future. Management is responsible for determining how to fulfill both long-term and short-term missions. This is something we always have to think about because no single answer is correct. Honestly, nobody can learn this from a teacher, so everybody has to hone their management intuition through practice. The Nominating Committee will decide how to proceed with the CEO succession plan, but my hope is that the successful candidate will be fully responsible for leadership once I have shared everything I can about being the CEO.

ORIX Today

The Post-COVID Business Environment

Japan reclassified COVID-19 as a less-severe, Class 5 infectious disease in May 2023, and economic activities are returning to normal. COVID-19 significantly impacted airport concession, domestic inn and hotel operations, and aircraft leasing. However, the recovery in inbound demand, growth in international passengers, and higher occupancy rates at inns and hotels will contribute to a steady recovery in performance in these businesses. The diminishing talent pool due to demographic trends is a major concern in Japan. We are improving compensation to attract more people, but stable hiring is a pressing issue. The aircraft leasing business may also need some time to restore earnings even though people are traveling more frequently again.

Negative or zero Japanese yen interest rates may take some time to turn positive. When rates rise, however, I am confident that our Corporate Financial Services segment will be able to fully demonstrate the value of its customer base in Japan, talent pool, and nationwide network.

When I first started at ORIX, the leasing business's sources of profits consisted of about 15% lease fee income, which earned a 5-6% margin on funding costs of 7-8%. At that time, profits could cover losses even if one or two credit receivables out of a hundred became nonperforming. Leasing margins in the current financial environment are in the 0.2% to 0.3% range, so even a single mistake can be fatal. Taking risks and learning after bouncing back from mistakes has become untenable in leasing and finance. Therefore, we have difficulty generating profits from leasing and senior loans collateralized by



CEO Message

movable assets, leaving us no choice but to shift to businesses with higher returns and higher risks, such as mezzanine and subordinated investments and equity investments. We simply could not commit to investments in the equity business if we did not have the ability to make complex and specialized risk assessments. This exemplifies how ORIX has grown by transitioning its business portfolio while reflecting on the cumulative lessons gained from failures. More recently, we have the view that higher Japanese yen interest rates would create more opportunities to secure spreads on leasing and loans, which led us to maintain our nationwide network of Corporate Financial Services personnel. Corporate Financial Services has also collaborated with other ORIX businesses and emphasized cross-selling, allowing it to generate 3% ROA without relying solely on interest income. Today, ORIX is the only finance company in Japan that still has a nationwide network, and I am confident that we will be able to contribute to our customers again in the finance business and that our network will be exceptionally valuable if interest rate spreads widen and once again create room for profits.

Capital Recycling Progress

We are turning over capital by replacing businesses and assets in all segments, and we have reined in the pace of asset expansion to improve profitability. We call this “capital recycling,” and it is not an intrinsically difficult strategy. All we have to do is continuously track changes in market conditions and our balance sheet, determine the optimal balance between debt and equity, keep our experience during

the financial crisis of 2008 in mind, and adjust our portfolio while communicating with the market. Remaining constantly aware of assets, liabilities, and capital in each of our 10 segments enables us to immediately identify anomalies and make management decisions on exits and other deals together with the head of each segment.

As a result of capital recycling, we typically realize about ¥100 billion in investment gains annually. We are devising ways to better present our past performance and future investment pipeline in our financial reporting, but incomplete understanding of the reproducibility and sustainability of our results is an issue. Many of the stock analysts who cover ORIX are experts in the financial sector, in which stable earnings tend to be a particularly important driver of higher valuations. The investment gains we generate from portfolio replacement are reproducible, not temporary, so we will further improve how we present our business and performance so that our audience better understands this aspect of ORIX.

Sustainable Businesses and Sustainable Earnings

Open capital markets expect companies to go beyond generating sustainable profits by being of use to society, which supports both sound corporate growth and the achievement of a sustainable society. This is the sustainability mindset of ORIX, which contributes to society through business activities. One example of this is ORIX’s renewable energy business, which we launched in the wake of the Great East Japan Earthquake in 2011. We decided this business would be a focus for us because we predicted that Japan’s energy business and power

supply mix would change, and recognized that global warming was becoming a serious problem worldwide. We launched the business by fully mobilizing the Group’s network and knowledge, and had 3.7 GW of renewable energy power generation capacity in operation globally as of March 2023. This business makes a stable contribution to earnings and contributes significantly to the reduction of CO₂ emissions.

Japan has a feed-in tariff (FIT) system for solar power generation, so we had initially been considering strategies to sell our renewable energy business when its cash flow stabilized. However, we expect to retain exceptional environmental value in these investments when the FIT period ends. Rather than committing to a sale at this point, we are comparing several approaches to optimize growth for ORIX and support for a sustainable society.

Overseas, our renewable energy business has invested mainly in three companies: Elawan Energy S.L. (headquartered in Spain), Greenko Energy Holdings (headquartered in India), and Ormat Technologies, Inc. (listed on the New York Stock Exchange). We constantly examine whether continuing to hold these companies is the best option, as we consider the optimal way for ORIX to operate its renewable energy business globally. We will flexibly determine whether holding or selling is the best option while considering various factors, ranging from the business strategies and locally relevant governance policies of each company to the operating and investment environment and relationships with other stakeholders.

Our Sustainability Policy is common to all 10 segments, not just Environment and Energy. We believe sustainability that supports sound



CEO Message

corporate growth and business profits is key to resolving social issues in step with the characteristics of our business.

Corporate Ideals

Strengthen Risk and Portfolio Management Systems and Deploy Dashboards

Business units are of central importance for ORIX, and an attitude persists that the back and middle office exist solely to provide sales support. ORIX has been this way for more than 50 years, so immediate change is difficult. However, as I said at the beginning, management departments will serve an increasingly important role in ORIX's growth going forward, so we are implementing proactive initiatives to enhance these departments for further growth.

I mentioned that a desirable next-generation management structure transfers authority to the segment heads and has the CEO focus on portfolio management. However, segment heads tend to perceive things in terms of their own segments. Aside from that, segment heads also need to think about portfolio management from a Group-wide perspective in considering issues such as whether the portfolio is too large and the need for capital recycling. We are working to strengthen the portfolio and credit management departments that have these functions, but they still need to improve. Ideally, we aim to establish a portfolio management system that will allow us to actively direct capital recycling for sales operations, and we are implementing various measures towards this.

“ Head office functions optimized for global growth. ”

We have been enhancing our risk management sophistication by implementing dashboards and DX initiatives. Delineating the status of our overseas portfolio required a particularly significant amount of time, but progress has been made in this area. We are making progress with the volume of quantitative data visible on dashboards and integrated through DX, but analysis and information on asset quality and outlook are still insufficient. For example, if changes in the status of a watchlist item could be monitored in a timelier fashion, the head office could immediately issue a cautionary warning. Addressing these warnings as soon as they appear would enable front-line operations to initiate collection and preclude unnecessary losses. Even a slight delay in dealing with a problem can make loss recovery impossible and increase losses. Improving the sophistication of the dashboard to a level that can present asset quality in real time will enable us to achieve a satisfactory portfolio management system.

Corporate Governance

Outside directors are very active participants in the meetings of ORIX's Board of Directors, and the discussions can be intense. The Board of

Directors supervises execution, which is an extremely important function. We help outside directors understand ORIX's diverse operations with presentations by business units, meetings with people on the front line, and opportunities for outside directors to talk among themselves. I will encourage supervision and execution initiatives to continue with even better Board discussions.

I currently serve as Chairman of the Board of Directors, but I am aware of the opinion that an outside director should assume that role, and I think this topic deserves consideration. However, I can say that any Chairperson would have trouble executing their duties if they did not fully understand ORIX's diverse portfolio and the global operations of the Group as a whole. Further discussion by the Board of Directors about this topic is therefore necessary.

In addition, some executive officers who currently lead business units also serve as directors. Looking forward, we are targeting a corporate governance system in which outside directors play a central role in supervising selected directors responsible for execution including the CEO, CFO and general counsel. Moreover, we are also considering a system for monitoring execution with emphasis on the CEO and management department leaders. The key is to continue discussing corporate governance ideals to evolve a highly effective system.

Human Resources, Mid-career Hires, Appropriate Personnel Evaluation, and a Diverse Personnel System

The contributions of mid-career hires have accelerated growth for ORIX. In the fiscal year ended March 2023, the 10 Group companies in Japan



CEO Message

hired approximately 650 people, of whom about 70% were mid-career hires. The ability of these people with diverse backgrounds to play an active role in our firm depends on whether they can successfully create an internal network. ORIX has a broad business portfolio, so mid-career hires need to build a network of effective relationships within a year or two of joining the Company. I would like to continue to support these efforts in helping people inside and outside the Group alike to capitalize upon their unique expertise.

The current responsibilities of our Human Resources Department center on personnel operations, leaving room for improvement in terms of human resources strategy and talent management. This department can also effectively involve itself in determining whether individual personnel evaluations conducted by sales departments are truly appropriate. While positive evaluations are great, Human Resources should fully identify the root causes of negative evaluations and proactively implement personnel measures that are optimal for both employees and ORIX. I have been discussing this kind of proactive personnel strategy with Human Resources. We need to gather and analyze objective data to properly structure human resource management functions. Digitalization to collect and effectively deploy data will therefore be another key to strengthening the Human Resources Department.

We are gradually reforming personnel and salary systems to align them with the markets in each segment, rather than having a uniform system for the Group. This approach to reform considers the characteristics of the industry to which each segment belongs, and

Insurance and PE Investment have already introduced such reforms. We need to make agile reforms to our personnel system in order to attract more highly competitive, specialized people.

Defining Our Purpose

I often wonder about the effect on Group integration if each segment, each Group company, and our operations in each region of the world implemented the optimal business strategy for themselves and transformed their personnel system to suit the characteristics of their industry. Developing a corporate purpose is one of the ways in which business units and individual companies can make the most of their independence and excel while still enhancing a sense of unity as a Group. We were motivated to launch the Purpose Project in June 2022 because we learned that a number of employees, especially at overseas subsidiaries, thought that ORIX was just a shareholder in their company. This ongoing project has employees from Japan and around the world participate in discussions as project members. This process is meaningful because many participants indicated these global discussions made them clearly aware that they are members of ORIX Group. The project has taken more time than initially planned because the discussions have been so lively, and we need to carefully choose the words in the Purpose Statement so that the message is clear for all employees.

Formulating and announcing our purpose is not the end of the process, but the real beginning. The challenge is sharing that purpose in every part of the Group and building a corporate culture that can

communicate globally based on that purpose. For example, a management meeting that brings together the leaders of each segment at the head office and empowers thorough discussion would be a good start. COVID-19 kept us from meeting in person for extended discussion, so now we should actually meet face-to-face and deepen discussions to inculcate our purpose so that it does not end up being just a slogan.

I hope that all of our stakeholders will look forward to the execution of our Purpose Project and the new growth ORIX will generate because of it.

Conclusion

The markets ORIX serves are changing at a whirlwind pace, and we cannot let our guard down. ORIX is growing larger and more complex, but we will successfully encourage a more appropriate valuation from capital markets by emphasizing dialogue with the market while steadily turning each of the plans I have discussed here into realities. By doing so, I am confident that ORIX will be able to continuously grow as a company.

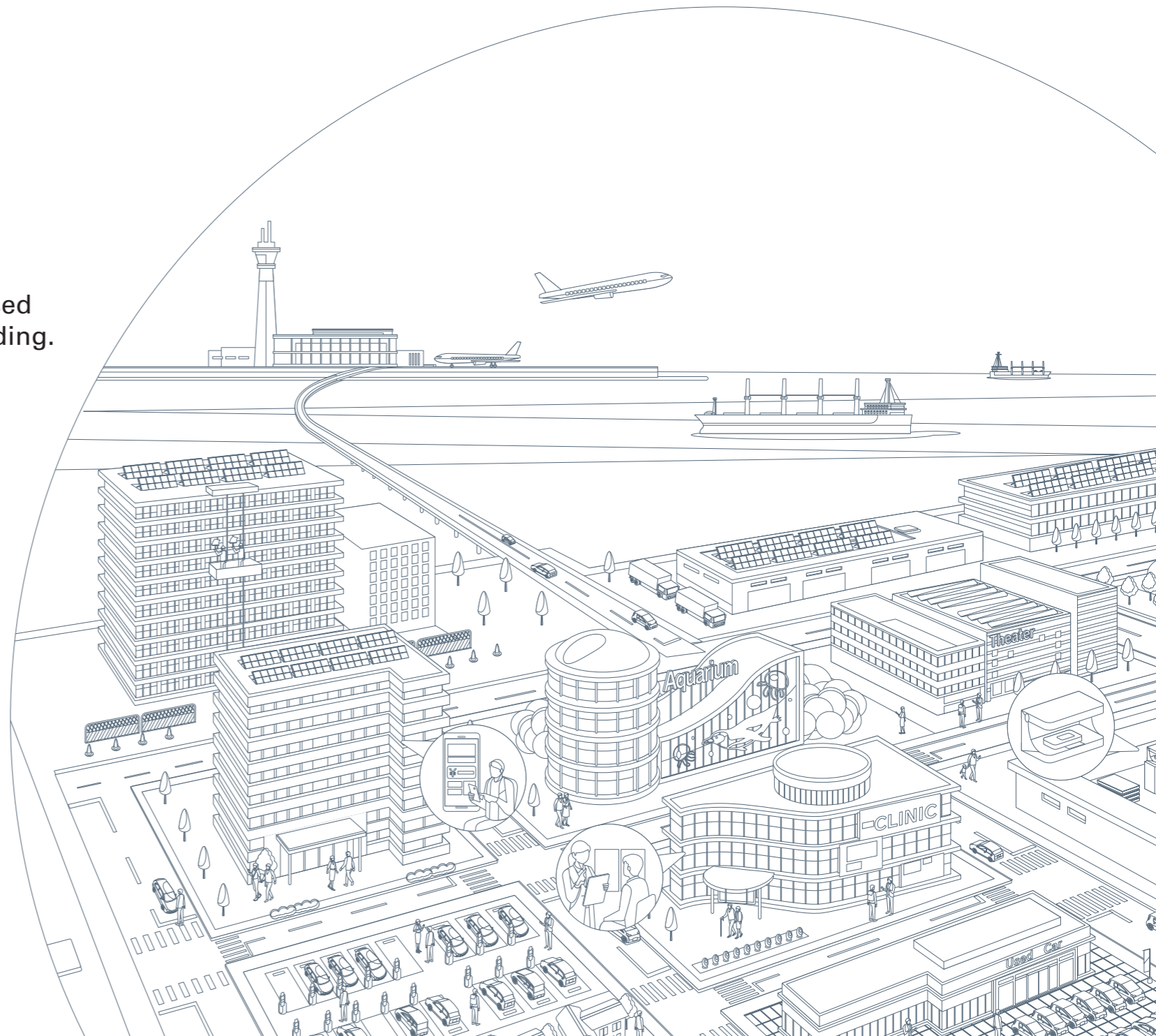
In closing, we have integrated the contents of the previously separately issued Sustainability Report into our Integrated Report. I will be pleased if this Integrated Report helps to deepen your understanding of ORIX.



Value Creation Story

This section describes how ORIX is creating value based on the capital resources it has acquired since its founding.

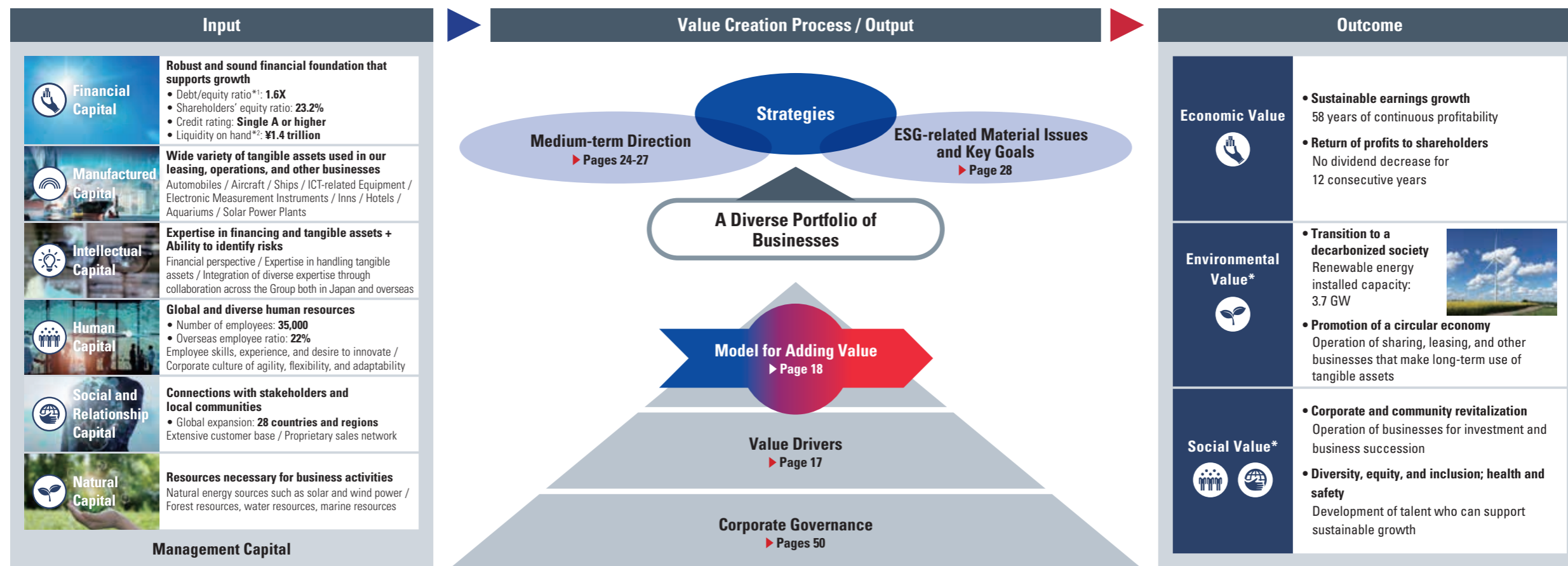
Value Creation Model	14
ORIX's Value Creation Story	15
History and Inherent Values	16
Value Drivers	17
Model for Adding Value	18
Value Creation Case Studies	19





Value Creation Model

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



Note: The above data is as of March 31, 2023

*1 Excludes deposits.

*2 Excludes ORIX Bank and ORIX Life Insurance.

ORIX's record of success made us a trusted partner with stakeholders.

* Please refer to the following website for more detailed information on environmental and social value.
▶▶▶ [Sustainability](#)



ORIX's Value Creation Story

The most important part of ORIX's value creation model is its unique model for adding value. The following explains how the model for adding value is formed and how we create value.

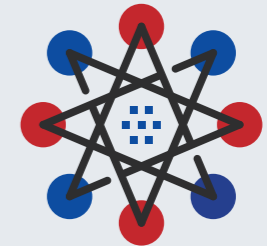
ORIX has passed down its values and nurtured a distinctive corporate culture. The risk management and talent pool we have cultivated based on these values and corporate culture are our strengths, which support our model for adding value as ORIX's value drivers (factors that increase corporate value). We use our model to create value unique to ORIX in a variety of fields and achieve growth.

History and Inherent Values

▶ Page 16

ORIX has developed into a unique corporate group by creating new value as it broadens its business by repeatedly moving into neighboring fields.

That history encompasses the values (discipline that underpins independence and autonomy, as well as agility, flexibility, and adaptability) and corporate culture (taking healthy risks, cooperation among diverse human resources) that have been continuously handed down.



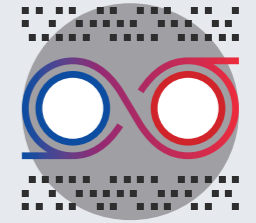
Value Drivers

▶ Page 17

Risk management and our human resources are strengths we have cultivated based on our inherent values and corporate culture, and they serve as ORIX's value drivers (factors that increase corporate value).

Risk management: Organizational framework: Identifying and taking risks

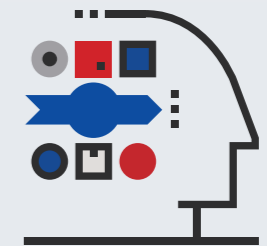
Talent pool: Individual capabilities: Grasping contemporary changes, and thinking and acting to turn them into opportunities



Model for Adding Value

▶ Page 18

Value drivers support the model for adding value. Value drivers enable us to correctly assess risks and business feasibility, and to take on the challenge of entering new markets. Through our model for adding value, we create value unique to ORIX in a variety of fields and achieve growth.



Value Creation Case Study 1 Renewable Energy Business

▶ Page 19

After the Great East Japan Earthquake in 2011, we predicted that Japan's energy situation and power supply mix would change. Using the knowledge and human resources within the Group, we were quick to establish a system for promoting renewable energy businesses ahead of other companies.

As of March 2023, the renewable energy installed capacity of our facilities in operation globally has grown to 3.7 GW. Capacity expansion to 6 GW is planned for March 2025, with a target of 10 GW by March 2030. We have also started an operation, management, and maintenance business for power plants and a development business for energy storage plants.

Value Creation Case Study 2 Concession Business

▶ Page 21

When the concession system was introduced in Japan upon the revision of the Act on Promotion of Private Finance Initiative (PFI) in 2011, we started research in-house. Following the announcement of details of a public offering for the operation of the Kansai International Airport and Osaka International Airport (Itami Airport) in 2014, we began full-scale activities with a project team that gathered knowledge and human resources within the Group. After exhaustive internal discussions about the unprecedented long-term operation period and huge amount of consideration for the operating rights, we started operating these airports in 2016.

As of March 2023, we are deploying our business know-how to renovate airports, and have also started other concession businesses such as water businesses.



History and Inherent Values

ORIX has developed into a unique corporate group by creating new value as it broadens its business by repeatedly moving into neighboring fields. Throughout our history, we have continuously handed down our values and corporate culture. The risk management and talent pool we have cultivated based on these values and corporate culture are ORIX's strengths as well as its value drivers (factors that increase corporate value).



Value Drivers

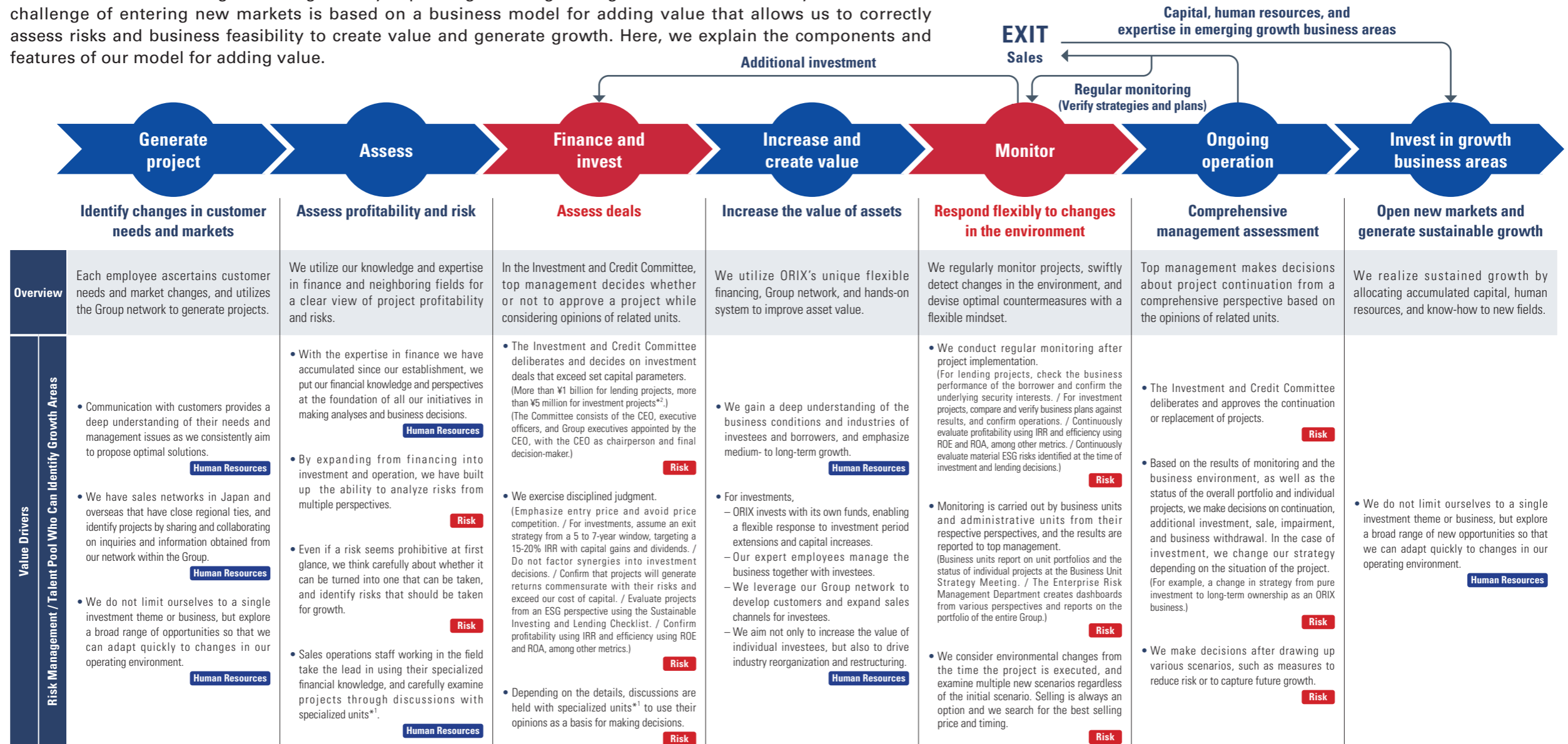
Risk management and employee talent are ORIX's value drivers (factors that increase corporate value). Our unique model for adding value is supported by risk management (organizational framework) and employees (individual capabilities) who embody our inherent values.





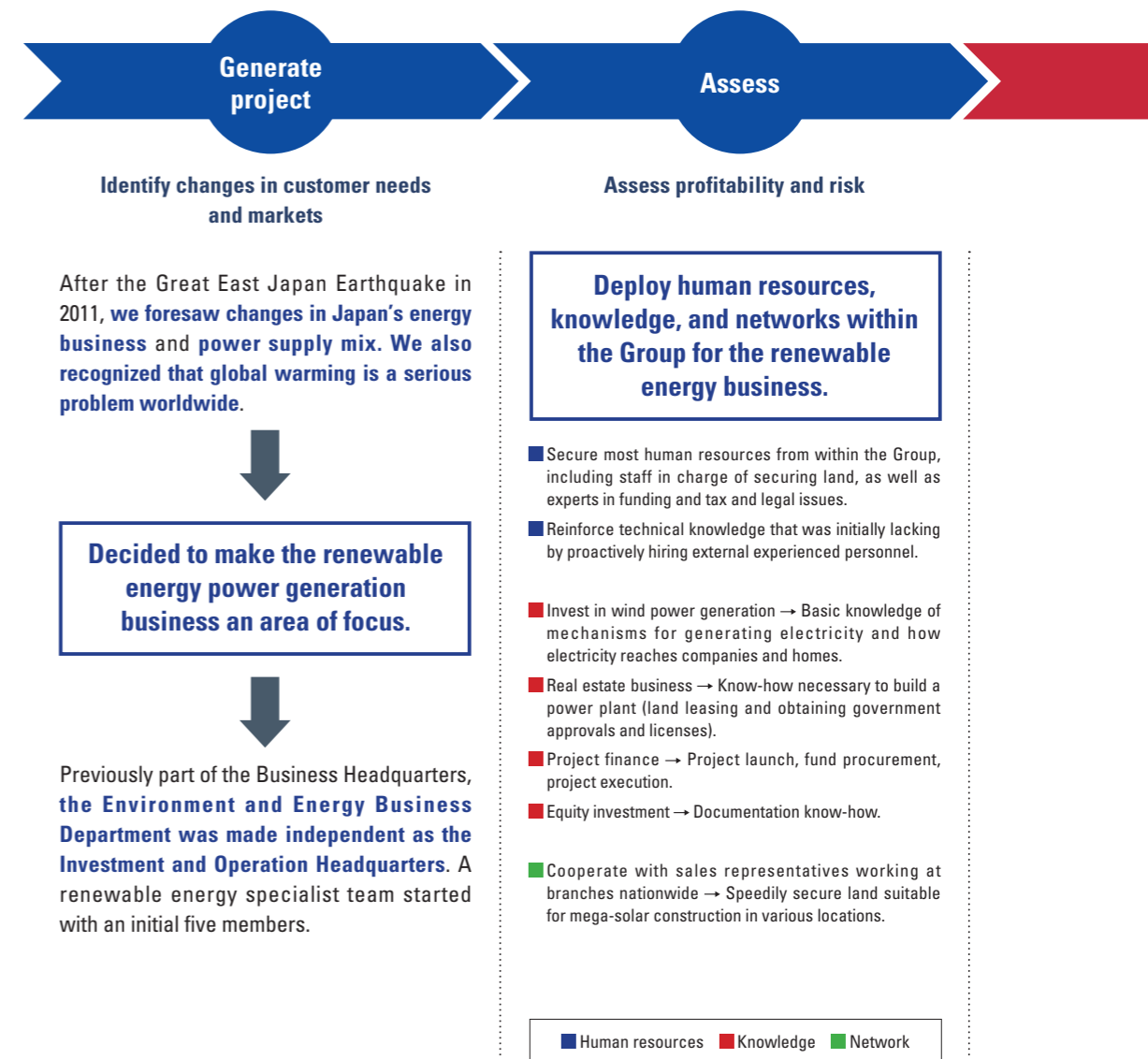
Model for Adding Value

ORIX started off in leasing and has grown by expanding into neighboring businesses. Our ability to take on the challenge of entering new markets is based on a business model for adding value that allows us to correctly assess risks and business feasibility to create value and generate growth. Here, we explain the components and features of our model for adding value.



Value Creation Case Studies ▶ Case 1: Renewable Energy Business

ORIX entered the field of renewable energy when it invested in the wind power generation business in 1995. This new initiative was originally considered an outgrowth of the financing business, and was not intended to develop into a power plant operation business. The turning point for the renewable energy business came with the Great East Japan Earthquake in 2011, and the business has grown significantly since then.



ORIX Sarabetsu-Tokachi Mega-Solar Speedway Power Plant



Wind power generation facility operated by Elawan Energy



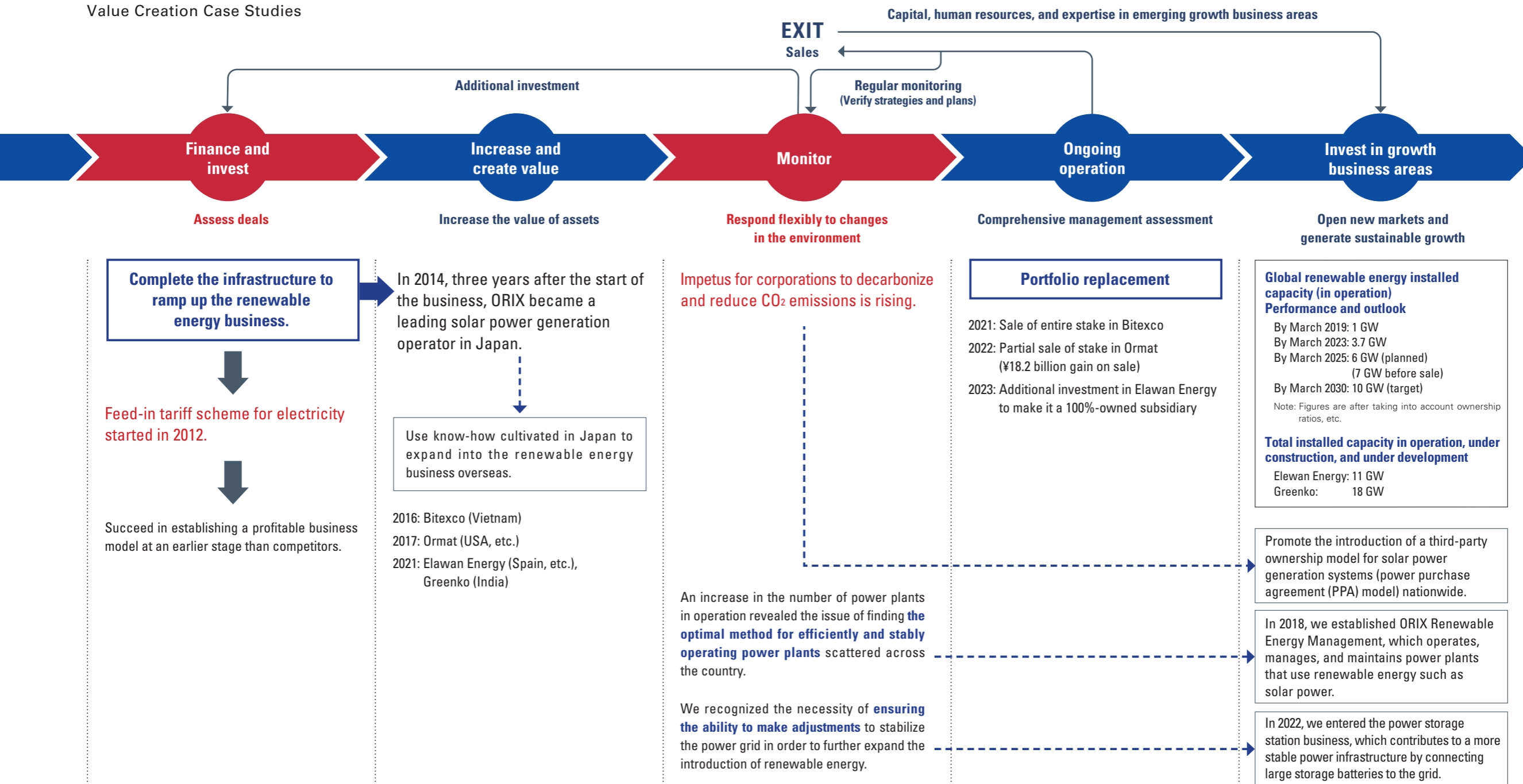
Solar power system power purchase agreement (PPA) model
Fuji Logistics Co., Ltd. Mie Logistics Center



Concept image of energy storage plant



Value Creation Case Studies



Value Creation Case Studies ▶ Case 2: Concession Business

With the aging of public infrastructure, the Act on Promotion of Private Finance Initiative (PFI) was revised in 2011, and a concession system was introduced in Japan in which private businesses take responsibility for operation of public facilities and other concerns while leaving their ownership to public institutions. In 2016, ORIX became Japan's first privately-owned large-scale airport operator, leveraging the expertise of its departments in areas including real estate, domestic and overseas business investment, finance, and credit.



Identify changes in customer needs and markets

Assess profitability and risk

2011 revision of Act on Promotion of PFI

A concession system was introduced in Japan, in which private companies take responsibility for operation of public facilities and other concerns while leaving their ownership to public institutions.

At the same time, the Act for Integrated and Efficient Establishment and Management of Kansai International Airport and Osaka International Airport was promulgated.

Fall 2014 announcement of details of the public offering process for Kansai and Osaka (Itami) International airports



Airport concession business project team began full-scale operation.

■ We brought together experts from Group departments in areas including domestic and overseas business investment, finance, and credit in addition to real estate. Ultimately, more than 50 people with various know-how gathered to establish a framework for the project.

■ We conducted a detailed study of a wide range of businesses both related and unrelated to aviation. At the same time, we examined in detail improvements in security quality and coexistence with local communities to create the safe, secure environment required of social infrastructure. In addition, we determined the strong social significance of concessions and their high importance as a new business.

■ We also looked for a partner to operate the airports. Having researched airport operating companies around the world and held repeated meetings, we deepened our relationship of trust with VINCI Airports of France and built a partnership. We also obtained investment from 30 companies in Kansai.

■ Human resources ■ Knowledge ■ Network

A real estate team focused on the concession business.

Multiple teams in the Real Estate Department were planning and examining new businesses. One focused on the concession business, identifying the potential of the Kansai and Osaka (Itami) International Airports Project in particular, conducting in-depth research and formulating business plans.



Kansai International Airport



Kobe Airport



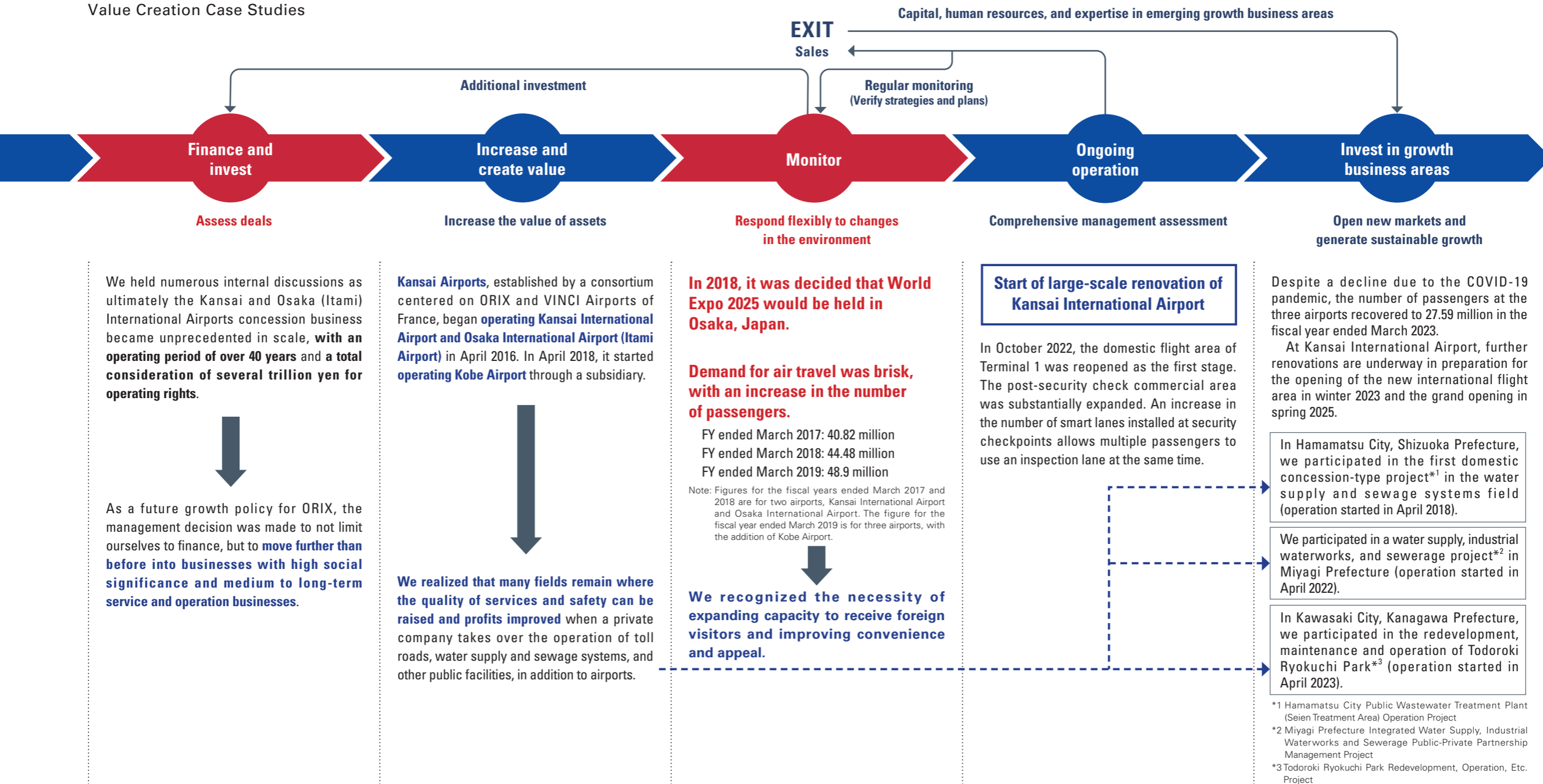
Nanbuyama Water Treatment Plant (Shiroishi City, Miyagi Prefecture)



Todoroki Stadium (Kawasaki City, Kanagawa Prefecture)



Value Creation Case Studies

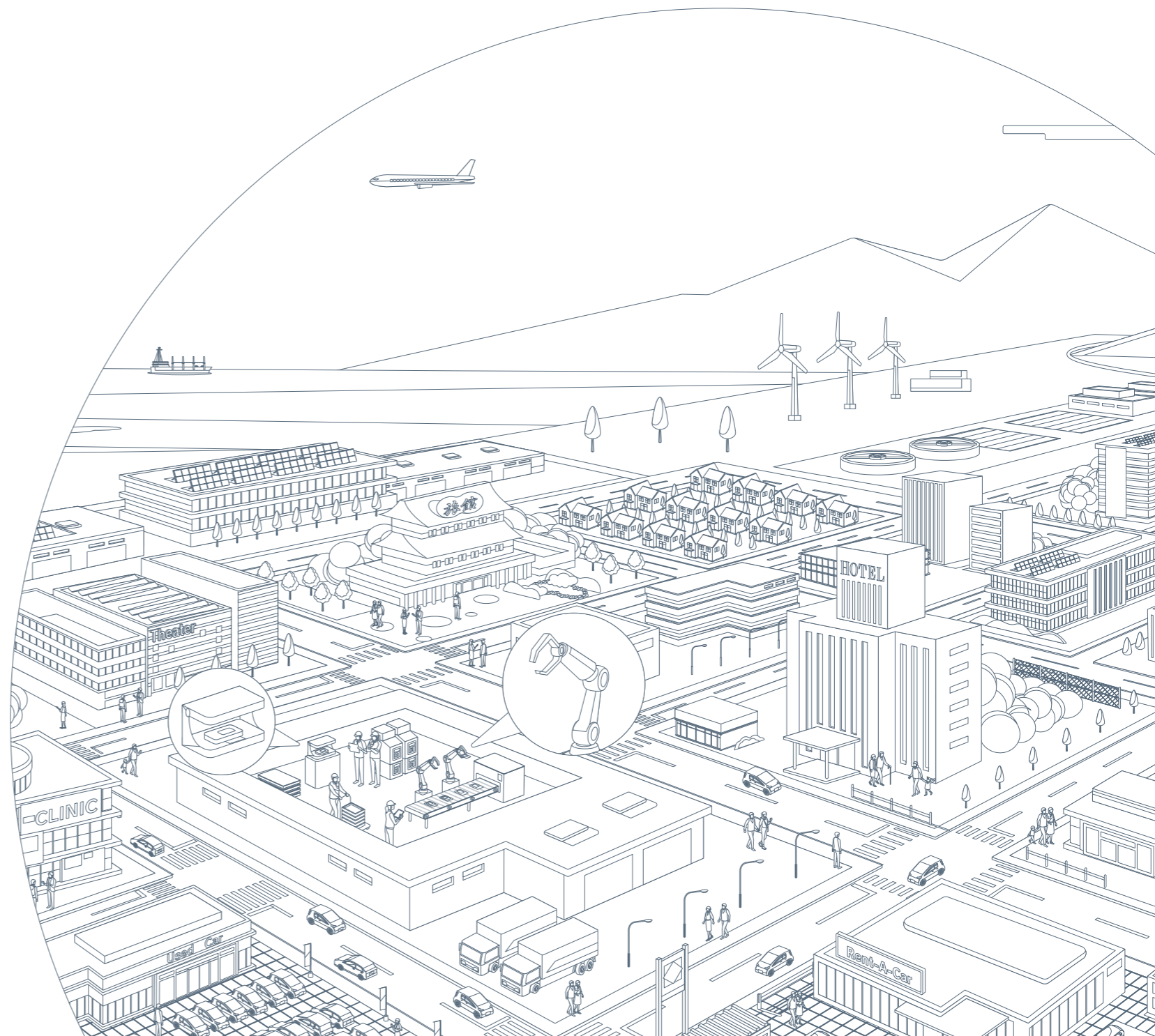




Creating Value

This section introduces the value creation that ORIX targets over the mid- to long-term.

Medium-term Direction	24
ESG-related Material Issues and Key Goals	28
Sustainability Promotion and Governance Structure	29
Status of Initiatives to Address ESG-related Material Issues and Key Goals	
Environment	30
Social	31
Governance	32
Addressing Climate Change	33
1. GHG (CO ₂) Emissions Reduction	33
2. Promoting the Renewable Energy Business	34
3. Information Disclosure Based on TCFD Recommendations	35
Initiatives for Human Rights	36
Sustainable Investing and Lending	36





Medium-term Direction

Results for the Fiscal Year Ended March 2023

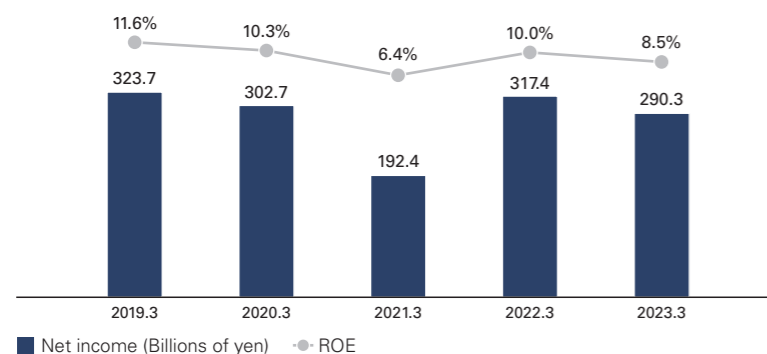
In the fiscal year ended March 2023, net income decreased 8.5% year-over-year to ¥290.3 billion and return on equity (ROE) was 8.5%. Segment profits decreased 24% year-over-year to ¥406.2 billion. Base profits decreased 7% year-over-year to ¥322.8 billion, holding firm despite an uncertain business environment. Although investment gains decreased 56% year-over-year to ¥83.5 billion due to the absence of ¥163.0 billion in gain on the sale of Yayoi Co., Ltd. recorded

in the previous fiscal year, ORIX continued its capital recycling program, which generates around ¥100 billion in investment gains in a typical year.

Excluding the impact of investment gains from the sale of Yayoi, segment profits for the fiscal year ended March 2023 increased by ¥38.4 billion, or 10% year-over-year. Fiscal year results varied from segment to segment. Profits decreased at ORIX USA and the asset

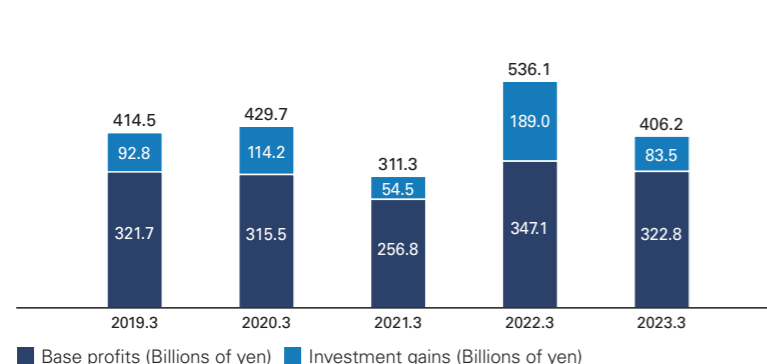
management business of ORIX Europe, among others, due to abrupt changes in the market. Meanwhile, some businesses continued on a recovery track due to reopening following the COVID-19 pandemic. Growth was apparent in areas of focus for ORIX, including Environment and Energy, PE Investment in Japan, and others. The Auto and Real Estate businesses also performed well.

Net Income* and ROE



* Net income refers to net income attributable to ORIX Corporation shareholders.

Breakdown of Segment Profits: Base Profits and Investment Gains

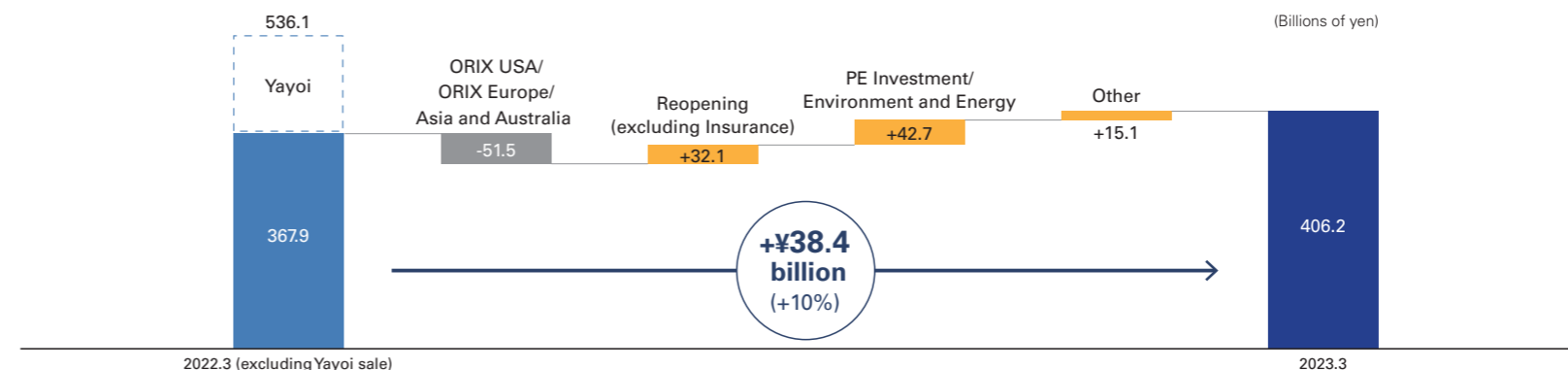


Note: 2023.3 denotes the fiscal year ended March 2023.

Investment Gains and Major Components

Segment	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3
Real Estate	¥42.9 billion Mixed-use property	¥56.5 billion ORIX Golf Management	¥53.6 billion ORIX Living	¥16.9 billion	¥21.4 billion	¥29.5 billion Logistics facilities
PE Investment and Concession	¥26.9 billion ARRK	¥0.3 billion	¥16.4 billion QRACIAN	-¥0.7 billion	-¥19.1 billion Kobayashi Kako	¥2.6 billion NET JAPAN
ORIX USA	¥21.6 billion	¥33.7 billion Houlihan Lokey	¥37.6 billion	¥17.7 billion	¥45.9 billion RoadSafe	¥33.2 billion
Other	¥27.6 billion ORIX Electric Power	¥2.3 billion	¥6.7 billion RobecoSAM's ESG Ratings Division	¥20.6 billion	¥140.8 billion Yayoi	¥18.2 billion Ormat (partial stake)
Total	¥119.1 billion	¥92.8 billion	¥114.2 billion	¥54.5 billion	¥189.0 billion	¥83.5 billion

Segment Profits (From FY ended March 2022 to FY ended March 2023)





Medium-term Direction

Targets for the Fiscal Year Ending March 2025

The net income target set out in our Medium-term Direction is ¥400.0 billion for the fiscal year ending March 2025. In May 2022, we had originally set this target at ¥440.0 billion when results for the fiscal year ended March 2022 were announced. However, we revised this target downward in May 2023 after considering unstable market conditions. The net income target for the fiscal year ending March 2024 is ¥330.0 billion. The target for ROE has been set at 9.0% for the fiscal year ending March 2024 and 10.4% for the fiscal year ending March 2025.

Profit targets by segment for the fiscal years ending March 2024 and 2025 have been divided into four major categories (domestic financial, domestic non-financial, overseas – ORIX USA and ORIX Europe, and overseas – other).

Domestic financial profits are expected to grow steadily. In domestic non-financial businesses, the airport concession business, which includes Kansai International Airport, is expected to recover from the fiscal year ending March 2024 to the fiscal year ending March 2025 with the rebound in inbound passengers, and thereafter to steadily contribute to profits on par with other non-financial businesses.

Profit growth at ORIX USA and ORIX Europe has been forecast conservatively for the fiscal year ending March 2024 due to global inflation

Forecast for FY Ending March 2024 and Target for FY Ending March 2025

	2023.3 Actual	2024.3 Forecast	2025.3 Target
Net income	¥290.3 billion	¥330.0 billion	¥400.0 billion
EPS	¥246	¥285	¥351
ROE	8.5%	9.0%	10.4%
Financial soundness	A rating equivalent	A rating equivalent	A rating equivalent
Annual dividends (per share)	¥85.6	Payout ratio 33%	Payout ratio 33%+
Share buybacks	¥50.0 billion	¥50.0 billion	To be executed flexibly
Total return ratio	52%	48%	—

Note: 2023.3 denotes the fiscal year ended March 2023.

and interest rate hikes, as well as weak performance in some stock markets in Europe and elsewhere. Nevertheless, we will pursue recovery on a solid growth trajectory by selectively executing investments based on rigorous risk management for future growth.

In overseas – other businesses, growth drivers will be the contributions to profits from the aircraft business due to recovery in passenger demand and from the expansion of the renewable energy business.

The ratio of overseas businesses in segment profits is expected to be 40.8% in the fiscal year ending March 2024 owing to a conservative estimate of profit contributions from ORIX USA and ORIX Europe. However, in the fiscal year ending March 2025, when a recovery trend is forecast, this

ratio is expected to rise to 44.1%, surpassing the level in the fiscal year ended March 2023.

Medium-term Direction

- Net income target for the fiscal year ending March 2025: ¥400.0 billion
- Continued focus on capital recycling
- Continue flexible shareholder returns (share buybacks)
- Revisit dividend policy considering the shareholders' equity ratio and other factors, following the termination of shareholder benefit programs in the FY ending March 2024 and beyond
- Maintain financial soundness and search for new investment opportunities

Breakdown of Segment Profits (From FY ended March 2023 to FY ending March 2025)

(Billions of yen)

		2023.3		Increase / Decrease	2024.3		Increase / Decrease	2025.3	
		Actual	Percentage of total		Forecast	Percentage of total		Target	Percentage of total
Domestic	Financial	175.6	43%	14.4	190.0	39%	10.0	200.0	34%
	Corporate Financial Services and Maintenance Leasing	75.0		5.0	80.0				
	Insurance	63.0		1.0	64.0				
	Banking and Credit	37.6		8.4	46.0				
	Non-financial	65.4	16%	34.6	100.0	20%	30.0	130.0	22%
	Real Estate	51.6		0.4	52.0				
	PE Investment and Concession	2.8		29.2	32.0				
	Environment and Energy (domestic)	11.0		5.0	16.0				
Overseas	Europe and the United States	89.7	22%	5.3	95.0	19%	25.0	120.0	20%
	ORIX USA	49.0		6.0	55.0				
	ORIX Europe	40.7		-0.7	40.0				
	Other	75.5	19%	29.5	105.0	21%	35.0	140.0	24%
	Environment and Energy (overseas)	21.9		5.1	27.0				
	Aircraft and Ships	18.6		11.4	30.0				
	Asia and Australia	35.0		13.0	48.0				
	(Overseas business ratio)		(40.7%)			(40.8%)			(44.1%)
Segment profits total*		406.2	100%	83.8	490.0	100%	100.0	590.0	100%
Pre-tax profit		392.2		82.8	475.0		100.0	575.0	
Net income		290.3		39.7	330.0		70.0	400.0	

* The difference between segment profits total and pre-tax profit is mainly selling, general and administrative expenses from administrative departments.

Note: Exchange rate USD1=¥130, Euro1=¥140



Medium-term Direction

Capital Recycling

Our basic strategy for ensuring continuous and stable profit growth while keeping asset size under adequate control is capital recycling. Portfolio replacement is a part of normal business operations at ORIX, and we will maintain this policy to improve profitability while controlling asset size within a certain level. We have been accelerating capital recycling for efficient and effective capital utilization since the fiscal year ended March 2014. As a result, overall net income for the fiscal year ended March 2023 was 2.6X that of

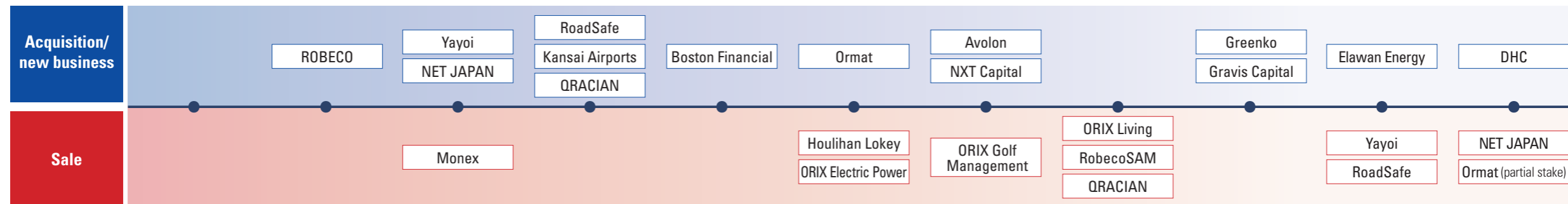
the fiscal year ended March 2013, for a compound annual growth rate (CAGR) of 10%.

In the fiscal year ended March 2023, ORIX made new investments totaling ¥470.0 billion (EV basis for private equity), which included the acquisition of shares of DHC Corporation (at an acquisition cost of ¥300.0 billion), private equity (PE) investment, and real estate development. These exceeded asset sales of ¥270.0 billion. From 2024 onward, we plan to manage capital recycling while maintaining a

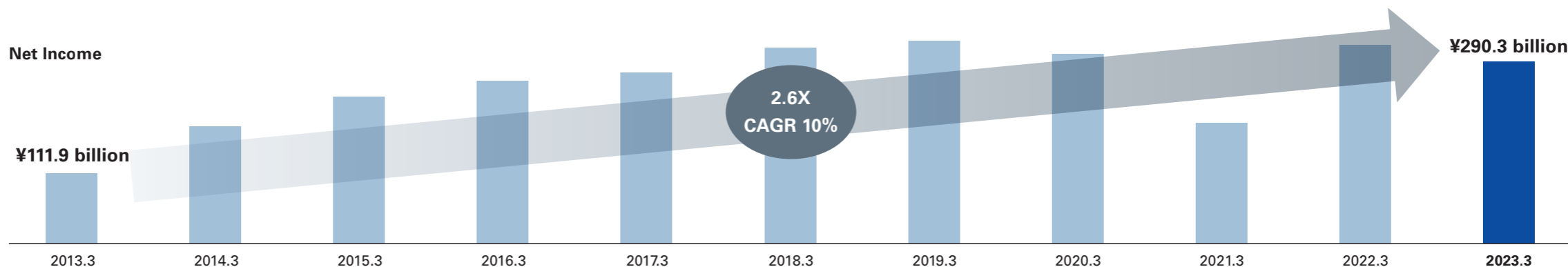
balance between new investments and asset sales. In the fiscal year ending March 2024, we are considering exits primarily in Real Estate, Environment and Energy in Japan and overseas, U.S. businesses and PE investment in Japan, with an aim of achieving our typical annual level of around ¥100.0 billion in investment gains.

We have a high level of promising investments in our pipeline, at around ¥1.5 trillion (as of May 2023). Although investment opportunities have increased, we will carefully assess market conditions in pursuit of

Capital Recycling and Profit Growth



Net Income



Note: 2023.3 denotes the fiscal year ended March 2023.



Medium-term Direction

high returns from taking on genuinely promising new investments while controlling for risk.

In domestic PE investment, we are considering investments of all sizes, including large-scale carve-outs and SME business succession, mainly in focus areas such as IT / information services and healthcare. Basically, we will seek investment opportunities involving a holding period between five and seven years and IRR between 15% and 20%.

Efforts in the domestic real estate business will focus on development of logistics centers and condominiums with sufficient profit potential in Tokyo, Osaka, and other metropolitan areas, while keeping in mind the challenges posed by rising construction costs.

In overseas renewable energy, we will move forward with initiatives at Elawan Energy and market research in the United States. However, in consideration of the current rising interest rate regime and increasing material prices, we will focus on selected investments which allow for arbitrage opportunities and present a clear exit strategy.

Our aircraft business covers not just leasing but also purchase, sale, and management of aircraft without involving external agents. We will promote a capital recycling-based strategy that pursues aircraft sales in the market alongside purchases and leasing.

In addition, we will make strategic investments to drive growth in existing businesses. We will continue to consider intriguing opportunities regardless of the field.

Note: For more details on our finances and shareholder returns, please refer to “Financial Strategy and Capital Policy” on page 38.

Pipeline (As of May 2023)

Target	Overview	Investment Amount
Domestic PE	<ul style="list-style-type: none">IT / information services, healthcare, BPO and logisticsMany deals under consideration, including large-size carve outs like Toshiba and business succession deals (SMEs)	¥400.0 billion
Domestic real estate	<ul style="list-style-type: none">Projects under construction were started when costs were lowerNew projects to be managed with strict cost controls to maintain high development NOI	¥190.0 billion*1
Overseas renewable energy	<ul style="list-style-type: none">Elawan Energy moving into new marketsAim to purchase new platform in the United States	¥600.0 billion*2
Aircraft	<ul style="list-style-type: none">Invest primarily in new, narrow-body aircraftAim to increase asset management business deals by timely sales of purchased aircraft	¥130.0 billion
Other	<ul style="list-style-type: none">Move forward with multiple strategic investments to drive growth in existing businesses	¥300.0 billion*3

*1 Amount includes total project value for logistics centers and rental condominium properties (including those for which payment was complete by FY ended March 2023).

*2 Pipeline figure primarily includes investments at Elawan Energy (wholly consolidated subsidiary) scheduled for execution through 2025, excluding renewable energy investments by Greenko (equity method affiliate).

*3 Excluding MICE-IR scheduled to launch in 2029 or later.



ESG-related Material Issues and Key Goals (Set in November 2021)

The ESG-related material issues that will enable ORIX's sustainable growth are as follows.
We have also set key goals to link these material issues to specific actions.

ESG-related Material Issues

1 Material issues and focus areas to reduce climate change-related risks.

- 1 Set GHG emissions reduction goals.
- 2 Continue to lead in renewable energy investment and production.
- 3 Quantify and reduce our climate change-related risks and continue to implement TCFD recommendations.
- 4 Continue to promote a circular economy and reduce and appropriately manage waste.
- 5 Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.
- 6 Work with our stakeholders to promote a healthier environment through goods and services that help mitigate adverse environmental impacts.

2 Material issues and focus areas to reduce social risks, including human rights risk.

- 1 Continue to strengthen our Sustainable Investing and Lending Policy, Code of Conduct, and risk management system to adequately cover new and emerging social risk areas.
- 2 Share a common and agreed respect for fundamental human rights with all of our stakeholders such as support for the UN Universal Declaration of Human Rights, worker health and safety, diversity, inclusion and non-discrimination.
- 3 Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive working environment that promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

3 Material issues and focus areas to strengthen governance based on transparency, compliance, and integrity.

- 1 Continue to strengthen the independence of the Board of Directors so that the Board may provide appropriate and effective oversight over the management's business execution from an independent and objective perspective.
- 2 The Group CEO will be responsible for all execution matters including responding to these material issues under the oversight of the Board of Directors.
- 3 Emphasis on client satisfaction and developing and offering sustainable products and services.
- 4 Endeavour to gain and keep the trust of our clients in all of our business areas.
- 5 Promote a strong culture of compliance with all applicable laws and regulations, including paying our fair share of taxes.

ESG-related Key Goals

- 1 Outside directors to account for over half of the composition of the ORIX Group Board of Directors by the General Meeting of Shareholders set to be held in June 2023.
- 2 Female directors to account for over 30% of the composition of the ORIX Group Board of Directors by the end of the fiscal year ending March 2030.
- 3 Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 2030.
- 4 Reduce ORIX Group GHG (CO₂) emissions by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030.
- 5 ORIX Group to achieve net zero GHG (CO₂) emissions by the end of the fiscal year ending March 2050.
- 6 Reduce ORIX Group's investment and credit balance in GHG (CO₂) emitting industries* by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030.
- 7 ORIX Group to achieve a zero investment and credit balance in GHG (CO₂) emitting industries* by the end of the fiscal year ending March 2040.

* Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Sustainability Promotion and Governance Structure

ORIX has diverse businesses, and each business has a wide range of sustainability issues that either affect society or are affected by society. For this reason, we divide our approach to sustainability issues into two categories: the corporate (Group-wide) level and the business unit level.

Status of Recent Initiatives

The Sustainability Committee discussed and reported on items 1 and 2 below. Details of the Sustainability Committee meeting were submitted as a Progress Report on Sustainability Promotion Activities to the Board of Directors, where it was approved.

1. Group-wide themes

1) Performance report for the fiscal year ended March 2023

- (1) Progress toward ESG-related key goals
- (2) Expansion of the coverage of scenario analysis based on TCFD Recommendations
- (3) Commencement of preparations for surveys and risk assessments on the status of human rights
- (4) Improvement in ESG ratings and ORIX's selection as a constituent in ESG indices adopted by the Government Pension Investment Fund (GPIF) of Japan

2) Focus themes for the fiscal year ending March 2024

- (1) Inculcate sustainability promotion befitting ORIX among employees (increase job satisfaction, create a better corporate culture, close the generation gap in sustainability awareness)
- (2) Share sustainability-related business opportunities recognized by each business unit Company-wide and use them in business activities
- (3) Recognize growing concerns about supply chains and human rights and consider policy revisions that reflect them
- (4) Expand disclosure of non-financial information

- ▶ Pages 30-32 Status of Initiatives to Address ESG-related Material Issues and Key Goals
- ▶ Page 35 Scenario Analysis Based on TCFD Recommendations

2. Approach to and KPIs for sustainability in each business unit

We have reviewed the progress of the policy and KPIs set at the beginning of the fiscal year ended March 2023 to establish our approach for the fiscal year ending March 2024 and beyond.

Major initiatives for the fiscal year ended March 2023 were as follows.

- Considered calculation and data provision of customers' CO₂ emissions. Rental car stores improved their green electricity ratio. (Auto)
- Started providing products and services that contribute to the circular economy and climate change mitigation. Started supply chain management. (Rentec)
- Reduced CO₂ emissions from owned properties. Eliminated plastic and reduced food waste in operating businesses. (Real Estate Investment and Facilities Operation)
- Decided to install EV charging outlets as standard equipment in parking lots for condominiums to be developed in the future. (DAIKYO)
- Promoted a material recycling business for blister packaging sheets and a reuse and recycling business for solar panels. (Environment and Energy)
- Issued our first sustainability bond. (Banking)
- Assigned ESG scores to all investing and lending transactions that are assumed to be self-owned. (ORIX USA)
- Formed a stock fund specializing in biodiversity. (ORIX Europe)

Approach of Each Business Unit from the Fiscal Year Ending March 2024 Onward.

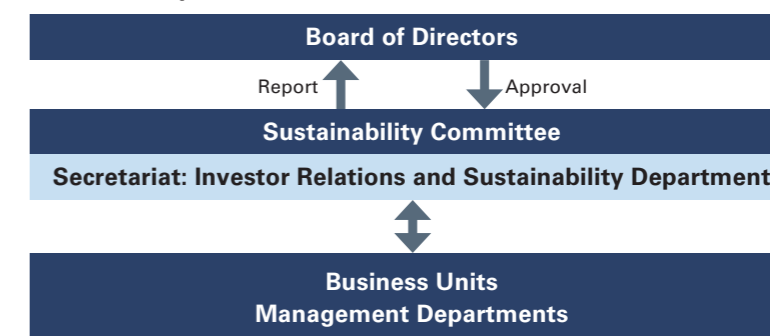
- ▶ Pages 66-80 "Approach to Sustainability" section for each business unit

Examples of Sustainability Initiatives in Each Business Unit.

- ▶▶▶ [Contributing to Society through Our Business Activities](#)

Sustainability Governance Structure

Sustainability Governance Structure



The Board of Directors supervises and guides sustainability governance.

The Sustainability Committee implements ESG-related material issues and key goals Group-wide. It formulates strategic approaches, KPIs, and action protocols, and the results of its deliberations will then be reported to and approved by the Board of Directors.

Members: Group CEO (chair), people in charge of segments most directly related to ESG

Attended by other participants depending on the agenda

Role of the Sustainability Committee

1. Discussion of specific measures to achieve goals
2. Discussion of any conflicts arising between short-term earnings and long-term growth
3. Discussion of measures to reduce climate change risk following the Task Force on Climate-related Financial Disclosures (TCFD) framework
4. Sharing of information on Japanese and international developments in corporate sustainability
5. Discussion of matters to report to the Board of Directors



Status of Initiatives to Address ESG-related Material Issues and Key Goals



Material Issues and Focus Areas to Reduce Climate Change-related Risks

- 1 Set GHG emissions reduction goals.
- 2 Continue to lead in renewable energy investment and production.
- 3 Quantify and reduce our climate change-related risks and continue to implement TCFD recommendations.
- 4 Continue to promote a circular economy and reduce and appropriately manage waste.
- 5 Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.
- 6 Work with our stakeholders to promote a healthier environment through goods and services that help mitigate adverse environmental impacts.

Key Goals

- Reduce ORIX Group GHG (CO₂) emissions by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030.
- ORIX Group to achieve net zero GHG (CO₂) emissions by the end of the fiscal year ending March 2050.
- Reduce ORIX Group's investment and credit balance in GHG (CO₂) emitting industries* by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030.
- ORIX Group to achieve a zero investment and credit balance in GHG (CO₂) emitting industries* by the end of the fiscal year ending March 2040.

* Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Status of Initiatives to Address Issues and Goals

- 1 With the aim of reaching our GHG (CO₂) emissions reduction goals, we are considering reducing emissions by switching fuels used at our two coal-biomass co-fired power plants, which accounted for more than 70% of our emissions in the fiscal year ended March 2020. If it is deemed difficult to achieve the reduction, we will consider closing the facilities, so we recorded an impairment of ¥19.6 billion in the fiscal year ended March 2022. In the fiscal year ended March 2023, we held discussions on decarbonization, organized the items to be considered into the three points of equipment conversion, fuel procurement, and renewable energy demand, and began concrete deliberations.
 - Total Scope 1 and 2 GHG (CO₂) emissions in the fiscal year ended March 2023 were 1,121 thousand tons, a reduction of 145 thousand tons (11.4%) compared to the baseline emissions in the fiscal year ended March 2020.

▶ Page 33 GHG (CO₂) Emissions Reduction

- 2 The generation capacity (currently in operation) of our renewable energy business as of March 31, 2023 is 3.7 GW. We expect to expand it to 7.0 GW* by March 31, 2025, and our goal is to expand to 10 GW by March 2030.

* 1.0 GW of which is scheduled to be sold, so ORIX's holdings will be 6.0 GW.

▶ Page 34 Promoting the Renewable Energy Business

- 3 In November 2021, we began disclosing information in line with the TCFD information disclosure framework. We are conducting scenario analyses of our Environment and Energy, Real Estate, Auto, Aircraft and Ships, Finance (Japan, United States, and Asia and Australia), and Life Insurance businesses. Regarding Scope 3 (GHG emissions in the value chain), we have roughly estimated the scale of emissions from the Auto, Aircraft and Ships, and Real Estate businesses, and the power generation and electric power retail business in the Environment and Energy segment, as well as

emissions from investees and borrowers (Category 15).

- ▶ Page 35 Information Disclosure Based on TCFD Recommendations
- ▶ Page 83 ESG Data (Scope 3)

- 4 We are promoting a business that supports waste recycling and processing, as well as a business that facilitates the reuse, recycling, and proper processing of unwanted goods.

▶▶▶ [Promoting the Circular Economy and Reducing Waste](#)

- 5 Three local subsidiaries in the Asia and Australia segment (in Indonesia, Malaysia, and Australia) aim to reduce their credit balance in industries that have a high environmental impact. As part of this process, they consider both business and regional characteristics when ascertaining which borrowers to target, as well as assessing the possible reduction impact.

- The credit balance (on a local currency basis) to industries with high environmental impact as of March 31, 2023 decreased compared to the fiscal year ended March 2020 for all three local subsidiaries.

- 6 Each of our business units strives to provide environmentally friendly products and services.

▶▶▶ [Contributing to Society through Our Business Activities](#)





Status of Initiatives to Address ESG-related Material Issues and Key Goals



Social

Material Issues and Focus Areas to Reduce Social Risks, Including Human Rights Risk

- 1 Continue to strengthen our Sustainable Investing and Lending Policy, Code of Conduct, and risk management system to adequately cover new and emerging social risk areas.
- 2 Share a common and agreed respect for fundamental human rights with all of our stakeholders such as support for the UN Universal Declaration of Human Rights, worker health and safety, diversity, inclusion and non-discrimination.
- 3 Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive working environment that promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

Key Goals

- Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 2030.

Status of Initiatives to Address Issues and Goals

- 1 We prohibit investing and lending in projects related to organizations and sectors / business activities that are social risks. We have set a key goal of reducing the balance of investing and lending in business areas with high environmental risks.

▶ Page 36 Sustainable Investing and Lending

- 2 We have formulated and disclosed a human rights policy that refers to the United Nations' Universal Declaration of Human Rights, the International Labour Organization's International Labour Standards, and the United Nations' Guiding Principles on Business and Human Rights, among other documents, and require all parties inside and outside the Company to respect human rights. Our Sustainable Investing and Lending Policy stipulates that human rights risk is a key factor in investment and credit-related decisions.

In 2019, we first analyzed the risk of human rights violations in the Group by business area. Since 2022, we have been undertaking human rights due diligence in line with norms such as the UN Guiding Principles on Business and Human Rights. We conducted desktop analysis to specify and assess negative impacts in the value chain by business area, business region, and stakeholder, and identified highly serious issues. We are considering starting a fact-finding survey to address items that are assumed to have a high priority.

In addition, the compliance department is discussing specific measures to prevent or mitigate the risk of human rights violations.

As a remedy system in the event of human rights violations, we have set up a compliance hotline for consultation and reporting that can be used not only by our own employees but also by external

parties such as clients and suppliers, and we have announced it on our website.

▶ Page 36 Initiatives for Human Rights

- 3 We are working to promote the creation of comfortable workplaces where diverse human resources can play an active role, rewarding workplaces where they can demonstrate their abilities and expertise, and workplaces where they can continue to work for a long time in good physical and mental health. We will achieve this through the development of various systems that incorporate the opinions of employees.

▶ Page 42 Human Resources Strategy

▶▶▶ [Human Resources Strategy to Support Sustainable Growth](#)

- As of March 31, 2023, the ratio of female managers in ORIX Group is 29.8% for ORIX Corporation and 25.7% for our 10 domestic Group companies.





Status of Initiatives to Address ESG-related Material Issues and Key Goals



Governance

Material Issues and Focus Areas to Strengthen Governance Based on Transparency, Compliance, and Integrity

- 1 Continue to strengthen the independence of the Board of Directors so that the Board may provide appropriate and effective oversight over the management's business execution from an independent and objective perspective.
- 2 The Group CEO will be responsible for all execution matters including responding to these material issues under the oversight of the Board of Directors.
- 3 Emphasis on client satisfaction and developing and offering sustainable products and services.
- 4 Endeavour to gain and keep the trust of our clients in all of our business areas.
- 5 Promote a strong culture of compliance with all applicable laws and regulations, including paying our fair share of taxes.

Key Goals

- Outside directors to account for over half of the composition of the ORIX Group Board of Directors by the General Meeting of Shareholders set to be held in June 2023.
- Female directors to account for over 30% of the composition of the ORIX Group Board of Directors by the end of the fiscal year ending March 2030.

Status of Initiatives to Address Issues and Goals

- 1 2 We have established a sound and highly transparent corporate governance system. We are also taking the following measures to strengthen our system:
 - Increase the diversity of directors.
 - Evaluate the effectiveness of the Board of Directors and implement an action plan to improve its effectiveness based on the evaluation results.
 - We have introduced a compensation scheme for executive officers that evaluates contributions to business performance as well as medium- to long-term results.
 - We have begun reflecting the status of ESG initiatives in executive compensation, with the aim of encouraging executives to take the initiative in addressing ORIX Group's ESG issues.
 - From the fiscal year ended March 2022, the status of ESG initiatives was added as a qualitative evaluation item for the division performance indicator for annual bonuses for executive officers.
 - From the fiscal year ending March 2024, ORIX Group's progress in achieving ESG-related key goals will be added to quantitative evaluation items for the president, senior managing executive officers, and managing executive officers.

▶ Page 50 Corporate Governance
 - 3 4 We carefully ascertain our customers' intentions, so that they can select the most suitable products and services, and we strive to propose products and services that meet their objectives. In order to provide and recommend products and services that are suitable for customers, we strive to acquire excellent work experience, specialized knowledge, and skills as professionals. Each business unit is committed to providing sustainable products and services.
 - ▶▶▶ [Proper Consideration of Our Customers](#)
 - ▶▶▶ [Contributing to Society through Our Business Activities](#)
 - 5 The Code of Conduct stipulates that ORIX employees must "comply at all times with all applicable laws, rules and regulations and ORIX Group policies and rules" and "understand and comply with tax laws, regulations and ORIX Group policies and rules."
 - ▶▶▶ [Tax Policy](#)
- Since January 2022, the ratio of outside directors has been 54.5% (of all 11 directors, 6 are outside directors).
 - As of June 2023, the ratio of female directors is 18.1% (of all 11 directors, 2 are female directors).





Addressing Climate Change

1. GHG (CO₂) Emissions Reduction

Addressing Climate Change

Confronting climate change is a key theme that must be addressed on a global scale. Ongoing global warming in the absence of effective countermeasures will cause drastic climate change that will significantly impact the global environment. Against this backdrop, carbon neutral initiatives to reduce greenhouse gas (GHG) emissions to virtually zero have swiftly been gaining traction worldwide.

ORIX has made addressing climate change one of its material issues, and has stated its intent to proactively promote the renewable energy business, reduce GHG emissions in its own businesses, and comply with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have also set the key goals of reducing ORIX Group GHG (CO₂) emissions by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030, and achieving net zero emissions by the end of the fiscal year ending March 2050.

ORIX will continue to proactively respond to the risks and opportunities brought about by climate change through its diverse businesses. We will also utilize the TCFD information disclosure framework to strengthen climate change-related governance and risk management through scenario analysis. Based on such measures, we will disclose more specific information on ORIX's climate change initiatives to our stakeholders.

Information Disclosure Based on TCFD Recommendations

ORIX announced its support for the TCFD in October 2020. In November 2021, we began disclosing information in line with the TCFD information disclosure framework.

▶ Page 35 Information Disclosure Based on TCFD Recommendations

GHG (CO₂) Emissions Reduction Goals and GHG (CO₂) Emissions

• GHG (CO₂) Emissions Reduction Goals

ORIX has set GHG (CO₂) emissions reduction goals as follows:

- (1) Reduce GHG (CO₂) emissions by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030.
- (2) Achieve net zero GHG (CO₂) emissions by the end of the fiscal year ending March 2050.

ORIX Group GHG (CO₂) Emissions (Baseline Emissions) in the Fiscal Year Ended March 2020

(Unit: Thousand tons CO₂e)

	Emissions	(Scope 1)	(Scope 2)
Environment and Energy Segment	1,089	1,069	20
– Two coal-biomass co-fired power plants	941	939	1
Real Estate Segment	85	19	66
Total of other segments	93	18	74
Total	1,266	1,107	158

▶▶▶ See [here](#) for details on ORIX Group GHG (CO₂) emissions (baseline emissions) in the fiscal year ended March 2020.

• GHG (CO₂) Emissions

Total Scope 1 and Scope 2 emissions in the fiscal year ended March 2023 were 1,121 thousand tons. Compared to the baseline emissions, this was a decrease of 145 thousand tons. Emissions from the two coal-biomass co-fired power plants amounted to 793 thousand tons, accounting for 70.7% of the total.

ORIX Group GHG (CO₂) Emissions

(Unit: Thousand tons CO₂e)

	FY ended March 2020 (Baseline Emissions)	FY ended March 2023
Scope 1	1,107	982
Scope 2	158	140
Total	1,266	1,121

▶ Page 82 ESG Data ▶▶▶ [Environmental Performance Data](#)

We have roughly estimated the scale of Scope 3 emissions (GHG emissions in the value chain) for the following businesses:

Emissions from Auto, Aircraft and Ships, Real Estate, the power generation and electric power retail business in the Environment and

Energy segment, and investees and borrowers (Category 15).

▶ Page 83 ESG Data

Initiatives to Reduce Emissions

• Environment and Energy Segment: Coal-biomass Co-fired Power Plants*1

Aiming for a 50% reduction in emissions by the end of the fiscal year ending March 2030, we are considering measures including refitting equipment to move to pure biomass combustion and switching to next-generation fuels such as hydrogen and ammonia. If it is deemed difficult to achieve the reduction, we will consider closing the facilities, so we recorded an impairment of ¥19.6 billion in the fiscal year ended March 2022. In the fiscal year ended March 2023, we held discussions on decarbonization, organized the items to be considered into the three points of equipment conversion, fuel procurement, and renewable energy demand, and began concrete consideration.

*1 Soma Coal-Biomass Power Plant (Soma City, Fukushima Prefecture, started operation in March 2018, with generation capacity of 112 MW), Hibikinada Coal-Biomass Power Plant (Kitakyushu City, Fukuoka Prefecture, started operation in December 2018, with generation capacity of 112 MW).

• Real Estate Segment

We have formulated a plan to make gradual reductions toward a 50% emissions reduction goal by the fiscal year ending March 2030. Our main reduction initiatives are as follows:

- (1) Make equipment upgrades ahead of schedule at properties we own or operate, and introduce energy-saving equipment, etc.*2
- (2) Adopt renewable energy at properties we own or operate*3
- (3) Use non-fossil certified renewable energy*4 and purchase J-credits*5

In the fiscal year ended March 2023, we achieved the target amount of reduction. Emissions are expected to increase in the fiscal year ending March 2024 due to an increase in the operation of operating facilities, and we will work toward a gradual reduction by conserving energy and introducing power from renewable energy.

*2 For properties where we have the authority to renovate facilities.

*3 Install solar panels in logistics facilities developed by ORIX Real Estate, and use renewable energy in those facilities, but if surplus power is generated, supply the environmental value of surplus power to other properties such as office buildings and lodging facilities.

*4 Appropriate for emissions based on electricity usage, which is difficult to reduce in (1) and (2) above.

*5 Appropriate for emissions based on usage other than electricity.

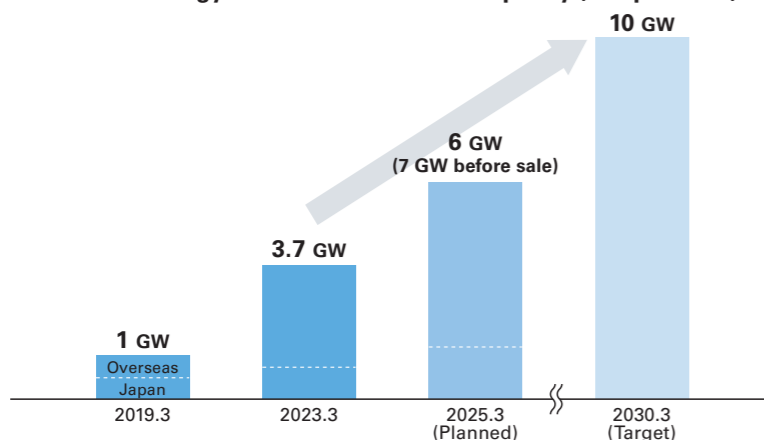
2. Promoting the Renewable Energy Business

Initiatives for Renewable Energy through Our Power Generation Business

ORIX operates power generation businesses around the world as a global renewable energy company. As of March 31, 2023, our generation capacity of power plants in operation around the world, including Japan, was 3.7 GW^{*1}. Elawan Energy (100% share) and Greenko (approx. 20% share) lead business growth, with Elawan Energy having 11 GW^{*2} and Greenko having 18 GW^{*2} in total generation capacity in operation, under construction, or in development. As of March 2025, we expect to expand the generation capacity of power plants in operation to 6 GW^{*1} (7 GW^{*1} before considering sale). Our goal is to expand to 10 GW^{*1} by March 2030.

Also, in Japan, we are promoting broader adoption of renewable energy through our business of operation, management, and maintenance of power plants that use renewable energy, the energy storage plant business, and the introduction of a third-party ownership model for solar power generation systems.

Renewable Energy Business Generation Capacity (In Operation)^{*1}



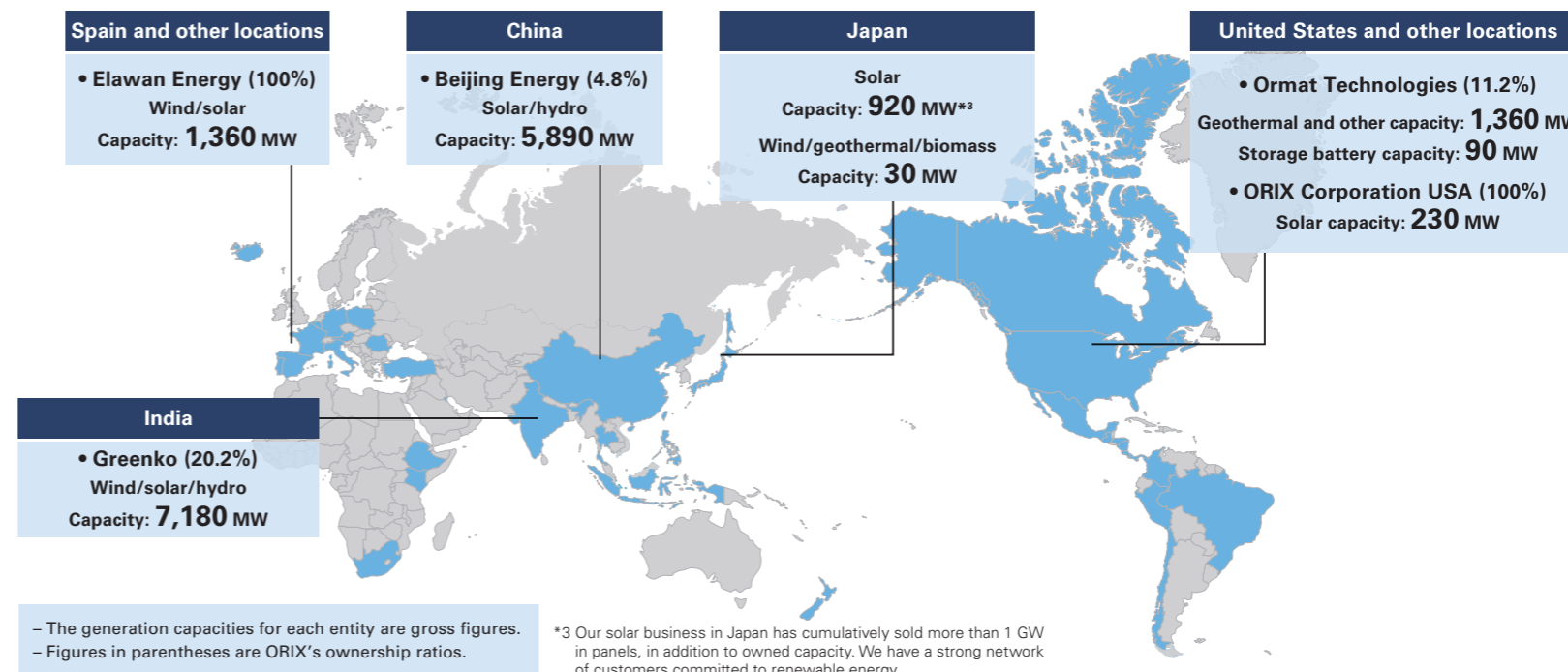
^{*1} Net figures that take into account the Company's ownership ratio. If the individual project is a joint venture, we also consider the investment ratio.

^{*2} Gross figures before taking into account the Company's ownership ratio.

Note: 2023.3 denotes the fiscal year ended March 2023.

▶▶▶ [Environment and Energy](#)

Global Expansion of Renewable Energy Business (As of March 31, 2023)



CO₂ Avoided Emissions

CO₂ avoided emissions at our renewable energy businesses totaled approximately 4.7 million tons for the fiscal year ended March 2023. The year-over-year increase was approximately 0.4 million tons. This was mainly due to both an increase in power generation and the start of operations of new renewable energy power plants at Elawan Energy, as well as an increase in ORIX's ownership ratio in the firm in the fiscal year ended March 2023.

Breakdown by country, region, and generation type is as shown in the chart on the right.

CO₂ Avoided Emissions through the Renewable Energy Business

(Unit: Thousand tons CO₂)

	Wind Power	Solar Power	Geothermal Power	Hydro Power	Biomass	Total
India	1,163	615	0	392	0	2,170
Japan	0	452	0	0	198	650
U.S.A.	301	31	289	0	0	621
China	39	114	0	0	0	153
Others	651	213	189	14	0	1,067
Total	2,155	1,425	477	406	198	4,661

▶ Page 83 ESG Data ▶▶▶ [Environmental Performance Data](#)



3. Information Disclosure Based on TCFD Recommendations

Information Disclosure Framework / Governance, Strategy, Risk Management, and Metrics and Goals

We disclose climate change-related information in line with the four TCFD pillars, as follows:

Governance

Board Oversight of Climate-related Risks and Opportunities

The Board of Directors provides leadership and guidance for ORIX Group's sustainability. It oversees climate-related risks and opportunities and determines ESG-related material issues and key goals

At a meeting in 2023, the Board of Directors heard performance reports for the fiscal year ended March 2023 in the following areas.

- (1) Progress toward ESG-related key goals
- (2) Expansion of the coverage of scenario analysis based on TCFD recommendations

Execution Framework for Assessing and Managing Climate-related Risks and Opportunities

The Group CEO chairs the Sustainability Committee. Committee members include people in charge of segments most directly related to ESG, and other participants will attend as needed so the committee can flexibly accommodate an evolving agenda.

The committee will also call on external experts as necessary.

The Sustainability Committee discusses specific measures to achieve goals as well as conflicts arising between short-term earnings and long-term growth. It also holds discussions on measures to reduce climate change risk based on TCFD recommendations, share information on developments in Japan and internationally that are relevant to sustainability, and discuss matters to report to the Board of Directors.

▶ Page 29 Sustainability Promotion and Governance Structure

Strategy

Climate-related Risks and Opportunities the Organization Has Identified

Climate-related risks and opportunities include physical risks and opportunities brought about by the increase in natural disasters associated with climate change. They also include transition risks and opportunities associated with the transition to a decarbonized society resulting from more stringent climate-related regulations and changes in corporate and consumer preferences.

We expect the following will materially impact ORIX Group:

• Physical Risks and Opportunities

ORIX is exposed to physical risks including higher costs due to business suspension and preventive measures or repairs for damage to operating facilities and offices, higher operating and construction expenses resulting from higher temperatures, higher credit costs from damage to customers, and loss of asset value from damage to investees.

• Transition Risks and Opportunities

ORIX is exposed to transition risks including business suspension, loss of asset value, stranded assets due to more stringent regulations, higher costs associated with carbon emissions, higher credit costs due to deterioration in customer performance, and decreased corporate value of high GHG-emission investees. Associated opportunities include increasing demand for renewable energy.

Scenario Analysis

We updated our scenario analysis in line with the update to the reference scenarios.

See [here](#) for scenario analysis assumptions and analysis results.

Risk Management

The Investor Relations and Sustainability Department has started discussions with departments that handle risk management on establishing a climate-related risk management framework.

Metrics and Goals

Metrics and Goals Used to Assess and Manage Relevant Climate-related Risks and Opportunities

ORIX identified the following four key goals related to climate:

- Reduce ORIX Group GHG (CO₂) emissions by 50% by the fiscal year ending March 2030 compared to the fiscal year ended March 2020.
- Reduce ORIX Group GHG (CO₂) emissions to net zero by the fiscal year ending March 2050.
- Reduce investment in and lending to industries* that emit GHG (CO₂) by 50% by the fiscal year ending March 2030 compared to the fiscal year ended March 2020.
- Reduce investment in and lending to industries* that emit GHG (CO₂) to zero by the fiscal year ending March 2040.

* Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

▶ Page 33 GHG (CO₂) Emissions Reduction

Scope 1, 2 and 3 GHG Emissions

▶ Pages 82-83 ESG Data

ORIX Group companies Robeco and ORIX Asset Management also disclose information as per TCFD recommendations. Please refer to their respective reports for further details:

▶▶▶ [Robeco](#)
▶▶▶ [ORIX Asset Management](#)



Initiatives for Human Rights

Policies and Principles

Core Principle of Our Sustainability: Respect human and labor rights

ORIX recognizes that it has a social responsibility to fulfill in its business activities as a corporation, and that respect for human rights is essential as part of that responsibility. The ORIX Group Sustainability Policy states “Respect human and labor rights” as one of our core principles that should be implemented in all aspects of our business.

Respect human and labor rights

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

Our Approach to Human Rights: Human Rights Policy

In September 2019, we established the ORIX Human Rights Policy as concrete action guidelines for respecting human rights. It expresses our commitment to promoting initiatives to respect human rights within the Group and to requesting that our clients and suppliers conduct business activities that respect human rights.

▶▶▶ [ORIX Human Rights Policy](#)

Our Response to the UK Modern Slavery Act 2015

ORIX annually renews and discloses its Modern Slavery Act Statement based on the UK Modern Slavery Act 2015.

▶▶▶ [Response to the United Kingdom’s Modern Slavery Act 2015](#)

Issues/Initiatives

Material Issues

- Share a common and agreed respect for fundamental human rights with all of our stakeholders such as support for the UN Universal Declaration of Human Rights, worker health and safety, diversity, inclusion, and non-discrimination.

Initiatives

- Since 2022, we have been undertaking human rights due diligence with reference to international norms such as the UN Guiding Principles on Business and Human Rights. We conducted desktop analysis to specify and assess negative impacts on human rights, and identified highly serious issues. We are considering starting a fact-finding survey to address items that are assumed to have a high priority. In addition, the compliance department is discussing specific measures to prevent or mitigate the risk of human rights violations.
- As a remedy system in the event of human rights violations, we have set up a hotline for consultation and reporting that can be used not only by our own employees but also by external parties such as clients and suppliers, and we have announced it on our website.

▶▶▶ [Our Efforts to Achieve Respect for Human Rights](#)

Sustainable Investing and Lending

Policies and Principles

ORIX recognizes that sustainability matters, which involve environmental, social, and governance themes, may have material impacts on the organization’s long-term risks and opportunities, and that considering sustainability in decision-making is an extremely important and essential requirement for doing business. We believe that incorporating sustainability requirements into the consideration of investing and lending initiatives helps us better understand the risks and opportunities associated with our businesses and initiatives, resulting in benefits for our customers and shareholders.

ORIX formulated its ORIX Sustainable Investing and Lending Policy in September 2019 with the mission of implementing sustainable investing and lending. Based on this policy, potential investing and lending transactions submitted to the Investment and Credit Committee (“ICC”)*1 go through screening from an ESG perspective using the Sustainable Investing and Lending Checklist. The ICC decides whether to green light the project after thorough consideration regarding the environmental and social effects of each individual transaction, and may disallow a matter if it determines that the involved counterparty poses environmental or social risks.

*1 The Investment and Credit Committee is an executive body composed of senior managers and executive officers responsible for investment and lending. The committee discusses transaction proposals that exceed specified amounts.

▶▶▶ [ORIX Sustainable Investing and Lending Policy](#)

Issues/Goals/Initiatives

Material Issues

- Continue to strengthen our Sustainable Investing and Lending Policy, Code of Conduct, and risk management system to adequately cover new and emerging social risk areas.
- Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.

Key Goals

- For investment and credit balance in GHG (CO₂) emitting industries*2, (1) reduce the balance by 50% compared to the fiscal year ended March 2020 by the end of the fiscal year ending March 2030, and (2) achieve a zero balance by the end of the fiscal year ending March 2040.

*2 Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Initiatives

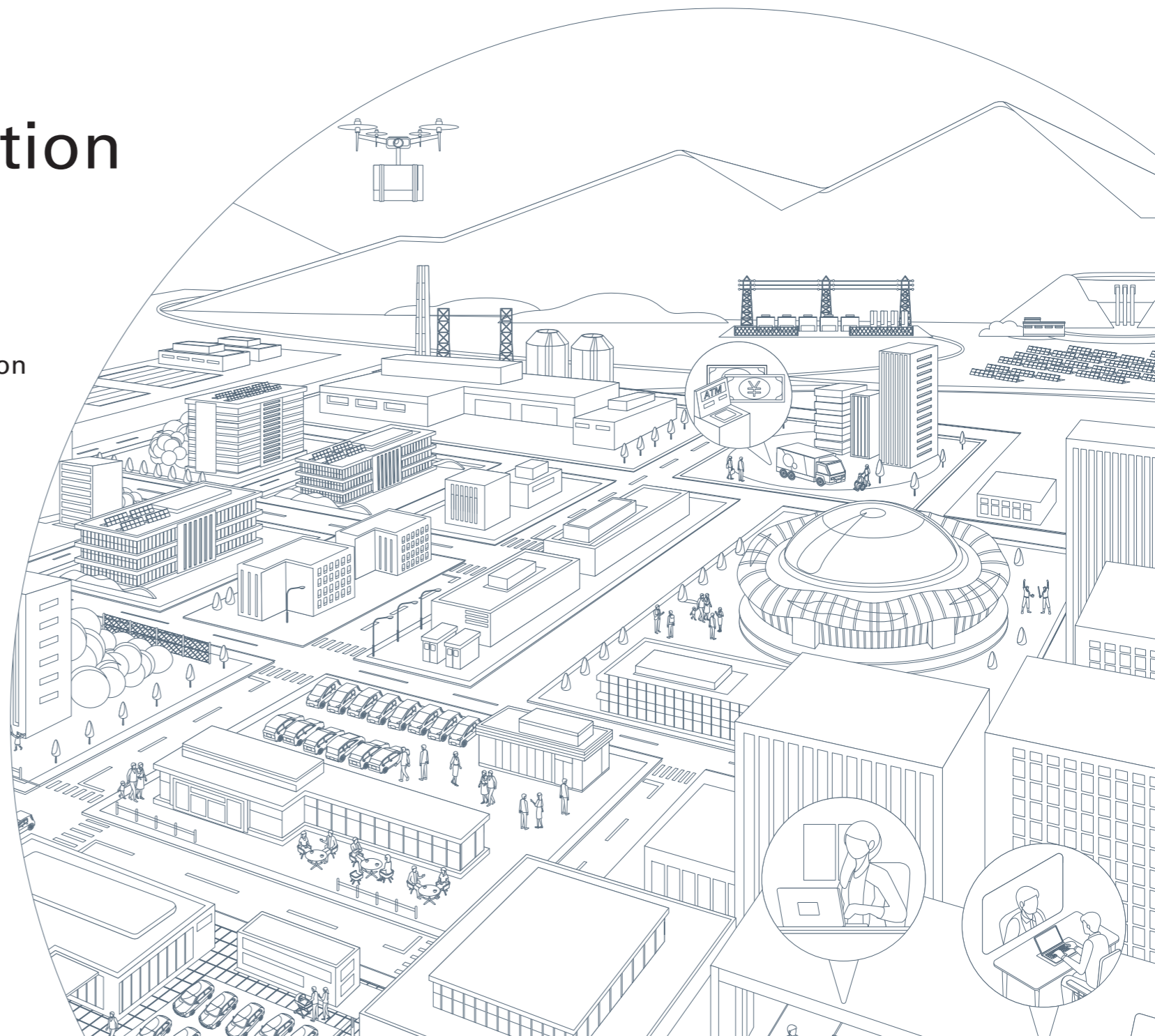
- See [here](#) for initiatives to promote sustainable investing and lending.



Management Foundation that Supports Sustainable Growth

This section introduces ORIX's management foundation that supports medium- and long-term value creation.

Financial Strategy and Capital Policy	38
Human Resources Strategy	42
Risk Management	46
Promoting a Digital Transformation	49



Financial Strategy and Capital Policy



Hitomaro Yano

Executive Officer

Corporate Function Unit

Responsible for Treasury, Accounting, Corporate Planning, Investor Relations and Sustainability

Profile

Joined ORIX in June 1989. Became Executive Officer, Corporate Function Unit Responsible for Treasury, Accounting, Corporate Planning, Investor Relations, and Sustainability in January 2023, following posts including General Manager of Treasury Department, Deputy Head of Treasury and Accounting Headquarters and Head of Treasury and Accounting Headquarters.

Management Conscious of Cost of Capital and Share Price

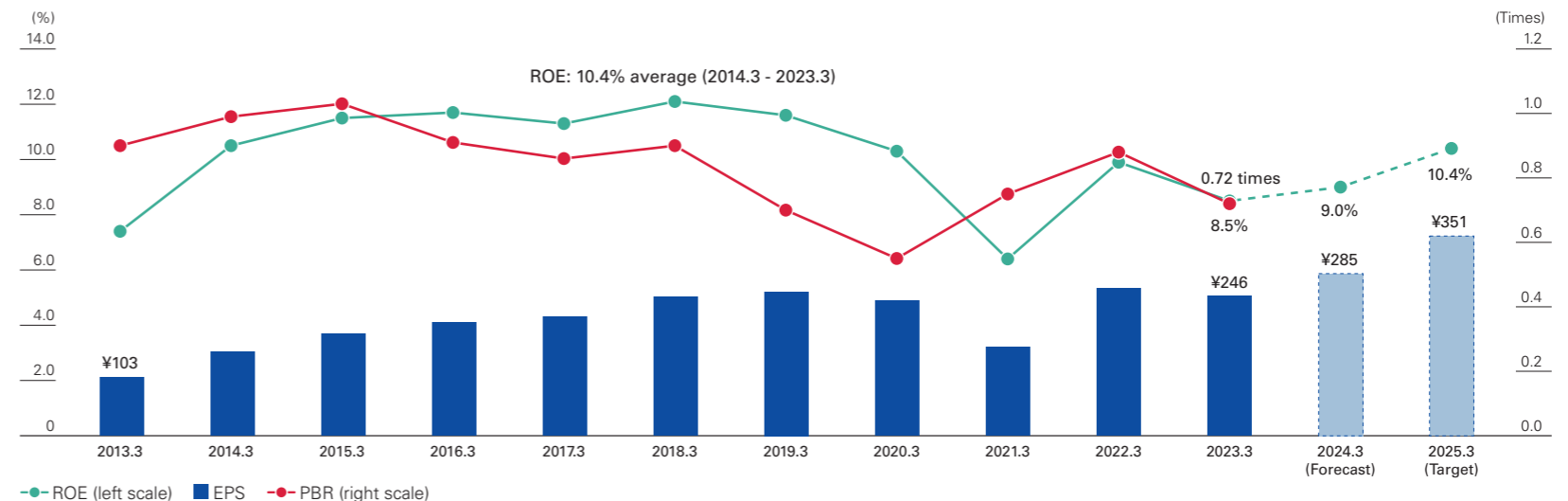
On March 31, 2023, the Tokyo Stock Exchange declared that corporations with a price book-value ratio (PBR) below 1.0 may have issues with market recognition of their capital profitability and potential for sustainable growth. To this end, it requested all listed corporations to analyze their current situation, devise initiatives, and engage in dialogue with shareholders. Since ORIX's PBR is currently below 1.0, we will begin by aiming to achieve that level, then follow up with further improvement. We therefore consider it essential to improve ROE and to help shareholders and investors further deepen their understanding of ORIX through improved disclosure and dialogue.

An analysis of historical data indicates a clear correlation between ROE and PBR, so we can expect improvement in ROE to lead to an increase in share price and recovery in PBR. Sustainable profit growth is of the utmost importance for this purpose. Concurrently, we will improve ROE by controlling the size of shareholders' equity at an

appropriate level—in other words, by optimizing the balance between investment and shareholder returns while considering capital adequacy to achieve the most efficient use of capital.

We will also continue working to improve information disclosure for investors, with an emphasis on clarity. For example, our presentation materials for the fiscal year ended March 2023 streamlined our profit targets up to the fiscal year ending March 2025 by reclassifying ORIX Group's 10 segments into four categories, dividing domestic business into financial and non-financial categories, and overseas business into ORIX USA / ORIX Europe and other. We also presented our main new investments and exits from existing investments in the fiscal year ended March 2023, along with examples from the past 10 years, in an effort to deepen investor understanding of our capital recycling by enabling them to verify our long-term track record in this area.

ROE, EPS, and PBR





Financial Strategy and Capital Policy

Communication with Institutional Investors

We are working proactively to expand opportunities for dialogue with shareholders and investors in Japan and overseas. Our investor relations (IR) activities are spearheaded by the Group CEO and conducted primarily by the officer and department responsible for IR. Our two offices in Tokyo and New York held more than 500 investor meetings during the fiscal year ended March 2023. The CEO personally conducts presentations at semiannual financial results briefings, and we are increasing opportunities for face-to-face meetings with major institutional investors both in Japan and abroad.

Recently, an increasing number of inquiries and requests from investors concern our individual businesses and their management. In response, we intend to enhance thematic explanations of each business. We are also aware of investors' great interest in the details of discussions on corporate governance and succession at the Board of Directors and other internal meetings that include outside directors, and believe such information should be made available as well.

Number of Events Held per Year (FY ended March 2023)

One-on-one meetings with institutional investors	Approx. 500
Briefings for analysts and institutional investors	4 (quarterly)
Overseas road-shows (on-site)	5
Securities company-sponsored conferences	10
Briefings for individual investors	1

Control of Capital and Debt

As I mentioned previously, we want to control the size of shareholders' equity at an appropriate level, and to so do, we believe it is essential to deliver shareholder returns while maintaining financial soundness to enjoy the benefit of low cost funding. We will therefore seek and maintain an optimal level of leverage. ORIX has been continuously lowering its leverage ratio amid the global trend toward lower interest rates spurred by the 2008 financial crisis. This is because the business model of capitalizing on interest rate spread has become less profitable, forcing us to expand and shift our business domain from financing to operating and investment, heightening the need for us to ensure a shareholders' equity ratio commensurate with the risks inherent in our operating assets and types of business.

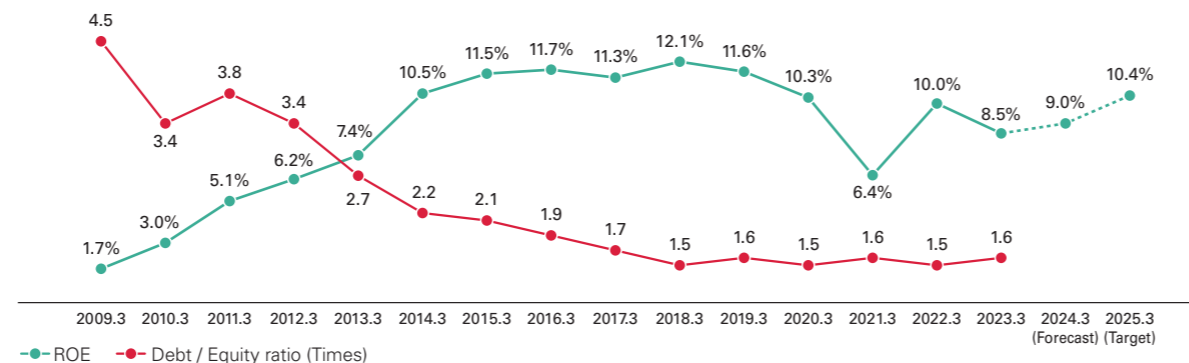
A lower leverage ratio is not necessarily better. To continue to achieve 11% ROE after we reach the 10.4% ROE target for the fiscal year ending March 2025, it is essential for us to keep engaging in highly profitable businesses while using shareholders' equity efficiently. We must control leverage at an appropriate level by being conscious of the cost of capital while maintaining financial soundness.

For example, ORIX independently measures the amount of risk (risk capital) in its assets and businesses, and calculates the employed capital ratio as the ratio of risk capital against shareholders' equity.

This ratio has been constantly trending at around 90% for the past five years, reflecting sale of assets and accumulation of internal capital reserves, though it may temporarily rise due to the execution of a large-scale investment. We are committed to investment with superior return on capital while ensuring shareholders' equity at an adequate level vis-à-vis risk capital.

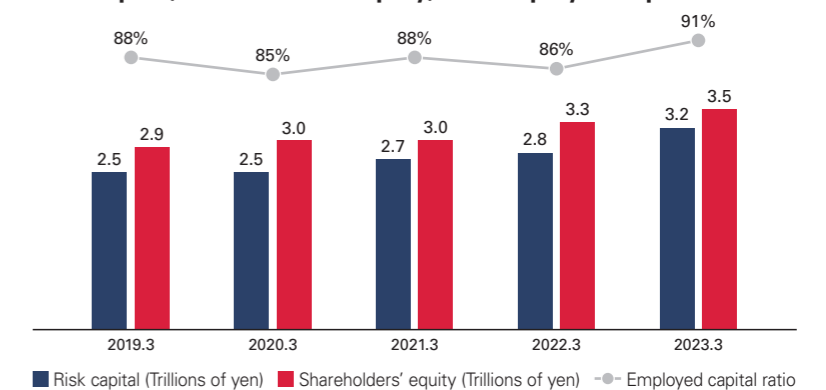
To reflect this approach to cost of capital in building its portfolio, ORIX is quantifying profitability by comparing return on invested capital (ROIC) with weighted-average cost of capital (WACC) calculated based on the capital structure required in each business unit. We require higher ROIC and thus a higher level of WACC in a business unit with a higher shareholders' equity ratio, such as those involved in investment. We use ROIC and WACC as one of our approaches to business administration, and the Board of Directors is considering measures to improve the business portfolio utilizing ROIC spread (difference between ROIC and WACC). Use of the ROIC spread involves consideration of mid- to long-term growth based on an outlook over multiple years, as single-year profit may fluctuate depending on the characteristics of the business. For business units with a negative ROIC spread, we will consider future business plans and the prospect of improvement in profitability.

ROE and Debt/Equity Ratio (excluding Deposits)



Note: 2023.3 denotes the fiscal year ended March 2023.

Risk Capital, Shareholders' Equity, and Employed Capital Ratio*



* Employed capital ratio is the ratio of risk capital to shareholders' equity. ORIX calculates risk capital based on historical maximum decrease for all assets.

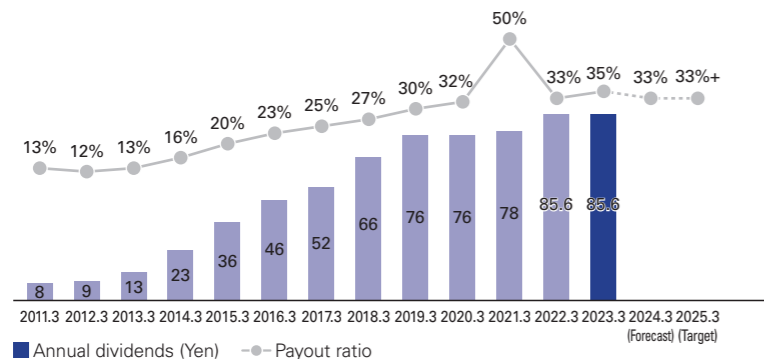


Financial Strategy and Capital Policy

Shareholder Returns

Based on the approach described above, ORIX's Board of Directors established our fundamental policy for shareholder returns, which is to allocate one-third of net income to dividends, one-third to new investments, and the rest to capital reserves or other flexible forms of shareholder returns. We view dividends as stable, ongoing shareholder returns. The Medium-term Direction designates a payout ratio of 33% or a dividend in the same amount as the previous fiscal year, whichever is higher, for the fiscal year ending March 2024, and 33% or higher for the fiscal year ending March 2025. Just how much higher than 33% the payout ratio will be in the fiscal year ending March 2025 will be considered going forward, but I expect it to demonstrate our stance of focusing more on dividends, due in part to the scheduled termination of our shareholder benefit program at the end of March 2024. ORIX has paid dividends that were equal to or

Dividends per Share and Payout Ratio

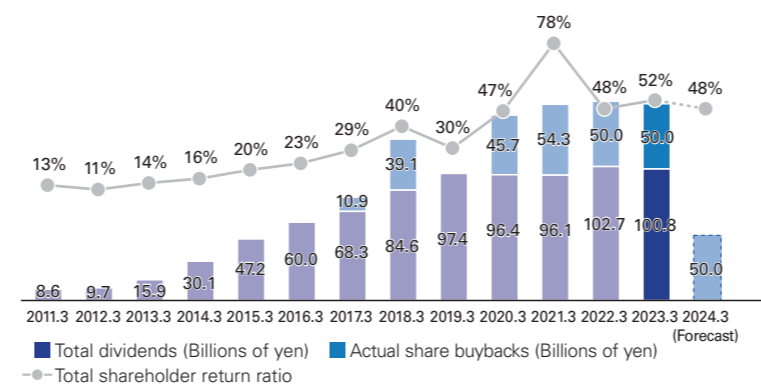


Note: 2023.3 denotes the fiscal year ended March 2023.

greater than the previous fiscal year's dividend for each of the past 12 fiscal years, and we are determined to deliver still higher dividends commensurate with our mid- to long-term profit growth by maintaining a 33% payout ratio.

Each fiscal year, we will allocate a certain portion of profit to internal capital reserves to make new investments for sustainable growth. While ORIX has a healthy investment appetite with abundant opportunities in the pipeline, we are very cautious in making final decisions on any investments. Depending on the market environment, we may sometimes hold off on investments for a while, in which case we will flexibly implement shareholder returns through share buybacks rather than accumulating surplus funds. We currently conduct share buybacks regularly, and this stance will continue in the future.

Share Buybacks and Total Shareholder Return Ratio



Credit Ratings

One source of ORIX Group's competitiveness is its ability to raise funds stably at low interest rates, and we remain conscious of external credit ratings and evaluation by financial institutions to maintain financial soundness. That said, our view of financial soundness may differ from that of rating agencies, which emphasize accountability based on rigorous application of rating criteria and comparison with industry peers in assigning ratings. This discrepancy may at times leads to actions involving our credit rating, especially where a large-scale investment is involved. We believe we should avoid management decisions that miss out on a good investment opportunity because of excessive concern for maintaining current credit ratings. We will avail ourselves of investment opportunities we consider to be good risks based on our own careful analysis, and work to ensure solid financial soundness even if our views differ from the criteria and analytical methods adopted by rating agencies. We also hold regular meetings with representatives of rating agencies to exchange opinions. Through this dialogue, we strive to help them understand ORIX's management and its future direction. We also adopt their suggestions if we consider them effective for maintaining financial soundness, thereby achieving sustainable growth while maintaining financial soundness.

Credit Ratings (As of June 2023)

Rating Agency	Credit Rating
S&P	A- (Watch Negative)
Moody's	A3 (Stable)
Fitch	A- (Stable)
R&I	AA- (Stable)
JCR	AA (Stable)



Financial Strategy and Capital Policy

Asset-Liability Management (ALM)

Since the assets and liabilities ORIX holds involve inherent risks from exposure to the impact of interest rates, exchange rates and other financial market trends, we have established internal regulations concerning ALM to monitor these risks from multiple perspectives. For example, for interest rate fluctuation risk, we start by measuring the assumed risk amount for each currency against the allowable risk amount set at the beginning of the period, then determine the sensitivity of assets and liabilities and the amount of impact on financial condition when interest rates fluctuate. Through these and other types of monitoring, we determine future debt financing policies and implement risk hedging using derivatives as necessary. As a general rule, we hedge foreign exchange risks by raising funds in the

same currency as our operating assets and our overseas investments denominated in foreign currencies.

Another critical aspect of ALM is dealing with liquidity risk. We manage liquidity to ensure uninterrupted cash flows along with the ability to repay debt even in the face of emergencies such as a financial crisis. For liabilities, we control liquidity on hand at an optimum level within a necessary and sufficient range by extending the funding period or staggering the redemption period to avoid concentration of maturities within a narrow timeframe. We strive to keep liquidity on hand at an appropriate level by conducting regular stress tests based on a hypothetical financial crisis.

Conclusion

ORIX will continue capital recycling and maintain its policy of emphasizing profitability while controlling asset size. Promising opportunities in the pipeline alone amount to around ¥1.5 trillion (as of May 2023). We expect renewable energy, private equity investment, asset management, and aircraft-related investment to drive growth as we work toward our net income target for the fiscal year ending March 2025. As we accumulate these investment assets, we will proactively sell businesses and assets in response to market conditions. In line with such asset side activities, we will use a variety of financing methods on the funding side including domestic and overseas capital markets, borrowings from financial institutions, project finance, and asset securitization. We consider agile financial management in response to constantly changing market trends to be a key role of our treasury department.

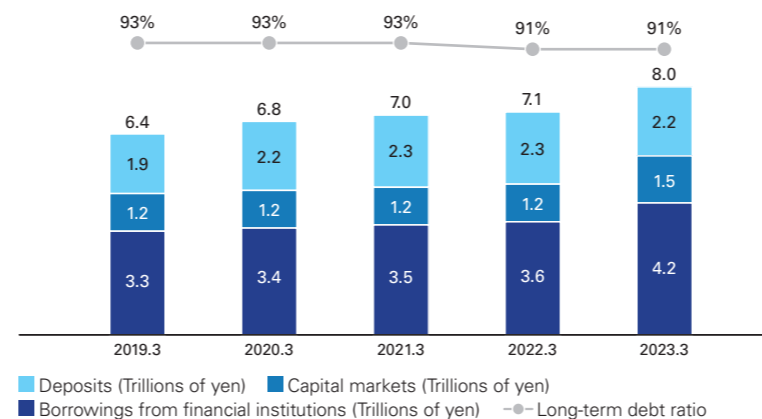
Interest Rate and Forex Sensitivity

Interest rate sensitivity* ¹	<ul style="list-style-type: none">• Japanese yen, US dollar: Negligible• Euro: -¥2 to -¥3 billion
Forex sensitivity* ²	<ul style="list-style-type: none">• +¥1.5 billion

*¹ Sensitivity of pre-tax profits assuming a 1% increase in interest rates lasting for 12 months.

*² Sensitivity of pre-tax profits assuming ¥1 depreciation lasting for 12 months.

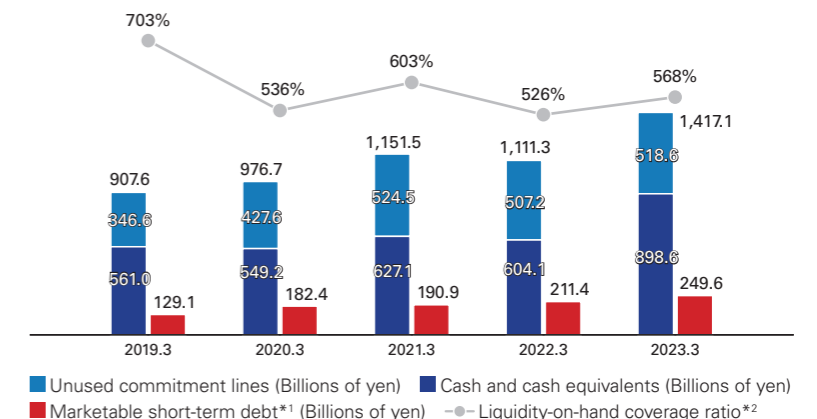
Funding Structure and Long-term Debt Ratio*



* Excluding deposits.

Note: 2023.3 denotes the fiscal year ended March 2023.

Liquidity on Hand



*¹ Total amount of current portion of bonds, MTN and CP balance.

*² Liquidity on hand (Unused commitment lines + Cash and cash equivalents) / Marketable short-term debt.

Human Resources Strategy

ORIX's Human Resources Strategy



Tomohiko Ishihara

Executive Officer
Corporate Function Unit
Responsible for Human Resources,
Corporate Administration and Corporate Communications
Responsible for Secretariat of the Board of Directors

Profile

Joined ORIX Asset Management & Loan Services in May 2002, and ORIX in October 2005. Previously worked at Mitsui Trust and Banking Company (currently Sumitomo Mitsui Trust Bank). Engaged in legal affairs at ORIX Asset Management & Loan Services, and in the formation of regional revitalization funds and various business investment projects at ORIX. In 2023, became Executive Officer Responsible for Human Resources, Corporate Administration and Corporate Communications in the Corporate Function Unit.

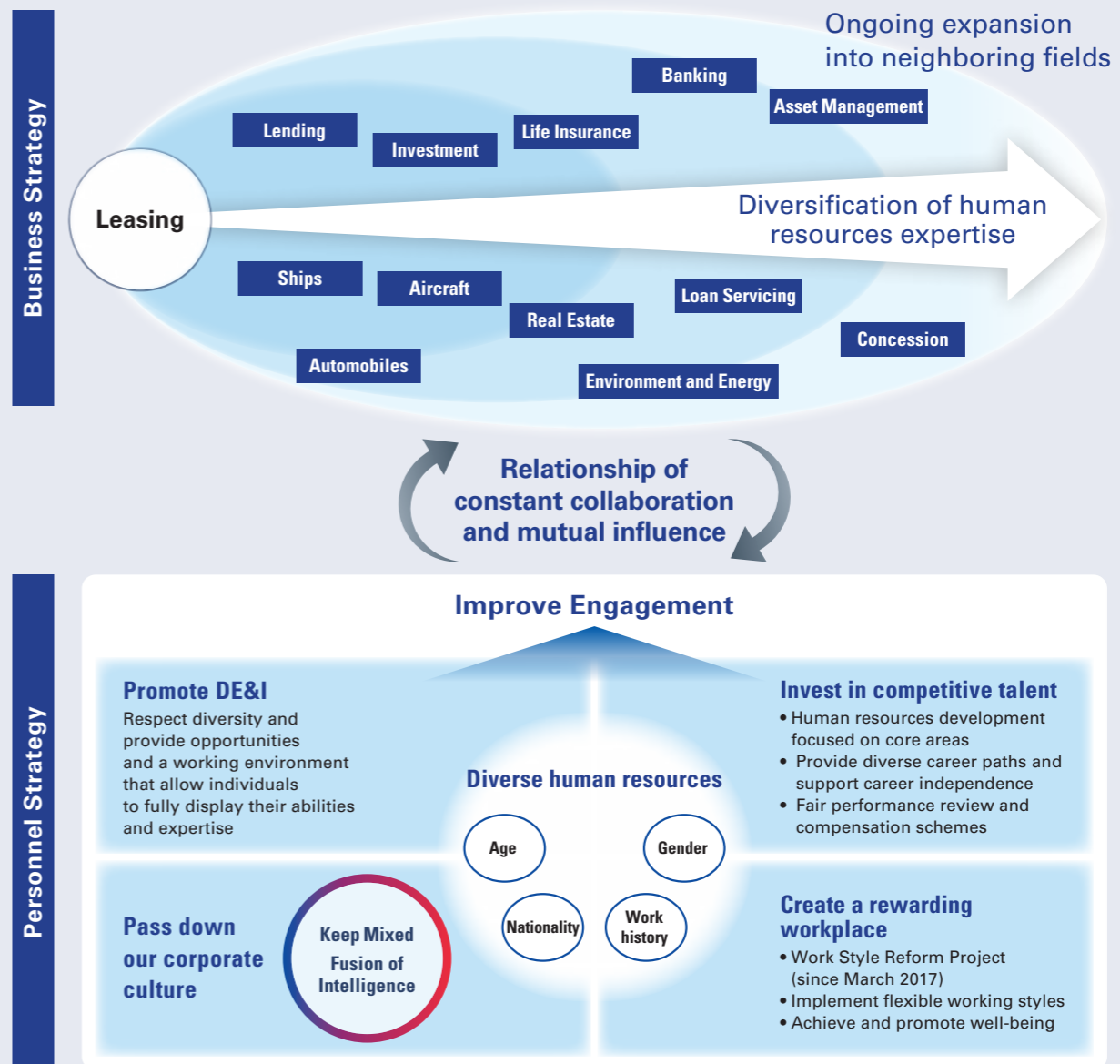
ORIX was established as a leasing company in 1964, and has expanded its business into a series of neighboring fields.

The leasing business requires expertise in two areas: financing and tangibles (properties). Our expertise in financing that started with leasing has now broadened to lending, business investment, life insurance, banking, and asset management, while our expertise in tangibles has expanded from ships, aircraft, industrial / ICT equipment, automobiles, and real estate to the loan servicing, environment and energy, and concession businesses. In addition, since we initiated overseas operations in Hong Kong in 1971, we have expanded our international presence to 28 countries and regions as of March 2023.

This growth has been shored up by ORIX's human resources. However, expanding business fields and creating new value cannot necessarily be achieved with existing human resources and expertise alone. In addition to accepting diverse employees regardless of nationality, age, gender, or work history, and creating a working environment where everyone can play an active role, we need a corporate culture that organically connects the expertise of new employees with existing expertise to take on challenges in new fields. At ORIX, we refer to the former as "Keep Mixed" and the latter as our "Fusion of Intelligence." These are values that have arisen spontaneously within ORIX as its corporate culture that has been handed down uninterrupted since the founding of ORIX.

Business growth and human resource development are intimately linked as the two wheels of a chariot. The more a business grows and expands, the more diverse and deeper the expertise of its employees becomes. ORIX has therefore focused on building a foundation for its human resources so it can flexibly shift its human resource portfolio without slowing business development. In addition to our focus areas of private equity investment, environment and energy, and asset management, we are also developing specialists in the field of governance that supports global expansion, the promotion of digitalization, and the field of IT and information security, as well securing external talent.

Looking ahead to medium- and long-term business development, we will develop employees who can use their familiarity with our existing fields to go the extra step in adding value, and secure talent who can immediately put their expertise to work in new fields. By synergizing these two approaches, we aim to achieve sustainable growth.

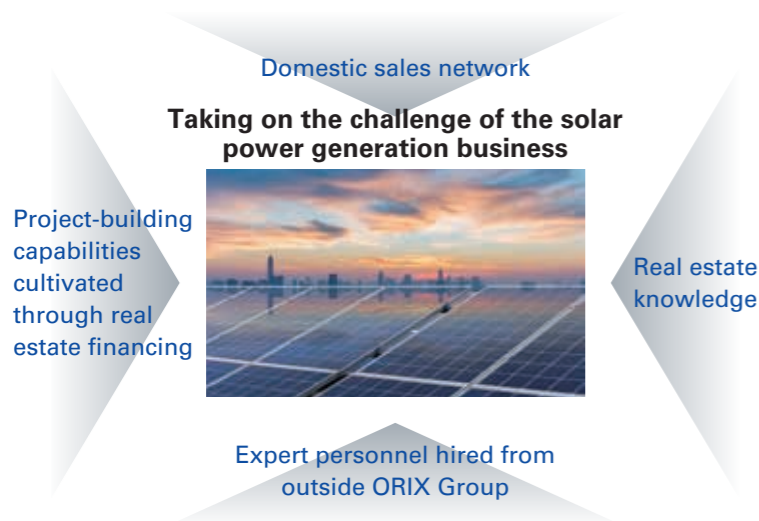


Human Resources Strategy

Strengths of ORIX's Human Resources

Case Study 1: Environment and Energy

Around 2013, when ORIX began a full-scale rollout of its solar power generation business in Japan, it made full use of the project-building capabilities, documentation, and other expertise of its personnel in real estate development and equity investment. In addition, the domestic network of our Corporate Financial Services enabled us to quickly commercialize our business and grow into a leading player in the solar power generation business in Japan.



Case Study 2: Concession

When the concession model was introduced to Japan, ORIX took on the challenge of this new business by combining the shared knowledge it had cultivated in financial services with the expertise and diverse business experience of each department, including real estate, private equity investment in Japan and overseas, corporate financial services, treasury, and credit. We are also utilizing this experience in the MICE-IR project that is currently under way.



Corporate Culture and the Working Environment That Supports It

In ORIX's corporate culture, employees with diverse backgrounds collaborate to create new value. We believe that flexible and rapid adaptation to a changing environment and enjoyment in taking on challenges in new areas are both values that must be passed down to new employees. ORIX conducts an annual employee satisfaction survey (morale survey) to monitor for changes in these core values, and through feedback to department heads, uses the results to identify current issues and reflect them in various initiatives.

The morale survey also provides a fixed-point understanding of employee job satisfaction and ease of working, which is analyzed by gender, age, and other attributes, as well as by department and length of service. At the same time, we revitalize the organization by conducting stress checks and sharing organizational analysis reports with department heads to create a workplace where all employees can work in a healthy and safe manner.

While directly incorporating employee feedback, we have launched a Work Style Reform Project with the aim of creating a comfortable and rewarding working environment. Through these activities, we are instilling a culture that recognizes diverse values and work styles.

Through efforts to improve productivity and to achieve and promote employee well-being in response to a changing environment, we aim to create a workplace where all employees can continue to demonstrate their full potential.

Human Resources Strategy

Promoting Diversity, Equity, and Inclusion in Human Resource Development

ORIX Group's most important asset is its human resources. The source of ORIX Group's growth is the creation of new value through a "Fusion of Intelligence" of diverse values and expertise. To continue providing new value, it is essential to ensure not only diversity in conventional attributes such as nationality, age, gender, and work history, but also diversity in perspectives and ways of thinking, based on our concept of "Keep Mixed."

We must therefore not merely promote diversity as a means of fostering a culture that accepts diverse knowledge and values, and inclusion as a means of developing an environment where diversity spurs friendly competition. We believe that it is also necessary to further promote the concept of equity. This means that we provide support tailored to each employee's area of expertise and background, and implement personnel measures that enable all employees to continue to play an active role.

Support for Independent Career Building

To develop such human resources, it is important for each employee to set clear goals for their own career, to strive proactively for self-improvement toward those goals, and ultimately to increase the value of their expertise and experience through their own business activities. ORIX has established various systems in support of these efforts.

Our distinctive programs such as the internal internship system (a system that enables employees to work in a department of their choosing for a certain period of time) and the career challenge system (a system that enables employees to directly request a transfer to the department of their choosing) help employees build independent careers and proactively take on challenges by experiencing various Group operations while remaining ORIX employees.

In the fiscal year ending March 2024, we started an online course with our employees as instructors to further support independent career building. In this course, employees from each department who are familiar with its business not only talk about their work and the appeal of their jobs, but also introduce their careers and the self-

improvement they are working on. Having actual employees talk not only makes their work feel closer and grants a deeper understanding of ORIX Group's businesses, but also provides an opportunity to draw a more concrete career path by clarifying the skills required and the details of self-improvement.

We also provide rank-specific training, programs to acquire specialized skills according to the work of each department, and an online learning platform where employees can equitably learn a wide range of content regardless of time and place. Average annual training hours per employee at ORIX Corporation in the fiscal year ended March 2023 was 24 hours, and the average annual training cost was ¥98,646.

Metrics and Targets for Promoting DE&I

One of our ESG-related material issues is to continue to improve employee satisfaction by respecting the diversity of our employees and creating an equitable and inclusive working environment that

promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

In addition to hiring new university graduates in Japan, ORIX is also focusing on hiring mid-career employees that bring new knowledge and hiring new university graduates overseas. Mid-career hires accounted for 70.0% of ORIX Corporation's hires in the fiscal year ended March 2023. As of March 31, 2023, 40.3% of our employees are mid-career hires and 1.9% are foreign nationals. In addition, female employees account for 44.2%.

Through the practice of ORIX's human resource strategy "Keep Mixed," we consider the promotion of active participation by women to be one of the benchmarks for participation in decision-making and equal leadership opportunities for employees with diverse backgrounds. We have set and are promoting an increase in the ratio of female managers as one of our key goals.

Key Goal

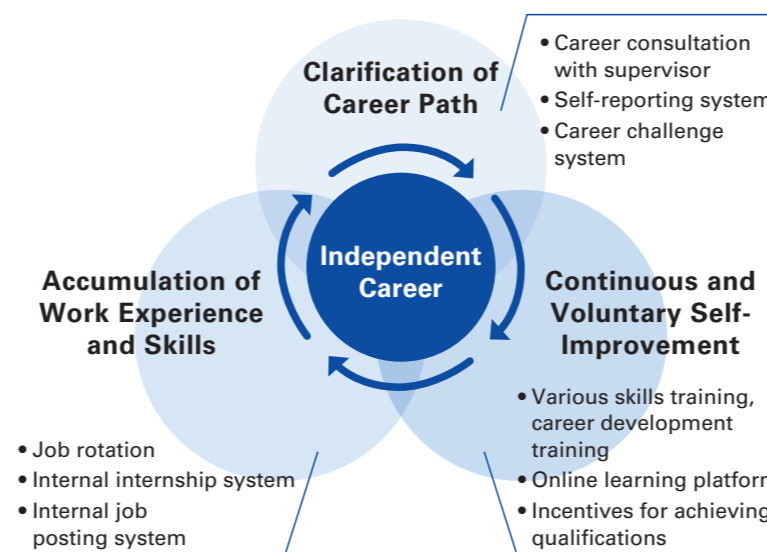
Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 2030.

—As of March 31, 2023, the ratio of female managers in ORIX Group was 29.8% at ORIX Corporation and 25.7% at the 10 Group companies in Japan*.

* The 10 Group companies in Japan refers to ORIX, ORIX Auto, ORIX Rentec, ORIX Asset Management & Loan Services, ORIX Real Estate, ORIX Eco Services, ORIX Life Insurance, ORIX Bank, ORIX Credit, and ORIX Computer Systems. ORIX Corporation and the nine other Group companies jointly operate part of their human resources and personnel systems based on ORIX Group's personnel strategy.

See here for details.

- ▶▶▶ [Human Resources System](#)
- ▶▶▶ [Performance Review and Compensation Scheme](#)
- ▶▶▶ [Human Resource Development System](#)
- ▶▶▶ [Health Promotion System](#)
- ▶ Page 84 ESG Data





Human Resources Strategy

Viewing ORIX's Human Resources and Corporate Culture through Its New Business Initiatives and Interdepartmental Collaboration



Nobuki Watanabe

Executive Officer
Group Strategy Business Unit
Responsible for CEO's Office
and New Business
President,
ORIX Capital Corporation

Profile

Joined ORIX in August 2001. Previously employed at Daiwa Securities Co., Ltd. At ORIX, has been mainly engaged in business investment, and involved in many projects such as the acquisitions of Robeco and Yayoi, participation in the Kansai International Airport concession, and investment in Avolon Holdings Limited. After serving in positions including General Manager of New Business Development Department and Assistant to Responsible for Group Strategy Business Unit, appointed Executive Officer Responsible for CEO's Office and New Business in the Group Strategy Business Unit in January 2023 (to present).

Knowledge and Know-How Accumulated through Interdepartmental Collaboration Lead to Improvement of the Entire Organization

In conducting M&A and business investment, I emphasize an approach of "strategize boldly, execute cautiously." I believe it is important to conceive of bold strategies with a high degree of freedom while carefully considering risk-return tradeoff to identify "good risks" in management decisions.

Balancing the use of the accelerator and brakes is difficult. Therefore, the CEO's Office and New Business Development Department, which I oversee, serve as a middle office that combines the functions of sales and management departments. In particular, we are responsible for execution functions such as due diligence, valuation, and structuring, and support investment and new business projects from their inception. The CEO's Office handles overseas projects, and the New Business Development Department mainly handles domestic projects. Through measures such as seconding members to work concurrently in business units, we move projects forward with a sense of urgency in examining businesses and assessing risks through careful due diligence, even in areas that require specialized knowledge.

By advancing projects together with employees in the field, the department develops a track record of the processes, knowledge, and know-how needed to bring the project to fruition, which also leads to human resource development. Moreover, passing on the knowledge and know-how acquired by experienced employees to younger employees and others creates a cycle that improves the entire organization and further accelerates its responses.

New Business Job Posting System Helps to Foster a Spirit of Challenge and a Corporate Culture of Collaboration

The internal new business idea competition (*Orichare* - ORIX Challenge), which started in 2019, will be held for the fifth time in 2023. This is an initiative to solicit new business ideas lying dormant within ORIX Group, work out business plans together with the *Orichare* promotion staff in the New Business Development Department and external mentors, and commercialize them after undergoing a final internal review.

Through measures including creating teams composed of the members

who drafted the proposal and *Orichare* promotion staff, discussions with external mentors, and questions from officers and external experts, the process of bringing business proposals to fruition contributes not only to the growth of our employees, but also to fostering a spirit of challenge and a corporate culture of collaboration.

Venture Capital Investment That Combines the Expertise of External Talent and the Knowledge of ORIX Employees

In December 2022, ORIX Capital resumed venture capital (VC) investment. Since its founding in 1983, ORIX Capital had been actively engaged in investing activities, investing in 1,655 companies, 216 of which have conducted an IPO. After temporarily suspending new investment due to the 2008 financial crisis, we invited external experts with extensive experience in venture capital and resumed investment activities. By forming a team centered on external staff with an up-to-date awareness of the market and extensive work experience as venture capitalists, together with participation by junior and mid-career employees from ORIX, we will combine the expertise of external talent with the financial knowledge and investment experience of our own employees to conduct VC investment that is unique to ORIX Group.

ORIX Group Purpose Discovery Project

ORIX Group has grown into one of Japan's leading corporate enterprises, with approximately 35,000 employees in 28 countries and regions. As the globalization and diversification of our business advances and more employees with diverse backgrounds work in ORIX Group, since June 2022 we have been conducting a project to specify our Group purpose to foster anew a sense of organizational unity. To match the overall balance of ORIX Group in terms of attributes such as age, gender, and occupation, we have recruited more than 100 employees in Japan and overseas to discuss the strengths of the Group and the value we want to provide to society among diverse project members. Officers as well as employees have been discussing the message that we want to pass on to the next generation.

Risk Management

Approach to Risk Management

ORIX allocates resources in line with Group-wide risk preferences based on management strategies and the strategies of individual business units. We also allocate more resources to business units with growth potential while controlling our balance sheet. We optimize the risk-adjusted allocation of resources by precisely profiling the characteristics of various risks relevant to Group business initiatives worldwide and managing them intelligently according to type and degree of impact.

Risk Management System

The Board of Directors makes decisions about the risk management system as part of the overarching internal control system. ORIX has the requisite risk management systems and techniques in place to address a wide array of risks both comprehensively and individually. These include executive bodies and departments in charge of risk management, comprehensive rules and regulations, investment standards, and limits on value at risk for deals along with relevant reporting and monitoring systems. The Board of Directors receives an annual report on the operational status of the internal control system and its component risk management system.

Group-wide Risk Management System (As of June 30, 2023)



Executive bodies manage risk under the supervision of the Board of Directors. These bodies and their responsibilities are as follows.

1	Deliberates on capital policy, asset and liability management, accounting and taxation, compliance, personnel, and other important management matters. Reports to the Board of Directors as necessary.
2	Deliberates on important matters related to sustainability. Reports to the Board of Directors as necessary.
3	Deliberates on specific investment and lending transactions. Deliberates in the Executive Committee and reports to the Board of Directors as necessary.
4	Deliberates on important matters concerning fundamental IT policies and strategies as well as the introduction and maintenance of IT systems.
5	Aggregates important information, considers needs and methods for timely disclosure, and coordinates disclosure.
6	A forum for all executive officers to share important information related to Group business administration.
7	A forum for business unit managers to discuss strategy and changes in the business environment with top management.

Internal control-related functions laterally identify, analyze, and manage Group risks under their control. They also help business units manage risk.

Business units autonomously manage risk in line with business strategies and plans. They regularly verify risks and returns according to the progress of projects and changes in the external environment.



Risk Management

Risk Factors and Risk Management

Risk Factors	Risk Management	Departments Handling Risks	Executive Bodies Related to Risk Management
External environment-related risk	<ul style="list-style-type: none">Establishment of a system that enables sound financial operation to continue by diversifying our profit structure with diversified business development and by securing sufficient liquidityEstablishment of a disaster risk management system<ul style="list-style-type: none">▶▶▶ Business Continuity Planning (Disaster Risk Management System)Establishment of a system to respond to climate change risks<ul style="list-style-type: none">▶ Page 29 Sustainability Governance Structure▶ Page 35 Information Disclosure Based on TCFD Recommendations	Corporate planning, Credit, Public relations, Public affairs, Investor relations, Sustainability, Treasury, ERM	Executive Committee Sustainability Committee
Credit risk	<ul style="list-style-type: none">When appraising individual projects, comprehensively evaluate the credit recipient's financial condition, cash flow, underlying security interests, profitability, etc.Strengthen credit risk management methods for individual projects and portfolios (obtaining sufficient collateral and guarantees, diversifying industries and credit recipients, controlling exposure to potentially high-risk markets)<ul style="list-style-type: none">▶▶▶ Risk Management System for Investing and Lending	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Business risk	<ul style="list-style-type: none">Thoroughly analyze risk (scenario analysis and stress testing) before executing a business or investmentImprovement of the quality of products and services through regular monitoring as well as evaluation and verification of withdrawal costs, after execution of businesses and investments<ul style="list-style-type: none">▶▶▶ Risk Management System for Investing and Lending	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Market risk	<ul style="list-style-type: none">Establishment of an integrated management system for assets and liabilities (comprehensive understanding and verification system for market risks, using derivative transactions as a means of hedging)	Credit, Treasury, Corporate planning, Accounting, ERM	Executive Committee
Liquidity risk (risk related to funding)	<ul style="list-style-type: none">Promotion of diversification of procurement methodsStrengthen management of liquidity on hand (implementing stress tests of liquidity risk and developing countermeasures, understanding liquidity risks for each country as well as subsidiary and developing countermeasures)	Treasury, ERM	Executive Committee
Compliance risk	<ul style="list-style-type: none">Establishment of an effective compliance structure alongside a corporate culture that values high ethical standards (formulating and implementing a compliance program, establishing internal regulations and promoting compliance awareness through activities to disseminate information, establishing internal and external compliance hotlines)<ul style="list-style-type: none">▶▶▶ Compliance	Compliance, Public relations, Public affairs	Executive Committee Sustainability Committee
Legal risk	<ul style="list-style-type: none">Establishment of a legal compliance and legal risk management system (establishing internal regulations for legal compliance, understanding laws and regulations applicable to each business, and implementing appropriate responses to revisions to the law)	Legal, Accounting, Investor relations, Sustainability	Executive Committee Sustainability Committee
Information and cybersecurity risk	<ul style="list-style-type: none">Establishment of an information system and cybersecurity risk management system (establishing internal regulations, implementing technical measures such as vulnerability management measures for information systems and network protection, establishing systems for response in the event of information security incidents, and implementing measures to reduce the risk of system failures)<ul style="list-style-type: none">▶▶▶ Information Security	Information Security	Information Technology Management Committee
Operational risk	<ul style="list-style-type: none">Establishing, disseminating, and training about internal regulationsEstablishment of systems related to execution of operations<ul style="list-style-type: none">– Building an internal control system for financial reporting– Establishment of a personnel system and a work environment to stably secure diverse human resources<ul style="list-style-type: none">▶▶▶ Human Resources Strategy to Support Sustainable Growth– Continuously strengthen the overall risk management system through monitoring of operational risks by the Audit DepartmentEstablishing system for responding to and preventing recurrence of operational risk incidents, and risk control self-assessment<ul style="list-style-type: none">▶▶▶ Incident Management System	ERM, Human resources, Corporate administration, Accounting, Public relations, Public affairs	Executive Committee Sustainability Committee

Risk Management

Investment Risk Management: Assess and Manage Risks for Both Individual Projects and Portfolios from Entrance Screening to Post-implementation Monitoring



Ikuo Nakamura

Executive Officer
Group Strategy Business Unit
Responsible for Credit and Investment Management

Profile

Joined ORIX in November 1998. Previously employed by The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited). At ORIX, he has had experience in private equity investment and global business (investing in emerging countries and financial business in the Asian region) for approximately 10 years each, and has been involved in credit since 2020. In 2023, he was made Executive Officer responsible for Credit and Investment Management in the Group Strategy Business Unit.

The person responsible for Credit and Investment Management is in charge of assessing and managing the risks associated with investing and lending transactions through the screening and monitoring of various projects as the unit that serves as ORIX'S internal control-related function for credit.

ORIX's businesses are diverse, and screening of investing and lending transactions entails judgments about projects in a wide range of fields, sometimes even unfamiliar ones. Based on profitability analysis encompassing IRR and NOI, efficiency of ROE and ROA, cost of equity capital, and other factors, we verify whether we can secure a sufficient return commensurate with the risk. We identify risks from various perspectives, such as business risks, market fluctuation risks, and asset value fluctuation risks until funds are collected, and together with our legal, accounting, compliance, and other specialized functions, we have built a framework that allows us to analyze a wide range of risks and make comprehensive decisions.

By monitoring the progress of individual projects and changes in the portfolio after making an investment, we have established a system to quickly grasp changes in the business environment and other factors and take necessary measures in a timely manner. For individual projects, we monitor whether there are any changes in business details or circumstances, such as whether the business earnings of each project or progress in the management integration process falls below a certain level. We also monitor whether there are any changes in the entire portfolio, using this information in project screening.

Currently, ORIX Group has accumulated a wide variety of investments under a theme of "capital recycling." Our aim is cyclical business expansion and portfolio optimization from selling investments we hold and allocating those funds to other investments. Recently, the market is uncertain at the global level due to inflation, financial instability, and other factors. While considering optimization of ORIX Group's portfolio, we intend to strengthen our risk assessment of individual projects to stay ahead of sudden changes in the market.

Strengthening ERM Functions: Ongoing Improvements in Risk Management in Response to the Diversified Business and Growth of ORIX Group



Takashi Otsuka

Executive Officer
Group Strategy Business Unit
Responsible for Enterprise Risk Management

Profile

Joined ORIX in May 2020. Previously engaged in risk management at Goldman Sachs Japan Co., Ltd. for over 15 years and was Chief Risk Officer. At ORIX, he has been in charge of strengthening enterprise risk management functions throughout the Group. In 2023, he was made Executive Officer responsible for Enterprise Risk Management in the Group Strategy Business Unit.

At ORIX, we leverage our extensive sales network in Japan and overseas and use our financial knowledge and know-how accumulated over many years to hold discussions with internal control-related functions and make decisions in committees and other bodies. This gives us a robust system for screening individual projects from various perspectives and levels and for post-investment monitoring. As ORIX's enterprise risk management function, the ERM unit is developing and strengthening systems so that we can accurately grasp and evaluate characteristics of various risks related to portfolios made up of these individual projects on a global level, and ensure appropriate management according to the type of risk and the degree of impact on management.

One important tool for this is a dashboard. In collaboration with credit and other related functions, we have started operation of a dashboard that visualizes risk for the entire Group, including financial and non-financial risks. This has been strengthened as a mechanism to share risk information more quickly and systematically with top management and related departments and lead to necessary actions.

Through this mechanism, we can grasp and evaluate the impact of various global events occurring inside and outside ORIX Group, and link the results to actions. In this manner, we have put in place measures that enable risk management in response to the diversified business and growth of ORIX Group.

We intend to continue to improve, enhance, and digitalize our dashboard and other tools for a platform that grasps risk information from various levels and approaches, thus enabling us to respond in the VUCA* era so that ORIX can continue to diversify and grow its business.

* V (Volatility), U (Uncertainty), C (Complexity), A (Ambiguity)



Promoting a Digital Transformation

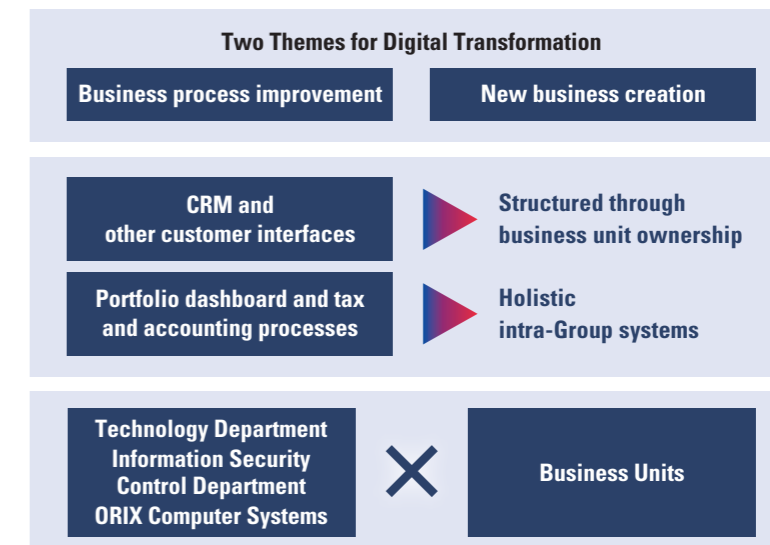
Business Process Improvement and New Business Creation

ORIX is undertaking digitalization to fully deploy the intellectual capital of its accumulated knowledge and expertise. We are therefore digitalizing with due consideration for the diversity of our businesses, which involves striking a balance between what is optimal for each individual business and for the Group at large. We categorize our promotion of digital transformation into two themes: business process improvement from digitalizing and streamlining internal operations, and the use of digital technology and data to create new businesses. ORIX prioritizes business process improvement while creating new businesses, with emphasis on our balanced approach to optimizing both individual businesses and the Group at large.

We have established the Technology Department and the Information Security Control Department as holistic Group organizations that drive digitalization. In addition, ORIX Computer Systems is the lead organization in developing and operating Group systems. These organizations collaborate with business units to

promote a digital transformation. Each business unit has its own people and team specializing in digitalization. The digitalization promoted by business units is based on an approach of discrete optimization. Concurrently, the Technology Department and other organizations manage intra-Group issues including enterprise architecture, governance, and analytics to ensure high-quality holistic optimization.

For example, in systems development, each business unit takes ownership of the development of its customer relationship management (CRM) and other customer interfaces. From the perspective of holistic optimization, intra-Group systems are limited to building dashboard functions that enable rapid business portfolio monitoring and functions related to tax and accounting matters. However, we address large-scale projects such as upgrading core systems where close communication with related departments is required, with a collaborative Group-wide organization.



Promoting Our Digital Strategy



Takuma Nagasawa

Head of Digitization &
Digitalization Office
Corporate Business Headquarters

Profile

Joined ORIX in November 2005 following experience at a startup. At ORIX, has been engaged in financing for customers in the information and telecommunications industry, planning and operation for the new business of providing credit information services, business improvement through the introduction of smartphones, CRM, and other methods, and B2B marketing. Assumed his current position in 2021 with the establishment of the Digitization & Digitalization Office.

In the digital transformation (DX) of the Corporate Business Headquarters, which is the Group's core sales platform, our mission is to integrate customer and Group information, and connect online with customers and partners for a system that appropriately and suitably provides the Group's financing functions and services. In addition, by lowering the threshold for digitalization and DX for the small and medium-size enterprises (SMEs) nationwide who are our main customers as well as for ORIX, we intend to deliver the benefits of digital technology, such as ChatGPT^{*1}, to a wide range of people.

We are therefore currently working for both the reform and digitalization of internal operations and new businesses. For the reform and digitalization of internal operations, we are working to streamline information and to improve productivity and risk management. Our work entails aggregating not just sales information but also core information such as applications, approvals, and contracts in customer relationship management (CRM), and linking it with core systems via API^{*2}. As for new business, we have developed an online storage service that can be used to search and share

documents in compliance with Japan's Electronic Books Preservation Act by simply uploading business documents and digitizing them using AI-OCR^{*3} technology. The service has been launched under the name PATPOST, which connotes instantaneous storage and sharing in Japanese.

Both initiatives are being carried out by an organization for co-creation and in-house production that brings together mainly young mid-career hires with various backgrounds and members of an IT department on loan from ORIX Computer Systems. We are working to acquire design capabilities for businesses and operations premised on digital technology. Our ultimate aim is to use mechanisms that digitalize and link internal information and customer information to create systems that interconnect value from various industrial and academic fields to provide convenience from across ORIX Group to end consumers.

^{*1} ChatGPT: Artificial intelligence (AI) that generates natural text, released by OpenAI of the United States in 2022.

^{*2} API: Application Programming Interface (mechanism for connecting systems and sharing data and functions).

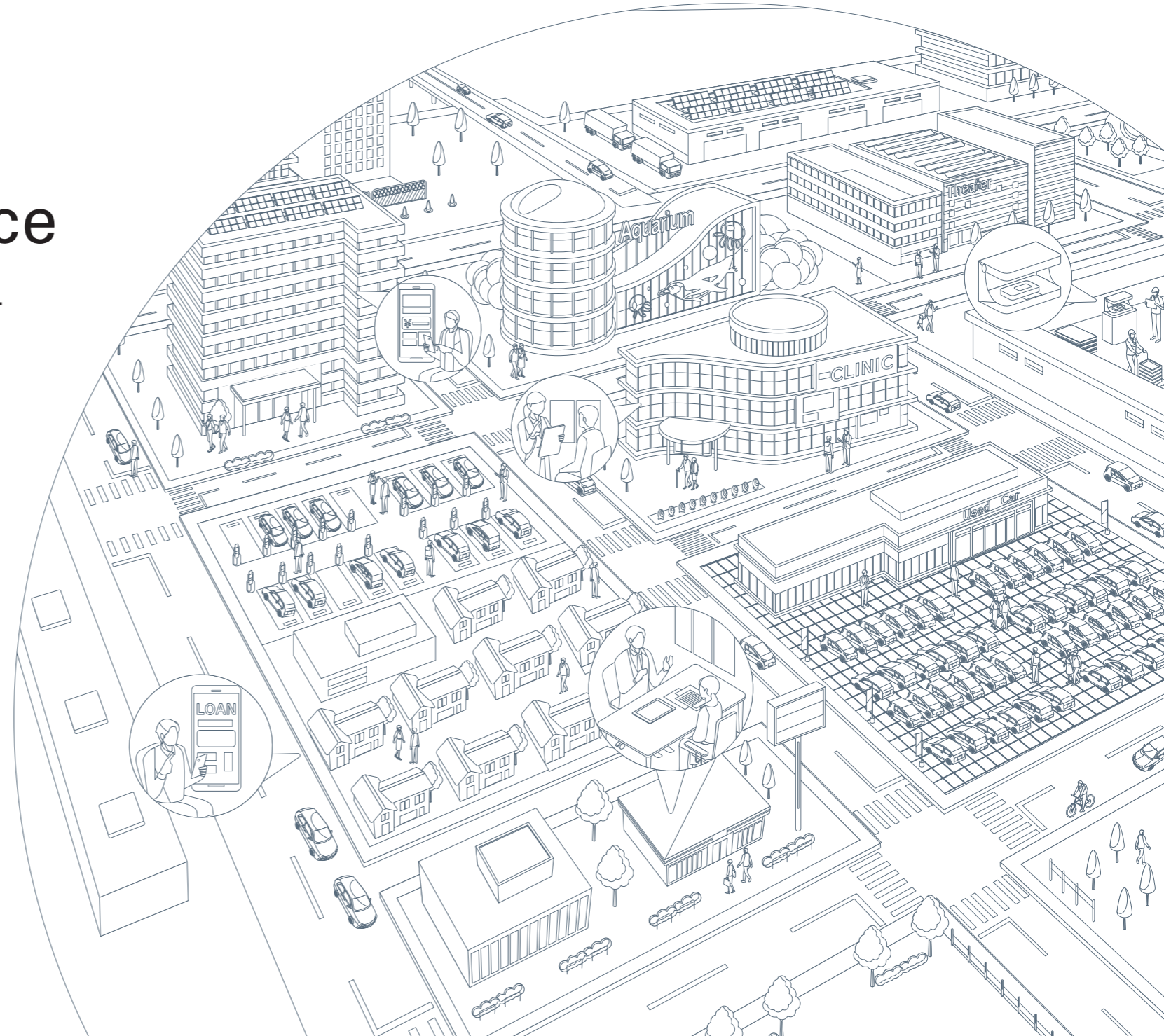
^{*3} AI-OCR: AI-Optical Character Recognition (optical character reader incorporating AI).



Corporate Governance

This section introduces ORIX's system of governance.

Corporate Governance at ORIX	51
Management Team	53
Messages from Outside Directors	55
Evaluation of Effectiveness of the Board of Directors	57
Activities of the Board of Directors and the Three Committees	58
Compensation System	59
Execution of Operations Framework	61
Management Team: Executive Officers and Business Unit Managers	62



Corporate Governance at ORIX

Strengthening corporate governance to help society develop sustainably, to increase corporate value, and to 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 objective 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 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 play a crucial role 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.

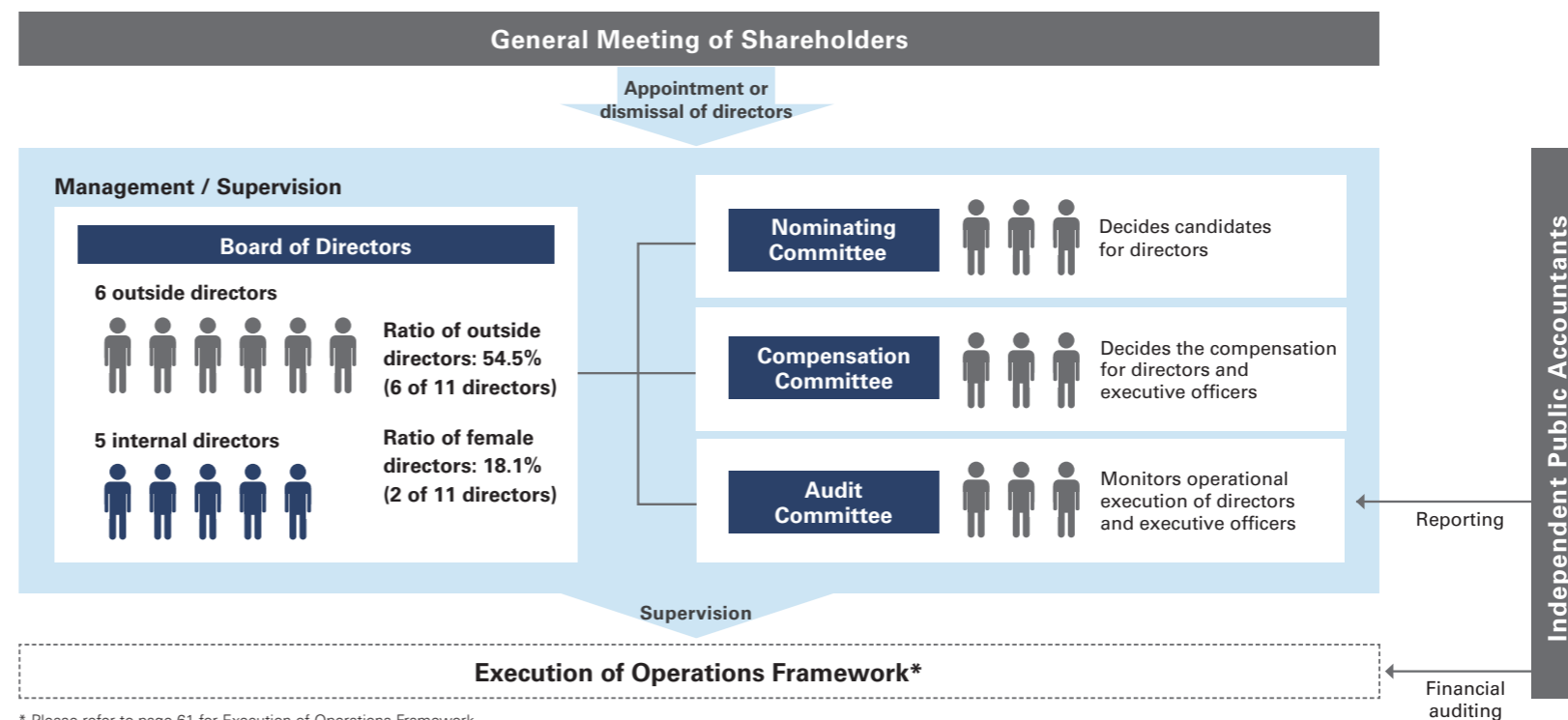
For details on ORIX's corporate governance, please refer to the following:

- ▶▶▶ [Corporate Governance](#)
- ▶▶▶ [Corporate Governance Report](#)
- ▶▶▶ [Form 20-F filed with the U.S. Securities and Exchange Commission](#)

Corporate Governance Framework (As of June 30, 2023)

ORIX's corporate governance system is characterized by:

- Separation of execution and supervision through a "Company with Nominating Committee, etc." board model;
- Nominating, Audit, and Compensation Committees composed entirely of outside directors;
- All outside directors satisfying "Requirements for Independent Directors"; and
- All outside directors being highly qualified in their respective fields.



* Please refer to page 61 for Execution of Operations Framework.



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 achieving sustainable growth. A highly transparent governance framework that enables swift decision-making 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 table on the right 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 supervision 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 53	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 ► Page 54 2022 Outside directors comprise the majority of the Board of Directors	<ul style="list-style-type: none">• Strengthen supervision• Ensure objectivity in determining risk by using people with diverse backgrounds• Operation led by outside directors
Evaluation of Effectiveness of the Board of Directors ► Page 57	2016 Evaluation of effectiveness of the Board of Directors initiated 2022 Appointment of an outside consulting firm Key initiatives to improve effectiveness implemented since 2016: Going paperless; establishing occasions exclusively for outside directors to exchange opinions; providing information on investor perspectives; and setting up opportunities to explain mid- to long-term strategies of business units to outside directors	<ul style="list-style-type: none">• Sufficiently study Board of Directors agenda items and improve the quality of deliberation• Incorporate the third-party perspective of an outside consulting firm in evaluations• Strengthen the system for sharing information among outside directors• Help outside directors deepen their understanding of businesses• Understand investors’ concerns
Compensation System ► Page 59	1997 Introduced stock option plan 2002 Abolished retirement bonuses 2005 Initiated share component of compensation Began reflecting business unit 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 Began reflecting the status of ESG initiatives in qualitative evaluations for annual bonuses in the fiscal year ended March 2022 Began reflecting progress toward ESG-related key goals in quantitative evaluations for annual bonuses in the fiscal year ending March 2024* <small>* Applied to the President, the Senior Managing Executive Officers, and the Managing Executive Officers</small>	<ul style="list-style-type: none">• Improve motivation to contribute to operating results and mid- to long-term results• Promote ESG initiatives and improve motivation to contribute to achieving ESG-related key goals



Management Team

(As of June 22, 2023)

Members of the Board of Directors



Makoto Inoue Age: 70

Member of the Board of Directors, Representative Executive Officer, and 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: 60

Member of the Board of Directors, Senior Managing Executive Officer, and 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).



Satoru Matsuzaki Age: 57

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



Stan Koyanagi Age: 62

Member of the Board of Directors, Senior Managing Executive Officer, Global General Counsel, and Responsible for Legal Function Unit

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 Senior Managing Executive Officer in January 2023 (to present).



Yasuaki Mikami Age: 55

Member of the Board of Directors, Senior Managing Executive Officer, Responsible for Corporate Function Unit, and Responsible for Work Style Reform Project

Profile Joined ORIX in 1990. After serving in positions including Senior Vice President and Treasurer at ORIX USA Corporation (currently ORIX Corporation USA) and Head of Group Human Resources and Corporate Administration Headquarters, appointed Director and Senior Managing Executive Officer in June 2023 (to present).

Outside Directors



Michael Cusumano Age: 68

- Compensation Committee
- Deputy Dean, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology
- Professor, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology
- 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: 60

- Nominating Committee (Chair)
- Founder, Saki Corporation
- Member of the Board of Directors (Outside Director), Sony Group Corporation
- Board of Directors (Outside Director), JAPAN POST HOLDINGS Co., Ltd.
- Member of the Board of Directors (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: 73

- Compensation Committee (Chair) ● Nominating 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: 65

- Audit Committee (Chair) ● Nominating Committee
- Professor, Waseda University, Faculty of Commerce
- Trustee, International Valuation Standards Council
- Advisor of Japanese Institute of Certified Public Accountants
- Audit & Supervisory Board Member (Outside), Sumitomo Riko Company Limited
- Audit & Supervisory Board Member (Outside), IHI Corporation

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



Chikatomo Hodo Age: 62

- Audit Committee ● Compensation Committee

- Outside Director, Konica Minolta Inc.
- Outside Director, Mitsubishi Chemical Group Corporation
- Outside Director, Sumitomo Mitsui Banking Corporation*

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

* Appointed on June 29, 2023.



Noriyuki Yanagawa Age 60

- Audit Committee
- Professor, Faculty of Economics of Graduate School of Economics at the University of Tokyo

Profile Has served as Associate Professor, Faculty of Economics of Graduate School of Economics at the University of Tokyo. Appointed Outside Director in June 2022 (to present).

Please refer to the following for detailed profiles of ORIX's Board members.

▶▶▶ [Profiles of Board Members and Executives](#)



Management Team

Skill Matrix

The skills and experience expected of the directors who supervise ORIX’s multifaceted business activities are as follows.

- “Corporate Management” in order to understand changes in the business environment, and create and implement appropriate growth strategies
- “Global Business,” which is necessary for ORIX as it expands its business globally
- “Finance” and “Business Investment” in order to deeply understand ORIX’s wide range of businesses
- “Business Knowledge” in areas such as tax affairs, accounting, ERM, legal affairs and information technology, which is the basis of decision-making on important management matters

The table below does not represent all the knowledge and experience of each person, but indicates skills and experience that are considered significant.

Name	Gender	Nationality	Years of Service	Committee Membership	Main Skills and Experience, etc. of Members of the Board of Directors				
					Corporate Management	Global Business	Finance	Business Investment	Business Knowledge
Makoto Inoue	Male	Japan	13 years		●	●	●	●	
Shuji Irie	Male	Japan	5 years		●	●	●	●	
Satoru Matsuzaki	Male	Japan	4 years		●	●	●	●	
Stan Koyanagi	Male	USA	6 years			●	●		● (Enterprise Risk Management, Legal)
Yasuaki Mikami	Male	Japan	—		●	●	●	●	
Michael Cusumano Outside Independent	Male	USA	4 years	Compensation Committee					● (Information technology)
Sakie Akiyama Outside Independent	Female	Japan	4 years	Nominating Committee (Chair)	●	●			● (Technology)
Hiroshi Watanabe Outside Independent	Male	Japan	3 years	Compensation Committee (Chair), Nominating Committee	●	●	●		● (International finance, Tax affairs)
Aiko Sekine Outside Independent	Female	Japan	3 years	Audit Committee (Chair), Nominating Committee					● (International accounting)
Chikatomo Hodo Outside Independent	Male	Japan	2 years	Compensation Committee, Audit Committee	●	●			● (Information technology)
Noriyuki Yanagawa Outside Independent	Male	Japan	1 year	Audit Committee			●		● (Economics and financial policies)

Nomination Criteria for Candidates for Member of the Board of Directors Established by the Nominating Committee

- **Internal Directors**
 - An individual with a high degree of expertise related to ORIX’s businesses
 - In addition, an individual with excellent skills in management decision-making and business execution
- **Outside Directors**
 - An individual with abundant experience as a manager of an enterprise
 - An individual with professional knowledge related to corporate management in fields such as economics, business administration, law or accounting
 - An individual with extensive knowledge related to corporate management in areas such as politics, society, culture or academics



Messages from Outside Directors

Heightening Sensitivity to Financial Costs by Understanding Changes in the Environment, Selecting and Focusing on ESG Issues, and Sharing All Employees' Visions for the Future to Follow "the ORIX Way"



Hiroshi Watanabe

Compensation Committee (Chair)
Nominating Committee
(Outside Director since June 2020)

Mr. Watanabe has extensive knowledge and experience as a finance and economic expert both in Japan and overseas, as well as wide-ranging experience in corporate management. He joined the Ministry of Finance Japan and started his career in the Tax Bureau, then served as Director-General of the International Bureau. He then served as Vice Minister of Finance for International Affairs, which is the chief officer of monetary policy, for three years. After retiring from the Ministry of Finance, he served as Deputy Governor of Japan Finance Corporation, as well as Governor of the Japan Bank for International Cooperation, and currently serves as President of the Institute for International Monetary Affairs. He has an extensive human network of financial authorities in various countries and has published books on international financial markets.

Heightening Sensitivity to Financial Costs

Recovery from the COVID-19 pandemic has changed the business environment, as well as global macro indicators and financial policies. To take one example, funds used to be relatively easy to raise, especially in Japan, with little need for concern about the cost of doing so. However, those days are coming to an end. Funding costs have risen, and we have entered an era where we need to know how to make the best use of these high-cost funds. Financing accounts for a large portion of ORIX's business, so it must be more cost sensitive. However, the number of people at ORIX who have experienced a period of high costs has been declining. As someone who remembers such times, I have been talking about this matter at Board of Directors meetings.

Requirements for Global Growth: Regional Management and Appropriate Compensation to Secure Capable Talent

I believe that ORIX's growth potential lies not in Japan but overseas, especially in Asia. However, there is much to do to achieve global growth.

Currently, ORIX's management structure views the Americas as a single economic zone including Mexico and South America, with the United States at its core. However, it treats each Asian country independently. I believe that more than half of global GDP growth going forward will come from Southeast and Southern Asia. ORIX's approach to segmenting the region and putting management systems in place will therefore be important for benefitting from that growth.

ORIX has entrusted operations to local management in each country, but basically oversight of Asia as a

whole is done from Tokyo. I believe that there is room to review this approach and I have brought it up at Board meetings. Also, good people are crucial for ensuring an effective management structure. If ORIX cannot delegate authority, good people will not come aboard. They need to be given a relatively high level of authority and a certain level of discretion.

Another important matter is compensation. Japan's wage system sets compensation too low to recruit world-class talent. To attract capable talent, ORIX should raise its compensation levels and shift to a compensation structure that values those who are valued in the market.

Selecting and Focusing on ESG Issues

Since the fiscal year ended March 2022, ORIX has been factoring the status of ESG initiatives in qualitative evaluations for executive officer compensation. From the fiscal year ending March 2024, this will also be reflected in quantitative evaluations. Nowadays, all companies address ESG as a matter of course, but it is important to select areas of focus. It is not necessary to pursue all 17 of the SDGs, and ORIX should consider what to emphasize and narrow the SDG targets down to five or six to achieve meaningful results.

For instance, ORIX has been active in promoting women's empowerment, but other companies are catching up, so I would like ORIX to take it a step further. It should present a career path to its own female employees who have advanced their careers within the Company for selection as members of the Board of Directors, rather than bringing in candidates from outside the Company. This is an area where ORIX must

act promptly, and I trust it will do so.

Sharing All Employees' Visions for the Future to Follow "the ORIX Way"

Before I was appointed as an outside director in 2020, I was not very familiar with what exactly ORIX does. Now I have a clear understanding of the Company, but sometimes I wonder whether its business portfolio has become a little too broad. Rather than holding onto everything it has incorporated into its portfolio, ORIX should let go of anything that is not in tune with its true nature. Some may think any business is fine as long as it makes a profit. However, holding onto a business may result in overlooking other, more profitable projects. Discarding items is at the very root of the concept of "selection and concentration." In Japan, we are not very proactive about throwing out or breaking up unnecessary things, but I think ORIX should boldly eliminate anything that is not in its future interests.

I also think that ORIX, with its wide range of businesses, should have something to serve as a clear theme that unites the Group. One possible solution is the corporate purpose that is currently being developed. It is important that all employees understand what ORIX is aiming for and where it wants to go. That way, they will all have a clear understanding of ORIX's intentions in the event it decides to eliminate a certain part of its portfolio for future growth.

Rather than simply being satisfied with those aspects where it outperforms its competitors, ORIX should always be moving ahead to further its lead. If it can do so, it should be able to transcend existing frameworks to make ORIX a truly one-of-a-kind entity.



Messages from Outside Directors

Digital Transformation Is Essential for Enhanced Horizontal Integration and Cross-segment Collaboration

Streamlining Data Sharing for Business Success through Digitalization

ORIX has made a notable commitment in the IT space towards advancing digital transformation and enhancing cybersecurity. However, I believe there is still untapped potential for growth in establishing a comprehensive data sharing infrastructure across the entire organization.

Given that ORIX operates as a service company, customer data plays a pivotal role within its core operations. The more effectively ORIX can integrate information platforms from different business units, the greater the scope for emerging business opportunities such as cross-selling or sophisticated investment initiatives.

Such a data sharing infrastructure need not be limited to a single centralized platform, as such an arrangement would be highly challenging for an organization of this complexity. Regional-level data sharing can be a viable alternative provided that there is a robust mechanism in place to preserve confidentiality.

Fostering Horizontal Integration: Unlocking ORIX's Full Potential

ORIX deserves credit when it comes to its ability to vertically manage its business units. Each business unit demonstrates exceptional management practices in isolation. However, to fully unlock the potential of ORIX, there is a need to cultivate a greater degree of horizontal integration by fostering stronger collaboration among

business units. Horizontal integration serves as the driving force that propels ORIX to be more than the sum of its parts.

Of course, the easiest solution is to opt for a holding company structure, where each business unit operates independently. In my opinion, this approach is a defeat, acknowledging the inability to fully harness ORIX's potential and bring the business units together.

While the existing incentives for horizontal integration are noteworthy, I believe that there is still ample opportunity for improvement in this regard. Currently, executive officers are incentivized with a portion of their compensation tied to the overall performance of the Company, which is beyond their scope of responsibility. In contrast, lower-level managers are typically compensated based mainly on their individual areas of responsibility, with little regard to the overall performance of the Company.

To foster horizontal integration, it is essential to implement incentive programs that encompass managers at all levels. A more comprehensive system of incentives represents a significant area of opportunity for further development and optimization.

Empowering Sustainable Business through Collective Knowledge and Risk Sharing

ORIX's operations encompass a range of practical and socially beneficial businesses. The Company's strong dedication to sustainability is evident in its effort in

linking executive officers' compensation to sustainability outcomes. This approach showcases ORIX's commitment to aligning financial performance with environmental, social, and governance considerations.

Moreover, ORIX maintains a unique competitive position that stems from its diverse nature. The ability to harness its broad knowledge base and to share risk collectively empowers ORIX to undertake investments that would be beyond the reach of many other companies. Projects such as the participation in the bid to take Toshiba private and MICE-IR serve as compelling examples of projects that most companies would be hesitant to pursue.

ORIX Board Governance —Confident Path Forward

As an integral part of ORIX's sound Board governance, I offer you my assurance that our Nominating Committee is diligently crafting a comprehensive succession plan to ensure a seamless transition when the time comes. Looking ahead, there will be a heightened reliance on the executive team, instilling confidence in our ability to navigate the transition to the next stage. In this regard, our outside directors exhibit the requisite skillset to lead the Nominating, Compensation and Audit Committees, while insuring continued seamless interaction with the executive team.



Michael Cusumano

Compensation Committee
(Outside Director since June 2019)

Mr. Cusumano, a Japanese management specialist, conducted his doctoral thesis on the Japanese automobile industry at Harvard University. His research expanded to encompass the field of IT, leading to the publication of his book titled *Japan's Software Factories* in 1991. The book was crafted in close collaboration with prominent Japanese companies, namely Hitachi, Fujitsu, NEC, NTT and Toshiba. Building upon his expertise, he served as an Advisor and a Director for Fixstars Corporation, a software company, for 15 years while actively engaging in his academic pursuits at Tokyo University, Tokyo University of Science and Hitotsubashi University.



Evaluation of Effectiveness of the Board of Directors

As a part of efforts to establish a more sound and transparent corporate governance system, ORIX annually analyzes and evaluates the effectiveness of the Board of Directors to ensure the effectiveness of decision-making at Board of Directors meetings. The results of an analysis and evaluation during the fiscal year ended March 2023 confirmed, among other things, that the members of ORIX's Board of Directors have diverse backgrounds, that the majority of participants are outside directors with extensive experience, and that the Board of Directors operates under a system that effectively supervises execution, with most of the decision-making authority for business execution delegated to executives. The results also confirmed that executive officers and the Board of Directors Secretariat are independently working to improve the effectiveness of the Board of Directors. This includes responding to requests from the outside directors and making improvements to issues identified in the evaluation of effectiveness of the Board of Directors, thus fostering a relationship of trust between executives and Board members. Consequently, the Board of Directors of ORIX was evaluated to be functioning effectively.

Summary of Evaluation

Evaluation Procedure	Survey Content
An outside consulting firm conducts a survey and individually interviews all directors based on their responses to the survey. ↓ The outside consulting firm analyzes and evaluates the content of the survey responses and individual interviews. ↓ Results of analysis and evaluation are reported to the Board of Directors. The Board holds discussions and develops an action plan.	<ul style="list-style-type: none">• Composition and operation of the Board of Directors meetings• Corporate strategy and business strategy• Corporate ethics and risk management• Communication and cooperation with stakeholders• Measurement of the effects of responses on policies for issues raised in the previous fiscal year• Effectiveness of the Nominating Committee, the Compensation Committee, and the Audit Committee

Results for Fiscal Year Ended March 2023 and Action Plan for Fiscal Year Ending March 2024

Action Plan for Fiscal Year Ended March 2023 (Prepared in June 2022)	Specific Initiatives and Evaluation Results of the Action Plan for the Fiscal Year Ended March 2023	Action Plan for Fiscal Year Ending March 2024 (Prepared in June 2023)
<p>Deepening discussion of mid- to long-term strategies and future direction was identified as an ongoing issue, and the Board of Directors formulated the following action plan.</p> <p>1) Further strengthen the system for sharing information among outside directors</p> <p>Further strengthen the system for sharing information among outside directors through actions such as regularly holding meetings to exchange opinions among the outside directors only and the establishment of a facilitator to enable more communication with the management side.</p> <p>2) Provide the perspective of investors</p> <p>Expand opportunities to periodically provide the Board of Directors with information from the management side regarding the perspective of ORIX's investors.</p> <p>3) Continue to hold business unit briefings* and make improvements to achieve well-balanced operations</p> <p>Continuously set up opportunities to explain mid- to long-term strategies of each unit to outside directors to further deepen their understanding of the business.</p>	<p>1) Further strengthen the system for sharing information among outside directors</p> <p>Initiative: Held multiple lunches exclusively for outside directors and meetings on themes related to the committees. Evaluation: Improvements were made, but more opportunities should be provided to further deepen discussion.</p> <p>2) Provide the perspective of investors</p> <p>Initiative: Reported to the Board of Directors on policies regarding financial results presentations for and IR feedback from investors and analysts. Evaluation: A certain amount of information was provided. With this as a basis, further discussions are necessary to lead to specific responses.</p> <p>3) Continue to hold business unit briefings and make improvements to achieve well-balanced operations</p> <p>Initiative: Held once a year by all business units. Some business units held them multiple times. Explanations of figures were reduced to focus more to explaining strategies. Evaluation: It would be better to deepen discussions by keeping explanations at briefings to an overview-level to focus on Q&A sessions and discussion.</p>	<p>Deepening discussion of mid- to long-term strategies and future direction was identified as an ongoing issue for this fiscal year as well, and the Board of Directors formulated the following action plan.</p> <p>1) Share information on important initiatives in a timely fashion</p> <p>While working to maintain and strengthen the system for sharing information among outside directors, make timely status reports on particularly important matters. Without limiting information sharing to resolutions on a certain matter, strive to share information that is particularly important from the perspective of monitoring execution.</p> <p>2) Provide the perspective of investors and have outside directors hold dialogues with investors</p> <p>Enhance opportunities to share details of the dialogues held between the representative executive officer (CEO) and investors with outside directors so they gain a positive understanding of ORIX's strategic vision. For outside directors to understand investors' concerns and make efforts to respond appropriately based on such understanding, consider establishing a forum for outside directors to engage in direct dialogue with investors.</p> <p>3) Continue to hold business unit briefings</p> <p>In addition to continuing to hold business unit briefings, prepare explanatory materials earlier and collect questions from outside directors in advance to facilitate Q&A sessions focused on subjects of greater interest to outside directors.</p>

* Meetings in which each business unit reports on the current status of its business, mid- to long-term business strategies, progress of projects, and other matters, to share information necessary for supervision by outside directors.



Activities of the Board of Directors and the Three Committees

Main Activities and Deliberations during the Fiscal Year Ended March 2023

Board of Directors

- The Board of Directors conducted activities including determining proposals to be submitted to the general meeting of shareholders, determining basic management policies, appointing executive officers, delegating decisions on business execution to the representative executive officer, evaluating the effectiveness of the Board of Directors, and supervising the execution of duties by executive officers and others based on reports from executive officers and committees.

Nominating Committee

- The Nominating Committee conducted activities including determining the content of proposals regarding the election of directors to be submitted to the general meeting of shareholders, deliberating on the selection of directors to form each committee, appointing executive officers and Group executives, deliberating on changes in the division of duties, and deliberating on a succession plan.

Audit Committee

- The Audit Committee exchanged opinions with the representative executive officer, received periodic reports on the status of business execution from executive officers, received individual reports on the

status of business execution from internal control-related functions, approved audit plans by the internal audit department, evaluated and consented to compensation for the independent public accountants, and coordinated with the independent public accountants.

- The Audit Committee established periodic occasions for review of the audit plan and audit activities and examination of their direction for purposes including enhancing discussions at committee meetings and strengthening cooperation among committee members, and collected information necessary for audit activities related to the current status of each business, business strategy, project progress and other matters through on-site visits, briefing sessions and other measures.

Compensation Committee

- The Compensation Committee conducted activities including evaluating performance for performance-linked compensation (annual bonus) for the fiscal year ended March 2022 and determining the amount to be paid to each individual, deliberating on and determining the compensation system for directors and executive officers for the fiscal year ended March 2023, and deliberating on compensation levels for directors and executive officers based on the results of a survey

conducted by a third-party research organization.

- The Compensation Committee comprehensively evaluated details of the compensation of individual directors and executive officers, including its consistency with the compensation policy based on the resolution of the Compensation Committee held on June 24, 2022. In examining the appropriateness of compensation levels, it used the results of an investigation conducted by a third-party compensation research organization to make its determination, and concluded that they were in line with the compensation policy.

At ORIX,

- Business unit briefings are held to report on the current status of each business, business strategy, progress of projects, and other matters, and to share information necessary for supervision by outside directors.
- Outside directors are able to attend meetings (as observers) of committees in which they are not members, enabling them to listen to discussions and to deepen their understanding of issues.

Number of Meetings Attended and Attendance Rate for the Board of Directors and Committee Meetings in FY Ended March 2023

	Board of Directors		Nominating Committee		Audit Committee		Compensation Committee	
	Number of Meetings Attended	Attendance Rate	Number of Meetings Attended	Attendance Rate	Number of Meetings Attended	Attendance Rate	Number of Meetings Attended	Attendance Rate
Makoto Inoue	8/8	100%						
Shuji Irie	8/8	100%						
Satoru Matsuzaki	8/8	100%						
Stan Koyanagi	8/8	100%						
Yasuaki Mikami	—	—						
Michael Cusumano	8/8	100%					4/4	100%
Sakie Akiyama	8/8	100%	6/6	100%				
Hiroshi Watanabe	8/8	100%	6/6	100%	3/3 ^{*1}	100%	3/3 ^{*2}	100%
Aiko Sekine	8/8	100%	6/6	100%	14/14	100%		
Chikatomo Hodo	8/8	100%			13/14	93%	4/4	100%
Noriyuki Yanagawa	6/6 ^{*3}	100%			11/11 ^{*4}	100%		

^{*1} Attendance at the Audit Committee meetings held while he was a committee member

^{*2} Attendance at the Compensation Committee meetings since he became a committee member

^{*3} Attendance at the Board of Directors meetings since he became a director

^{*4} Attendance at the Audit Committee meetings since he became a committee member



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 continuously grow ORIX.

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 the decision of the Compensation Committee at a meeting held on June 22, 2023.

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. Compensation consists of fixed compensation and share component of compensation*¹. 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.

*¹ Share component of compensation is a program in which a fixed amount of points is annually allocated to directors and executive officers 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. The Compensation Committee has not specified a period for which the shares issued under this program must be held. The Compensation Committee may limit the payment of share component of compensation if it is determined that there has been serious misconduct during the term of office of the director or executive officer that caused damage to the Company.

*² Compensation for executive officers based at overseas subsidiaries and executive officers with a high level of expertise or other qualifications is decided upon deliberation for each individual in consideration of the local compensation system and level in addition to the executive officer’s expertise and other qualifications.

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*² that encourages executive officers to execute their primary responsibility for execution of operations. The basic policy is to set this composition at 1:1:1.
- 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 2023 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*³ as a division performance indicator, adjusting 50% of the position-based standard amount within the range of 0% to 300%. In the case of the representative executive officers, the level of achievement of the consolidated net income growth target is used as the sole performance indicator, adjusting the standard amount within the range of 0% to 200%. These performance indicators are selected based on the Company’s mid-term management targets. In addition to the above, for the president, the senior managing executive officers, and the managing executive officers, an addition to or subtraction from the position-based standard amount is made within the range of 0% to 30%, using the progress toward ORIX Group’s ESG-related key goals as an indicator. If progress is made as planned, this part of their compensation will be unchanged.

- 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

Compensation Type	Payment Criteria	
Fixed compensation	Determined according to role based on a fixed amount for each position	
Performance-linked compensation (Annual bonus)	Executive Officers	President, Senior Managing Executive Officers, Managing Executive Officers
	Company-wide performance indicator (50% of the position-based standard amount) Level of achievement of the consolidated net income growth target	Company-wide performance indicator (50% of the position-based standard amount) Level of achievement of the consolidated net income growth target
	Division performance indicator (50% of the position-based standard amount) Level of achievement of the target of the division for which the relevant executive officer was responsible	Division performance indicator (50% of the position-based standard amount) Level of achievement of the target of the division for which the relevant executive officer was responsible
		ESG progress (100% of the position-based standard amount) Progress on ESG-related key goals
Share component of compensation	For mid- to long-term compensation, directors and executive officers are granted a fixed amount of points based on their position, and paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement. Note: Number of shares scheduled to be issued by share-based compensation plans (latent shares) is as shown on page 60.	

*³ 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.

1. Number of recipients and amounts paid include one director and one executive officer (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2023. As of March 31, 2023, ORIX had 11 directors (6 outside directors), 22 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 five 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 2023 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,740.27 per share). Therefore, the total amount of share component of compensation actually paid in the fiscal year ended March 2023 is not presented. The total amount of share component of compensation actually paid in the fiscal year ended March 2023 was ¥103 million for one director and one executive officer (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2023.
4. ORIX did not provide stock options in the form of stock acquisition rights in the fiscal year ended March 2023.
5. Figures shown are rounded down by truncating figures of less than ¥1 million.



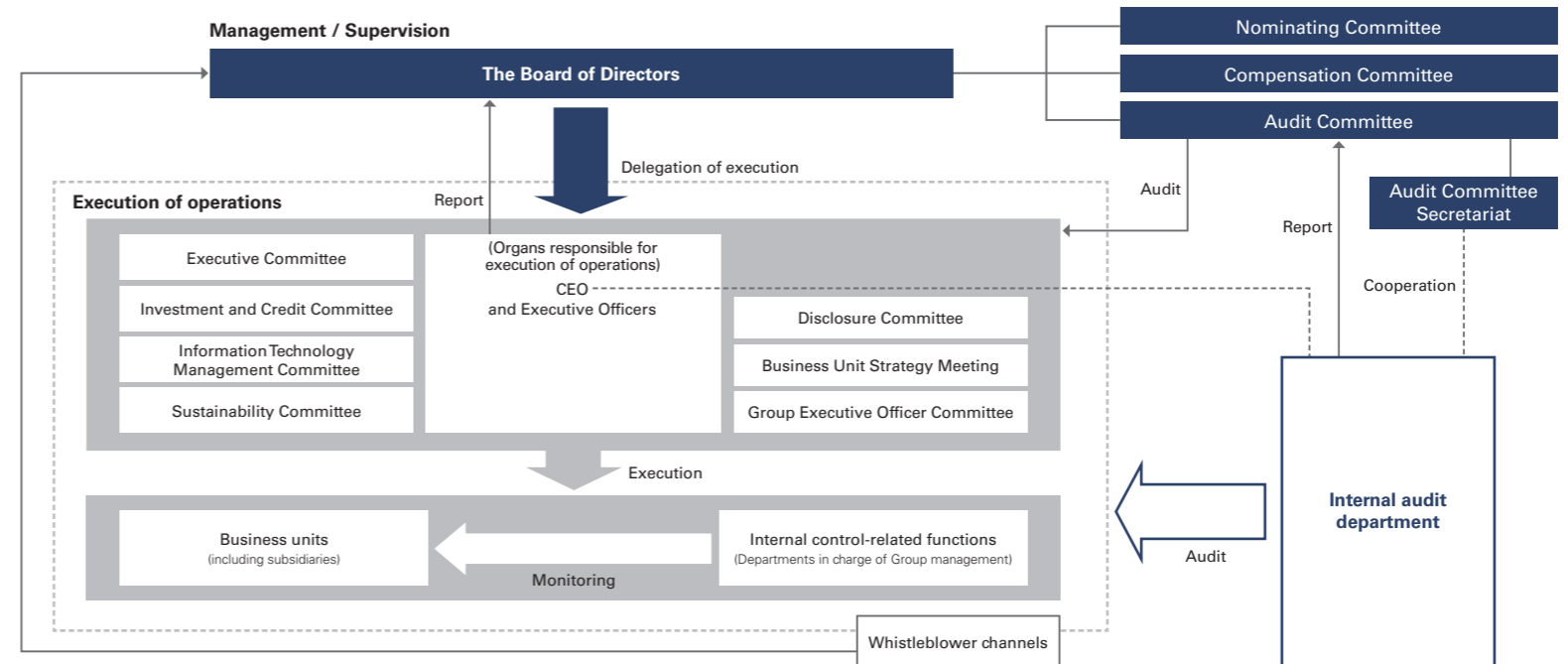
Execution of Operations Framework

Organization of Executive Officers

The representative executive officer of ORIX makes important decisions on execution of operations after deliberations by the Executive 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 officer 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, 2023)



Executive Body	Activities	Members			
		Representative Executive Officer	Executive Officers	Group Executives	Others
Executive Committee	• Deliberates on important matters related to the management of the Company.	○	○*	○*	
Sustainability Committee	• Deliberates on important matters related to promoting and implementing sustainability.	○	○*	○*	
Investment and Credit Committee	• Deliberates regarding investments and credit transactions that exceed certain specified investment or credit amounts.	○	○*	○*	
Group Executive Officer Committee	• Shares important information related to business execution of ORIX Group.	○	○	○	
Business Unit Strategy Meeting	• Deliberates on each business unit's strategies and changes in the business environment.	○	○*		
Information Technology Management Committee	• Deliberates on important matters concerning fundamental policies and strategies for IT operations and implementation and maintenance of IT systems.	○	○*		Officer responsible for the Technology Department
Disclosure Committee	• To ensure timely and appropriate disclosure of information material of ORIX Group, the Disclosure Committee receives reports on material non-public information from persons in charge of ORIX Group company departments and takes steps necessary to determine whether or not timely disclosure of such information is necessary, and the appropriate means of disclosing such information.				Executive officers in charge of management departments engaged in disclosure of material information

* Designated by the representative executive officer

Note: 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](#)



Management Team: Executive Officers and Business Unit Managers (As of August 31, 2023)

		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 and Maintenance Leasing		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.
Auto		Yuji Kamiyauchi	Group Executive President, ORIX Auto Corporation Director, Ubiteq, INC.
Rentec		Nobuhisa Hosokawa	Group Executive President, ORIX Rentec Corporation
Real Estate		Toshinari Fukaya	Group Managing Executive President, ORIX Real Estate Corporation President, DAIKYO INCORPORATED
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		Takaaki Nitani	Group Executive Senior Managing Executive Officer, ORIX Real Estate Corporation
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	Managing Executive Officer Head of Energy and Eco Services Headquarters Director, Ubiteq, INC.
Insurance		Kazunori Kataoka	President, ORIX Life Insurance Corporation

Banking		Yuichi Nishigori	Representative Director and President, ORIX Bank Corporation
Credit		Hiroko Yamashina	Group Executive Chairman, ORIX Credit Corporation Audit & Supervisory Board Member (Outside), Japan Tobacco Inc.
Credit		Yasushi Okada	President, ORIX Credit Corporation
Aircraft and Ships		Ryujiro Tokuma	Executive Officer Head of Global Transportation Services Headquarters President, ORIX Maritime Corporation
ORIX USA		Yoshiteru Suzuki	Senior Managing Executive Officer President and Chief Executive Officer, ORIX Corporation USA
ORIX Europe		Kiyoshi Habiro	Executive Officer Responsible for ORIX Europe and Robeco Group Chief Executive Officer, ORIX Corporation Europe N.V. Chief Executive Officer, ORIX Corporation UK Limited
Asia and Australia		Hao Li	Executive Officer Responsible for Greater China Group
Asia and Australia		Yoshiaki Matsuoka	Group Strategy Business Unit Head of Global Business Group

Other Officers

ORIX Baseball Club, Osaka City Dome		Michio Minato	Executive Officer, Group Strategy Business Unit President, ORIX Baseball Club Co., Ltd. President, Osaka City Dome Co., Ltd.
CEO's Office, New Business		Nobuki Watanabe	Executive Officer Group Strategy Business Unit Responsible for CEO's Office and New Business President, ORIX Capital Corporation
Credit and Investment Management		Ikuo Nakamura	Executive Officer Group Strategy Business Unit Responsible for Credit and Investment Management


Note: Please refer to the following for ORIX's organization chart.

▶▶▶ [Organization](#)










Management Team: Executive Officers and Business Unit Managers

Other Officers (continued)

Enterprise Risk Management		Takashi Otsuka	Executive Officer Group Strategy Business Unit Responsible for Enterprise Risk Management
Legal Function Unit		Stan Koyanagi	Member of the Board of Directors Senior Managing Executive Officer Global General Counsel Responsible for Legal Function Unit
Corporate Function Unit		Yasuaki Mikami	Member of the Board of Directors Senior Managing Executive Officer Responsible for Corporate Function Unit Responsible for Work Style Reform Project
Treasury, Accounting, Corporate Planning, Investor Relations, and Sustainability		Hitomaro Yano	Executive Officer Corporate Function Unit Responsible for Treasury, Accounting, Corporate Planning, Investor Relations, and Sustainability
Corporate Legal Affairs		Tomoko Kageura	Executive Officer Corporate Function Unit Responsible for Corporate Legal Affairs
Human Resources, Corporate Administration, and Corporate Communications		Tomohiko Ishihara	Executive Officer, Corporate Function Unit Responsible for Human Resources, Corporate Administration, and Corporate Communications Responsible for Secretariat of the Board of Directors
Group Internal Audit Department		Hiroyuki Ido	Executive Officer Responsible for Group Internal Audit Department

Global Management

Elawan Energy S.L.		Dionisio Fernandez Auray	CEO
ORIX Aviation Systems Limited		James Meyler	Chief Executive Officer
Avolon Holdings Limited		Andy Cronin	Chief Executive Officer
ORIX Corporation USA		Gilbert Van Hassel	Group Head of Asset Management

ORIX Corporation USA		Jeff Abrams	Group Head of Private Credit
NXT Capital Group, LLC		Ted Denniston	Co-Head and Senior Managing Director
NXT Capital Group, LLC		Joseph Lazewski	Co-Head and Senior Managing Director
Lument Real Estate Capital Holdings, LLC		James Flynn	Chief Executive Officer
Boston Financial Investment Management, L.P.		Gregory P. Voyentzie	Chief Executive Officer
Robeco		Karin van Baardwijk	Chief Executive Officer
ORIX (China) Investment Co., Ltd.		Guoping Liu	Chairman
ORIX Australia Corporation Limited		Reggie Cabal	Chief Executive Officer & Managing Director
ORIX Leasing Singapore Limited		Joanne Liao	Managing Director
ORIX Capital Korea Corporation		Chung Sung-Yoon	CEO
Thai ORIX Leasing Co., Ltd.		Ed Sirivallop	Managing Director and Co-CEO



Strategies by Business

This section presents strategies in each of ORIX's businesses in light of opportunities, risks, and strengths. It also discusses our approach to sustainability.

Segments	Units	Features	Page
Corporate Financial Services and Maintenance Leasing	Corporate Financial Services	Sales network throughout Japan. Provides optimal solutions for corporate customers as a core platform for Group sales.	▶ Page 66
	Auto	One-stop provider of every kind of automobile-related service. World leader in vehicles under management.	▶ Page 67
	Rentec	Japan's largest equipment rental company. Provides equipment along with technology and expertise.	▶ Page 68
Real Estate	RE Investment and Facilities Operation	Wide range of real estate expertise. Diversified operations encompass development, investment, asset management, and facility operation.	▶ Page 69
	DAIKYO	Development and brokerage of real estate and building maintenance and management, with a focus on condominiums. No.1 in terms of cumulative number of condominium units supplied in Japan*1.	▶ Page 70
PE Investment and Concession	PE Investment	Enhancement of investee corporate value through hands-on management that leverages the Group's expertise and network.	▶ Page 71
	Concession	Operation of public facilities and other properties while public entities retain ownership. Kansai Airports operates three airports*2 in Kansai.	▶ Page 72
Environment and Energy	Environment and Energy	Development of renewable energy businesses globally. In Japan, we have built a value chain of collection and transportation of waste, intermediate waste processing, and recycling. We also operate biogas power generation facilities and landfills.	▶ Page 73
Insurance	Life Insurance	A lineup of products that meet needs such as death insurance and medical insurance. Highly rated by customers and external parties.	▶ Page 74
Banking and Credit	Banking	Decades of experience in real estate investment loans. Primarily Internet-based transactions, does not own branch or ATM network.	▶ Page 75
	Credit	Operations in the loan business, credit guarantee business, and mortgage banking business. Over 40 years of experience in unsecured personal loans.	▶ Page 76
Aircraft and Ships	Aircraft and Ships	Expertise in aircraft and ship leasing and asset management. One of the world's largest aircraft leasing companies.	▶ Page 77
ORIX USA	ORIX USA	Access to third-party capital in providing funding solutions to U.S. companies that encompass finance and business investment.	▶ Page 78
ORIX Europe	ORIX Europe	Robeco and several other brands in the asset management business. Robeco has extensive expertise in ESG investment.	▶ Page 79
Asia and Australia	Asia and Australia	Primarily provision of financial services to local customers in Asian countries. Expanding PE investment in Greater China and South Korea.	▶ Page 80

*1 Calculated using Real Estate Economic Institute data as of December 2022.

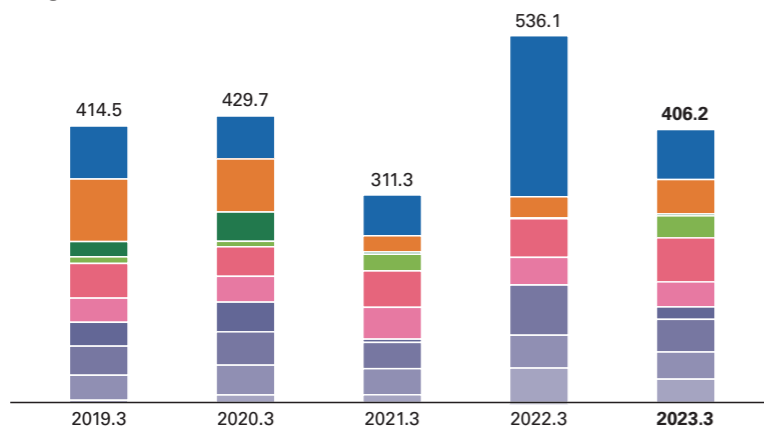
*2 Kansai International Airport, Osaka International Airport and Kobe Airport.



Segment Summary (Profits, Assets, ROA and Employees)

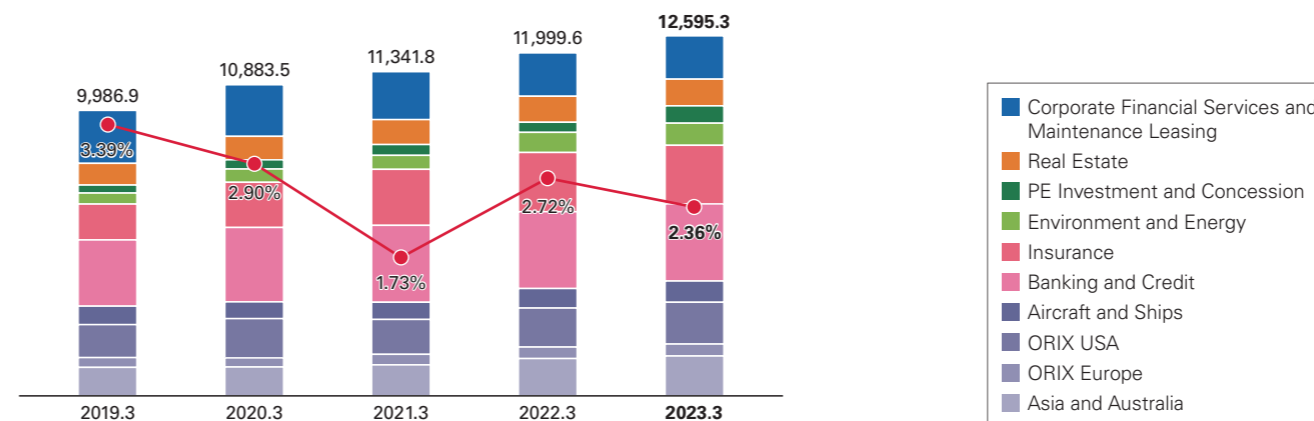
Five-Year Summary

Segment Profits (Billions of yen)



In the fiscal year ended March 2021, profits declined mainly in Real Estate, Concession, and Aircraft and Ships (aircraft) due to the impact of the COVID-19 pandemic. In the fiscal year ended March 2022, we recognized a gain of ¥163.0 billion on the sale of Yayoi in Corporate Financial Services. In the fiscal year ended March 2023, profits declined mainly in Insurance and ORIX USA, but post-COVID reopening and gains on sales in Real Estate and in Environment and Energy contributed to earnings. Profits increased year on year excluding the gain on sale of Yayoi in the previous fiscal year.

Segment Assets (Billions of yen) /Return on Segment Assets (ROA) (%)

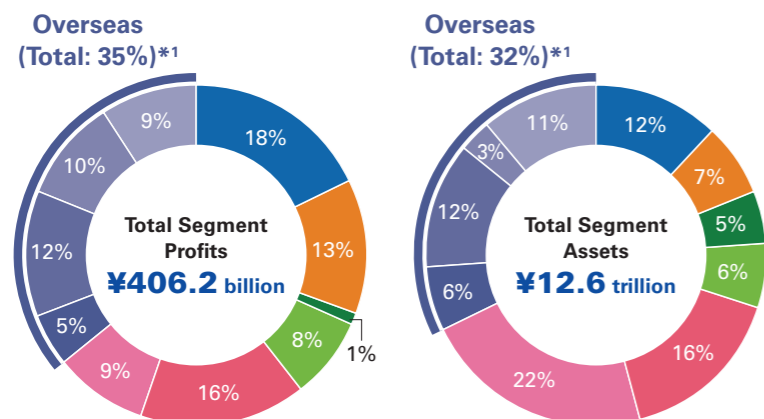


Assets at March 31, 2023 increased by ¥595.8 billion from the end of the previous fiscal year. The main factors for the increase were new investments in PE Investment and a positive exchange rate effect totaling ¥368.7 billion.



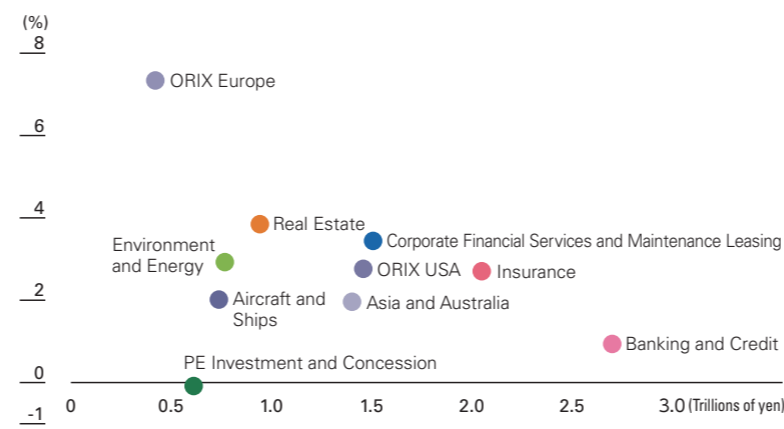
Fiscal Year Ended March 2023

Composition of Segment Profits Composition of Segment Assets



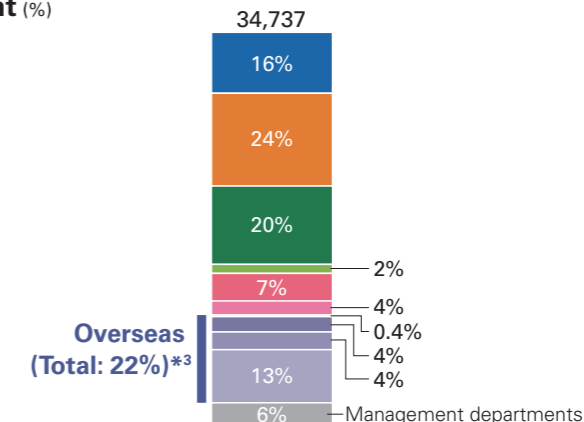
*1 Excludes overseas results in Environment and Energy

Segment Assets (Trillions of yen)/ROA*2 (%)



*2 Segment asset ROA is calculated using after-tax profits for each unit.

Number of Employees and Employee Composition by Segment (%)



*3 Total of four segments: Aircraft and Ships, ORIX USA, ORIX Europe, and Asia and Australia. Does not include management departments.

Note: 2023.3 denotes the fiscal year ended March 2023.

▶▶▶ [Five-Year Financial Data and Financial Highlights \(2013.3 – 2023.3\)](#)

▶▶▶ [Segment Information](#)



Corporate Financial Services and Maintenance Leasing

Corporate Financial Services

Business ▶ Leasing, financing, and various solutions (products and services) for small and medium-size enterprises

Opportunities

- Expanding assets and increasing earnings from fees while maintaining profitability and credit quality
- Business succession needs among SMEs due to the lack of a successor
- Capital investment needs with the themes of DX and ESG

Risks

- Intensifying competition for corporate lending
- Adverse impact on customer performance due to high global inflation

Strengths

- Sales network rooted in each region of Japan
- Strong customer base built on a track record of providing financial services to SMEs

Growth Strategy: Increase Sources of Earnings

Review of the Fiscal Year Ended March 2023

Finance revenues benefited from solid performance in our longstanding business of lending to small and medium-sized enterprises (SMEs), and the volume of loan guarantee transactions with financial institutions increased. Services income grew steadily as we accurately identified customer needs for supplementary support for their core businesses, asset management, and business succession.

- We will grow finance revenues by developing an array of financial products that require expertise. In addition to building our asset portfolio with non-recourse real estate loans and other forms of structured finance, we will enhance our market presence by providing the financing that our customers need to address environmental change, including carbon neutrality and support for a shift to digital technology.
- We will grow services income by gaining a multifaceted understanding of the various issues our customers face to propose comprehensive services that address them. We are a single source for a wide range of services to address an array of issues encompassing supplementary support for our customers' core businesses, asset management and business succession. Examples include the power purchase agreement (PPA) model for third-party ownership of solar power generation systems, real estate brokerage, M&A intermediation, and life insurance sales.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

We focused on decarbonization support, business succession support, and the preventive healthcare business. Decarbonization support featured solid PPA model and solar panel sales. Our M&A intermediation services for business succession support are fully developed, and we have frameworks in place to resolve various business succession issues. In the preventive healthcare business, we opened a new members-only medical club in Tokyo to support health management among SMEs.

As a core platform for Group sales, we will create new ESG-related services that meet customer needs. We will also fully deploy our network in Japan in initiatives to resolve social issues.

- We support business succession among SMEs and help local economies develop and maintain and create employment. We also continue to strengthen our framework for being a single source for services including M&A intermediation, real estate brokerage, share transfer, and inheritance tax minimization.
- We help customers decarbonize by providing environmentally responsible power supply services represented by the PPA model.
- Our preventive healthcare business helps to extend healthy life expectancy, reduce medical expenses, and protect the ongoing integrity of Japan's medical insurance system. We support health management at SMEs with a focus on preventive healthcare services provided at newly established medical examination centers.
- We invest in DX and ESG-related startups with the goal of creating new services by supporting growth and collaboration.



PATPOST is a service that uses proprietary AI-OCR technology to convert text in images into text data and store documents in the cloud. The system can also automatically convert information such as business partner records into digital data simply by uploading various business documents such as invoices. With monthly fees starting at ¥980 per ID, PATPOST offers corporate customers broad-based support in digitalizing and using data, and enables easy sorting and storage of documents in compliance with the revised Electronic Books Preservation Act, which will go into effect in January 2024.



Consolidated subsidiary CMC Corporation operates a members-only medical service that provides SME founders and management professionals with aging-related health management, including complete medical examinations using high-precision diagnostic equipment. Established in March 2023, Central Medical Club Setagaya has partnered with a clinic equipped with advanced diagnostic imaging equipment such as PET-CT and MRI to provide examinations related to the three major diseases of cancer, heart disease, and cerebrovascular disease. In addition, CMC offers health support for SME management through services that include daily health consultations.



Corporate Financial Services and Maintenance Leasing Auto

Business ▶ Leasing and rental of automobiles, car sharing, purchase and sales of used automobiles

Opportunities

- Growth in mobility services, including the car rental and car sharing markets, as the sharing economy and MaaS become more prevalent
- Electric vehicle needs

Risks

- Decreases in revenue from existing businesses and services and lower residual value of vehicles due to structural changes in the automobile industry

Strengths

- Diverse service menu that enables us to provide comprehensive and tailored service recommendations
- Global leader in terms of vehicles under management and volume of vehicle data

Growth Strategy: Offer Convenience and Address Electric Vehicle (EV) Needs

Fiscal Year Ended March 2023 in Review

We concluded a business alliance with Ubiden, Inc. to expand the use of electric vehicle (EV) charging services among corporations. In addition to proposing vehicle procurement using rentals and leasing and the installation of EV charging facilities, we also provided single-source integrated management that included vehicle maintenance and analysis of charging usage after installation.

- We will continue to grow with emphasis on expanding our customer base and strengthening profitability. We will address changes in the business environment and customer needs by adding new services related to vehicle management, EVs, and car sharing to enhance our revenue streams. In addition, we aim to further expand our customer base by strengthening our framework for being a single source of customer services.
- In leasing, we will consider adding new services to meet new demands for a decarbonized society, compliance with laws and regulations, and work style reform. In addition, we will establish a new value chain that encompasses the migration to EVs, charging services, and the reuse and recycling of used vehicles and batteries to accommodate the growing prevalence of EVs.
- In the rental car business, we aim to be the rental car company of choice by enhancing safety and security, contributing to decarbonization, and utilizing digital technology.
- In car sharing, we will develop new stations, acquire new members, and improve services, while considering the development of new sharing services.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

We proposed transition to EVs to customers in partnership with Ubiden. Service offerings capable of calculating customer CO₂ emissions using data such as refueling have now reached a systematic level of development. The percentage of rental car outlets that have adopted green power consumption increased to 20%.

We will continue to provide services that help reduce both environmental impact and traffic accidents. We will also promote and accelerate decarbonization in our own facilities and businesses.

- We will create an environment that facilitates the transition to EVs for customers, which will support expansion in vehicles under management.
- We will monitor the migration rate to next-generation HVs*¹, EVs, and FCVs*² in the leasing, rental car, and car sharing businesses, with the goal of increasing this rate by proactively proposing relevant vehicles.
- We will gradually transition ORIX-owned vehicles to EVs and increase the ratio of next-generation vehicles to directly managed rental cars and car-sharing vehicles.
- We will develop vehicle management reports using vehicle operation data and provide them as information services relevant to environment responsibility and safe driving.
- Initiatives to reduce CO₂ emissions will include using more green electricity at rental car outlets.

*1 Hybrid vehicles *2 Fuel cell vehicles

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



Introducing EVs in and of itself is not effectively carbon-free. ORIX Auto aims to create a system that can support customers in all phases of the automobile lifecycle. Our capabilities range from vehicle migration support that provides the required next-generation vehicles from a wide lineup, development of sufficient charging infrastructure, energy management for electric power usage, and support for the transition to renewable energy, to sales of used vehicles and repurposing of used batteries.



Our initiatives to support customers include a capital and business alliance with Ubiden, which operates the WeCharge EV charging service. WeCharge supports all EVs and plug-in hybrid vehicles, and allows users to complete everything from usage through payment with an app. ORIX Auto provides all customers who are considering the transition to EVs with one-stop service, from the installation of EV charging facilities to subsequent charger use analysis, and also supports efficient EV management operations. We will continue to help customers resolve issues through such business alliances.



Corporate Financial Services and Maintenance Leasing

Rentec

Business ▶ Rental and leasing of electronic measurement instruments and ICT-related equipment

Opportunities

- Creating new business through collaboration utilizing our customer base
- Accelerating use of technology to cope with labor shortages, reform work styles, and implement security measures
- Strong levels of corporate capital investment with a focus on digital technology

Risks

- Reduced need for hardware due to equipment downsizing and technological innovation
- Soaring costs due to price increases

Strengths

- Wide range of rental products and vendors
- Technical ability to maintain and manage the quality of rental equipment
- Logistics service enabling next-day delivery
- Broad customer network that includes large manufacturers

Growth Strategy: Become a Sharing Service Platform

Fiscal Year Ended March 2023 in Review

We opened our third technology center in Japan in Sagamihara City, Kanagawa Prefecture, and significantly increased storage and maintenance capacity to meet brisk demand for digital equipment and the need to flexibly deploy PCs according to the flow of human resources.

- We intend to expand the number of ICT rental users by enhancing our subscription model and increasing replacement flexibility. In addition, we will encourage rental use among medium-sized companies through collaboration with PC vendors, system integrators^{*1}, and distributors.
- In the measuring instrument market, we will strengthen relationships with communication equipment manufacturers and respond to demand related to research and development of next-generation standards (Beyond 5G) in the field of communication.
- In the 3D printer business, we will complement subscription 3D printing by promoting DX among customers with the 3D-FABs modeling simulation for 3D printing.
- We will consider developing platform services that leverage our customer base, such as providing a community that connects manufacturers, vendors and users; business matching among users and vendors; and consulting services and data sales businesses that utilize customer data.

^{*1} A system integrator is a service provider that undertakes system development and operation on behalf of clients.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

In addition to cloud services for visualizing CO₂ emissions, we have begun developing and providing products and services that promote the circular economy, climate change mitigation, and technological innovation. These include measuring instruments for wind power generation companies and fuel cell development equipment.

We contribute to customer sustainability by providing technical knowledge and rental capabilities.

- We will continue to develop products and services that promote a circular economy, climate change mitigation, and technological innovation. We will also consider linking our cloud service for visualizing CO₂ emissions with reduction solutions inside and outside ORIX Group. In addition, we will consider promoting the introduction of rental equipment used in new technology research and development projects for GX^{*2}.
- We will formulate procurement policies that effectively incorporate ESG perspectives.

^{*2} Green Transformation (GX): Innovations for using clean energy while minimizing the use of fossil fuels, and measures to carry them out.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



The Sagamihara Technology Center opened in April 2023. This technical center specializing in the storage and operation of ICT equipment is located in GLP ALFALINK Sagamihara, one of Japan's largest cutting-edge logistics centers with total floor space of more than 670,000m². Its Autostore high-density robotic storage system features world-class storage efficiency and its automatic guided vehicles (AGVs) give this center about twice the processing capacity of the Tokyo Technology Center.



We launched 3D-FABs in May 2023 as a service that automates 3D printing simulations. Once the customer uploads 3D CAD data and specifies conditions, this simulation tool automatically responds using AI to judge whether printing is possible, provides advice if printing is not possible, and estimates fees. This service quickly provides conclusions, which helps customers realize their ideas and shortens development lead time.



Real Estate

RE Investment and Facilities Operation

Business ► Development and rental of office buildings, commercial facilities, logistics centers, and other properties; operation of businesses such as inns, hotels, and aquariums, in addition to asset management

Opportunities

- Rebound in demand for lodging as the COVID-19 pandemic subsides
- Logistics facility needs due to expansion of the e-commerce market
- Active real estate brokerage market due to the growing inflow of funds into investment

Risks

- Personnel shortages at operating facilities and rising energy and personnel costs
- Real estate investment market contraction due to the declining population in Japan
- Rising construction and equipment costs

Strengths

- Extensive expertise in the real estate business
- Information volume and proposal capabilities that fully leverage the Group's network

Growth Strategy: Full Use of ORIX Group's Network

Fiscal Year Ended March 2023 in Review

In the development and rental business, we invest in logistics facilities and rental condominiums, and sell them for asset turnover. The facility operation business is now returning to normal following the COVID-19 pandemic. Demand in Japan has recovered first, and inbound tourism has been recovering since immigration restrictions eased in October 2022. Assets under management are steadily increasing in the asset management business, which generates stable earnings.

- In the development and rental business, we dynamically invest in logistics facilities and rental condominiums that are in high demand. In particular, we have continued to develop logistics facilities, mainly in the Tokyo metropolitan area, and had a pipeline of more than ¥100 billion as of March 31, 2023. Our fundamental business involves the cycle of development, leasing, and sale, and we are also considering mid- to long-term holdings in the future.
- In the facility operation business, we will invest in high-quality projects that we can differentiate based on their location, our experience, and other factors. We will improve brand recognition and strengthen our ability to attract customers while enhancing our customer base. We will further promote community co-creation initiatives with the goal of adding value to facilities.
- In the asset management business, we will strive to increase assets under management.

►►► See [here](#) for information on how we help to resolve social issues through our business activities.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

We are upgrading to energy-saving equipment and increasing our use of renewable energy as part of our plan to reduce CO₂ emissions from portfolio properties in line with ORIX Group's carbon-neutral goal. In the facility operation business, we have completed the removal of specified single-use plastic products*¹, completed the switch from PET bottles to aluminum cans for drinking water provided in guest rooms*², and achieved food waste and loss reduction targets of 10% for the buffet format and 3% for the course format*³.

*¹ Completed at all 18 operating facilities. *² Completed at 17 facilities.
*³ Achieved at all 14 hotel facilities.

We do business with a policy that prioritizes safety, security, and comfort as we decarbonize in consideration of the environment and coexist with communities. We provide products and services with sustainability in mind to help achieve a sustainable society.

- We place importance on obtaining explicit third-party certification of the environmental performance, safety, and security of newly developed properties. We are also upgrading to energy-saving equipment and increasing our use of renewable energy as part of our plan to reduce CO₂ emissions from portfolio properties.
- Our facility operation business provides environmentally friendly furnishings and is committed to reducing food waste and loss. We use locally sourced food and ingredients, hire local people, and collaborate with tourism-related organizations and local companies in initiatives to promote the appeal of the areas we serve. Our inns and hotels prioritize the safety and security of guests and meticulously ensure consistently excellent hygiene.



Organic vegetables grown with recycled compost

Beppu SUGINOI HOTEL in Beppu City, Oita Prefecture opened a second new guest room building called Sora Kan in January 2023. This property acquired the highest CASBEE*⁴ building assessment certification rank of S and ZEB Oriented*⁵ due in part to its deployment of energy-saving equipment and its effective use of geothermal energy*⁶. This hotel has also structured its Food Recycling Project, which uses inedible items from the buffet cooking process, customer leftovers and other food waste to make compost for growing its own organic vegetables to serve at its restaurants. This approach reduces and recycles food waste in cooperation with the community.

*⁴ A system that comprehensively evaluates the quality of buildings, including environmental friendliness such as energy conservation and use of materials and equipment with low environmental impact, as well as indoor comfort and consideration for the landscape.

*⁵ A certification system for buildings with a total floor area of 10,000 square meters or above, in which measures are taken to achieve further energy conservation in addition to the use of high-performance building envelopes and high-efficiency energy-saving facilities.

*⁶ The geothermal power plant is currently undergoing renovation and is scheduled to come online in October 2024.



We have commenced the development of the Atsugi III Logistics Center, a large multi-tenant logistics facility in Aiko-gun, Kanagawa Prefecture. The facility will cover a vast area of 183,354.15m², making it the largest property owned by ORIX Real Estate. Furthermore, solar panels on the roof will supply renewable energy to power the entire facility. The facility has obtained ZEB*⁷ certification, which means that its annual primary energy consumption is effectively zero.

*⁷ Buildings in which primary energy consumption is reduced by 50% or more from the baseline by introducing highly efficient equipment systems, etc., and in which primary energy consumption including the amount of energy from renewable energy sources is reduced by 100% or more.



Business ▶ Development and brokerage of real estate and building maintenance and management, with a focus on condominiums

Opportunities

- Need to renovate or rebuild aging condominiums, including large-scale redevelopment projects
- More business opportunities from leveraging the Group network

Risks

- Rising land prices due to intensifying competition for site acquisitions
- Rising construction and equipment costs

Strengths

- Development expertise and brand recognition of THE LIONS and SURPASS condominiums
- Stable revenues from building management, rental management, sales brokerage, repair work, remodeling, etc. originating from the condominium business

Growth Strategy: Strengthen Each Business and Promote Digital Transformation (DX) for Business Innovation and Improved Efficiency

Fiscal Year Ended March 2023 in Review

The real estate development business benefitted from solid demand. Sales remained strong as the prices of new condominiums rose. In April 2023, DAIKYO announced THE LIONS rebranding. The real estate management business strengthened its management system while keeping the number of facilities under management constant. In the real estate brokerage business, transaction unit prices increased due to rising prices for pre-owned condominiums and greater premium property transaction volume.

- The real estate development business will exercise discipline in purchasing select properties in prime urban locations for the condominium business, complemented by initiatives to deliver value that empowers rebranding. We will also proactively participate in redevelopment projects.
- In the real estate management business, we will increase the number of facilities we manage under contract and expand orders for repair work while adding options and orders for ancillary work from those facilities. In addition, we will promote business innovation and improved efficiency through DX.
- In the real estate brokerage business, we will improve profitability by handling a greater number of premium properties when brokering purchase and resale and retail transactions.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

We are developing condominiums that are ZEH-M Oriented*¹. The Ministry of the Environment selected three of our projects for its fiscal 2022 Mid- and High-Rise ZEH-M Support Project. We also decided to install EV charging outlets as a standard specification for the parking lots of the condominiums we will develop in the future. All condominium showrooms*² of DAIKYO and ANABUKI CONSTRUCTION effectively switched over to renewable energy. The head offices of DAIKYO and ANABUKI CONSTRUCTION and the Kyoto head office of ORIX Facilities effectively switched over to renewable energy.

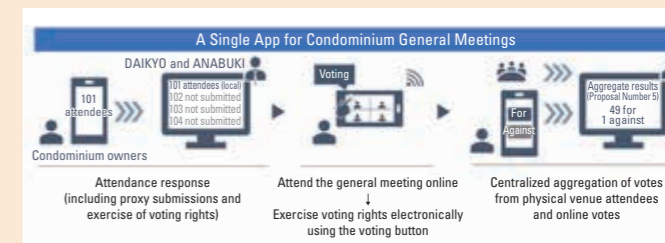
*¹ Net zero energy house. Refers to housing that aims to keep the balance of annual energy consumption to zero or less by conserving energy with outstanding thermal insulation performance and the use of highly efficient facilities, and by creating energy with solar power generation. ZEH-M Oriented refers to condominiums that reduce primary energy consumption by 20% or more from the baseline value.

*² Excludes condominium showrooms in pre-existing buildings and joint venture projects for which neither DAIKYO nor ANABUKI CONSTRUCTION is the electricity supply and demand contractor.

We do business with a policy that prioritizes safety, security, and comfort as we decarbonize in consideration of the environment and coexist with communities. We provide products and services with sustainability in mind to help achieve a sustainable society.

- We will use ZEH-M Oriented specifications in developing condominiums as the basis for reducing the energy consumption of properties.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



A service for condominium residents, POCKET HOME is the industry's first*³ support system for the general meetings of condominium management associations. In addition to condominium online conference functions for general meetings, a total of six functions are available including AI-based home assessment, inquiries via LINE, FAQ, applications for various procedures, and notices. We provide the app free of charge to about 540,000 condominium units nationwide that DAIKYO ASTAGE and ANABUKI COMMUNITY manage.

*³ Survey by DAIKYO ASTAGE and ANABUKI COMMUNITY



Lions Senbayashi Omiya Residence (Osaka City, Osaka Prefecture) is the first condominium in Kansai*⁴ to be certified as High-Rise ZEH-M Ready*⁵. Solar power generation complements high-performance thermal insulation and high-efficiency equipment to reduce primary energy consumption for the entire residential building by 56%.

*⁴ Survey by DAIKYO.

*⁵ Condominiums that meet requirements such as reinforced exterior insulation standards and reduction of primary energy consumption, including renewable energy, by 50% to 75%.



PE Investment and Concession

PE Investment

Business ▶ Private equity investment

Opportunities

- Business succession needs and an increase in carve-outs, privatization, and other deals involving listed companies
- Increasing investment opportunities due to significant changes in industry structure from digitalization, and accelerating industry reorganization

Risks

- Exits at lower prices than expected and other issues resulting from the emergence of risks and investee underperformance because of poor due diligence
- Soaring acquisition prices due to the competitive environment

Strengths

- Ability to add value with a hands-on approach that enhances management and administration systems and leverages synergies with ORIX Group's sales network and products
- Flexibility about deal flow because ORIX invests its own capital

Growth Strategy:

Expansion in Focus Industries and Synergy with Existing Businesses

Fiscal Year Ended March 2023 in Review

We exited from NET JAPAN Co., Ltd., a major precious metal recycling company acquired in 2014, and invested in HEXEL Works, Inc., a comprehensive electrical equipment construction business for housing complexes, and DHC, a major cosmetics and health food manufacturer. We are also considering investment in Toshiba, led by Japan Industrial Partners, Inc.

- Key industries for our increased investment focus include healthcare, business process outsourcing, IT and information services, as well as logistics and rental sectors. These markets are highly compatible with existing ORIX Group businesses, driving synergies, so ORIX will collaborate with its investees with the goal of mutual success. We will also proactively promote investee roll-ups to expand market share and add value to the services we provide.
- While our focus has been on small and medium-size business succession projects with an enterprise value of ¥50 billion or less, we will also focus on doing carve-outs and privatization deals involving listed companies, aiming to increase the enterprise value of these projects to ¥50 billion or more.
- Recycle capital by systematically replacing existing assets with superior assets.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

Initiatives to reduce CO₂ emissions among investees included updating aging equipment, improving air conditioning energy efficiency, and switching to low CO₂ emission power plans.

We are committed to management for sustainability among investees as a means to improve corporate value.

- We recognize the importance of reducing CO₂ emissions among investees, and engage in collaboration by jointly devising relevant initiatives such as replacing equipment and switching to renewable energy.
- Enhancing compliance and governance among investees is a priority. We emphasize optimized labor management and thoroughgoing fraud prevention and safety management.
- We focus investment on industries that contribute to resolving social issues. Our goal is to contribute to the SDGs through the businesses in which we invest.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



(Left)
Shinichi Oe
Representative Director
and President

(Right)
Yoshimasa Akutsu
Director
(Senior Vice President,
Business Development
and Investment Group,
Investment and
Operation Headquarters,
ORIX Corporation)



HC Networks, Ltd. (HCNET) is a network integrator that provides synergistic services such as network design, construction, and maintenance. After investing in 2020, ORIX leveraged the Group's competencies in a broad array of businesses to provide HCNET with new growth opportunities, such as requests for system reform project proposals, joint development of new services, and the acquisition of subsidiaries to expand its service lineup. The IT industry is a focus theme in our PE investment business, with the aim of integrating technology and practical application expertise.



(Left)
Shigeo Takatani
Chairman and CEO

(Center)
Midori Miyazaki
President and COO

(Right)
Hiroyuki Odaka
Executive Vice President
(Director, Business
Development and
Investment Group,
Investment and
Operation Headquarters,
ORIX Corporation)



Addressing business succession needs, ORIX acquired all shares of DHC, a major cosmetics and health food manufacturer, from its founders. DHC has both beauty and health businesses that contribute to wellness and has exceptional brand recognition in Japan. We will support further growth by transitioning to a new system while reforming the organization and mindset from top-down to bottom-up management; formulating and executing business strategies that include international initiatives; and leveraging synergies with other healthcare investments.



PE Investment and Concession Concession

Business ▶ Operation of airports and water businesses

Opportunities

- A potentially large market in Japan for renewal and maintenance of aging infrastructure
- Infrastructure projects around the world

Risks

- Intensifying competition in domestic concession projects
- Change in policies regarding concession promotion and change in laws and regulations
- Negative effects such as decreased number of passengers due to infectious diseases

Strengths

- Extensive expertise and experience in business operation
- Solid network of relationships with leading companies in and outside Japan

Growth Strategy: Develop Markets with a Mid- to Long-Term Perspective

Fiscal Year Ended March 2023 in Review

Kansai Airports has maintained relationships with airlines and improved the flight service environment to steadily benefit from the recovery in demand for international flights as Japan relaxes the border controls that were in place to counter COVID-19. A new domestic flight area is now in operation as the first stage of a large-scale renovation of the Kansai International Airport Terminal 1 building to improve the customer experience and expand capacity.

In the water supply and sewage market, K.K. Mizumusubi Management Miyagi began operating in April 2022 as the operating rights holder of the Miyagi Prefecture Integrated Water Supply, Industrial Waterworks, and Sewerage Public-Private Partnership Management Project.

In a new concession, we participated in Kawasaki City's Todoroki Ryokuchi Park Redevelopment, Operation, Etc. Project.

- Existing concession projects: Kansai Airports will focus on renovations and digital transformation (DX) at Kansai International Airport in preparation for the recovery of international flights and the Osaka Kansai Expo. Initiatives at a wastewater treatment plant in Hamamatsu City, Shizuoka Prefecture and water businesses in Miyagi Prefecture will focus on addressing rising energy costs. In our project for redevelopment and operation of Todoroki Ryokuchi Park, our focus is on building an operating system.
- New concessions: We will continue to follow up on the many potential concessions that are available and work toward commercialization based on our expertise from participating in numerous bids and good relationships with partner companies in Japan and overseas.
- We will consider acquiring companies that have the expertise necessary to operate infrastructure.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

Kansai Airports implemented measures to reduce greenhouse gas emissions, such as using renewable energy and hydrogen, reducing energy use for air conditioning and lighting equipment, and introducing environmentally responsible vehicles. At water supply and sewage concessions in Hamamatsu City and Miyagi Prefecture, we are reducing energy consumption and chemical use through intelligent maintenance and management and KPI-based management to reduce environmental load.

- In April 2023, Kansai Airports launched a new environmental plan, [Environmental Vision 2050 and Environmental Goals 2030](#). The new plan encompasses greenhouse gas emission reduction, resource recycling, environmental monitoring, and biodiversity. We have set specific goals for 2030 as milestones for achieving our long-term vision and goals, centered on decarbonization, circular economy, and environmental symbiosis.
- At water supply and sewage concessions in Hamamatsu City and Miyagi Prefecture, ORIX is proactively involved in building a circular economy and sustainable local communities. We are committed to preserving water quality, preventing air pollution, controlling odors, conserving energy, reducing and recycling sludge, and contributing to a society that reuses and recycles with management that includes voluntary standards that are more rigorous than relevant laws and regulations.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



Kansai Airports is fully committed to supporting the Kansai economy by operating three airports*. It will steadily make investments required for future growth, including large-scale renovations at Kansai International Airport to expand international flight capacity.

* Kansai International Airport, Osaka International Airport, and Kobe Airport.



ORIX is a member of the communities it serves, and is committed to supporting their development. Our water supply and sewage concessions conduct classes on sewage in Hamamatsu City for elementary school students and sponsor the Mizumusubi Festival in Miyagi Prefecture to help people learn about the mechanisms and role of wastewater treatment and community issues.



Environment and Energy

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

Opportunities

- Expansion of the global renewable energy market
- Rising customer awareness of environmental value in areas such as decarbonization and the transition to a recycling-oriented economy
- Needs for advanced waste treatment and recycling, and waste treatment needs among local governments

Risks

- Persistently high interest rates
- Supply chain disruptions and material price hikes
- Shutdowns due to accidents at large-scale facilities and natural disasters
- Policy and legislative changes related to the environment and energy

Strengths

- Comprehensive capabilities from operating multiple energy businesses in Japan
- Global business operations
- One-stop service from waste collection and transportation to final disposal

Growth Strategy:

Expand the Value Chain and Global Operations

Fiscal Year Ended March 2023 in Review

We added to our 80% stake in Elawan Energy in Spain, ORIX's strategic platform for developing renewable energy businesses globally, to make it a wholly owned subsidiary in February 2023. This further strengthened our foundation in the international renewable energy business.

We developed storage stations that have large storage batteries connected to the power grid, which contributes to power grid stability. We participated jointly with Kansai Electric Power Co., Inc. in the Ministry of Economy, Trade, and Industry's 2021 framework to support installation of grid-use storage batteries to accelerate the adoption of renewable energy, which is administered by the Sustainable Open Innovation Initiative.

- In the domestic energy market, we aim to provide high-value-added services as a one-stop service provider of renewable energy by combining multiple services including electric power retail and energy saving as well as renewable energy, and by building a value chain that covers the development, operation, and sale of power sources.
- Internationally, we will use our strategic platform to expand and diversify our portfolio. This will include expansion into regions we do not yet serve, such as Europe and North America; diversification into power storage stations, offshore wind power generation, and other power sources; and development of next-generation energy. We will also sell certain assets as part of our capital recycling program.
- In the domestic environmental market, our strengths include a broad array of recycling items, the establishment of networks, and our high-added-value processing capabilities. We will step up the further expansion of our value chain toward a society that reuses and recycles.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

We expanded our renewable energy business in Japan and around the world while considering ways to decarbonize our coal-biomass co-fired power plants by using different fuels. We also expanded installed capacity* in operation to 3.7 GW from 3.3 GW in the fiscal year ended March 2022.

ORIX Eco Services helped to support a society that reuses and recycles by initiating and growing new businesses with high added value, such as a business that recycles the blister packaging sheet materials used for packaging tablets and other applications, and a business that reuses and recycles solar panels.

*Adjusted for factors including ORIX's equity stake in subsidiaries and affiliates in Japan and overseas.

We are working toward a sustainable society through businesses that contribute to a decarbonized society that reuses and recycles.

- We will expand the renewable energy business globally because it contributes to a decarbonized society. Outside Japan, we will grow our business using Elawan Energy as a strategic platform. In Japan, we will promote the nationwide use of the PPA model for third-party ownership of solar power generation systems.
- We will expand businesses that recycle and properly dispose of waste because they contribute to a society that reuses and recycles.
- We will study and implement measures to reduce CO₂ emissions at our two coal-biomass co-fired power plants by changing the equipment and fuels they use, and will consider shutting down the plants if we determine that these cannot reduce emissions by March 2030.

►►► See [here](#) for information on how we help to resolve social issues through our business activities.



ORIX owns 100% of the outstanding shares of Elawan Energy, a global renewable energy company based in Spain. Elawan Energy develops and operates wind and solar power generation plants in 14 countries, mainly in Europe, North America, and South America. It operates power generation facilities with a total installed capacity of 1,360 MW (as of March 31, 2023) and has a total of 11 GW of projects in operation, under construction, or in development. Elawan Energy's strength is its functional expertise in handling all aspects of projects from development to operation, and it is positioned as a strategic platform for ORIX to expand its renewable energy business globally in the future.



In June 2021, ORIX Environmental Resources Management completed construction of the Yorii Biogas Plant in Yorii-machi, Saitama Prefecture. This dry biogas power generation facility with a capacity of 1.6 MW is one of the largest in Japan that uses general waste. Commercial operation started in April 2022, and the estimated annual power generation is 9.8 million kWh. This facility is a waste-to-energy renewable energy power generation facility that ferments general waste such as food and paper waste using methanogens to generate biogas that fuels power generation. The operation of this facility will help increase the food recycling rate of downstream businesses in the food industry.



Insurance

Life Insurance

Business ▶ Life insurance, including medical insurance and death insurance

Opportunities

- Rising asset formation and lifetime security needs brought on by an age of 100-year lifespans
- Increase in points of customer contact and expanded opportunities to sell policies using an omnichannel approach

Risks

- Contraction of the domestic life insurance market due to the declining population
- Intensifying competition in the life insurance industry

Strengths

- Strong ability to develop products that address customer needs
- Favorable recognition from third-party institutions
- Omnichannel business development

Growth Strategy: Expand Customer Base and Advance Omnichannel Strategy

Fiscal Year Ended March 2023 in Review

We launched new life insurance products with living benefits to meet the needs of aging business owners, enhanced our omnichannel strategy and created new points of contact with customers, such as directly managed in-store insurance shops and online face-to-face sales.

- We are expanding our customer base with products for older customers that meet retirement funding and inheritance needs, and with products targeting the corporate market.
- We will take a multi-pronged approach to product development and shorten development time to enhance the competitiveness of our products and our ability to offer them to customers.
- We will create new points of contact with customers with sales strategies that leverage the characteristics of four sales channels: agency sales, sales by financial institutions, mail-order sales, and face-to-face sales by employees.
- We will enhance the customer experience by increasing operational efficiency and digitalizing to increase opportunities to sell policies.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

We formulated the ORIX Life Sustainability Policy in December 2022 and identified five material issues (materialities); formulated asset management screening standards that take ESG into consideration; and calculated GHG emissions of the investment portfolio.

Based on the [ORIX Life Corporate Philosophy](#), ORIX Life Insurance has formulated a [Sustainability Policy](#) that clearly states its basic approach to contributing to solving social issues through its life insurance business, and identifies five material issues (materialities). By working to resolve these important issues based on this policy, we will contribute to the realization of a sustainable global environment and society for future generations.

ORIX Life Insurance's Material Issues (Materialities)

- To provide security through the insurance business to people of all generations who will live in the age of 100-year lifespans.
- To realize a sustainable society through the promotion of responsible investment as an institutional investor.
- To build mutually beneficial relationships with business partners.
- To create an environment in which each and every employee can maximize his or her potential in various situations.
- To strengthen corporate governance for sustainable growth.

See [here](#) for details on initiatives for each material issue.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



We redesigned our core medical insurance products CURE Next and CURE Lady Next as an initiative to provide security through the insurance business to people of all generations in the age of 100-year lifespans, and began selling the redesigned products on April 2, 2022. The redesigned products feature affordable insurance premiums and enhanced coverage for the three major diseases of cancer, heart disease, and cerebrovascular disease.



We conduct ESG investment that reflects environmental, social, and governance issues in order to realize a sustainable society through the promotion of responsible investment as an institutional investor. One key initiative is to help achieve a sustainable society through thematic investment in renewable energy assets, green bonds, sustainable bonds, and the like after considering risk and return.



Banking and Credit Banking

Business ► Real estate investment loans, corporate loans, consumer finance, and trust business

Opportunities

- Growing demand for funding for corporate sustainability initiatives
- Diversifying customer needs for asset management and administration, and increasing ESG investment requirements
- Strategic asset deployment that captures diverse needs

Risks

- Contraction in the core real estate investment loan market due to persistently high real estate prices
- Rise in market volatility and emergence of credit risk associated with interest rate and price hikes and monetary policy trends

Strengths

- High profitability from efficient operations with demonstrated strength in clearly defined markets
- Able to provide diverse products and services using trust banking functions

Growth Strategy: Expand into New Strategic Markets and Enhance Cash Flow from Asset Securitization

Fiscal Year Ended March 2023 in Review

The core real estate investment loan market remained strong, and we promoted the proliferation of environmentally responsible real estate through loans. We also emphasized financing in strategic markets such as renewable energy and logistics. In addition, our asset securitization business generated cash flow from loan assets after identifying relevant investor requirements. Moreover, our investment in Digital Securities Preparatory Co., Ltd. and the launch of a fully automated asset management service have enabled us to offer asset management options for both institutional and individual investors.

- Our real estate investment loan business will maintain a target market share while ensuring soundness by carefully screening projects. We will also facilitate the proliferation of environmentally responsible real estate.
- We will originate loans in designated strategic sectors that will underpin a sustainable society. We will also enhance our asset securitization business by deploying our trust functions to commercialize products that address the asset management needs of investors.
- We are targeting sustainable growth and higher ROA while appropriately controlling the quality and volume of assets.

►►► See [here](#) for information on how we help to resolve social issues through our business activities.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

With sustainability as the cornerstone of management, we promoted initiatives that contributed to resolving social issues. In the real estate investment loan business, we increased financing for the development of investment condominiums with ZEH*¹ specifications, and also financed an apartment building with ZEH specifications. In addition, we diversified financing for renewable energy from solar power generation to new markets. In November 2022, we issued our first sustainability bond to fund these new types of projects. We also digitalized operations and introduced a new personnel system to reform work styles.

*¹ Net zero energy house. Refers to housing that aims to keep the balance of annual energy consumption to zero or less by conserving energy with outstanding thermal insulation performance and the use of highly efficient facilities, and by creating energy with solar power generation.

In accordance with ORIX Bank's material issues (materialities), we will provide products and services that help resolve social issues, and implement initiatives to be a sustainable company.

ORIX Bank's Material Issues (Materialities)

1. Creating a sustainable economy and society:
 - Responding to an aging society
 - Regional revitalization
 - Realizing a smart and resilient society
2. Building safe and secure homes and lifestyles:
 - Creating sustainable cities and communities
 - Resolving urban issues
3. Realizing a society in harmony with nature:
 - Responding to climate change
 - Creating a recycling-oriented society
4. Creating a work environment in which everyone can work comfortably:
 - Diversity and inclusion
 - Human resource development and self-realization



Creating sustainable cities and communities is one of the material issues (materialities) of ORIX Bank's Sustainability Policy. Complementing financing for companies that develop environmentally responsible properties, in September 2022 we provided our first financing package for an individual investor to purchase a Nearly ZEH-M*² investment apartment building. We will continue to facilitate the proliferation of environmentally responsible real estate to achieve a sustainable society.

*² Nearly zero energy mansion. A housing complex that complies with Nearly ZEH-M regulations and reduces standard primary energy consumption by 75% or more through energy conservation and generation.



ORIX Bank incorporates sustainability in its corporate management and promotes work style reform and digitalization. To date, we have expanded our personnel system to empower flexible work styles for our employees, and we have also created a hardware environment that facilitates working from home through digitalization and paperless work. We have renovated all floors of the head office building and created an office environment that can accommodate both telework and on-site work with the goal of improving employee productivity, encouraging job satisfaction, and creating new value.



Banking and Credit Credit

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

Opportunities

- Rebound in consumer sentiment damaged by COVID-19
- Increased opportunities to attract customers by collaborating with business partners

Risks

- Worsening economic environment (increase in non-performing loans)
- Intensifying competition in the consumer loan market due to entrants from other industries such as fintech
- Changes in the business environment due to the inverted yield curve

Strengths

- Brand strength in product development and sales activities
- Screening capabilities built over many years

Growth Strategy: Business Growth Geared to the Next Generation

Fiscal Year Ended March 2023 in Review

In the consumer finance business, the balance of installment loans turned around because we proactively promoted ORIX MONEY, which we launched in February 2022. In the credit guarantee business, the number of affiliated financial institutions increased due to sales activities targeting regional financial institutions driven by sales offices throughout Japan. In the mortgage banking business, Flat 35 originations were stable and our market share expanded despite the downturn of the industry as a whole due to changes in the interest rate environment.

- In the consumer finance business, we are working to build brand recognition for ORIX MONEY and increase the balance of installment loans. We will also leverage our brand power to acquire new-to-market customers and encourage borrowing among existing customers.
- In the mortgage banking business, we aim to rapidly attain a leadership position in the industry through Flat 35 volume driven by targeted marketing at sales offices throughout Japan. Concurrently, we intend to expand our lineup of housing loan products to capture additional profit opportunities.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

We have started offering environmentally responsible cardless products and digital services, and have begun considering initiatives that help prevent multiple debts and personal bankruptcy.

We aspire to become a financial services company that is consistently able to propose products and services from the perspective of individual customers.

- We will develop products for customers with needs that existing financial services do not satisfy, including freelancers, non-Japanese nationals, senior citizens, and full-time housewives.
- Our goal is to prevent individuals from incurring multiple debts and personal bankruptcy by deterring excessive lending and providing financial education to young people.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



ORIX Credit is actively promoting and marketing ORIX MONEY. This involves improving customer convenience by using digital technology and enhancing UI/UX*, and we have begun complementing existing app-based products with card-based products that meet customer needs. In addition, we aim to build mind share through promotional activities such as TV commercials and establish a unique position within the consumer finance market.

*Providing an intuitive user interface (UI) and a satisfying user experience (UX).



We are promoting Flat 35 by strengthening sales and improving operational efficiency in ways such as enhancing operational flow and accelerating screening. In addition, we are expanding origination volume while strengthening mortgage broker relationships and governance. We are also focusing on product planning and development to provide a wide range of services that respond to changes in the environment and the needs of the housing loan market.



Aircraft and Ships

Business ▶ Leasing and asset management services for aircraft and ships

Opportunities

Aircraft Business

- Increased use of leasing among airlines and increase in low-cost carriers
- Greater demand for aircraft remarketing and asset management

Ship Business

- Increased logistics demand worldwide
- Investment to decarbonize and digitally transform shipping

Risks

Aircraft Business

- Decrease in passenger demand due to a global economic slowdown, war, terrorism, or infectious diseases
- Airline bankruptcies

Ship Business

- Decrease in the volume of trade due to accelerating protectionism caused by geopolitical risk (decrease in volume of goods shipped internationally)
- Decrease in investor demand due to a global economic slowdown

Strengths

Aircraft Business

- Aircraft sourcing ability and high-quality asset management services
- Avolon's business model of ordering from aircraft manufacturers

Ship Business

- Ship operations and management (ORIX Maritime)
- Diversified portfolio encompassing owned vessels, financing, and fee businesses

Growth Strategy: Leverage Market Conditions to Generate Earnings

Fiscal Year Ended March 2023 in Review

Aircraft business: We actively replaced assets to benefit from the recovery in passenger demand and considered multiple investments to expand the business domain.

Ship business: We sold owned vessels before the market declines, selectively provided financing, including [sustainability linked loans](#), and invested in a venture capital fund specializing in the maritime sector.

Aircraft Business

- We continue to see potential in the passenger market amid ongoing recovery from the impact of COVID-19. Targeting sustainable growth, we will observe trends in the airline and leasing markets and investor demand while replacing assets to improve the quality of our portfolio and expand the number of owned and managed aircraft.
- We will leverage our strong affinity with Avolon to expand in the aircraft leasing market.

Ship Business

- We will properly assess the market for owned vessels as we recycle capital.
- We will complement our three core businesses of owned vessels, financing, and fee businesses by leveraging our 50 years of experience in the shipping business to accelerate investment in sustainable shipping, digitally transformed shipping, and other growth markets.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

Aircraft business: As of December 2022, 55% of Avolon's portfolio consisted of new models with good fuel efficiency, up from 50% in December 2021. Our goal is to raise this ratio to 75% by 2025. All 258 aircraft on order are new models.

Ship business: We completed the sale of all eight owned vessels with substandard environmental performance. We will not make new investments in vessels built prior to the international environmental regulations* that went into effect in 2013.

*Fuel efficiency regulations for new ships.

Aircraft Business

- Recognizing the strong social demand for reduced CO₂ emissions in the airline industry, we will provide supplementary support for meeting the emission reduction targets of airline companies as an operating lease provider. We therefore aim to increase the ratio of new models with good fuel efficiency in our aircraft portfolio.
- We will consider investments and loans related to sustainable aviation fuel (SAF).

Ship Business

- ORIX bases vessel ownership on specifications that improve fuel efficiency and reduce environmental impact. We have implemented a policy to exclusively procure new ships that comply with international environmental regulations, and we will not invest in ships built prior to the international environmental regulations that went into effect in 2013.
- We will increase sustainability linked loans.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.



We entered the aircraft finance leasing business in the late 1970s and established ORIX Aviation Systems Limited in 1991 to expand our aircraft operating lease business. We also provide asset management services to domestic and foreign investors, and we own and manage 192 aircraft as of March 2023. In addition, in 2018 we acquired a 30% stake in Avolon, the world's third-largest aircraft leasing company. Avolon had a fleet of 531 aircraft as of March 2023.



ORIX began leasing pre-owned ships in Japan in the late 1960s, and our ship finance business has been operating internationally since the early 1970s. In 1977, we established Perseus Shipping Co., Ltd. (now ORIX Maritime) to manage and maintain our ships. Most of our fleet is handy-sized bulk carriers that we provide to major companies such as grain trading houses and power companies in Japan and overseas. We owned 10 bulk carriers as of March 2023.



ORIX USA

Business ► Finance, investment, and asset management in the Americas

Opportunities

- Growth of assets under management as the asset management market expands
- More financing opportunities as banks tighten lending

Risks

- Persistently high interest rates
- Credit losses due to deterioration of client company performance
- Decrease in investment and credit opportunities due to reduced M&A activity

Strengths

- Ability to offer various capital solutions tailored to the middle market
- Use of specialists with an intimate knowledge of business in their field

Growth Strategy: Deploy Assets On and Off the Balance Sheet

Fiscal Year Ended March 2023 in Review

We made our risk management system more rigorous, given the uncertain financial and economic outlook in the Americas, and changed internal regulations and committees to grow the asset management business.

- ORIX Corporation USA (OCU) is an on-balance-sheet investor and lender as well as an asset manager that deploys funds from external investors. It controls its balance sheet while expanding assets under management and fee businesses.
- OCU's private credit, private equity, and real estate businesses provide financing solutions for middle-market U.S. companies. We intend to expand asset management services while acquiring companies with relevant asset management and operation capabilities.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

OCU uses its own ESG scorecard*¹ to assign ESG scores to all assets on its balance sheet. A dashboard displays scorecard information to visualize and enable management of ESG risks across the portfolio. We established an internal ESG advisory body*² to provide ESG advice on discrete investments and loans and on OCU's ESG strategy. We have also created a framework for developing impact investment products.

*¹ The ESG scorecard incorporates the framework of the U.S. Sustainability Accounting Standards Board (SASB), and also adjusts risk weightings by industry sector.

*² Called the ESG Advisory Group.

We believe that ESG-based investment decisions are essential to contributing to society, generating sustainable growth, managing risk, and maintaining the trust and respect of our stakeholders.

- We will evaluate and monitor ESG scores and conduct annual reviews.
- We will improve the ESG scorecard to better contribute to ESG due diligence and engagement.
- We will identify indicators and exposures related to information disclosure based on the TCFD recommendations, and monitor them as part of risk management.

►►► See [here](#) for information on how we help to resolve social issues through our business activities.



Lakeview Pointe in Garland, Texas, is part of the affordable housing rental property portfolio of ORIX USA subsidiary Boston Financial Investment Management, L.P. The 132-unit property was recognized as the city's first National Green Building StandardTM Certified project. This recognition confirms that Lakeview Pointe has met the criteria set by the Home Innovation Research Labs and the National Association of Home Builders, ensuring that the development is sustainable and environmentally responsible in design, construction, and operation.



In November 2022, employees of ORIX USA and its subsidiary Lument volunteered with Habitat for Humanity to paint and prime three hallways of a residential cooperative building in New York City. This Build Day was part of a series of projects where employees contributed their time to help build affordable housing for disadvantaged communities. As part of the 2022 fiscal year Corporate Social Responsibility annual giving program, ORIX USA Group donated \$100,000 to Habitat for Humanity, supporting their mission to build safe and affordable homes and communities in the U.S.



ORIX Europe

Business ▶ Asset management of global equity and fixed income

Opportunities

- Inflow of funds into international ESG investing
- Increased M&A opportunities due to reorganization of the asset management industry

Risks

- Weakened investment management organization due to an outflow of talented personnel
- Shift from active to passive management and rising pressure on fees

Strengths

- Broad product lineup and investor base
- Extensive experience backed by a long track record, an excellent research system, and expertise in ESG investing

Growth Strategy: Step Up Marketing and Expand the Product Lineup

Fiscal Year Ended March 2023 in Review

Robeco: Assets under management decreased due to market downturn; focused on expanding private debt business.

Boston Partners: Solid performance despite market downturn; began strengthening distribution.

Harbor Capital: Assets under management decreased due to market downturn; began strengthening distribution.

Transtrend: Low correlation with the stock market, strong performance.

- ORIX Europe is strengthening sales and distribution and expanding assets under custody in the areas it serves. We aim to expand the product line both organically and through M&A, depending on the prevailing opportunities. We see room to expand in alternative investments such as real estate, infrastructure, and private debt as well as in Robeco's existing strengths in quantitative and sustainable investment.
- Management fees for traditional stock and bond investment products are on the decline. We will therefore ensure profitability by expanding the product lineup to include alternative investments with comparatively high-margin fees.

▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

Robeco: We achieved a 45.1% reduction in carbon emissions from investment and business activities by the end of December 2022 in accordance with our Net Zero Roadmap*¹. We also created a framework based on our Biodiversity Roadmap*² for evaluating contributions to biodiversity and established a biodiversity equity strategy.

*¹ Announced in 2021. *² Announced in 2022.

Robeco

- Our investment strategies will integrate ESG factors: (1) strategies that employ ESG information in investment decisions; (2) strategies that focus on sustainability; and (3) impact investment strategies. In particular, we will focus on expanding the balance of assets under management related to (3) impact investment strategies.
- We will create an engagement policy and appoint experts to strengthen engagement with governments and government-owned enterprises.
- In line with our Net Zero Roadmap, we will reduce carbon emissions from our investment and business activities by 7% each year with the goal of achieving net zero by 2050.
- In line with our Biodiversity Roadmap, we will implement initiatives for TNFD*³ testing and the creation of biodiversity-related asset management industry standards.

See [here](#) for information on the approach to sustainability of Boston Partners Global Investors, Harbor Capital Advisors, Transtrend, and Gravis Capital Management.

*³Taskforce on Nature-related Financial Disclosures: An initiative launched in June 2021, TNFD encourages organizations to assess and report risks and opportunities related to the natural environment and biodiversity in their own economic activities.



In 2022, Robeco launched its Sustainable Investment Open Access initiative to disclose its SDG scoring and biodiversity framework to investors and academia. We aim to make Robeco's sustainability framework a global standard by receiving feedback and making improvements.



Robeco has been at the forefront of sustainable investing ever since launching its first sustainable investment product in 1995. In its [Sustainability Report 2022](#), Robeco summarizes how it integrates sustainability into its investments and business activities, the sustainable investment solutions it offers its clients, and how it implements active ownership activities.



Asia and Australia

Business ► Finance and investment businesses in Asia and Australia

Opportunities

- Strong potential for growth due to factors including the expansion of the middle class in emerging Asian countries
- New investment and loan opportunities for EVs and other next-generation technologies

Risks

- Relatively high interest rates and exchange rate volatility
- Political uncertainty in individual countries

Strengths

- Local expertise and networks developed over the long term
- Use of ORIX Group's expertise in business diversification

Growth Strategy: Promoting Business Diversification

Fiscal Year Ended March 2023 in Review

We restored assets to pre-COVID level. The automobile leasing business is doing especially well due to the significant increase in pre-owned car prices. We strengthened information and expertise sharing among local subsidiaries to diversify our business.

We focused on increasing the value of existing private equity investments and explored the potential for selling them.

- We will implement strategies driven by market size, which encompasses the national population and economy, as well as by market growth potential and competitive conditions. We will continue to expand our business lines through both financing and investment, with the aim of business diversification.
- Diversification will involve creating investment and business opportunities with a network that leverages the skills and expertise of our people in-market to improve our presence in Asia and Australia.

Approach to Sustainability

Fiscal Year Ended March 2023 in Review

The balance of credit extended to industries with high environmental impact*¹ at subsidiaries in Malaysia, Indonesia, and Australia decreased on a local currency basis compared to the fiscal year ended March 2020. In Malaysia, we set a target ratio of RSPO and MSPO*² certified companies to the outstanding balance of credit to palm oil plantation operators. We have established a review system, and have reviewed all cases.

In Greater China, we promoted green finance that encompasses leasing associated with solar power generation, electric vehicles, electric forklifts, and environmental resource recycling equipment. We have begun to consider GHG emission calculation methods for investees.

*¹ Fossil fuel mining, palm oil plantations, and forestry.

*² RSPO is an international certification for sustainable palm oil, and MSPO is a certification from the Malaysian government.

- Subsidiaries in Malaysia, Indonesia, and Australia will reduce the balance of credit extended to industries with high environmental impact by 50% through 2030 compared to 2020.
 - We will support ESG initiatives among existing private equity investees in Greater China.
- See [here](#) for information on how we help to resolve social issues through our business activities.



Shanghai Haichang Ocean Park is operated by the Haichang Group, a strategic investee of ORIX's Greater China Group. The Haichang Group develops and operates aquariums and theme parks such as Sea Paradise in China. ORIX invested in Haichang in 2009, and Haichang Ocean Park Holdings Ltd. listed on the Hong Kong exchange in 2014.



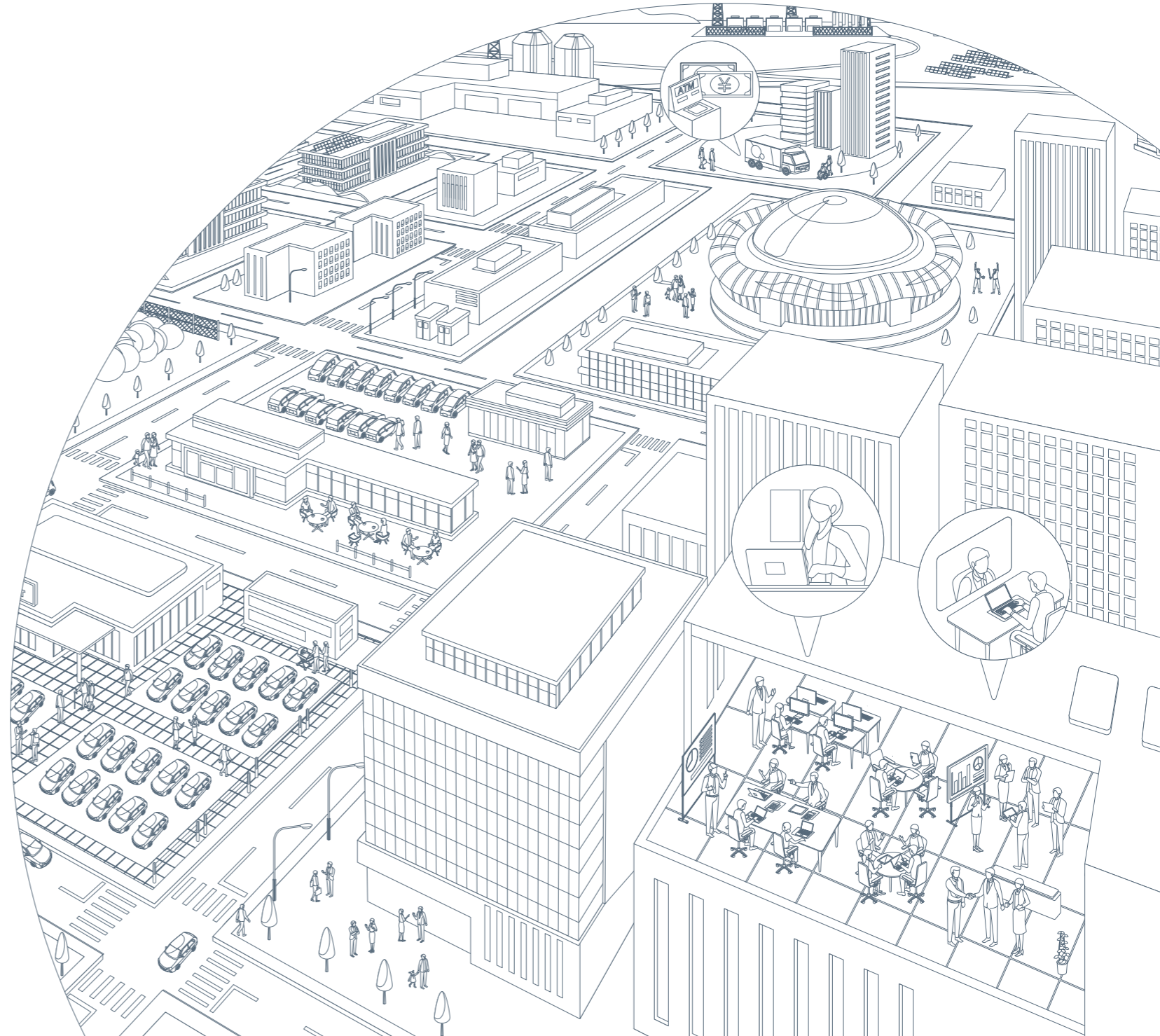
In 2020, ORIX Australia began leasing SEA Hino 917 EV carbon-free electric trucks produced by SEA Electric*³ to a major New Zealand company that is in the road and airport infrastructure construction and maintenance business. The world's first electric truck, the SEA Hino 917 EV has a power system with a battery capacity of 100 kWh and a maximum range of 275 km (unloaded) on a single charge. Lessees also consider this to be a key initiative aligned with their management philosophy of providing sustainable infrastructure development.

*³ SEA Electric is a global automotive technology company that specializes in building 100% electric powered vehicles that do not rely on fossil fuels.



Data

ESG Data	82
Eleven-Year Summary of Consolidated Financial Data	86
Consolidated Balance Sheets	87
Consolidated Statements of Income/ Consolidated Statements of Comprehensive Income	88
Breakdown of Assets and Revenues by Segment	89
Group Companies	91
Corporate Profile/Stock Information/Investor Memo	93





ESG Data

Environment

▶ ORIX Group’s GHG Emissions

(Unit: t-CO₂e)

	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ended March 2023
Scope 1	907,345	1,138,566	987,771	1,044,892	★ 981,519
Scope 2	146,469	112,444	151,055	151,980	★ 139,766
Scope 1 & 2 Total	1,053,814	1,251,010	1,138,826	1,196,872	★ 1,121,285

Scope 1 (Direct GHG emissions occurring from sources that are owned or controlled by the Company (fuel consumption, industrial processes))

Combustion of fuels including fuel oil, diesel, gasoline, city gas, coal, biomass, and waste, use of limestone for desulfurization treatment

Scope 2 (Indirect GHG emissions from purchased energy consumed by the Company (electricity use, heat, and steam))

Electricity use and heat (steam, cold water, warm water)

Scope and Method

Calculation Period

From April 1 to March 31 each fiscal year

Boundary

Through FY ended March 2020: Consolidated ORIX Group companies in Japan (excluding investees in our PE Investment business)

FY ended March 2021 onwards: Consolidated ORIX Group companies (Japan and overseas, excluding a limited number of overseas offices as well as entities which were consolidated in the last quarter of the fiscal year ended March 2023)

Target Activities

GHG Protocol direct emissions (Scope 1) and indirect emissions (Scope 2)

Calculation Method

- GHG emissions (converted to CO₂) are calculated based on the GHG Protocol and the “Ministerial Ordinance Concerning Calculation of Greenhouse Gas Emissions Associated with Business Activities of Specified Emitters” (calculated based on Group GHG calculation guidelines).
- GHG emissions, including CO₂ from non-energy sources, methane (CH₄), and dinitrogen monoxide (N₂O), are calculated based on Company rules concerning the management of environmental information.
- We use the emissions factors under Japan’s Mandatory Greenhouse Gas Accounting and Reporting System in principle.
- Scope 2 emissions are market-based emissions, and post-adjustment emissions factors are used as emissions factors related to electricity consumption at offices in Japan. For emissions factors related to electricity consumption at overseas offices, power company-specific emission factors are used when available, and otherwise the International Energy Agency’s CO₂ emissions factors from electricity generation by country are used.
- Scope 2 emissions include emissions related to power purchases from ORIX Group power generation companies (intra-Group transactions). Emissions related to power purchases (intra-Group transactions) for the fiscal year ended March 2023 were 7 thousand t-CO₂e.

[Notes]

- Change in emissions factors: Beginning from data for the fiscal year ended March 2022, we have changed the calculation for emissions related to electricity consumption to the market-based method.
- Emissions from coal-biomass co-fired power plants: ORIX operates two coal-biomass co-fired power plants in Japan. One is Soma Coal and Biomass Power Plant in Soma City, Fukushima Prefecture, which started operations in March 2018. The other is Hibikinada Coal and Biomass Power Plant in Kitakyushu City, Fukuoka Prefecture, which started operations in December 2018. Each of these power plants has a total generating capacity of 112 MW. Emissions from these two plants for the fiscal year ended March 2023 were 793 thousand t-CO₂e.

Third-Party Assurance

- ◆ Since the fiscal year ended March 2017, we have continuously received independent assurance for our GHG emissions disclosure.
- ◆ For the fiscal year ended March 2023, KPMG AZSA Sustainability Co., Ltd. has provided independent assurance for our GHG emissions. (★: Items subject to third-party assurance)

Third-Party Assurance

Independent Assurance Report

To the Representative Executive Officer, President and Chief Executive Officer of ORIX Corporation

We were engaged by ORIX Corporation (the “Company”) to undertake a limited assurance engagement of the environmental performance indicators marked with ★ (the “Indicators”) for the period from April 1, 2022 to March 31, 2023 included in its Integrated Report 2023 (the “Report”) for the fiscal year ended March 31, 2023.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting ORIX Environmental Resources Management Corporation’s Yorii Biogas Plant and Hibikinada Energy Park LLC selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Kazuhiko Saito

Kazuhiko Saito, Partner, Representative Director
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
September 21, 2023

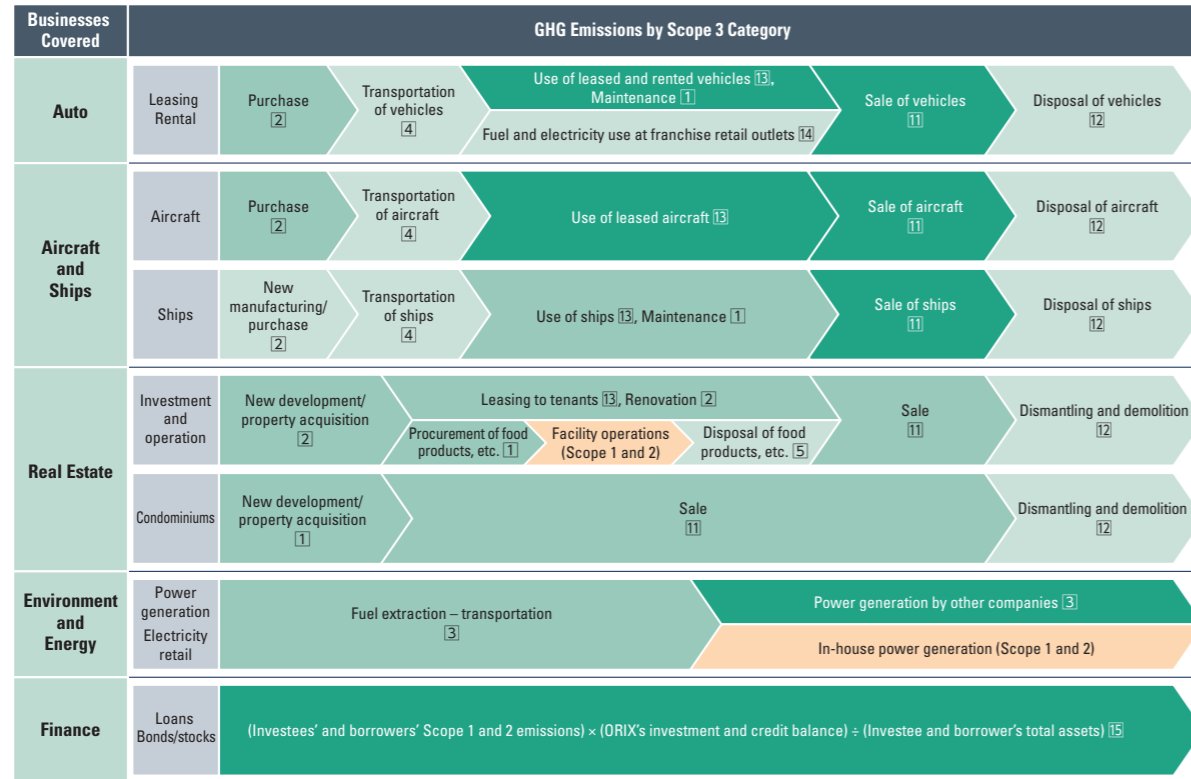
Notes to the Reader of Independent Assurance Report:

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.



ESG Data

► Scope 3 (Value Chain GHG Emissions) and ORIX's Businesses (FY ended March 2023)



Notes to table

(Note 1) Emissions: Large*: 500,000 to 5,000,000 tons Medium: 10,000 to 500,000 tons Small: Less than 10,000 tons

(Note 2) Calculation period: Emissions from business activities for the fiscal year ended March 2023 are estimated in accordance with the GHG Protocol.

(Note 3) Numbers in the table indicate Scope 3 categories.

* The number of aircraft sold in the fiscal year ended March 2023 increased as business activities recovered from the impact of the COVID-19 pandemic, and the maximum figure for "Large" has consequently been changed from this fiscal year. However, only emissions in Category 11 of the aircraft business exceeded 3 million tons. Emissions from other businesses and categories remained in the same range for the fiscal year ended March 2022.

Scope 3 (Value chain GHG emissions) information for previous periods is disclosed in the following reports.

FY ended March 2022: [Page 39 in Sustainability Report 2022](#)FY ended March 2021: [Page 30 in Sustainability Report 2021](#)► CO₂ Avoided Emissions through the Renewable Energy Business(Unit: t-CO₂)

	Wind Power Generation	Solar Power Generation	Geothermal Power Generation	Hydropower Generation	Biomass Power Generation	Total
FY ended March 2022	1,670,000	1,297,000	640,000	428,000	254,000	4,289,000
FY ended March 2023	2,155,000	1,425,000	477,000	406,000	198,000	4,661,000

Note: See [here](#) for details of the calculation scope and concept.

► ORIX Corporation Water Usage and Waste Disposal Volume

Water Usage

	FY ended March 2021	FY ended March 2022	FY ended March 2023
Water withdrawal	Approx. 197,000 m ³	Approx. 249,000 m ³	Approx. 273,000 m ³
Rainwater	Approx. 7,000 m ³	Approx. 2,000 m ³	Approx. 2,000 m ³
Water discharge	Approx. 197,000 m ³	Approx. 248,000 m ³	Approx. 272,000 m ³

Waste Disposal Volume

	FY ended March 2021	FY ended March 2022	FY ended March 2023
Disposal volume	173 tons	661 tons	302 tons

Note: See [here](#) for details of the calculation scope and method.



ESG Data

Social

Employee Composition (ORIX Group consolidated)

			2019	2020	2021	2022	2023
Number of employees			32,411	31,233	33,153	32,235	34,737
By region	Japan		24,639	23,458	25,718	24,738	27,021
	Outside Japan*1		7,772	7,775	7,435	7,497	7,716
By gender	Male		20,491	19,630	20,876	20,330	21,352
	Female		11,920	11,603	12,277	11,905	13,385
Average number of temporary staff			20,768	19,816	19,194	19,024	19,623

Data Concerning Employees*2 (ORIX Corporation*3)

Average age	Overall	42.9	43.4	43.8	44.2	44.5
	Male	44.6	44.9	45.2	45.4	45.4
	Female	40.7	41.3	41.9	42.7	43.3
Average years of service	Overall	15.6	16.1	17.3	17.8	18.1
	Male	15.9	16.3	17.6	17.9	17.8
	Female	15.1	15.8	17.0	17.7	18.3
Turnover rate*4	Overall	4.4	4.1	3.3	4.6	5.2
	Male	5.7	5.2	4.4	6.6	7.1
	Female	2.6	2.7	1.9	2.1	2.7
Percentage of female employees		42.6	42.9	43.3	44.0	44.2
Percentage of mid-career employees		40.9	40.3	40.1	39.8	40.3
Percentage of foreign national employees		1.6	2.0	2.0	1.9	1.9

Working Hours and Leave Taken (ORIX Corporation)

Annual paid leave taken	Days taken	15.5	15.1	13.3	14.1	14.9
	Percentage taken	83.2	80.6	71.3	75.0	79.7
Average monthly working hours		151.7	150.8	156.4	157.4	157.3
Average monthly non-statutory working hours		3.9	3.6	6.0	6.1	5.8

Compensation (ORIX Corporation)

Average annual salary (JPY)	8,800,192	8,711,932	8,583,327	8,852,516	9,100,288
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Pay Gap between Men and Women*5 (Ratio of women's wages to men's) (ORIX Corporation) (FY ended March 2023)

All employees	Of full-time employees	Of fixed-term and part-time employees
62.2%	61.8%	65.3%

Training (ORIX Corporation)

Annual total training hours	30,369	30,931	42,022	45,548	86,429
Annual average training hours per employee	8.1	8.3	11.3	12.5	24.0
Annual average training cost per employee (JPY)	96,674	90,810	55,520	67,285	98,646

*1 Outside Japan: Total number of employees in four segments: Aircraft and Ships, ORIX USA, ORIX Europe, and Asia and Australia.

*2 Data Concerning Employees: Excluding executives.

*3 ORIX Corporation (non-consolidated): 2,937 employees, or 8% of consolidated group employees, as of the end of March 2023.

*4 Turnover rate: Includes retirees and employees transferred within ORIX Group.

*5 Pay Gap between Men and Women: In calculating the difference, seconded employees are counted as employees of the home company.

See [here](#) for human resources data other than the above for the consolidated ORIX Group companies and ORIX Corporation, as well as for our 10 Group companies.

Female Managers*6 (ORIX Corporation)

		2019	2020	2021	2022	2023
Female managers	Number of persons	418	451	474	512	529
	Percentage	23.8	25.3	26.2	28.6	29.8
Percentage of newly appointed female managers		32.0	35.3	35.3	54.2	50.0

Childbirth and Childcare (ORIX Corporation)

Working mothers	Number of persons	634	637	723	749	767
	Percentage*7	39.9	40.2	45.1	46.8	48.2
Female employees who took childcare leave*8	Number of persons	71	53	60	59	61
	Percentage	98.6	110.4	92.3	111.3	107.0
Male employees who took childcare leave or special childcare paid time off*9	Number of persons	76	49	54	52	61
	Percentage	96.2	63.6	76.0	83.8	91.0
Percentage of employees returning after childcare leave*10	Male	100.0	—	100.0	100.0	100.0
	Female	95.2	92.3	97.0	94.4	97.0
Retention rate after return*11	Male	100.0	100.0	—	100.0	100.0
	Female	97.7	97.2	96.6	100.0	97.0

Nursing Care (ORIX Corporation)

Number of employees who took nursing care paid time off	Male	18	25	14	14	17
	Female	37	47	35	40	45
Number of employees who took nursing care leave	Male	0	0	0	0	0
	Female	0	1	1	1	0

Recruiting (ORIX Corporation)

Total number of employees recruited		126	127	127	101	147
New graduates	Male	31	42	35	21	30
	Female	42	31	33	19	14
Mid-career employees	Male	44	40	47	51	84
	Female	9	14	12	10	19
Percentage of female recruits		40.4	35.4	35.4	28.7	22.4
Percentage of mid-career employees		42.0	42.5	46.4	60.3	70.0

Health and Safety (ORIX Corporation)

Percentage of employees who went through stress checks	86.6	87.7	88.7	89.1	91.8
Number of occupational accidents	na	3	1	2	3
Number of fatal accidents	na	0	0	0	0

*6 Managers: Persons in the same office, in addition to section managers, who are equivalent to section managers in terms of job content and degree of responsibility, regardless of their title or membership (however, this excludes the lowest ranks).

*7 Percentage of working mothers: Ratio of working mothers to total number of female employees.

*8 Female employees who took childcare leave: The ratio of the number of employees who gave birth in the previous fiscal year to the number of employees who took childcare leave in the previous fiscal year. The ratio may exceed 100% as the number of employees who took childcare leave includes the number of those who newly took childcare leave in the previous fiscal year although they gave birth before the previous fiscal year but did not take childcare leave in that fiscal year.

*9 Male employees who took childcare leave or special childcare paid time off: Ratio of the number of male employees whose child was born in the previous fiscal year to the number of employees who newly took childcare leave or special childcare paid time off in the previous fiscal year. The ratio may exceed 100% as the number of employees who took such leave or paid time off includes the number of those who newly took leave or paid time off in the previous fiscal year although their child was born before the previous fiscal year but did not take leave or paid time off in that fiscal year.

Special childcare paid time off: A system that gives special paid leave days to employees who are raising infants under 12 months old who have not acquired childcare leave. This system was introduced with the purpose of creating a workplace where all employees can work comfortably. It aims to do this by expanding opportunities for male employees to participate in childcare and helping to raise awareness surrounding balance between work and family.

Number of male employees who took special childcare paid time off: (For the fiscal year ended March 2023) The number of employees who took special paid leave days between April 2022 and March 31, 2023.

*10 Percentage of employees returning after childcare leave: (For the fiscal year ended March 2023) The percentage of employees who returned to work among employees who reached the end of childcare leave in the fiscal year ended March 2023.

*11 Retention rate after return: (For the fiscal year ended March 2023) Percentage of employees still working as of March 2023 to the number of employees who returned to work during the fiscal year ended March 2022.



ESG Data

Governance

Number of Meetings Held, Attendance Rate, and Composition of the Board of Directors

	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ended March 2023
Number of Board of Directors meetings held	8	9	8	9	8
Board of Directors meeting attendance rate	97%	96%	100%	99%	100%
Number of directors	12	12	12	11	11
Of which, number of outside directors	6	6	6	6	6
Ratio of outside directors	50.0%	50.0%	50.0%	54.5%	54.5%
Of which, number of female directors	2	2	2	2	2
Ratio of female directors	16.6%	16.6%	16.6%	18.1%	18.1%

Number of Meetings Held and Attendance Rates of Committees

	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ended March 2023
Number of Nominating Committee meetings held	3	5	5	7	6
Nominating Committee attendance rate	94%	95%	100%	100%	100%
Number of Audit Committee meetings held	8	8	11	12	14
Audit Committee attendance rate	100%	96%	97%	97%	98%
Number of Compensation Committee meetings held	4	6	4	4	4
Compensation Committee attendance rate	100%	100%	100%	100%	100%

Amount of Tax Paid by Country

FY ended March 2022			FY ended March 2023		
Country	Amount of tax paid (Millions of yen)	Percentage by country	Country	Amount of tax paid (Millions of yen)	Percentage by country
Japan	42,929	51.7%	Japan	162,667	86.9%
United States	22,725	27.4%	United States	7,294	3.9%
Netherlands	9,644	11.6%	China	2,549	1.4%
Switzerland	1,476	1.8%	Spain	2,013	1.1%
Others	6,255	7.5%	Others	12,723	6.8%
Total	83,030	100.0%	Total	187,246	100.0%

Note: The amount of tax paid is based on reports by country submitted to the tax authorities.

- ▶ Page 58 Number of Meetings Attended and Attendance Rate for the Board of Directors and Committee Meetings in FY Ended March 2023 (by Director)
- ▶ Page 60 ORIX Shares Held (As of the Date of Submission of the Securities Report for the FY Ended March 2023)
- ▶ Page 60 Compensation for Directors, Executive Officers, and Group Executives (FY Ended March 2023)

Inclusion in ESG Indices

As of July 2023, ORIX is included in the ESG indices below:

- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index
- FTSE Blossom Japan Sector Relative Index
- FTSE Blossom Japan Index
- FTSE4Good Developed Index
- Morningstar Japan ex-REIT Gender Diversity Tilt Index

See the following pages for other data.

- ▶▶▶ [Initiatives We Support](#)
- ▶▶▶ [Ratings and Scores by ESG Rating Agencies](#)
- ▶▶▶ [Sustainability-Related Policies and Data](#)



Eleven-Year Summary of Consolidated Financial Data

Years ended March 31, 2013 through 2023

(Millions of yen)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Financial Position:											
Net Investment in Leases	¥ 989,380	¥1,094,073	¥ 1,216,454	¥ 1,190,136	¥ 1,204,024	¥ 1,194,888	¥ 1,155,632	¥ 1,080,964	¥ 1,029,518	¥ 1,057,973	¥ 1,087,563
Installment Loans	2,691,171	2,315,555	2,478,054	2,592,233	2,815,706	2,823,769	3,277,670	3,740,486	3,670,784	3,862,604	3,877,602
Investment in Operating Leases	1,395,533	1,379,741	1,296,220	1,349,199	1,313,164	1,344,926	1,335,959	1,400,001	1,408,189	1,463,202	1,537,178
Investment in Securities	1,093,668	1,214,452	2,846,257	2,344,792	2,026,512	1,729,455	1,928,916	2,245,323	2,660,443	2,852,349	2,940,858
Property under Facility Operations	218,697	295,863	278,100	327,016	398,936	434,786	441,632	562,485	491,855	561,846	620,994
Total Assets	8,435,193	9,063,517	11,439,874	10,992,918	11,231,895	11,425,982	12,174,917	13,067,528	13,563,082	14,280,684	15,289,385
Short-term Debt, Long-term Debt and Deposits	5,556,330	5,363,968	5,701,356	5,685,014	5,753,059	5,890,720	6,423,512	6,847,889	7,041,887	7,142,843	7,964,864
Long- and Short-term Debt	4,477,743	4,157,555	4,413,976	4,286,542	4,138,451	4,133,258	4,495,771	4,616,186	4,724,102	4,866,685	5,718,519
Debt/Equity Ratio											
Short-term Debt, Long-term Debt and Deposits/Shareholders' Equity (Times)	3.4	2.8	2.7	2.5	2.3	2.2	2.2	2.3	2.3	2.2	2.2
Short-term Debt and Long-term Debt/Shareholders' Equity (Times)	2.7	2.2	2.1	1.9	1.7	1.5	1.6	1.5	1.6	1.5	1.6
Share of Long-term Debt (%)	91	93	94	92	93	93	93	93	93	91	91
ORIX Corporation Shareholders' Equity	1,643,596	1,919,346	2,152,198	2,310,431	2,507,698	2,682,424	2,897,074	2,993,608	3,028,456	3,304,196	3,543,607
Shareholders' Equity Ratio (%)	19.5	21.2	18.8	21.0	22.3	23.5	23.8	22.9	22.3	23.1	23.2
Revenues and Expenses:											
Total Revenues	¥1,052,477	¥1,375,292	¥ 2,174,283	¥ 2,369,202	¥ 2,678,659	¥ 2,862,771	¥ 2,434,864	¥ 2,280,329	¥ 2,292,708	¥ 2,520,365	¥ 2,666,373
Total Expenses	901,624	1,172,244	1,917,454	2,081,461	2,349,435	2,526,576	2,105,426	2,010,648	2,033,894	2,213,711	2,327,375
Provision for Doubtful Receivables and Probable Loan Losses	10,016	13,838	11,631	11,717	22,667	17,265	22,525	24,425	—	—	—
Provision for Credit Losses	—	—	—	—	—	—	—	—	16,021	3,939	7,756
Income before Income Taxes and Discontinued Operations	172,572	286,339	344,017	391,302	424,965	435,501	395,730	412,561	287,561	509,447	392,178
Net Income Attributable to ORIX Corporation Shareholders	111,909	187,364	234,948	260,169	273,239	313,135	323,745	302,700	192,384	317,376	290,340
ROA (%)	1.33	2.14	2.29	2.32	2.46	2.76	2.74	2.40	1.44	2.28	1.96
ROE (%)	7.4	10.5	11.5	11.7	11.3	12.1	11.6	10.3	6.4	10.0	8.5
Per Share Data (Yen):											
Net Income Attributable to ORIX Corporation Shareholders:											
Basic Earnings per Share	¥ 102.87	¥ 147.75	¥ 179.47	¥ 198.73	¥ 208.88	¥ 244.40	¥ 252.92	¥ 237.38	¥ 155.54	¥ 263.72	¥ 245.98
Diluted Earnings per Share	87.37	143.20	179.21	198.52	208.68	244.15	252.70	237.17	155.39	263.42	245.65
ORIX Corporation Shareholders' Equity per Share	1,345.63	1,465.77	1,644.60	1,764.34	1,925.17	2,095.64	2,263.41	2,386.35	2,487.77	2,768.72	3,027.93
Cash Dividends	13.00	23.00	36.00	45.75	52.25	66.00	76.00	76.00	78.00	85.60	85.60
Segment:											
Segment Profits	¥ 195,366	¥ 310,320	¥ 328,556	¥ 391,874	¥ 429,038	¥ 446,628	¥ 414,472	¥ 429,698	¥ 311,286	¥ 536,056	¥ 406,233
Segment Assets	7,031,316	7,491,827	9,458,077	9,237,950	9,190,667	9,087,803	9,986,916	10,883,545	11,341,789	11,999,584	12,595,338
Return on Segment Assets (ROA) (%)	1.60	2.58	2.77	2.78	2.97	3.42	3.39	2.90	1.73	2.72	2.36
Number of Employees	19,043	25,977	31,035	33,333	34,835	31,890	32,411	31,233	33,153	32,235	34,737

Notes: 1. Cash dividends represent the amount of dividend per share for the corresponding fiscal year.

2. Balance sheet data and income statement data have been changed beginning in the fiscal year ended March 2015. The amounts in the previous years have been retrospectively reclassified to reflect this change.

3. During the fiscal year ended March 2015, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified to reflect this change.

4. From the fiscal year ended March 2017, FASB Accounting Standards Update No. 2015-03 (Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs) has been applied retroactively to consolidated financial statements for prior fiscal years.

5. From the fiscal year ended March 2019, consolidated VIEs for securitizing financial assets such as direct financing lease receivables and loan receivables are included in segment revenues, segment profits and segment assets. The amounts in the previous years have been retrospectively reclassified to reflect this change.

6. From the fiscal year ended March 2020, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

7. From the fiscal year ended March 2020, FASB Accounting Standards Update No. 2018-20 (Leases (Topic 842): Narrow-Scope Improvements for Lessors) has been applied, and the method of presentation on the statement of income has changed for certain expenses, including taxes on lessors' direct financing leases and operating leases.

8. From the fiscal year ended March 2021, the classification of business segments has been reorganized. Segment profits and segment assets for previous years have been retrospectively reclassified to reflect this change.

9. From the fiscal year ended March 2021, the methods of allocating expenses to business divisions and calculating segment profits have changed. Segment profits for previous years have been retrospectively reclassified to reflect this change.

10. From the fiscal year ended March 2021, Accounting Standards Update No. 2016-13 (Measurement of Credit Losses on Financial Instruments—ASC 326 (Financial Instruments—Credit Losses)) has been applied, and provision for doubtful receivables and probable loan losses has been reclassified to provision for credit losses.

11. From the fiscal year ended March 2022, the method of allocating interest expense and selling, general and administrative expenses among segments has changed. Segment profits for previous years have been retrospectively reclassified to reflect this change.

12. From the fiscal year ended March 2022, a portion of the leasing business in the Environment and Energy segment was transferred to the Corporate Financial Services and Maintenance Leasing segment. Segment profits and segment assets for previous years have been retrospectively reclassified to reflect this change.

13. From the fiscal year ended March 2023, the method of allocating interest expenses and selling, general and administrative expenses to segments has been changed. Segment profits for the previous fiscal year have been retrospectively reclassified to reflect this change.

14. From the fiscal year ending March 2024, segment profits have been calculated with broadened the scope of profit sharing for inter-segment collaboration. Segment profits for the previous fiscal years have been retrospectively reclassified to reflect this change.

15. From the three months ended June 2023, Accounting Standard Update No. 2018-12 (Targeted Improvements to the Accounting for Long-Duration Contracts—ASC 944 (Financial Services—Insurance)) has been applied retroactively to the fiscal year ended March 2022.



Consolidated Balance Sheets

As of March 31, 2021, 2022 and 2023

		(Millions of yen)		
		2021	2022	2023
ASSETS				
Cash and Cash Equivalents		¥ 951,242	¥ 954,827	¥ 1,231,860
Restricted Cash		128,333	136,985	135,048
Net Investment in Leases		1,029,518	1,057,973	1,087,563
Installment Loans	The amounts of ¥63,272 million as of March 31, 2021, ¥151,601 million as of March 31, 2022 and ¥197,041 million as of March 31, 2023 are measured at fair value by electing the fair value option under FASB ASC 825.	3,670,784	3,862,604	3,877,602
Allowance for Credit Losses		(78,945)	(69,459)	(64,723)
Investment in Operating Leases		1,408,189	1,463,202	1,537,178
Investment in Securities	The amounts of ¥9,384 million as of March 31, 2021, ¥19,353 million as of March 31, 2022 and ¥22,874 million as of March 31, 2023 are measured at fair value by electing the fair value option under FASB ASC 825.	2,660,443	2,852,349	2,940,858
Property under Facility Operations		491,855	561,846	620,994
Investment in Affiliates		887,764	978,033	1,000,704
Trade Notes, Accounts and Other Receivable		354,334	359,949	441,803
Inventories		142,156	139,563	169,021
Office Facilities		246,399	240,421	253,649
Other Assets	The amounts of ¥6,297 million as of March 31, 2021, ¥5,214 million as of March 31, 2022 and ¥4,676 million as of March 31, 2023 are measured at fair value by electing the fair value option under FASB ASC 825.	1,671,010	1,742,391	2,057,828
Total Assets		¥13,563,082	¥14,280,684	¥15,289,385

		(Millions of yen)		
		2021	2022	2023
LIABILITIES				
Short-term Debt		¥ 307,269	¥ 439,639	¥ 508,796
Deposits		2,317,785	2,276,158	2,246,345
Trade Notes, Accounts and Other Payable		260,712	291,422	366,851
Policy Liabilities and Policy Account Balances	The amounts of ¥266,422 million as of March 31, 2021, ¥198,905 million as of March 31, 2022, and ¥163,734 million as of March 31, 2023 are measured at fair value by electing the fair value option under FASB ASC 825.	1,822,422	1,912,698	1,832,057
Income Taxes:				
Current		22,170	115,340	25,199
Deferred		341,290	346,001	429,063
Long-term Debt		4,416,833	4,427,046	5,209,723
Other Liabilities		971,457	1,040,202	1,056,084
Total Liabilities		10,459,938	10,866,506	11,674,118
Redeemable Noncontrolling Interests		—	—	945
Commitments and Contingent Liabilities				
EQUITY				
Common Stock:		221,111	221,111	221,111
Authorized	2,590,000,000 shares			
Issued	March 31, 2021 1,285,724,480 shares			
	March 31, 2022 1,258,277,087 shares			
	March 31, 2023 1,234,849,342 shares			
Additional Paid-in Capital		259,361	260,479	233,169
Retained Earnings		2,744,588	2,914,558	3,054,448
Accumulated Other Comprehensive Income (Loss):				
Net unrealized gains on investment in securities		(16,208)	(72,892)	(183,034)
Impact of changes in policy liability discount rate		—	37,536	164,516
Debt valuation adjustments		558	221	275
Defined benefit pension plans		(21,073)	(8,072)	(3,617)
Foreign currency translation adjustments		(36,456)	61,914	155,912
Net unrealized losses on derivative instruments		(11,471)	2,788	22,083
Sub-Total		(84,650)	21,495	156,135
Treasury Stock, at Cost:		(111,954)	(113,447)	(121,256)
March 31, 2021 68,386,164 shares				
March 31, 2022 64,877,309 shares				
March 31, 2023 64,543,473 shares				
ORIX Corporation Shareholders' Equity		3,028,456	3,304,196	3,543,607
Noncontrolling Interests		74,688	109,982	70,715
Total Equity		3,103,144	3,414,178	3,614,322
Total Liabilities and Equity		¥13,563,082	¥14,280,684	¥15,289,385

Notes: 1. The Company's shares held through the Board Incentive Plan Trust (2,154,248 shares as of March 31, 2021, 1,963,282 shares as of March 31, 2022, and 2,800,866 shares as of March 31, 2023) are included in the number of treasury shares as of March 31, 2021, 2022 and 2023, respectively.

2. From the three months ended June 2023, Accounting Standard Update No. 2018-12 (Targeted Improvements to the Accounting for Long-Duration Contracts—ASC 944 (Financial Services—Insurance)) has been applied retroactively to the fiscal year ended March 2022.



Consolidated Statements of Income

For the years ended March 31, 2021, 2022 and 2023

	2021	2022	2023
(Millions of yen)			
Revenues:			
Finance revenues	¥ 271,194	¥ 279,589	¥ 317,612
Gains on investment securities and dividends	46,097	56,510	32,430
Operating leases	397,065	450,454	499,541
Life insurance premiums and related investment income	487,550	481,810	494,070
Sales of goods and real estate	410,953	435,398	392,569
Services income	679,849	816,604	930,151
Total revenues	2,292,708	2,520,365	2,666,373
Expenses:			
Interest expense	78,068	68,232	127,618
Costs of operating leases	295,628	322,070	336,987
Life insurance costs	374,348	363,569	373,906
Costs of goods and real estate sold	347,721	381,119	333,009
Services expense	439,233	495,110	571,127
Other (income) and expense	17,125	20,494	14,445
Selling, general and administrative expenses	456,795	522,782	559,406
Provision for credit losses	16,021	3,939	7,756
Write-downs of long-lived assets	3,020	35,666	2,297
Write-downs of securities	5,935	730	824
Total expenses	2,033,894	2,213,711	2,327,375
Operating Income	258,814	306,654	338,998
Equity in Net Income of Affiliates	481	15,006	25,091
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	23,300	187,787	26,915
Bargain Purchase Gain	4,966	—	1,174
Income before Income Taxes	287,561	509,447	392,178
Provision for Income Taxes	90,747	186,594	95,245
Net Income	196,814	322,853	296,933
Net Income Attributable to the Noncontrolling Interests	4,453	5,477	6,561
Net Income Attributable to the Redeemable Noncontrolling Interests	(23)	—	32
Net Income Attributable to ORIX Corporation Shareholders	¥ 192,384	¥ 317,376	¥ 290,340

Note: From the three months ended June 2023, Accounting Standard Update No. 2018-12 (Targeted Improvements to the Accounting for Long-Duration Contracts—ASC 944 (Financial Services—Insurance)) has been applied retroactively to the fiscal year ended March 2022.

Consolidated Statements of Comprehensive Income

For the years ended March 31, 2021, 2022 and 2023

	2021	2022	2023
(Millions of yen)			
Net Income	¥196,814	¥322,853	¥ 296,933
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	(11,182)	(56,684)	(110,166)
Impact of changes in policy liability discount rate	—	62,177	126,980
Net change of debt valuation adjustments	(899)	(337)	54
Net change of defined benefit pension plans	5,330	13,002	4,448
Net change of foreign currency translation adjustments	36,246	105,693	94,707
Net change of unrealized gains (losses) on derivative instruments	4,782	15,070	19,670
Total other comprehensive income (loss)	34,277	138,921	135,693
Comprehensive Income	231,091	461,774	432,626
Comprehensive Income Attributable to the Noncontrolling Interests	5,128	12,137	12,059
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	(303)	—	(17)
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥226,266	¥449,637	¥ 420,584

Note: From the three months ended June 2023, Accounting Standard Update No. 2018-12 (Targeted Improvements to the Accounting for Long-Duration Contracts—ASC 944 (Financial Services—Insurance)) has been applied retroactively to the fiscal year ended March 2022.



Breakdown of Assets and Revenues by Segment (Fiscal year ended March 2023)

(Millions of yen)

	Corporate Financial Services and Maintenance Leasing		Real Estate		PE Investment and Concession		Environment and Energy		Insurance	
Main Components of Segment Assets		1,514,070		935,027		605,471		773,617		2,050,412
Net Investment in Leases	Corporate leasing, sales finance, and auto leasing	566,010	Real estate leasing	57,587	—	1,616	Leasing of energy-saving equipment	6,723	—	—
Installment Loans	Corporate loans, loans purchased under loan servicing unit	333,922	—	—	—	—	—	190	—	18,109
Investment in Operating Leases	Leasing and rental of auto and precision measuring equipment	511,184	Real estate rental	302,698	Investees' operating assets	52,976	—	264	Operating assets (rental properties)	27,467
Investment in Securities	Investment in listed shares	35,164	Investment in funds	3,894	Investment in listed shares and in funds	42,401	—	1,580	Management of corporate and government bonds and other assets	2,000,150
Property under Facility Operations and Servicing Assets	Solar power facilities (JV with Kyudenko Corporation)	18,908	Facility operation	170,425	Investees' operating assets	51,978	Environment and energy-related facilities and equipment	362,043	—	—
Inventories	—	1,104	Condominiums	108,789	Investees' operating assets	48,716	—	9,825	—	—
Advances for Finance Leases and Operating Leases	—	1,566	Rental properties under development	112,973	—	4	—	1	—	—
Investment in Affiliates	Investment in joint ventures including new businesses	16,961	Joint development of rental properties	117,040	Investment in concession business and PE investment	36,678	Investment in power business abroad	190,384	—	—
Advances for Property under Facility Operations	—	—	Operating facilities under development	6,625	—	2,354	Environment and energy-related facilities and equipment under development	88,493	—	—
Goodwill, Intangible Assets Acquired in Business Combinations	—	29,251	—	54,996	—	368,748	—	114,114	—	4,686
Main Components of Segment Revenues		429,907		418,736		376,405		215,770		499,487
Finance Revenues	Interest revenues from loans, revenues from corporate leasing and sales finance, and auto leasing revenues	60,066	Revenues from real estate leasing	5,562	—	159	Leasing revenues from energy-saving equipment	1,230	—	300
Gains on Investment Securities and Dividends	Gains on listed shares	(442)	—	(243)	Gains on sales of investees, equity income/dividends from investees and funds	1,298	—	22	—	—
Operating Leases	Auto and precision measuring equipment leasing, rental revenues, and gains on sales from used cars	258,385	Rental revenues from rental properties and gains on sales of rental properties	55,544	Investees' lease income	38,653	—	78	—	—
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	Life insurance premiums and investment income	496,561
Sales of Goods and Real Estate	Revenues from sales of used rental equipment	5,356	Gains on sales of condominiums	96,030	Revenues from sales of goods by investees	280,361	—	4,200	—	—
Services Income	Various fees and revenues from vehicle maintenance services	106,542	Revenues from facility operation and asset management fees	261,843	Revenues from services provided by investees	55,934	Revenues from Environment and Energy businesses and gains on sales	210,240	—	2,626



Breakdown of Assets and Revenues by Segment (Fiscal year ended March 2023)

(Millions of yen)

	Banking and Credit		Aircraft and Ships		ORIX USA		ORIX Europe		Asia and Australia		Total
Main Components of Segment Assets		2,698,747		742,890		1,462,067		417,941		1,395,096	12,595,338
Net Investment in Leases	—	—	—	—	—	483	—	—	Leasing and sales finance	454,961	1,087,380
Installment Loans	Real estate investment loans and card loans	2,395,340	Ship loans purchased	74,151	Corporate loans	743,091	—	—	Corporate loans	312,788	3,877,591
Investment in Operating Leases	—	—	Aircraft and ship leasing	295,858	—	3,612	—	—	Auto leasing	329,549	1,523,608
Investment in Securities	Management of corporate and government bonds and other assets	291,627	—	5,800	Investment in municipal bonds, CMBS and funds	423,229	Seed capital	84,147	Investment in funds	50,360	2,938,352
Property under Facility Operations and Servicing Assets	—	—	—	—	Mortgage servicing rights	81,291	—	—	—	1,184	685,829
Inventories	—	9	—	37	—	142	—	—	—	202	168,824
Advances for Finance Leases and Operating Leases	—	—	—	—	—	—	—	—	—	3,720	118,264
Investment in Affiliates Investment	—	—	Investment in Avolon	348,583	PE investment	52,408	—	2,714	PE investment	235,586	1,000,354
Advances for Property under Facility Operations	—	—	—	—	—	—	—	—	—	—	97,472
Goodwill, Intangible Assets Acquired in Business Combinations	—	11,771	—	18,461	—	157,811	—	331,080	—	6,746	1,097,664
Main Components of Segment Revenues		84,286		54,009		189,045		206,486		189,744	2,663,875
Finance Revenues	Interest revenues from real estate investment loans and card loans	78,066	—	6,660	Interest revenues from loans and CMBS	106,599	—	812	Leasing and sales finance revenues and interest revenues	59,933	319,387
Gains on Investment Securities and Dividends	—	(839)	—	(1,354)	Gains on sales of investees, equity income from PE funds, and gains on sales of municipal bonds	32,641	Equity income from seed capital	(2,155)	Equity income from PE funds	2,886	31,814
Operating Leases	—	—	Lease income and gains on sales of aircraft and ships	37,208	—	426	—	—	Auto leasing revenues and gains on sales of used cars	104,614	494,908
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	—	—	496,561
Sales of Goods and Real Estate	—	—	—	624	—	2,034	—	—	—	1,698	390,303
Services Income	—	7,059	Investment arrangement fees, asset management fee revenues	10,871	Asset management fee revenues	47,345	Asset management fee revenues	207,829	Revenues from auto maintenance service	20,613	930,902



Group Companies

(As of March 31, 2023)

Company Name	Principal Business	Established (Acquired)	ORIX Group Controlling Share
Corporate Financial Services and Maintenance Leasing			
ORIX Auto Corporation	Automobile Leasing, Rental, Car Sharing, Sales of Used Automobiles	Jun. 1973	100%
ORIX Rentec Corporation	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Sep. 1976	100%
ORIX Capital Corporation	Venture Capital	Oct. 1983	100%
ORIX Asset Management & Loan Services Corporation	Loan Servicing	Apr. 1999	100%
NS Lease Co., Ltd.	Leasing, Lending, Other Financial Services	(Jul. 2002)	100%
ORIX Tokushima Corporation	Leasing, Other Financial Services	(Oct. 2005)	95%
ORIX Loan Business Center Corporation	Personal Loan Related Asset Management, Customer Relations	May 2009	99%
Tsukuba Lease Corporation	Leasing	(Jun. 2010)	95%
Kyuko-Lease Inc.	Leasing, Other Financial Services	(Jan. 2012)	85%
FREEILL CORPORATION	Medical Equipment Rental	(May 2013)	100%
Yodogawa Transformer Co., Ltd.	Manufacturing, Rental, and Sales of Power Receiving, Transforming, and Generating Facilities and Equipment, Various Types of Transformers, Cubicles, etc.	(Jan. 2018)	100%
Real Estate			
ORIX Interior Corporation	Real Estate Rental, Parking Lot Business	(Jan. 1987)	100%
ORIX Hotel Management Corporation	Onsen Hotel, Hotel, and Training Accommodation Facility Operation	Jan. 1997	100%
ORIX Real Estate Corporation	Real Estate Investment, Development, Rental, Facility Operation and Management	Mar. 1999	100%
ORIX Asset Management Corporation	Asset Management of J-REIT	Sep. 2000	100%
Chofu Driving School Corporation	Driving School	(Dec. 2005)	100%
ORIX Real Estate Investment Advisors Corporation	Real Estate Investment and Advisory Services	Sep. 2007	100%
ORIX Aquarium Corporation	Aquarium Operation	Apr. 2011	100%
DAIKYO INCORPORATED	Housing Development and Sales, Redevelopment	(Jan. 2019)	100%
ANABUKI CONSTRUCTION INCORPORATED	Housing Development and Sales, Construction Services	(Jan. 2019)	100%
DAIKYO ASTAGE INCORPORATED	Condominium Management, Repair and Maintenance, Resident Services	(Jan. 2019)	100%
ANABUKI COMMUNITY INCORPORATED	Condominium Management, Repair and Maintenance, Resident Services	(Jan. 2019)	100%
DAIKYO ANABUKI CONSTRUCTION INCORPORATED	Condominium Repair and Maintenance, Construction Services, Building Diagnostics, Aseismic Reinforcing Work	(Jan. 2019)	100%
DAIKYO ANABUKI REAL ESTATE INCORPORATED	Real Estate Buying, Selling, Brokerage, Leasing, Management	(Jan. 2019)	100%
ORIX Facilities Corporation	General Building, Rental Condominium, and Other Facilities Management, Real Estate Brokerage, Construction Services	(Jan. 2019)	100%

Company Name	Principal Business	Established (Acquired)	ORIX Group Controlling Share
Environment and Energy			
ORIX Eco Services Corporation	Trading of Recycled Metals and Other Resources, Collection and Transportation of Industrial Waste, and Intermediate Waste Processing	Apr. 1998	100%
ORIX Environmental Resources Management Corporation	Waste Recycling	Sep. 2002	100%
Ubiteq, INC.	Development and Provision of IoT Solutions, Design, Manufacturing and Quality Assurance of Electronic Devices, Design, Development and Maintenance of Software	(Jul. 2010)	57%
ONE Energy Corporation	Sales, Leasing and Rental of Solar Panels and Electricity Storage Systems	Mar. 2013	70%
Zeeklite Co., Ltd.	Waste Landfill, Mining and Sales of Zeolite	(Feb. 2017)	100%
ORIX Renewable Energy Management Corporation	Operation, Management, and Maintenance of Power Plants That Use Renewable Energy Sources	Jun. 2018	100%
Insurance			
ORIX Life Insurance Corporation	Life Insurance	Apr. 1991	100%
Lifetime Consulting Corporation	Insurance Agency Services	Oct. 2012	100%
Life Assist Co., Ltd.	Insurance Agency Services	(Feb. 2020)	80%
Banking and Credit			
ORIX Credit Corporation	Consumer Finance Services	Jun. 1979	100%
ORIX Bank Corporation	Banking	(Apr. 1998)	100%
Aircraft and Ships			
ORIX Maritime Corporation	Ship Charter and Ship Broker Service	Nov. 1977	100%
ORIX Headquarter Functions (Not included in Segment Financial Information)			
ORIX Insurance Services Corporation	Insurance Agency Services	Sep. 1976	100%
ORIX Computer Systems Corporation	Software Engineering and Systems Management	Mar. 1984	100%
ORIX Baseball Club Co., Ltd.	Professional Baseball Team Management	(Oct. 1988)	100%
Osaka City Dome Co., Ltd.	Management and Operation of Multipurpose Halls, and Planning, Production, and Operation of Various Events Including Sports	(Sep. 2006)	90%
ORIX Business Center Okinawa Corporation	Business Center, Contact Center	Nov. 1999	100%
ORIX Business Support Corporation	Business Support Services	Apr. 2007	100%

▶▶▶ [Our Group](#)



Group Companies (As of March 31, 2023)

Company Name	Country (Region) *1	Principal Business	Established (Acquired)	ORIX Group Controlling Share
Overseas Businesses				
ORIX Corporation USA	USA	Financial Services	Aug. 1981	100%
Boston Partners Global Investors, Inc.	USA	Asset Management	(Jul. 2013)	100%
Harbor Capital Advisors, Inc.	USA	Asset Management	(Jul. 2013)	100%
Lument Real Estate Capital Holdings, LLC *2	USA	Mortgage Banking and Loan Servicing	Sep. 2013	100%
Boston Financial Investment Management, L.P.	USA	Low Income Housing Tax Credit Syndicator	(Jul. 2016)	100%
NXT Capital Group, LLC	USA	Loan Origination, Asset Management	(Aug. 2018)	100%
RB Capital S.A.	Brazil	Real Estate Securitization, Asset Management, Real Estate Development and Investment	(Dec. 2016)	64%
ORIX Asia Limited	Hong Kong	Leasing, Lending, Automobile Leasing, Banking	Sep. 1971	100%
ORIX Asia Capital Limited	Hong Kong	Equity Investment, Lending	Jul. 1973	100%
ORIX Finance Services Hong Kong Limited	Hong Kong	Leasing, Lending, Consumer Finance Services	(May 2002)	100%
ORIX Asia Asset Management Limited	Hong Kong	Investment Advisory, Asset Management	Mar. 2021	100%
ORIX Taiwan Corporation	Taiwan	Leasing, Sales Finance, Insurance Agency Services	(Feb. 1991)	100%
ORIX Auto Leasing Taiwan Corporation	Taiwan	Automobile Leasing	Apr. 1998	100%
ORIX Taiwan Asset Management Company	Taiwan	NPL Investment, Loan Servicing	Nov. 2004	100%
ORIX Capital Korea Corporation	South Korea	Automobile Leasing, Leasing, Lending	Feb. 2004	100%
ORIX Private Equity Korea Corporation	South Korea	Fund Operation and Management	Mar. 2010	100%
ORIX China Corporation	China	Leasing, Rental	Aug. 2005	50%
ORIX (China) Investment Co., Ltd.	China	Leasing, Equity Investment, Other Financial Services	Dec. 2009	100%
ORIX China Industrial Holdings Limited	China	Leasing, Equity Investment, Other Financial Services	Sep. 2021	50%

Company Name	Country (Region) *1	Principal Business	Established (Acquired)	ORIX Group Controlling Share
ORIX Leasing Singapore Limited	Singapore	Leasing, Sales Finance, Lending	Sep. 1972	50%
ORIX Investment and Management Private Limited	Singapore	Equity Investment, Lending	May 1981	100%
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending	Sep. 1973	100%
PT. ORIX Indonesia Finance	Indonesia	Leasing, Automobile Leasing	Apr. 1975	85%
PT Sinar Mitra Sepadan Finance	Indonesia	Used Car Loans for Sole Proprietors and Individual Customers	(Nov. 2015)	85%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Automobile Leasing, Lending	Jun. 1977	40%
Thai ORIX Leasing Co., Ltd.	Thailand	Leasing, Automobile Leasing and Rentals	Jun. 1978	96%
OLP Financial Services Pakistan Limited *3	Pakistan	Equipment Leasing, Automobile Leasing, Loans	Jul. 1986	49%
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing, IT Leasing, Rentals, Leasing, Commercial Vehicle Loans, Commercial Mortgage Loans	Mar. 1995	99%
ORIX Australia Corporation Limited	Australia	Automobile Leasing and Truck Rentals	Jul. 1986	100%
ORIX New Zealand Limited	New Zealand	Automobile Leasing	Dec. 1988	100%
ORIX Aviation Systems Limited	Ireland	Aircraft Leasing, Aircraft Asset Management	Mar. 1991	100%
ORIX Corporation Europe N.V.	Netherlands	Headquarters for the Business in Europe	(Jul. 2013)	100%
Robeco Institutional Asset Management B.V. (RIAM)	Netherlands	Asset Management	(Jul. 2013)	100%
Transtrend B.V.	Netherlands	Asset Management	(Jul. 2013)	100%
ORIX Corporation UK Limited	UK	Equity Investment	Jan. 2018	100%
Gravis Capital Management Ltd.	UK	Fund Operation and Management	(Jan. 2021)	70%
Elawan Energy S.L.	Spain	Development and Operation of Wind and Solar Power Generation	(Jul. 2021)	100%

*1 ORIX has offices in other locations not included in the list above. In total, ORIX’s business operations currently extend across 28 countries and regions worldwide.

*2 The corporate name was legally changed from ORIX Real Estate Capital Holdings, LLC to Lument Real Estate Capital Holdings, LLC, effective January 1, 2023.

*3 Listed company.



Corporate Profile/Stock Information/Investor Memo

Corporate Profile (As of March 31, 2023)

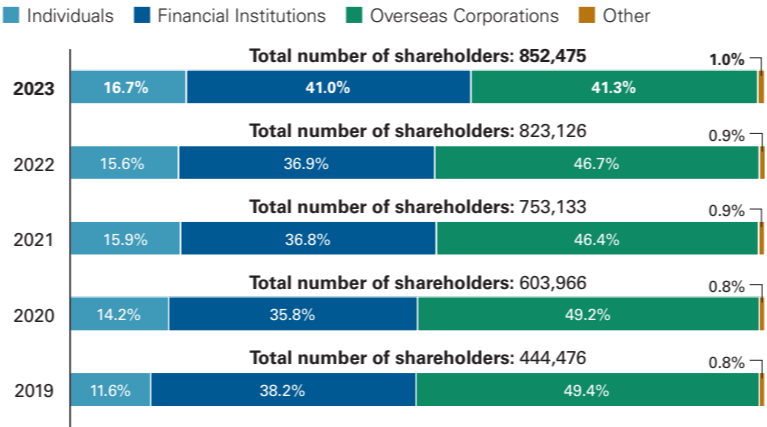
Company Name	ORIX Corporation
Established	April 17, 1964
Head Office	World Trade Center Building, South Tower, 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-5135, Japan Tel: +81-3-3435-3000
Shareholders' Equity	¥3,543,607 million
Fiscal Year-End	March 31
Consolidated Companies	999
Affiliates	138
Number of Employees	34,737
Global Network	28 countries and regions worldwide

Stock Information (As of March 31, 2023)

Number of Shares

Total Number of Shares Authorized	2,590,000,000 shares
Total Number of Shares Issued and Outstanding	1,234,849,342 shares
Number of Shareholders	852,475

Number of Shareholders/Composition of Shareholders



Note: Calculated excluding treasury shares.

Major Shareholders (Top 10)

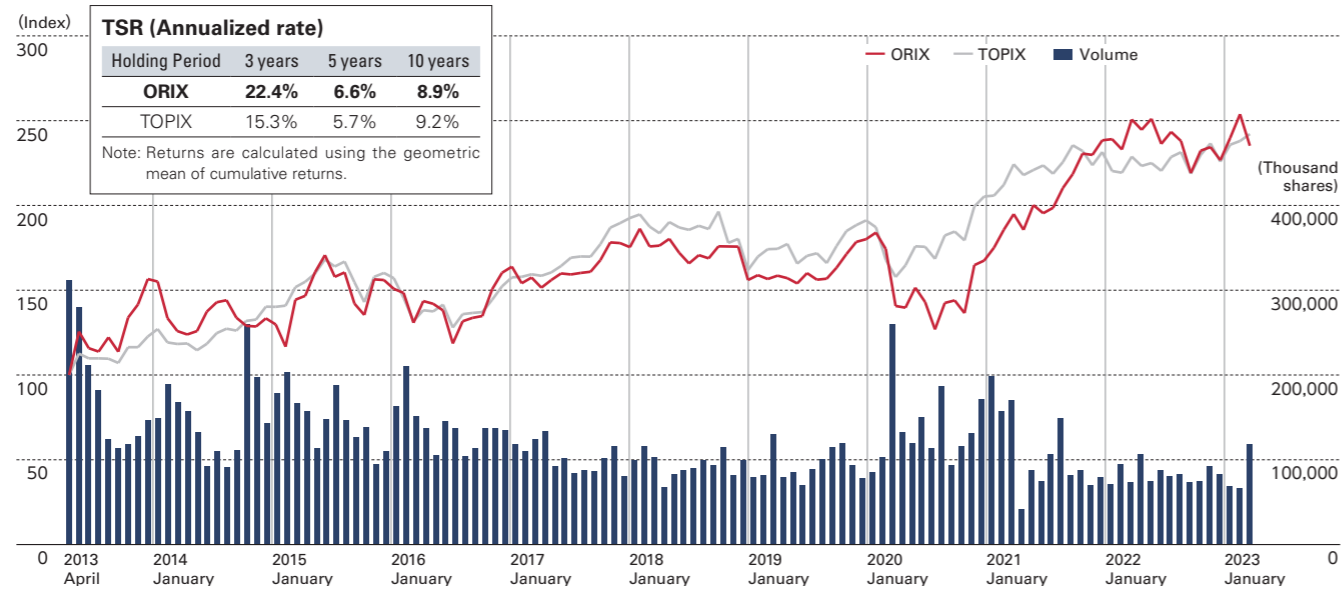
Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	255,019	21.73
Custody Bank of Japan, Ltd. (Trust Account)	96,043	8.18
SSBTC CLIENT OMNIBUS ACCOUNT	22,360	1.90
CITIBAN K, N.A. -NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	21,989	1.87
STATE STREET BANK WEST CLIENT -TREATY 505234	20,885	1.78
JPMorgan Securities Japan Co., Ltd.	16,201	1.38
SMBC Nikko Securities Inc.	16,044	1.36
JP MORGAN CHASE BANK 385781	15,547	1.32
BNYM AS AGT/CLTS NON TREATY JASDEC	14,477	1.23
STATE STREET BANK AND TRUST COMPANY 505223	11,031	0.94

Notes: 1. Number of shares held is rounded down to the nearest thousand shares.
2. Percentages of total shares in issue are rounded down after the second decimal place.
3. Percentage of total shares in issue above is calculated after deducting treasury stock (61,742 thousand shares).



Corporate Profile/Stock Information/Investor Memo

Total Shareholder Return (TSR*)



Note: The above graph shows the rate of return on an investment made in April 2013, including dividends and the stock price as of March 31, 2023. The ORIX chart is an index of the investment result of the stock price plus dividends (assuming that dividends are not reinvested), with an investment amount in April 2013 as 100. The index for comparison uses data from the Tokyo Stock Price Index (TOPIX), including dividends, indexed in the same manner.

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

Investor Memo (As of August 1, 2023)

Transfer Agent for Common Shares

Mitsubishi UFJ Trust and Banking Corporation

Tel: 0120-232-711 (toll-free in Japan)

Stock Exchange Listings

Tokyo Stock Exchange, Prime Market Securities Code: 8591

New York Stock Exchange Trading Symbol: IX

Depository and Registrar for American Depositary Receipts

Citibank, N.A., Shareholder Services

P.O. Box 43077, Providence, RI

02940-3077, USA

Tel: 1-877-248-4237 (toll-free in the U.S.)

1-816-843-4281 (outside the U.S.)

Fax: 1-201-324-3284

E-mail: citibank@shareholders-online.com

Ratio 1 ADS = 5 common shares

Passive Foreign Investment Company Rules

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

Presentation of Financial Information

The Company's fiscal year ends on March 31. The fiscal year ended March 31, 2023 is referred to throughout this Integrated Report as "2023.3" and other fiscal years are referred to in a corresponding manner.

Forward-Looking Statements

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

▶▶▶ [Form 20-F filed with the U.S. Securities and Exchange Commission](#)

