



# INTEGRATED REPORT 2024







# ORIX Group Purpose & Culture

Corporations like ORIX have an increasingly important role to play in today's world, where the global business environment is more complex, and expectations around sustainability continue to grow.

We came together globally to answer these expectations and introduced a new ORIX Group Purpose & Culture.

By "Finding Paths. Making Impact." ORIX unites globally around the diverse expertise and innovative thinking of its people to help our world develop in a sustainable way.

## Our Purpose

Our Purpose defines why ORIX Group exists in our world and is at the core of everything we do.

### Finding Paths. Making Impact.

We combine innovative thinking and diverse expertise to find pathways to impact in a world of change.

## Our Culture

Our Culture is a set of shared values that ORIX Group employees around the world live and champion to achieve our Purpose.

### Find Power in Diversity

Share ideas and collaborate, explore different perspectives and transcend boundaries.

### Find Adventure in Challenge

Strive for originality and identify opportunities and risks while seeking adventure in new challenges.

### Find Opportunity in Change

Recognize trends from a big-picture perspective, act promptly on signs of change, and find opportunities to evolve.

At ORIX Group, we have grown from our roots in leasing in Japan to become a global, diverse, and unique group, garnering distinct strengths from our journey.

We explore new opportunities in changing times.

We answer shifting needs with innovative thinking, transcending boundaries.

We connect resources and draw on our diverse expertise to originate unique solutions.

Combining our strengths, we shape new possibilities and find new pathways to impact.

We take on challenges ourselves, and champion others who hope to do the same.

So companies evolve over time, communities are revitalized,

individuals realize their full potential, and our world develops in a sustainable way.



# About Integrated Report 2024

## Applicable Scope

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

## Reporting Period

The fiscal year ended March 2024 (April 1, 2023 to March 31, 2024)

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



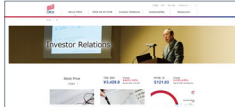
Phone: +81-3-3435-3121

URL: <https://www.orix.co.jp/grp/en/contact/inquiry-eng.html>

## 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 <a href="#">Sustainability</a> section
Financial	<a href="#">Integrated Report</a>	 Group website <a href="#">Investor Relations</a> section
	<a href="#">Securities Report (Japanese only) / Form 20-F</a>	

## 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.

We will continuously enhance our information disclosure to achieve a deeper dialogue with all our stakeholders through the Integrated Report. We hope this Integrated Report will give readers a deeper understanding of what ORIX is today and its vision for the future.

## Key Points of Integrated Report 2024

ORIX celebrated its 60th anniversary in April 2024. In the CEO Message, CEO Makoto Inoue discusses the 60th anniversary as a milestone for continuous organizational reform, maintaining a strong sense of urgency, and working to enhance the sophistication of corporate functions. He also shares his desire for the next generation of management to hone its unique leadership skills, and covers the necessity of specialization and advancing toward a divisional structure.

Further, in CEO Commentary, he explains four basic strategies that range from nurturing core businesses to capital recycling, while also discussing strategies in the three categories of finance, operation, and investment. CEO Inoue also discusses the importance of sharing ORIX’s corporate culture and strengths worldwide to expand global business, and his belief in effectively instilling the ORIX Group Purpose & Culture established in November 2023.

ORIX manages human capital to achieve sustainable business growth through its value creation model. This business model involves properly evaluating profitability and risk, increasing value, and redeploying the capital, people, and expertise made available through exits for reinvestment in the next growth area. The Human Capital Management section also explains the behavior, organizational transformation capabilities, and workplace creation that support this model.

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# CEO Message



**Makoto Inoue**

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

## Celebrating Our 60th Anniversary

ORIX was founded in 1964 and celebrated its 60th anniversary in April 2024. ORIX has continually evolved our business from a focus on leasing, and although we have experienced some ups and downs, especially in the past 10 years, overall ORIX Group has stayed the course of sustainable growth to successfully deliver profits to shareholders.

Of particular note, once the COVID-19 pandemic subsided we were able to restore business performance to pre-COVID levels in just two years. Net income for the fiscal year ended March 2024 was the highest in our history at ¥346.1 billion.

I believe that we were able to achieve this earnings recovery and profitability because of the tremendous support of our many stakeholders, including shareholders and business partners, and through the day-to-day efforts of our employees. Looking back, however, I believe our current position as a leading global company is simply one point in our ongoing evolution. Looking to the future, I am confident ORIX Group and its companies will realize their potential for further growth through our unending commitment to organizational reform.

ORIX must always recognize that clinging to familiar management approaches could cause profitability to plateau in the near future and eventually stagnate. We need to be driven by a strong sense of urgency to enter new business areas without hesitation and to achieve what has not been attempted before.

Currently, I believe that most of our business segments are operated in a manner closely attuned to markets and timing. However, we need

to explore new initiatives in fresh business areas. To do so, we must enhance the sophistication of risk management and other back and middle office corporate functions, and I see a need for ongoing initiatives to strengthen this foundation.

## The Need to Venture into New Business Areas

Markets are constantly changing. Of late, we have been involved in brownfield projects with attractive entry prices that generate quick profits from investment. More recently, however, competition has intensified as investors have entered these markets, so this type of project is no longer as readily available.

Under these circumstances, we have a growing need to expand our scope of investment to include greenfield initiatives, which have longer investment return horizons. However, simply pivoting to greenfield projects would mean accepting a temporary decline in the profitability of the entire Group. Combining these types of investments with capital recycling allows us to expand decisively into new business areas without reducing profitability.

The MICE-IR project in the Yumeshima area of Osaka is Japan's first integrated resort project, and five years have passed since the public bidding process began in from 2019. Osaka IR Co., Ltd., the joint venture that is managing the project, concluded a basic agreement and loan agreement with Osaka Prefecture, Osaka City, and financial institutions in March 2024. Construction is now in the preparatory stage, and the project is moving toward its opening in fall 2030.

In the Kansai region, Kansai Airports Group began operating Kansai





## CEO Message

International Airport, Osaka International Airport and Kobe Airport in April 2016. Its profits decreased as a result of the COVID-19 pandemic, but it is expecting a significant increase in profits in light of robust inbound tourism and Expo 2025, which will be held in Osaka. In addition, the Umekita Second Zone Development Project on the north side of JR Osaka Station is progressing smoothly and nearing completion.

We recognize the importance of growing earnings by focusing on increasing base profits from our entire portfolio, including the asset management business, private equity investments, the aircraft leasing business, and the renewable energy business, while restraining growth in total assets by maintaining our capital recycling policy.

We have a clear duty to keep a close eye on the global economic situation and continue to make investments that will lead to future profit growth. We will give due consideration to issues in Japan and around the world ranging from macroeconomic concerns such as interest rates, exchange rates, and inflation to geopolitical risks and technological innovation to promote sustainability. Going forward, these efforts will enable ORIX Group to respond flexibly to future challenges.

### “Share Price Conscious” Information Disclosure and ORIX’s Management Style

ORIX started out in the leasing business and has grown earnings through expansion into three categories: finance, operation, and investments.

ORIX Group’s business assets are well diversified both in Japan and internationally, and we believe we have built a stable portfolio that is resilient to economic downturns. Unfortunately, however,

shareholders have commented that the portfolio as a whole is extremely complex, and individual segments are difficult to analyze.

We have received feedback that some investors think the Group’s overall earning power is not appropriately reflected in its share price, because the earnings structure includes both base profits and variable investment gains that make it unpredictable. This can be a barrier to investment.

To allay these investor concerns, we will increase transparency by providing detailed information disclosure through financial results briefings and the Integrated Report, and by creating more opportunities for dialogue between investors and our leadership, including our outside directors.

The fundamental strength of ORIX’s management policy is its “deal first” orientation. Our process does not begin by firming up theoretical management or personnel strategies before selecting projects and getting to work. Instead, our process focuses on reviewing our human resource strategies based on the assumption the deal will close, and we employ methods to verify potential synergies between that deal and existing businesses. This process allows us to structure a portfolio that steadily generates earnings.

At ORIX, we believe that in order for the market to appropriately assess our corporate value, it is essential to disclose and communicate our growth strategies for each of our three categories, comprehensive performance information for each of our 10 segments, and ORIX’s corporate culture and management style. Further, we believe in the effectiveness of instilling ORIX Group’s Purpose & Culture throughout our organization, which will serve as the common cultural base of our

businesses as we expand globally.

### Handing ORIX Group’s Growth Off to the Next Generation

Although the spirit and essence of ORIX Group’s Purpose & Culture are unchanging, we must also remain flexible and change certain aspects to remain with the times.

ORIX has made significant improvements over the past 10 years in areas such as addressing sustainability and other ESG issues and strengthening governance. Close attention to the markets is key to making appropriate market and investment decisions. At the same time, changes in the external environment ranging from technological advances to corporate sustainability will continue to accelerate in the future, so ORIX needs to maintain its ability to address them.

I have two ideals for the next generation of ORIX’s management. First, they should hone their unique leadership skills so that they can achieve goals and generate growth in their own way. Second, they must improve the expertise of our front, middle and back-office functions, which encompass overall portfolio and risk management, and promote a divisional structure within the scope of each person’s authority.

The Board of Directors is conducting detailed discussions about the transition to the next generation of management, led by the Nominating Committee and in consultation with current senior management.

The fiscal year ending March 31, 2025 is the final year of the three-year medium-term strategy we formulated in 2022. We have produced this Integrated Report to help readers understand both ORIX today and its vision for the future.

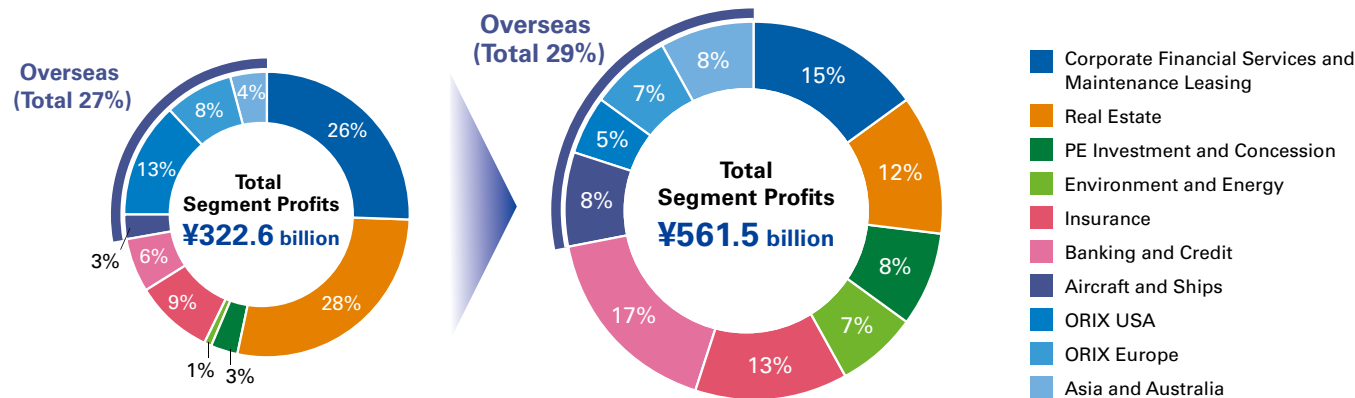


# ORIX by the Numbers

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 2014	Fiscal year ended March 2024	As of March 31, 2024
Net Income*	¥187.4 billion	¥346.1 billion	Continuous Profitability <b>59</b> years
ROE	10.5 %	9.2 %	Global Network <b>Approx. 30</b> countries and regions
Dividends per Share	¥23.0	¥98.6	Financial Soundness <b>Single A</b> credit rating equivalent
Number of Employees	25,977	33,807	

## Profits by Segment



## Net Income

1964

1975

1980

1985

1990

1995

2000

2005

2010

2015

2020

2024

Years ended March 31

Net Income  
**¥346.1 billion**

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





# History and Inherent Values

Founded in 1964, ORIX has evolved along with the changing social issues and needs of the times, broadening its business by repeatedly moving into neighboring fields and developing diverse businesses in countries around the world. We generate profits from our diversified business portfolio and our commitment to constantly reviewing it as our operating environment changes, while simultaneously taking on challenges in new businesses.

## ● Changing Times



## ● A History of Generating Sustainable Growth While Adapting to Contemporaneous Change and Handing Down Our Inherent Values

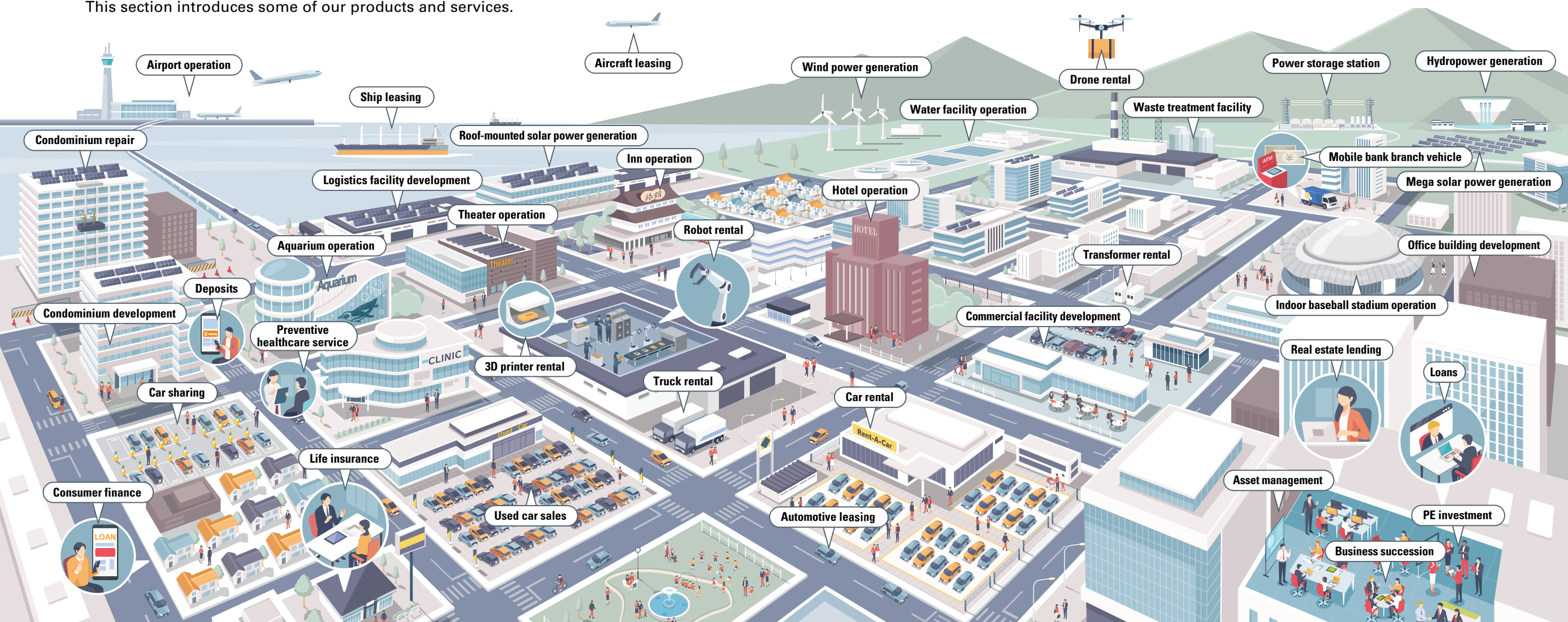




# ORIX in Society

Note: The illustration on this page represents a fictitious location created to introduce the products and services of each segment.  
▶ Please refer to pages 71 to 84 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

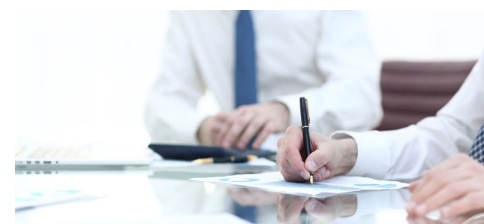
Promoting innovation and  
technological change

Decreasing workforce

## Material Issues and Key Goals

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

► Page 9 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**





# 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, equity and inclusion and non-discrimination.
- 3 Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive and equitable 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 (CO<sub>2</sub>) 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 (CO<sub>2</sub>) emissions by the end of the fiscal year ending March 2050.
- 6 Reduce ORIX Group's investment and credit balance in GHG (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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.





# Value Creation Story

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

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# Introducing the ORIX Group Purpose & Culture: A Clear Articulation of Why ORIX Group Exists in Our World

We announced the ORIX Group Purpose & Culture on November 1, 2023 after approximately 18 months of consideration by the ORIX Group Purpose Discovery Project. The Discovery Project incorporated opinions from a wide array of stakeholders and involved in-depth discussions among executives and employees of Group companies both in and outside Japan to clearly articulate why ORIX Group exists in our world.

**We received feedback from a wide range of stakeholders to determine ORIX Group's unique strengths and its vision for the future it wants to create.**

Founded in 1964 as a leasing company, ORIX has grown into a corporate entity with a wide range of businesses, with more than 30,000 employees around the world. The globalization of business and the necessity to incorporate SDGs and other sustainability initiatives into business have significantly changed the roles that corporations must play in our world. Committed to addressing these global shifts with a shared mindset among employees engaged in diverse businesses worldwide, we launched the ORIX Group Purpose Discovery Project (the Discovery Project) in June 2022 and began considering the ORIX Group Purpose & Culture (Purpose & Culture).

During this process of discovery, we first prepared a framework to determine why ORIX Group exists in our world – our Purpose – within the nexus of ORIX Group's unique strengths and its vision for the future it wants to create. We then conducted interviews around these points with a wide range of stakeholders, encompassing executives and employees of Group companies worldwide along with customers, investors, and outside directors.

**Gathered from Group companies worldwide, 103 employees held in-depth discussions through workshops.**

Discussion among 103 workshop members was central to the process of identifying the essence of our Purpose & Culture and considering specific ideas. The workshop members were a diverse group of employees, primarily leaders of the next generation in their twenties to forties, and included mid-career hires and employees of Group companies worldwide. Our approach emphasized the idea that our

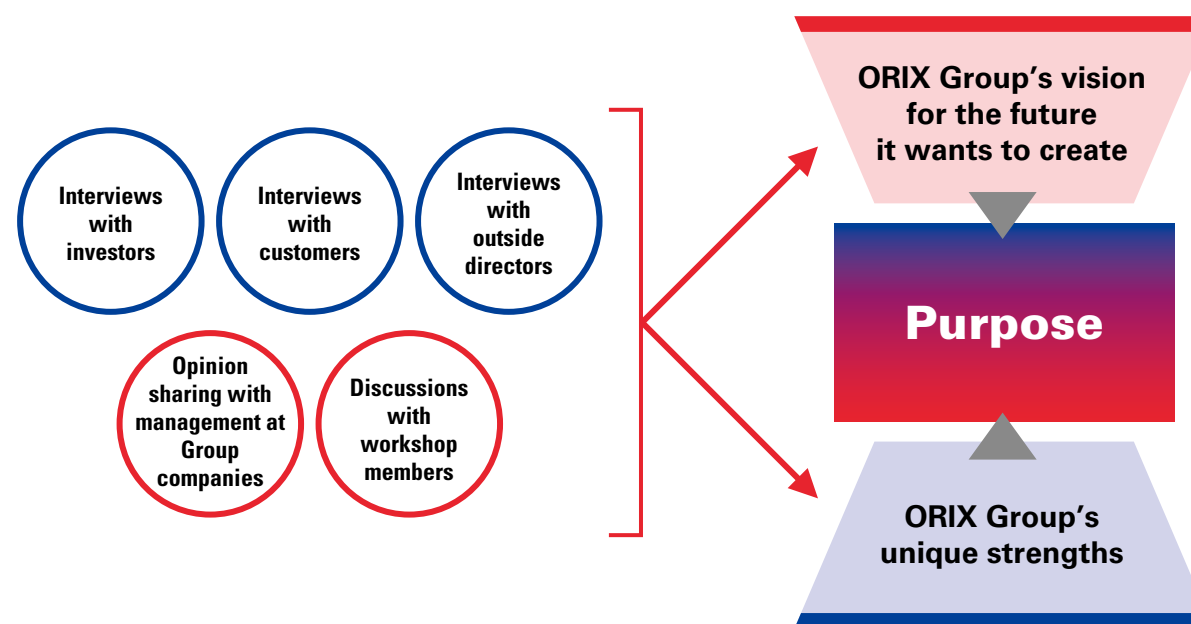
Purpose & Culture should be owned by the employees who will lead ORIX Group into the next generation.

Based on interviews with customers, investors, outside directors, and managers at Group companies worldwide, workshop members held multiple discussions and considered specific proposals for our Purpose. This became the basis for managers to further share their opinions and refine proposals, with the development of the final Purpose & Culture taking a total of about 18 months.

Our Purpose & Culture comprises our Purpose, which clearly states why ORIX Group exists in our world, and our Culture, which describes

the set of shared values that ORIX Group employees around the world live and champion to achieve our Purpose. Our Culture, in particular, directly reflects the views of our workshop members. Although ORIX Group is involved in a variety of different businesses, the project enabled us to develop a compelling story that clearly outlines the core values we have embraced since the Group was founded.

Our Purpose involved multiple discussions among Group executives to refine the proposals from the workshops to ensure it covered everyone's opinions satisfactorily. ORIX has, until now, largely communicated its value to the world in terms of profit and growth as





## ORIX Group Purpose & Culture

a corporation. Our Group executives discussed alternative ways of demonstrating ORIX Group's reason for existence in the world, rather than simply using profit as a yardstick, and this was a new challenge to which we devoted significant time and care.

### Our broad business portfolio uniquely empowers ORIX to find pathways to impact in a variety of areas.

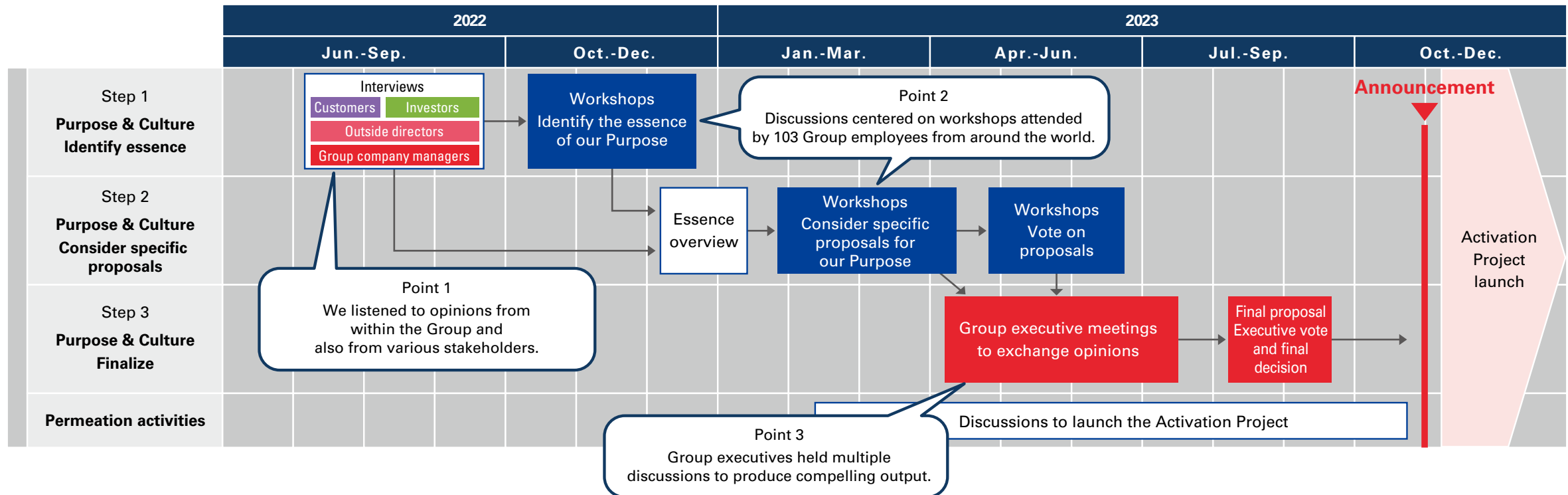
Finding pathways to impact involves shaping new possibilities for a brighter future globally. Our Purpose encompasses a vision for the future in which companies evolve over time, communities are revitalized, individuals realize their full potential, and our world

develops in a sustainable way, and we will help to realize this vision through our diverse array of businesses and services. We believe that our broad business portfolio uniquely empowers ORIX to find pathways to impact in a variety of areas.

The ORIX Group Purpose Activation Project (the Activation Project) was launched in October 2023 to internalize the Purpose & Culture by increasing awareness, understanding, and empathy for it among our employees worldwide, as well as to help our people rediscover the meaning and benefits of working in ORIX Group.

During the Activation Project, Takashi Nawa, a visiting professor at Hitotsubashi University Business School, served as the

moderator for the executive sessions, during which executives from our Group companies engaged in multiple discussions from the perspective of how to incorporate our Purpose into business strategies for each aspect of management. Sessions for department heads and teams continued after the executive sessions, providing an opportunity for all executives and employees of Group companies to deepen their understanding of our Purpose & Culture. Our objective for the Activation Project was to ensure that our Purpose & Culture fully inform business strategies, rather than letting them become a mere formality.



# Further Evolving ORIX Group through the Activation of its Purpose & Culture

Professor Takashi Nawa was a moderator in the cascading dialogue sessions that were part of the ORIX Group Purpose Activation Project. His commentary follows.



## Takashi Nawa

Professor at Kyoto University of Advanced Science and visiting professor at Hitotsubashi University Business School. Graduated from the Faculty of Law, The University of Tokyo and Harvard Business School. After working at Mitsubishi Corporation, he worked at McKinsey & Company for about 20 years. The Activation Project included cascading dialogue sessions. Dr. Nawa moderated the executive sessions held from January 2024, and spoke with a total of 187 people.

### Dialogue among managers reaffirmed the free and open corporate culture that ORIX has maintained since day one.

I was a moderator for cascading dialogue sessions held as part of the Activation Project, during which we discussed how to apply ORIX's Purpose & Culture to business operations in each segment. I have interacted with ORIX on occasion for quite some time, and I feel that the free and open corporate culture that it has maintained since its founding is still alive and well. Unlike many large corporations, political maneuvering does not define the organization, and I have the impression that ORIX is operating soundly.

### ORIX has a Culture that finds adventure in challenge to achieve further growth.

Finding adventure in challenge is a particular cultural component that really expresses the essence of ORIX. I think this phrase aptly expresses the positive, aggressive attitude that ORIX has passed down throughout its history.

ORIX started out in the leasing business, and it has grown into the diversified enterprise that it is today because it has consistently been proactive in taking on the challenge of new businesses that have frustrated other companies. While ORIX's corporate culture has matured through this process, I feel that its long-held spirit of taking on challenges remains totally relevant today.

Frankly, however, I feel there is still room to further actuate this spirit within the organization. The name ORIX shares its first three letters with the word "original," followed by an X that expresses flexibility and diversity. However, because of the progress achieved through this combination of ORIGINAL + X, ORIX has grown and now has much to protect, and I wonder if ORIX sometimes experiences difficulty in maintaining its traditionally aggressive stance.

I am confident that ORIX can achieve further growth by having management and employees reaffirm its Culture of finding adventure in challenge while maintaining the governance appropriate for a large corporation.

### I expect ORIX's Purpose & Culture to function as a magnet drawing together diverse businesses.

Each organization within ORIX must put the soul into its Purpose & Culture. The management team members I spoke with gave me the impression that they viewed the Purpose & Culture as a new expression of the elements of ORIX's heritage. Meanwhile, many of them believe that ORIX, which has grown into a corporate group that operates a diverse and global portfolio of businesses, needs to carefully discuss how to find the pathways to impact that society demands in each aspect of management.

ORIX has long been a company that promotes diversity as a matter of course, but this kind of organization must value inclusion. In this context, ORIX's Purpose & Culture are extremely important as a governance function that serves as a magnet drawing the organization together.

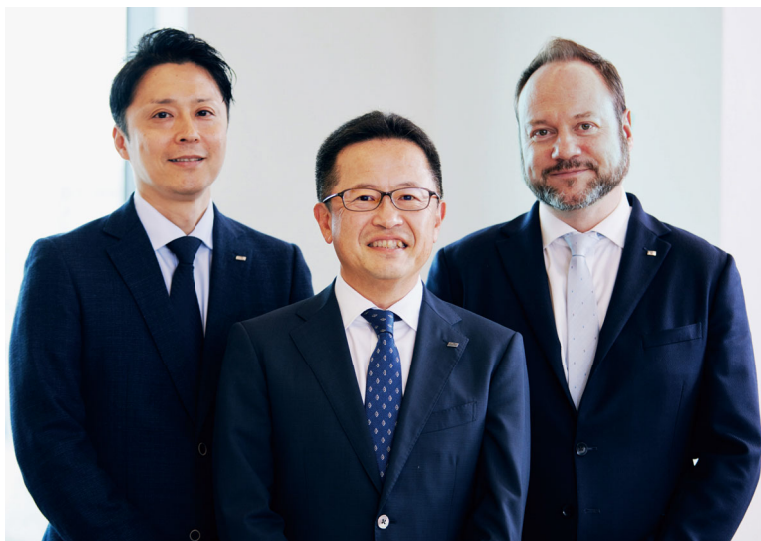
ORIX excels at leveraging its expertise in finance to create and implement new business structures in areas where social issues exist. I am confident that ORIX can exercise this structuring capability even more powerfully by having its Purpose & Culture function as a magnet that draws together diverse businesses and employees.

Everyone at ORIX will need to make a personal effort to further ORIX's Purpose, but I am not concerned about that because they are a group of people who love to put plans into action. However, ORIX is a company that identifies change and evolves flexibly, so its focus can tend toward the short term. I would suggest unequivocally that ORIX needs to take a long-term view toward its Purpose.



# Using Our Purpose & Culture to Find Pathways to Impact in Our World

Hidetake Takahashi, Member of the Board of Directors, Senior Managing Executive Officer, Koichi Uchida, General Manager, Group Corporate Communications Department, and Daniel Lochmann, Managing Director, Group Corporate Communications Department outline how business units and Group companies in Japan and around the world have embraced the ORIX Group Purpose & Culture, and how we will move forward with the ORIX Group Purpose Activation Project to foster a sense of unity throughout the Group.



(Center)

## Hidetake Takahashi

Member of the Board of Directors, Senior Managing Executive Officer  
Head of Energy and Eco Services Headquarters  
Group Strategy Business Unit  
Responsible for Global Investment Strategy

(Left)

## Koichi Uchida

General Manager, Corporate Communications Department  
Responsible for the secretariat promoting the ORIX Group Purpose Discovery Project and the ORIX Group Purpose Activation Project.

(Right)

## Daniel Lochmann

Managing Director, Corporate Communications Department  
Responsible for facilitating communication with Group companies outside Japan for the ORIX Group Purpose Discovery Project and the ORIX Group Purpose Activation Project.

## Our Purpose & Culture function as a unifying force in a Group that operates diverse businesses.

**Takahashi:** ORIX has grown from a leasing company into a diversified business entity by repeatedly advancing into neighboring fields. As a result, adjacent departments regularly take on completely different businesses. In this context, I believe that our Purpose & Culture will serve as a unifying force throughout the Group.

In the process of considering our Purpose & Culture, 103 Group employees from Japan and around the world participated in workshops where they engaged in lively discussions across generations and positions, and executives also repeatedly exchanged opinions. I sense that our employees agree that the final Purpose & Culture feels right.

**Lochmann:** As part of the Activation Project, we are now engaged in dialogue with all our main Group companies outside Japan to bring the Purpose & Culture to life around the world. Some regional differences in perceptions and understanding of the project notwithstanding, I get the impression that Group companies worldwide are enthusiastically embracing our Purpose & Culture and using it in a positive way to drive their businesses forward.

Many employees in Asian countries have indicated their alignment with our Purpose & Culture, and we expect the project to be an opportunity in Europe to foster a sense of Group unity. Group companies in the United States are particularly inspired by the rallying cry “Find Power in Diversity,” perhaps influenced by a national character that values individuality.

**Uchida:** The Corporate Communications Department served as the secretariat with the Group Human Resources Department and the Investor Relations and Sustainability Department. In executing this project, we listened to a wide range of opinions from stakeholders as well as employees and executives of Group companies both in Japan and around the world. While seeking to remain unbiased, we tried to articulate what makes ORIX unique and why it exists in our world. As a result, I feel that we were able to define our Purpose & Culture so that they are acceptable to the Group’s employees.

## Repeated dialogue centered on our Purpose & Culture will close gaps within the Group.

**Takahashi:** While many employees agree with the wording of the Purpose & Culture, they still sense a gap between the target direction each segment should take to align it with reality. In the cascading dialogue sessions conducted as part of the Activation Project, executives had serious discussions with the moderator Takashi Nawa, a visiting professor at Hitotsubashi University Business School, about how to close these gaps and how to communicate ideals and commitments to their people. At this point, I think that simply recognizing the gaps was meaningful.

I believe that our Purpose & Culture needs to go beyond being an ideal; it must be firmly integrated into our business strategies and incorporated into our day-to-day actions.

**Uchida:** I think few employees feel uncomfortable with the elements of flexibility and diversity that are incorporated into our Purpose &



## Using Our Purpose & Culture to Find Pathways to Impact in Our World

Culture. At the same time, the reality is that each business unit and Group company interprets ORIX's unique flexibility and diversity differently. We need to use our Purpose & Culture to fill these gaps by facilitating dialogue and mutual understanding.

**Lochmann:** While dialogue is necessary to bridge gaps, we also need to be flexible in understanding regional differences in business and cultural characteristics while localizing the rollout to Group companies outside Japan.

ORIX needs to share a common interpretation of its Purpose & Culture to truly share its meaning globally. At the same time, we need to carefully contextualize our Purpose & Culture so that employees in every country and region outside Japan can easily comprehend and bring it to life within their own business and cultural contexts.

### What are the pathways to impact that ORIX will find?

**Takahashi:** Traditionally, ORIX has achieved sustainable growth by identifying business opportunities early on in niche fields and turning



them into businesses. ORIX has grown larger, however, so we will likely have trouble increasing corporate value further simply by employing our traditional strategies. Under these circumstances, we need to conceptualize and propose fundamental solutions through businesses in areas with major social relevance in order to continue finding pathways to impact. Differentiating ORIX from other companies is generally harder in the business areas we consider more orthodox, but I believe that our Purpose & Culture will guide ORIX in creating value by leveraging the strengths it has developed to date.

**Uchida:** Until now, ORIX has approached society with the mindset of contributing to the world by generating profit as a company. However, as times change, the role that companies must play in society is also changing. The introduction of our Purpose & Culture will require employees to recognize anew that social value and economic value are two wheels of the same cart.



**Lochmann:** I joined ORIX because I felt that ORIX's business model, which adapts to change and flexibly evolves businesses, was unique and distinctive among Japanese companies. I see our Purpose & Culture as an opportunity to communicate to stakeholders how we create social value befitting ORIX.



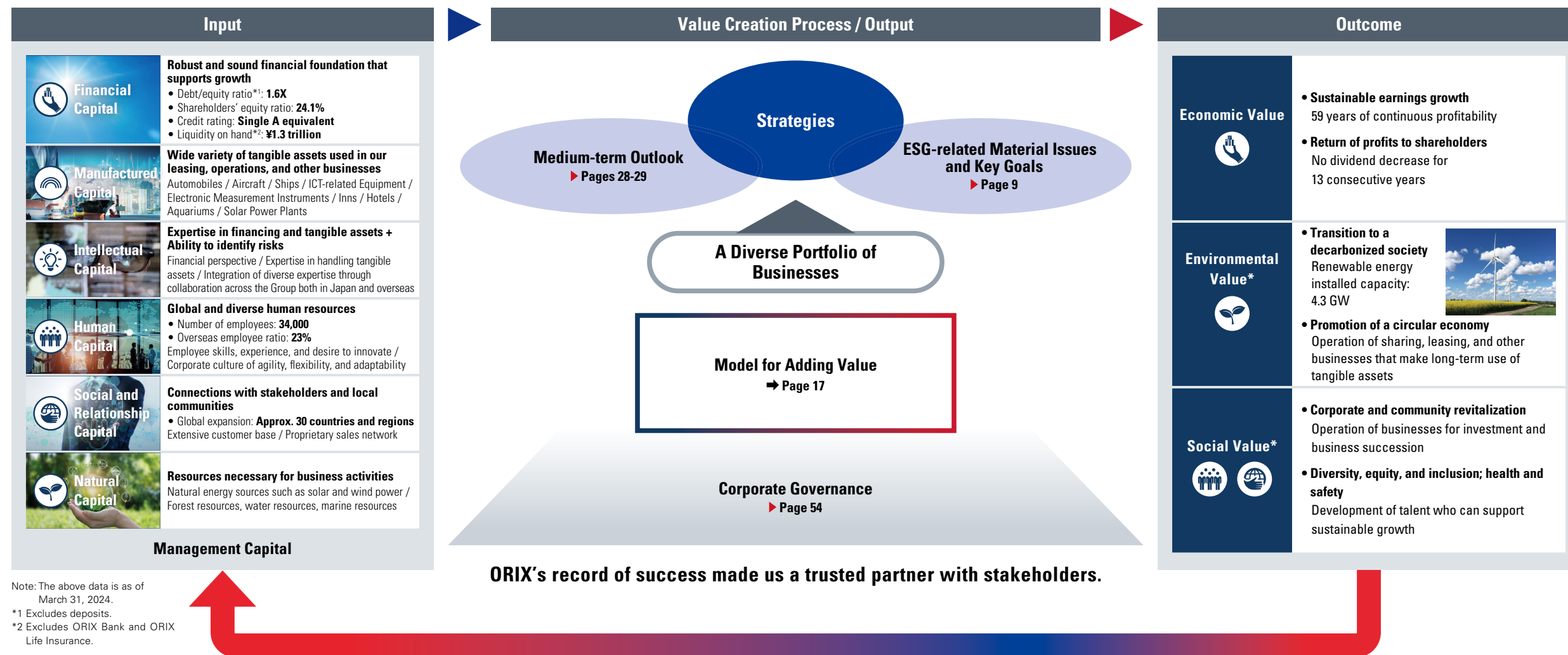
**Takahashi:** I really like the phrase "Finding Paths. Making Impact." in the Purpose. Finding Paths has always informed our initiatives to innovate, but we have more work to do in Making Impact. To my mind, the scale and nature of the impact that the diversified ORIX of today ought to make are very different from the ORIX of 30 years ago. And we need to go beyond just thinking about impact on revenue to consider the degree to which ORIX can have a positive impact on helping move the world in a better direction.

I want employees to tenaciously bring new ideas and businesses to fruition. Starting small is just fine, but they should think about how we can ultimately have a significant impact.



# Value Creation Model

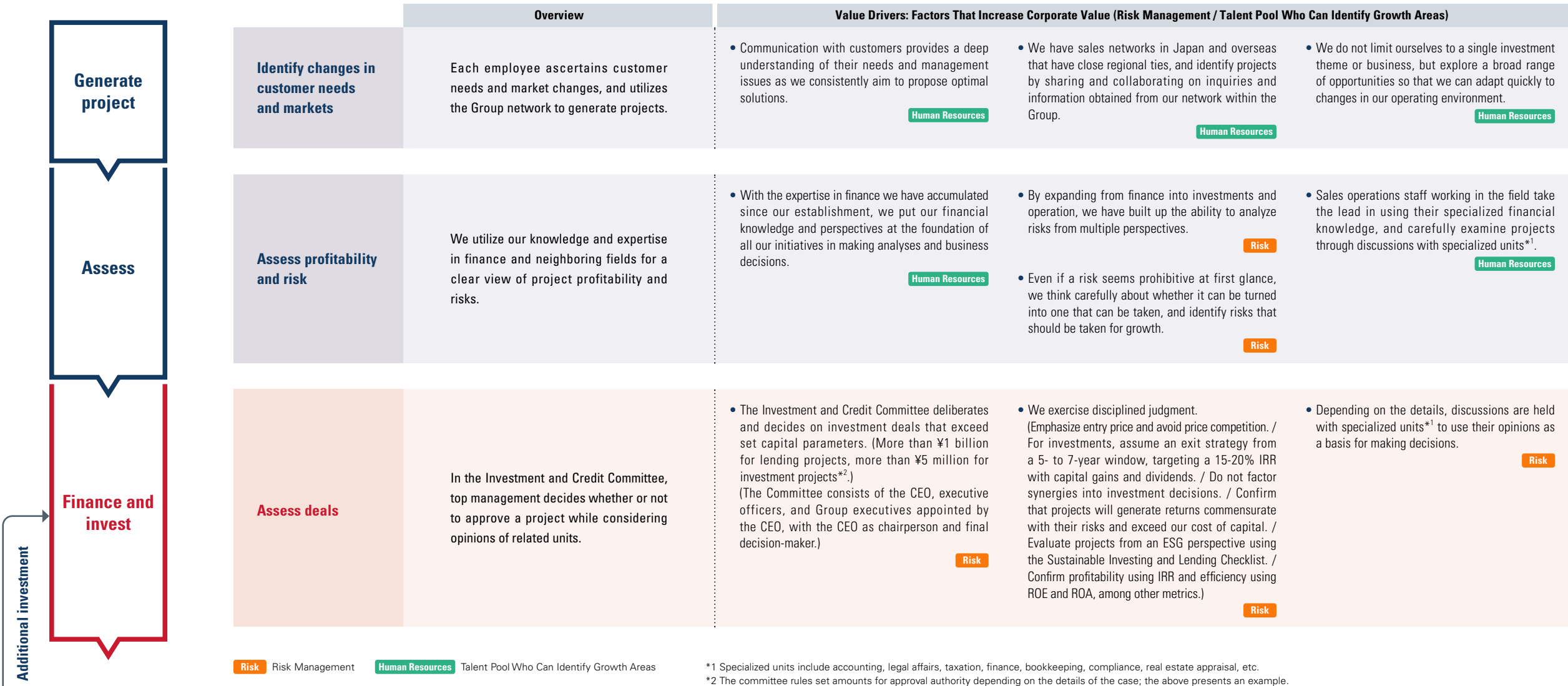
ORIX employs the capital resources it has acquired since its founding to create value, using its own value creation model to add further value. This has enabled us to expand our business into our current 10 segments and to provide value unique to ORIX in multiple markets. We will continue to provide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





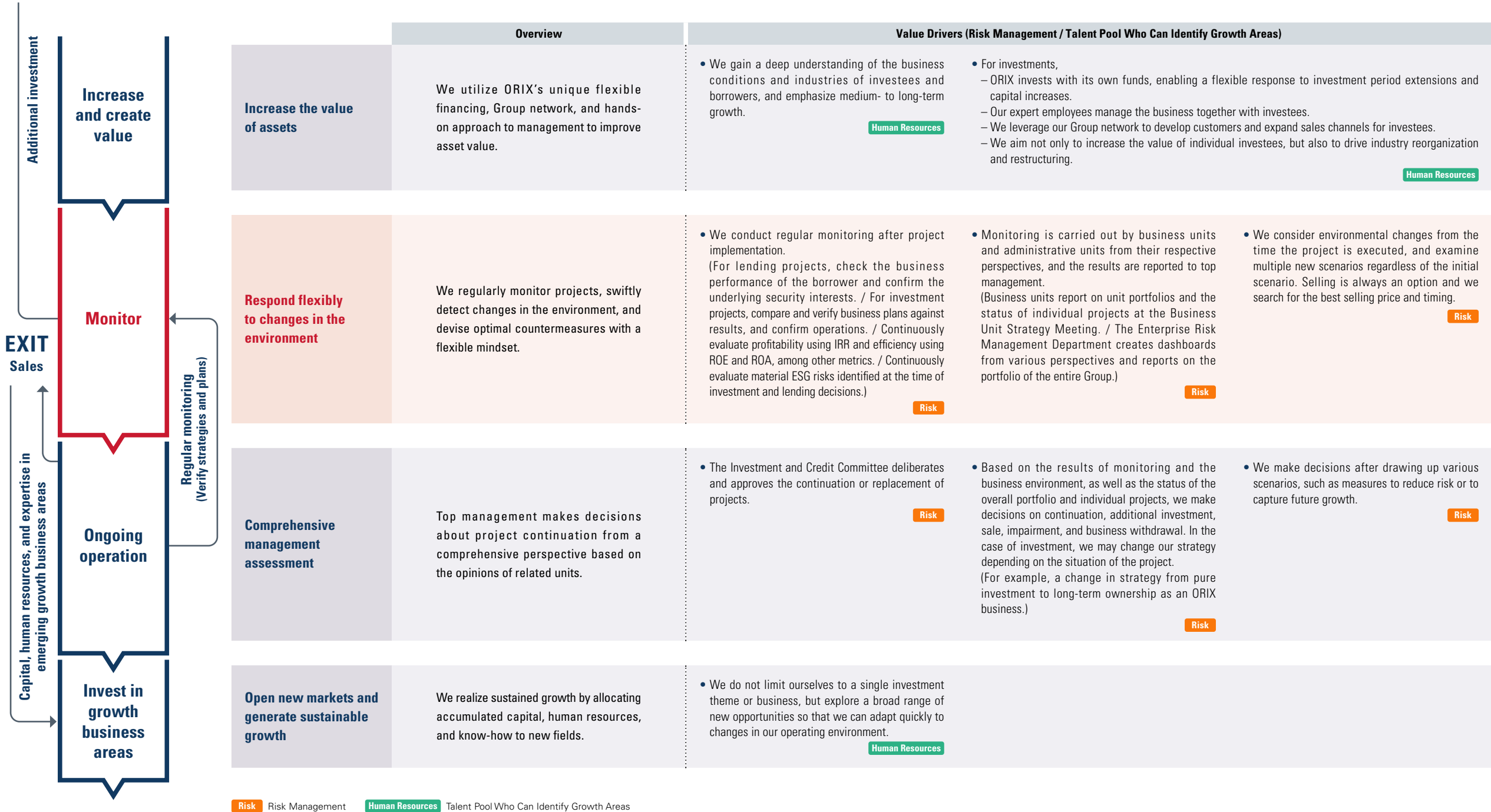
# Model for Adding Value

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.



Additional investment





# Value Creation Case Studies ▶ Case 1 The Facility Operations Business and the Beppu SUGINOI HOTEL

Beppu City in Oita Prefecture is one of Japan's leading hot spring resort areas. The Beppu SUGINOI HOTEL is one of the largest in the Beppu area, and became popular as a large hot spring resort against the backdrop of the group travel boom during Japan's period of rapid economic growth. However, as the boom subsided and Japan's bubble period came to a close, the hotel's business suffered, and it filed for application of the Civil Rehabilitation Act in 2001. ORIX Group then decided to support the hotel in 2002.

Beginning with facility ownership and financial support, ORIX Group took on the challenge of full-scale operations of the hotel by initiating various measures to add value. The hotel is currently undergoing large-scale renovations that began in 2019.

The hotel aims to grow further by responding to travelers' emerging needs as a place to which guests want to return.



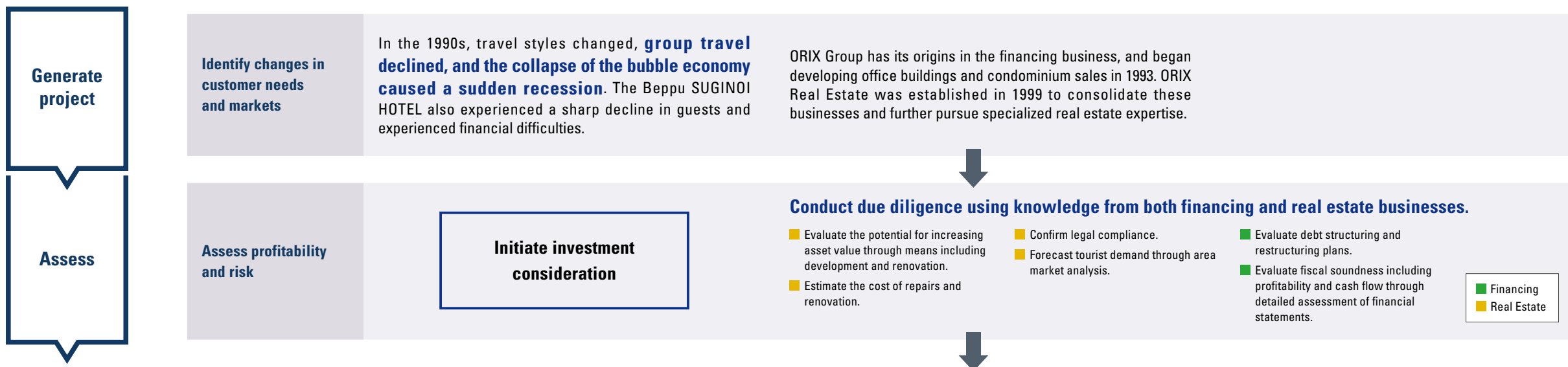
Completed portion of the large-scale renovation. Currently, the Hoshi Kan building is under development and is scheduled for completion in 2025.



Ceda Palace is a buffet restaurant, created by renovating the site of a large theater from the Showa period.



Sora Kan was completed in 2023 and features guest suites.





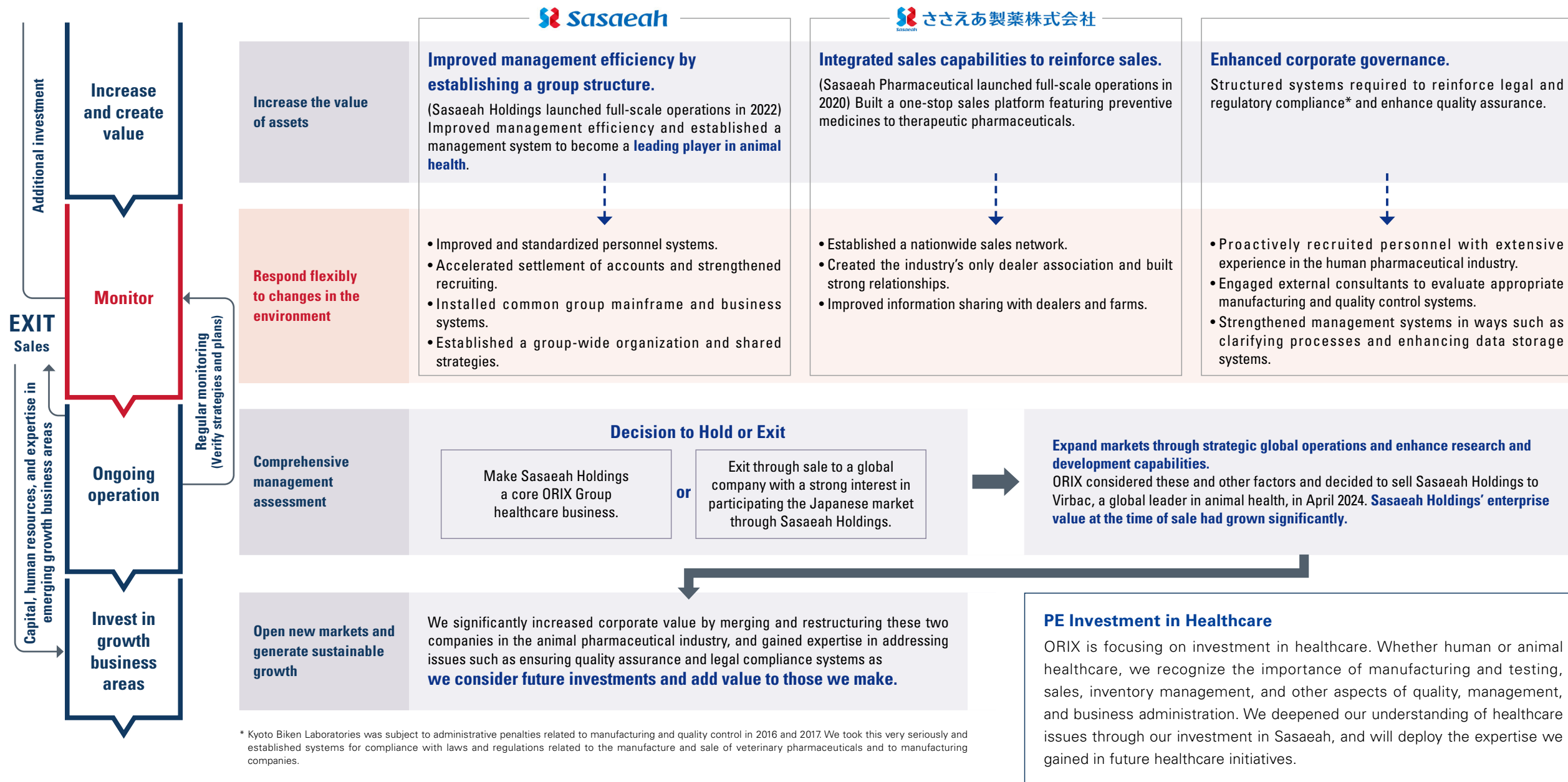


# Value Creation Case Studies ▶ Case 2 PE Investment Business and the Sasaeah Group

In April 2024, ORIX sold the Sasaeah Group to Virbac, a French company that is a global leader in animal health. By leveraging the strengths of Kyoto Biken Laboratories, Inc., Japan's leading manufacturer of vaccines for livestock, and Fujita Pharmaceutical Co., Ltd., Japan's leading manufacturer of generic veterinary pharmaceuticals, the Sasaeah Group has become one of Japan's leading comprehensive veterinary pharmaceutical groups, offering everything from preventive medicines to therapeutic drugs.

In the eight years since its investment in 2016, ORIX implemented various measures to add value which significantly increased Sasaeah's enterprise value at the time of the sale. A world-leading company recognized Sasaeah's value, resulting in a sale that will help the investee operate globally.







# Growth Strategies for Creating Value

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

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# CEO Commentary

In this interview, Makoto Inoue, ORIX's Chief Executive Officer, assesses the business environment, discusses which fundamental business strategies will remain most relevant in the future, and lays out the goals of the newly introduced disclosure using three categories.

## Q: What are your perceptions of the business environment?

**Inoue:** Interest rates, exchange rates, and other aspects of the external macroeconomic environment are changing. The Bank of Japan set short-term yen interest rates at zero to negative levels and implemented yield curve control in maintaining monetary easing policies for the yen for an extended period toward the Japanese government's goal of ending long-term deflation. However, now Japan has been transitioning back toward rates hikes in a return to a "world with interest rates." Meanwhile, during the COVID-19 pandemic, countries worldwide (particularly developed countries) responded with significant monetary easing as a preventive measure against economic risks involving employment and trade. Liquidity remained high in financial markets around the world as a result, which led to higher wages, prices, and interest rates worldwide, and supported significant stock market gains. In addition, the emergence of certain geopolitical risks has exacerbated inflation while encouraging unstable resource prices and opaque monetary policies.

In this context, ORIX announced its current medium-term strategy in May 2022. Anticipating a rebound in demand after the COVID-19 pandemic and a global economic recovery, we committed to a strategic focus on expanding in our operations and investments while endeavoring to grow our asset management business. While we subsequently lowered our target for net income slightly to address uncertainties in the operating environment, it reached a record high in the fiscal year ended March 2024. In fact, ORIX has grown net income at an average annual rate of 11% or higher over the 11 fiscal years

ended March 2014 through March 2024.

Comparing the composition of ORIX Group's segment profits with our initial outlook, profits have been very solid in inbound-related businesses, and have in fact rebounded more than expected. We have also been steadily executing our capital recycling strategy. In businesses outside Japan, however, we have been much more selective in taking on risk in Europe, the United States, China, and other areas, and in a number of businesses, we have growth in our portfolio in line with global changes.

However, despite significant changes and extended uncertainty in the external business climate, ORIX Group's diversified portfolio has enabled it to flexibly compensate for environmental changes in each segment, with positives more than offsetting negatives. As a result, the Group has increased net income.

## Q: What are ORIX Group's fundamental business strategies?

**Inoue:** The fundamental business strategies that will be most relevant for ORIX in the future will remain the same: (1) grow our core businesses; (2) continue efficient portfolio management through capital recycling; (3) flexibly expand our global business; and (4) build out our asset management business.

Growing our core businesses is priority one. Over the past 10 years, ORIX Group's net income has increased by 1.9 times, and its total our our asset have increased by 1.8 times. We credit this to our focus on growing our core businesses, which is central to how we create value. When we grow our core businesses, we may launch

new businesses ourselves, such as was the case with our renewable energy business, or prioritize time and bring promising companies into the Group through M&A. Regardless of the method, our goal is to establish new core businesses that can become the foundation for our growth over the medium-to-long term.

In February 2024, we acquired the shares of Santoku Senpaku Co., Ltd. in a business succession deal with the founding president's family. Established in 1972, Santoku Senpaku is one of Japan's leading shipowning (ship ownership and leasing) and ship operation management companies, and the founding president built the company in one generation. When the founder's family originally approached us, the price we offered was lower than that of our competitors, and we were initially rejected. However, they reevaluated the experience and expertise ORIX has acquired in the shipping business over the past 50 years, and ultimately selected ORIX as the buyer. Santoku Senpaku owns 67 ships of various types, including car carriers and container ships, and holds licenses for domestic shipping, an area the Japanese government is considering revitalizing. We expect synergies from integrating Santoku Senpaku with ORIX's shipping business, and this deal exemplifies ORIX's strategic decision to develop ship operation into a core Group business.

Core strategy two is capital recycling, and we have not been divesting businesses simply to generate capital gains. The key point of our approach to capital recycling is to identify businesses for which growth as part of the Group has plateaued, but that have the capacity for further growth by leaving the Group and teaming up with the right external partner.



Business Environment CEO Commentary

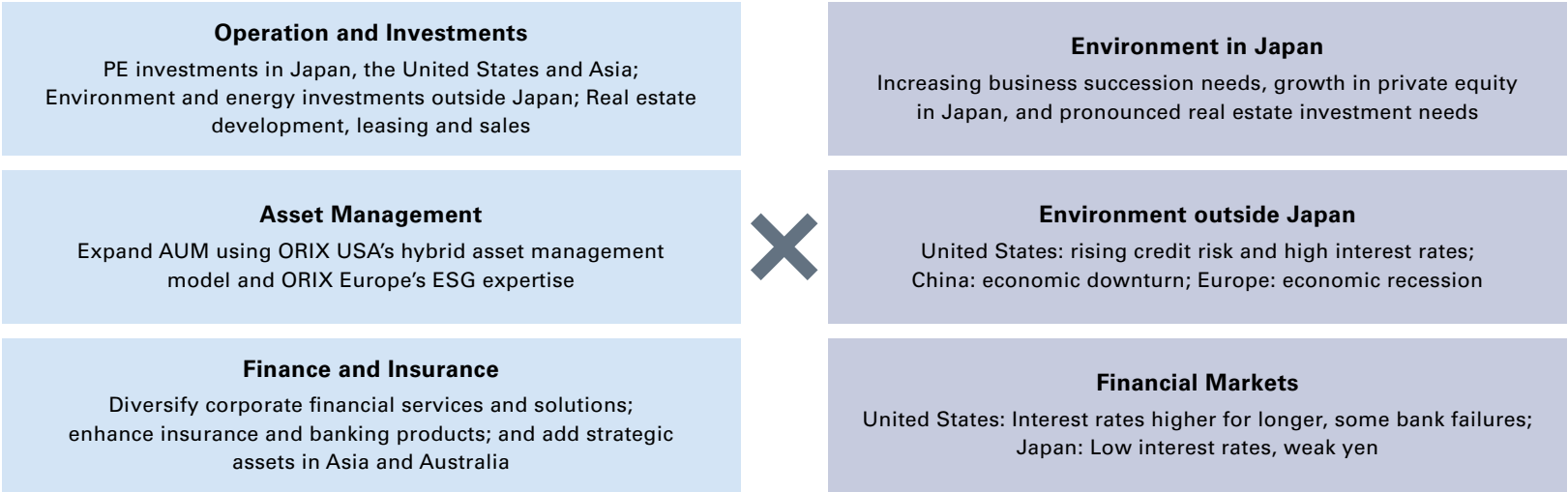
In March 2024, ORIX sold a 66% stake in ORIX Credit, a consolidated subsidiary, to NTT DOCOMO, INC. ORIX Credit was confronted with the question of whether it could continue growing as a wholly owned Group subsidiary given advances in financial technology and significant changes in customer demographics and needs. ORIX Credit then proactively compared strategic options and determined that NTT DOCOMO was the best partner to accelerate growth in the future because of its strength in IT and digital usage, and its massive customer base. ORIX supported our subsidiary's decision.

Our capital recycling strategy is not a temporary, one-off thing. In fact, the Investment and Credit Committee carefully considers exit strategy before the investment is made as part of the initial discussion for any new investment, and the committee also has the shared understanding that no part of the portfolio is off limits. This results in a highly reproducible strategy. In particular, PE Investment, Real Estate, and ORIX USA are at the center of Group strategy.

Core strategy three, flexibly expand our global business, and core strategy four, build out our asset management business, are in fact largely interrelated in many areas. At ORIX, single business units have typically not created core businesses. Rather, we have a culture of building better core businesses by having multiple business and administrative units bring together human resources, expertise, and ideas across unit boundaries. We take this approach because we believe that collaborating with other units and repeatedly discussing and examining issues lead to a fusion of knowledge that will generate flexible ideas and result in the launch of core businesses with an impact.

Our global business offers enormous potential for future growth, but the investment risk tends to be higher than for businesses in Japan. In addition, institutions such as global investment companies and sovereign funds have access to vast amounts of capital, and competing through balance sheet expansion is a strategic dead-end for ORIX. The

Medium-term Outlook (Excerpt from May 2022 Presentation Materials) and Current Environment



key for us is to control risk and generate asset-light growth.

We are targeting global expansion in three regions: the United States, Europe, and Asia. Despite some uncertainties such as high interest rates and the upcoming presidential election, the United States remains the world's largest economic power and has maintained strong growth. The United States is essential for our global expansion, so we will execute our business strategies while continuing to enhance our risk management capabilities. In Europe, we need to execute our expansion strategy with a sustainability perspective rather than simply rolling out the businesses ORIX has developed thus far. We will therefore selectively emphasize asset management, renewable energy, and the aircraft business.

Asia is highly sensitive to macroeconomic factors such as downturns

in the Chinese economy and currency depreciation, but it also has the potential for higher growth rates than Japan. We will operate flexibly while carefully assessing risks and opportunities by country.

ORIX USA oversees operations in the United States, while ORIX Europe oversees operations in Europe. We have offices in China, Hong Kong, and Taiwan to serve Greater China, and offices in other countries in Asia overseen by their hub in Tokyo, but simply having an office is meaningless. We are only able to operate globally when the three regional headquarters and local subsidiaries in each country develop practical operating policies and business plans, localize them, and adapt them to the markets they serve. ORIX must therefore share its corporate culture and strengths Group-wide and globally while collaborating in specific deals and business strategies.



## Business Environment CEO Commentary

### Q: What were the reasoning and strategy behind starting to disclose information in three categories?

**Inoue:** Because some feedback has indicated that ORIX Group can be difficult to understand, we are trying to remedy that. Differentiating operations from investments is not always simple, but for now, I would like to explain our strategy using the categories in the table below.

#### Finance

- To promote the technological capabilities and expertise of our clients in all areas of business, we will maximize the deployment of ORIX Group's financial knowledge, experience, and network to help our clients generate growth and succeed in the future.

- We will be a hub for open innovation, offering strategic investment opportunities in business succession deals for small and medium-sized enterprises as well as a wide array of financial services including cross-selling. Supporting efforts to achieve carbon neutrality, industrial development and innovation, and circular economies will drive profitability and growth in our finance business.

#### Operation

- An ORIX strength is its lack of restrictions in its business areas. The Group ventures into areas where it can create and grow businesses that deploy its well-developed expertise in financial services.
- If we determine that a company we acquire via private equity, business succession, carve-out, or venture capital is capable of

operating independently, we will convert our pure investment into a strategic investment.

- Our basic principles for venturing into a businesses area are as follows:
  - 1) Contribute to improving the target company's business capabilities
  - 2) Create a sustainable environment
  - 3) Realize a society in which all stakeholders are satisfied
  - 4) Comply with laws and regulations, adhere to social norms, and ensure fairness and transparency

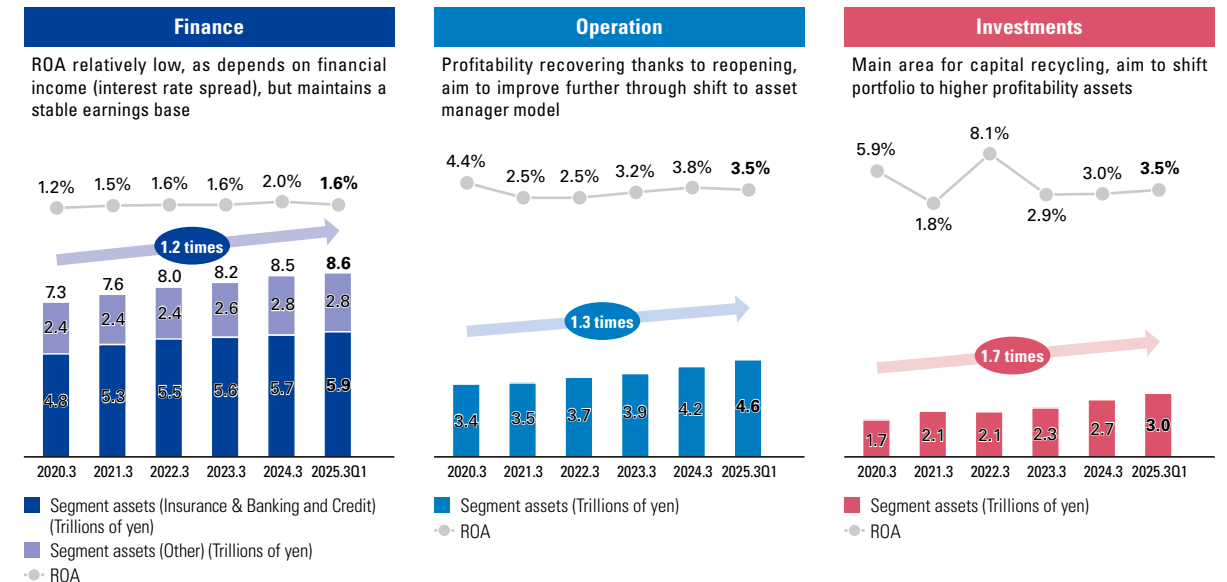
#### Investments

- Contribute to the growth of companies and ultimately increase their value through strategic and pure investments via methods including private equity, business succession, carve-outs, and venture capital.

### Matrix of Segments and the Three Categories

		Three Categories		
		Finance Recurring earnings, interest rate spread is source of income	Operation All aspects of operation, including onsite	Investments Main area for capital recycling
Segments	Corporate Financial Services and Maintenance Leasing	Corporate Financial Services (Financing business)	Auto, Rentec	Corporate Financial Services (Business succession, etc.)
	Real Estate		Real estate facility operations, asset management, DAIKYO, MICE-IR	Real estate development and investment
	PE Investment and Concession		Airport concessions	Domestic PE
	Environment and Energy		Mega solar, power retailing, Elawan	Greenko, Ormat
	Insurance	Life insurance		
	Banking and Credit	Banking		Credit
	Aircraft and Ships	Ship financing	Aircraft leasing, Santoku Senpaku	Avolon, Ship investment
	ORIX USA	Financing businesses	Asset management business (Lument, NXT, BFIM)	U.S. PE
	ORIX Europe		Robeco Group	
	Asia and Australia	Financing businesses	Asset management business	Asia (investment)

### Three Categories: ROA and Assets



Note: 2024.3 denotes the fiscal year ended March 2024.

Note: Data from past fiscal years has been retroactively adjusted to reflect wider definition of segment assets implemented from FY25.3 Q1. Segment assets figures are average for fiscal year.



## Business Environment CEO Commentary

- Maintain a position as a unique buyout company by leveraging ORIX's network to build sales networks for portfolio companies' new products.
- Currently, ORIX funds investments primarily using its corporate credit lines and non-recourse loans based on the target company's enterprise value. In future we will broaden our strategy to effectively employ external funding from assets under management (AUM).
- Aim to increase ORIX Group's AUM, including REITs to over ¥100 trillion as quickly as possible.
- Promote alternative investments outside of Japan.

### Q: What are your initiatives for the corporate functions?

**Inoue:** We consider each deal from every angle, such as the availability of people within ORIX who can manage it, the relative ability to grow on a standalone basis assuming no synergies with ORIX, and how we can add value. Furthermore, senior management – myself included – do not consider deals with a top-down approach. Instead, ORIX employs a bottom-up approach that empowers front-line employees to autonomously find new businesses and deals, discuss them face-to-face with the management team, and ultimately decide whether the project is a go or not. Therefore, all corporate functions from legal, compliance, risk management, IT and cybersecurity, audit, financial accounting, public relations, human resources, and general affairs

need to be broadly based to accommodate in a timely manner this bottom-up style. In addition, each function must be Group-wide and globally effective in the four regions of Japan, the United States, Europe, and Asia and Greater China to ensure sustainable growth. ORIX is therefore strengthening its corporate functions by both developing young talent and acquiring specialized talent.

### Q: What is ORIX's position in society?

**Inoue:** ORIX was taking the approach of contributing to society through its business activities long before sustainability was even a topic of discussion. Although ORIX has a strong business-to-business (B2B) image, we are also involved in society in the business-to-business-to-consumer (B2B2C) format, so respecting societal values is essential for us. For example, ORIX manages one of the only 12 professional baseball teams in Japan along with a stadium, and we are able to engage in this business thanks to the support of the local community and the fans. The team and its value have continued to develop and grow throughout its history. The ORIX Buffaloes have won the Japan Series twice in the more than three decades since ORIX acquired it in 1988. I believe it is essential for the region and for society that the team continues to grow while respecting its history. I took over as team owner about a year ago in January 2023, and I often think about what I can do as the owner.



Photo courtesy Hochi Shimbun



# Medium-term Outlook

## Medium-term Outlook (Three-year Plan)

In May 2022, ORIX announced its Medium-term Outlook, a three-year plan through March 2025. The COVID-19 pandemic that began in 2019 caused ORIX’s profits to decrease for two consecutive fiscal years. However, net income rebounded to ¥300.0 billion in the fiscal year ended March 2022, so the three-year plan targeted higher net income of over ¥400.0 billion. At that time, we expected the Operation and Investments categories to drive growth during the three-year plan, including growth from PE Investment, Environment and Energy, and Real Estate. We also forecasted expansion in the asset management business in the United States and Europe, along with recovery in businesses impacted by the pandemic, including Aircraft and Ships, airport concessions, and real estate facilities operations.

The reality is that around the world, geopolitical risks have increased, and inflation and high interest rates have persisted for an extended period. This has challenged our businesses outside Japan, particularly in the United States, and performance in the fiscal year ending March 2023 for each segment outside Japan fell short of our initial plan. At the same time, inbound tourism-related businesses have recovered strongly from the COVID-19 pandemic, and financial businesses in Japan such as Banking and Insurance have contributed steadily to profits. As a result, we posted net income of ¥290.3 billion (after adjusting for changes to accounting standards) for the fiscal year ended March 2023, and achieved record high net income of ¥346.1 billion and ROE of 9.2% in the fiscal year ended March 2024. Our diversified business portfolio is one of ORIX’s strengths, and we demonstrated its effectiveness despite an extremely unpredictable business environment.

Another ORIX strength is the ability to generate growth from our portfolio as a whole, while rotating profit drivers according to market conditions. Our targets for net income and ROE for the fiscal year ending March 2025, the final year of our Medium-term Outlook, are ¥390.0 billion and 9.6%, respectively. We will continue to manage our business with a commitment to the ¥400.0 billion target for net income in our three-year plan, and we intend to grow it to the next level after achieving this goal.

## Results for the Fiscal Year Ended March 2024

Net income for the fiscal year ended March 2024 increased 19% year over year to ¥346.1 billion, a record for ORIX, and ROE rose to 9.2%. Total segment profits increased 25% year over year to ¥561.5 billion.

Profits from businesses outside Japan decreased ¥16.4 billion year over year. Profits fell significantly at ORIX USA and ORIX Europe compared with the previous fiscal year, reflecting increased funding costs as U.S. dollar and euro interest rates remained high, and a more conservative approach to executing new deals in the United States as a result of more rigorous risk management. At the same time, profits increased in Aircraft and Ships due to a recovery in the aircraft leasing market. New investments included the business succession support deal for leading Japanese shipowner Santoku Senpaku and the purchase of aircraft, while we also saw growth in new business in Asia and Australia.

Segment profits from businesses in Japan increased by ¥129.4 billion year over year. The real estate facilities operations business returned to profitability as it benefitted from a surge in inbound tourism as the number of foreign visitors to Japan exceeded pre-COVID levels, and concession profits also rose. Investment income in the Insurance business also grew significantly. Capital recycling is a strategic focus for ORIX Group, and we accelerated it significantly, primarily in Japan. New investments included a limited partnership (LP) investment in and participation in mezzanine financing to Toshiba. Asset sales included the sale of two PE investments in Japan, and the sale of a stake in ORIX Credit to NTT Docomo, resulting in the establishment of a joint venture. The resulting investment and valuation gains increased profits in our domestic businesses.

In and outside Japan, new investments totaled ¥620.0 billion, exits from existing investments totaled ¥520.0 billion, and capital gains totaled ¥150.0 billion.

## Medium-term Outlook (Three-year Plan)

	Medium-term Outlook (Three-year Plan)					
	2022.3	2023.3		2024.3		2025.3
	Actual	Forecast	Actual	Forecast	Actual	Forecast
Net income (Billions of yen)	317.4	250.0	290.3	330.0	346.1	390.0
EPS (¥)	264	—	246	285	299	341
DPS (¥)	85.6	85.6	85.6	94.0	98.6	133.2
ROE (%)	10.0	7.5	8.5	9.0	9.2	9.6
ROA (%)	2.3	—	2.0	—	2.2	2.4
Credit rating	Maintained Single A worldwide			Moody's: A3 (Stable); Fitch: A- (Stable)		
Operating environment	COVID-19 pandemic subsides Russia-Ukraine conflict starts Inflation and interest rate hikes (USD & EUR) Derisking worldwide		Inbound tourism recovery starts Extended conflicts, and rate hikes (USD & EUR) Foreign capital inflows shift into Japan Recession concerns in U.S., E.U., & China		Inbound tourism exceeds pre-COVID levels In the U.S., increased credit risk and prolonged high interest rates Start to Expo 2025 approaches, MICE-IR investment scales up Economic downturn in China and recession in Europe	

Note: 2024.3 denotes the fiscal year ended March 2024.



Medium-term Outlook

Targets for the Fiscal Year Ending March 2025

Our net income target for the fiscal year ending March 2025 is ¥390.0 billion, which would be a record high for a second consecutive fiscal year. We have also set a nearly double-digit ROE target of 9.6%.

ORIX has maintained a stable earnings base in the Finance category while working to improve profitability in the Operation and Investments categories by expanding the asset management business and recycling capital. We will capitalize upon our well-developed management base and expertise to accelerate growth in each of our three categories from the fiscal year ending March 2025 onward.

In the Finance category, we are targeting a ¥20.3 billion increase in profits, excluding some investment gains and other items from the previous fiscal year. Since the Bank of Japan introduced its negative interest rate policy in 2016, lending-related businesses in Japan have become comparatively less attractive than other businesses. However, with the outlook that yen interest rates will rise, we expect an increase in lending and leasing income, as well as investment income in the life insurance business. In the United States, where dollar interest rates

remain high, we will carefully manage our portfolio while closely monitoring credit costs. However, if interest rates are cut, we expect origination volumes to recover and contribute to increased earnings, mainly in the private credit and real estate financing businesses.

In the Operation category, we are targeting an increase in profits to ¥240.6 billion. With the number of foreign visitors to Japan already exceeding pre-COVID levels, we aim to increase profits from our inn and hotel facility operations and concession businesses, which have been a focus since before the COVID-19 pandemic. In the concession business, we also expect to see increased revenue from the Osaka-Kansai Expo to be held in 2025.

We expect the aircraft leasing business to grow because of solid passenger demand. We also expect the asset management business to continue growing steadily, with the Robeco Group's AUM reaching an all-time high.

In the Investments category, we are targeting an increase in profits to ¥186.4 billion. We will recycle capital making full use of the Group's network in a wide variety of fields, including private equity, carve-outs, business succession, and venture capital.

To date, in many cases we have made PE investments in private

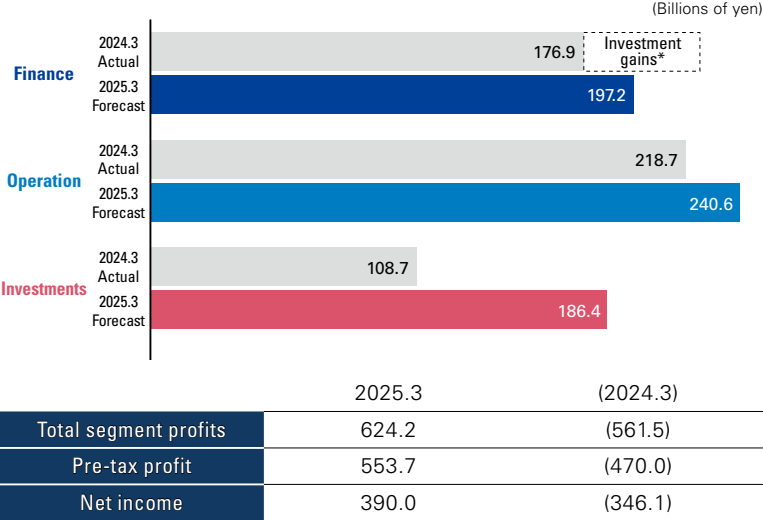
companies, thus emphasizing the private market. Many of those investments have been business succession support deals, where we invested in founder owned and run companies. Demand remains high in this market and we intend to continue our approach in it.

At the same time, we will also focus on carve-out projects with listed companies. Cases in which a corporation divests a component of its operations have increased, and we intend to deploy our well-developed expertise in PE investment in such projects in the future.

Carve-outs and other large-scale investments are gaining momentum, but ORIX's capacity to deploy internal capital resources to fund these stakes is not limitless. Pivoting to asset management will therefore be an important theme in the medium term. Our goal is to deploy our experience in managing various tangible assets and extensive financial knowledge to expand AUM from ¥69 trillion as of March 31, 2024 to ¥100 trillion as quickly as possible.

For the fiscal year ending March 2025, we are targeting new investments totaling ¥500.0 billion to ¥750.0 billion, exits from existing investments totaling ¥520.0 billion to ¥660.0 billion, and capital gains totaling ¥150.0 to ¥200.0 billion.

Forecasts for the Fiscal Year Ending March 2025



\* In the fourth quarter of the fiscal year ended March 2024, we recorded investment gains of ¥57.2 billion on the transfer of 66% of shares in ORIX Credit.

Capital Gains and Pipeline

2024.3 Actual			2025.3 Forecast**2			
	Real Estate	PE Investment (Domestic PE)	Other	Real Estate	PE Investment (Domestic PE)	Other
Exits	Capital Gains*1			Capital Gains*1		
	¥35.0 billion Logistics facilities, condominiums, conference centers, others	¥20.0 billion Primagest, others	¥96.0 billion ORIX Credit, Greater China, U.S., others	¥150.0 billion-¥200.0 billion		
	Cash In	¥520.0 billion		Cash In	¥520.0 billion-¥660.0 billion	
New investments	Cash Out	↓ ¥210.0 billion Toshiba, others	¥300.0 billion Santoku Senpaku, aircraft, overseas renewable energy, others	Cash Out	↓ ¥500.0 billion-¥750.0 billion	
	¥110.0 billion Logistics facilities, condominiums, office buildings, others			MICE-IR • Concluded agreement with minority shareholders, mainly Kansai companies • Concluded financing agreement with consortium of lenders		

\*1 Capital gains are the amount of profits recorded from exits (less book value). Data for 2024.3 actual results and 2025.3 forecast do not include impairments.

\*2 Aggregate targets calculated from specific projects currently under consideration.

Note: 2024.3 denotes the fiscal year ended March 2024.





# Financial Strategy and Capital Policy

## Capital and Debt Control

Since the global financial crisis of 2008, ORIX has pivoted its businesses from the Finance category to the Operation and Investments categories. As of March 31, 2024, ORIX had assets of ¥8.5 trillion in Finance, or ¥2.8 trillion excluding Banking and Insurance; ¥4.2 trillion in Operation; and ¥2.7 trillion in Investments. The debt-to-equity ratio excluding deposits was 1.6 times overall. The process of pivoting to Operation and Investments has changed the risks inherent in our assets and businesses, and our debt-to-equity ratio has been below 2.0 times since the fiscal year ended March 2015. We do not necessarily believe that lower financial leverage is better. Rather, we believe we must control leverage at an appropriate level by being conscious of the cost of capital while ensuring financial soundness.

With this mindset, 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. Deals such as the LP investment in Toshiba resulted in an employed capital ratio of 93% as of March 31, 2024. We have a policy of aggressively taking risks when attractive investment opportunities

that are aligned with our growth strategy arise. At the same time, we also sell assets as part of capital recycling, but the employed capital ratio fluctuates depending on the timing of these deals. We do not believe that the employed capital ratio should have an upper limit of 100%, and we are committed to maintaining sufficient shareholders' equity by simulating the impact of each deal and the overall outlook, and by communicating with credit rating agencies as necessary. We will continue to execute investments with high return on capital while giving due consideration to the employed capital ratio.

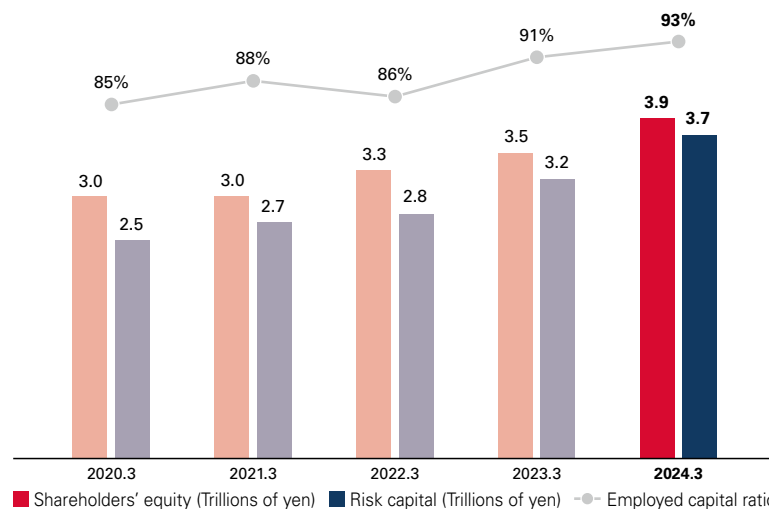
ORIX Group businesses are exposed to interest rate and exchange rate fluctuation risks. We use asset-liability management (ALM) to ensure that interest and exchange rates will not have a significant impact on our business activities and financial position even if they fluctuate significantly. Currently, the market is signaling a rise in JPY interest rates, continued high USD and EUR interest rates, and ongoing JPY depreciation and USD appreciation. We will appropriately control the risks in this or any other environment through means including flexible management of risk hedges so that we can make appropriate investments outside Japan.

## Capital Costs

To reflect this approach to cost of capital in building its portfolio, ORIX objectively quantifies profitability by using the difference between return on invested capital (ROIC) and weighted-average cost of capital (WACC), or ROIC spread, calculated based on the capital structure required in each business unit. For business units with a negative ROIC spread, we will consider future business plans and the prospect of improvement in profitability. We also consider the cost of capital when making investment and exit decisions for individual large-scale projects. We are committed to flexible management that helps us take intelligent risks, and we always reflect market trends in calculating the WACC for each business unit to avoid the trap of overly standardized management.

Our business portfolio has evolved to enable stable growth that is well balanced among the Finance, Operation, and Investments categories, and as it has done so our real cost of capital has decreased. We have also taken action to increase the predictability of investment gains by disclosing actual data and forecasts for cash used in new investments, cash provided by asset sales, and capital gains since the fiscal year ended March 2024.

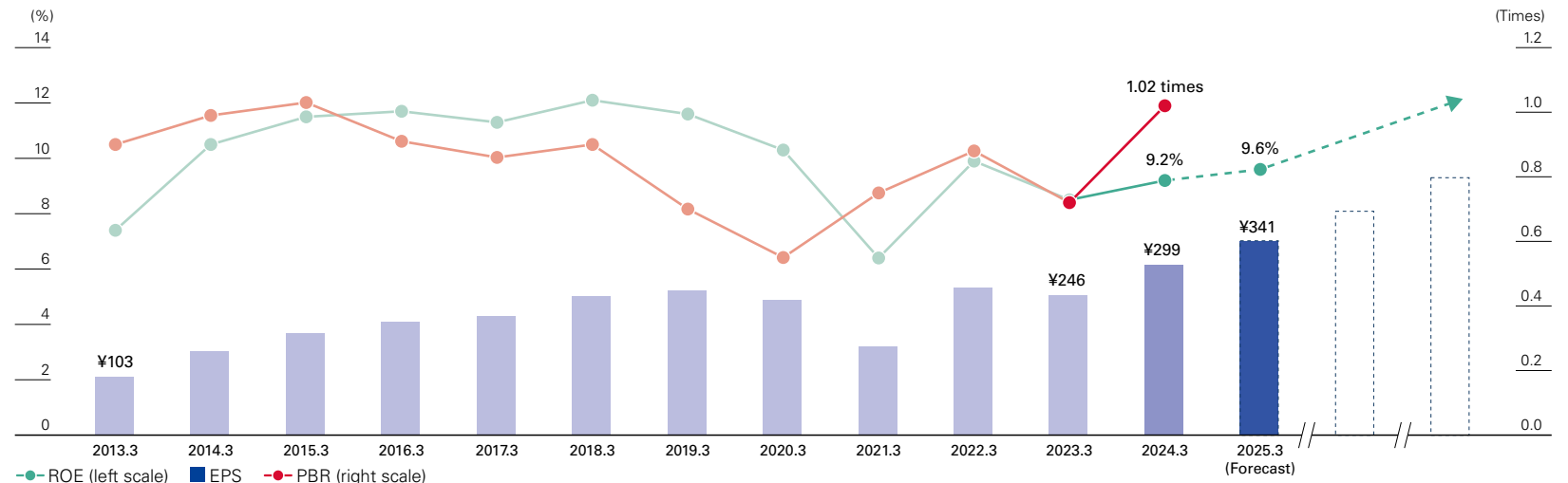
## Shareholders' Equity, Risk Capital, and Employed Capital Ratio\*



\* Employed capital ratio is the ratio of risk capital to shareholders' equity. ORIX calculates risk capital based on historical maximum decrease for all assets, assuming a single A credit rating.

Note: 2024.3 denotes the fiscal year ended March 2024.

## ROE, EPS, and PBR



Note: ROE and EPS for the fiscal year ending March 2025 are predicated on net income of ¥390.0 billion.



Financial Strategy and Capital Policy

ROE and PBR

Historically, our ROE and price book-value ratio (PBR) have been strongly correlated. We are not satisfied with our recent PBR of around 1.0 times, and have the goal of increasing it above 1.0 times by raising ROE to 10% or more as quickly as possible. Our core focus for increasing ROE is on growing net income, but at the same time, we are also monitoring the earnings per share (EPS) growth from continuously buying back ORIX shares with due consideration of capital adequacy.

We remain committed to sufficient disclosure that helps to deepen investor understanding of our diverse business model and earnings outlook.

Communication with Institutional Investors

The CEO provides leadership for dialogue with shareholders and investors, which is largely carried out by the responsible officers and department. Our two offices in Tokyo and New York held approximately 570 investor meetings during the fiscal year ended March 2024. 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. Shareholder composition was well balanced as of March 31, 2024, with institutional investors outside Japan at just over 40%, institutional investors in Japan at just under 40%, and individual shareholders at just under 20%.

Recently, investors have been asking more questions to deepen their insight into individual businesses and requesting more information about the management of those businesses. We are responding to these requests by proactively creating opportunities for dialogue between our outside directors and institutional investors, and giving timely consideration to planning and holding themed business briefings and tours of our operating facilities.

We are committed to improving corporate value by incorporating the comments and opinions of stakeholders into management.

Shareholder Returns

For the fiscal year ending March 2025, our basic shareholder return policy is to allocate 39% of net income to dividends, ¥50 billion to share buybacks, and the remainder to internal capital reserves and new investments. We terminated our shareholder benefit program at the end of March 2024 and raised our dividend payout ratio to 39%, which is higher than the average for companies on the Tokyo Stock Exchange's Prime market. Dividends per share for the fiscal year ended March 2024 were ¥98.6, but will increase to ¥133.2 per share for the fiscal year ending March 2025 if we achieve our net income target of ¥390.0 billion.

We view dividends as stable, ongoing shareholder returns, and ORIX has paid dividends that were equal to or greater than the previous fiscal year's dividend for each of the past 13 fiscal years. We have also conducted share buybacks every fiscal year since the fiscal year ended March 2020. As a result, we expect a total return ratio of 52% for the fiscal year ending March 2025, compared to 47% for the fiscal year ended March 2024.

Increasing ROE by growing net income is central to increasing ORIX Group's corporate value. We will deploy capital for new

investments to generate growth without compromising our financial soundness, and will also consider flexible share buybacks if surplus funds are available.

ORIX celebrated its 60th anniversary in April 2024. As always, we are deeply grateful for the understanding and support of our shareholders and investors in the future as it enables us to continue to grow.

Dialogue between Outside Directors and Institutional Investors

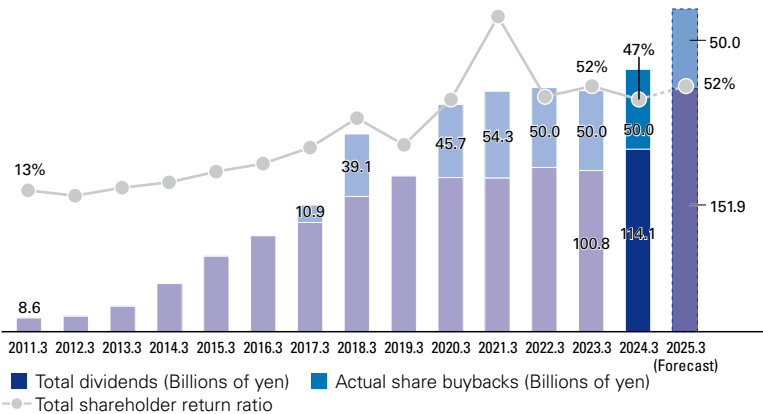
ORIX has addressed growing interest in topics such as governance and succession by hosting two forums for dialogue between outside directors and institutional investors since April 2023.

- Directors Sakie Akiyama and Hiroshi Watanabe, and five institutional investors (November 2023)
- Directors Aiko Sekine and Chikatomo Hodo, and five institutional investors (July 2024)

Regarding specific topics discussed at the Board meetings, the outside directors explained their participation in sustainability-related initiatives and the introduction of the ORIX Group Purpose & Culture. Investors also expressed their expectations for directors to enhance discussions about important management issues such as cost of capital, capital efficiency, and the Medium-term Outlook. The forums also covered the skills required for outside directors to oversee ORIX Group's complex business portfolio. Addressing questions about succession planning for the next generation of management, the outside directors explained that the Nominating Committee is leading the process and that planning is progressing steadily.

The outside directors shared key dialogue and feedback with senior management and all other directors. Investor participants welcomed the opportunity to share their understanding of ORIX's current situation with outside directors through dialogue, and expressed their desire for these meetings to continue in the future. We will continue to provide opportunities for dialogue between investors and management, including outside directors.

Share Buybacks and Total Shareholder Return Ratio



Note: Total dividends and total shareholder return ratio for the fiscal year ending March 2025 are predicated on net income of ¥390.0 billion.  
Note: 2024.3 denotes the fiscal year ended March 2024.

# Human Capital Management That Accelerates Business Growth

## Drive Constant Innovation and Support Business Growth by Welcoming People with Varied Backgrounds and Combining Diverse Values and Skills



### 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

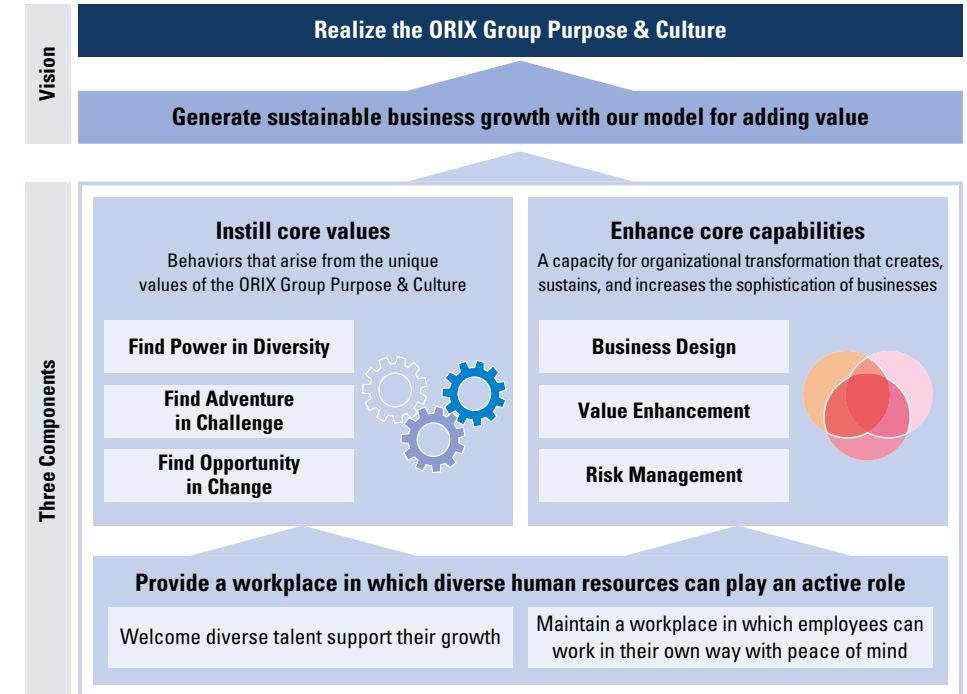
Joined ORIX Asset Management & Loan Services in May 2002, and ORIX in October 2005. Previously worked at Mitsui Trust and Banking Company (currently Sumitomo Mitsui Trust Bank). Engaged in legal affairs at ORIX Asset Management & Loan Services, and in the formation of regional revitalization funds and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

ORIX has deployed its own model for adding value to expand outward from its core financial businesses into neighboring fields, and has grown into a unique corporate group with a diversified business portfolio. We want to continue generating sustainable growth in an array of businesses, so we need to bring together diverse people with their own experience and skills and accelerate the fusion of knowledge that drives innovation.

ORIX's approach to human capital management has the three components: instilling our unique core values that underlie our actions; enhancing our core capabilities, which serve as our capacity for organizational innovation; and providing a workplace in which diverse human resources can play an active role. The objective of our approach is to create new businesses and increase the value of existing operations to generate sustainable business growth.

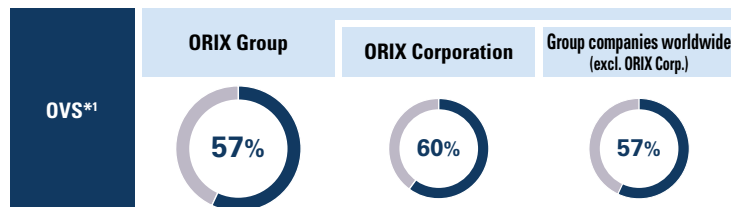
Maximizing the value of our human capital and quickly satisfying various market needs while achieving growth that befits ORIX will help us realize the ORIX Group Purpose & Culture and increase the Group's corporate value.

## The ORIX Model for Human Capital Management



### Instill core values

ORIX Value Score (OVS), which measures the degree to which the ORIX Group Purpose & Culture is reflected in behavior



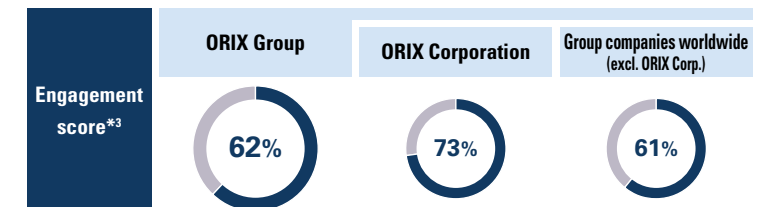
### Enhance core capabilities

Readiness of talent pool available for key roles in each business



### Provide a workplace in which diverse human resources can play an active role

Engagement score that comprehensively measures employee motivation and work environment



\*1 Abbreviation for ORIX Value Score. The percentage of employees who answered affirmatively (highest two points on a five-point scale) to the statement, "The ORIX Group Purpose & Culture is in practice in my workplace" in the annual company engagement survey. (Conducted in April 2024.)

\*2 As of June 2024

\*3 The percentage of employees who answered affirmatively (highest two points on a five-point scale) to the question in the Group's annual engagement survey, "Overall, how satisfied are you with your company at present?" (Conducted in April 2024.)





## Human Capital Management

## Core Values

## Encouraging Behaviors That Arise from the ORIX Group Purpose &amp; Culture

We define the core values of human capital management as realizing sustainable business growth that befits ORIX with behaviors that are aligned with the three values defined in the ORIX Group Purpose & Culture. The three values represent the unique culture that has naturally evolved during ORIX Group's growth to date, and the ORIX Group Purpose Discovery Project stated them anew.

When all ORIX Group employees act in accordance with these three values, new opportunities to find adventure in the challenge of innovation will emerge throughout the Group and drive the creation of new businesses while increasing value in existing operations.

## Human Capital Management Goals for Behaviors Arising from the Three Values

Find Power in Diversity	Find Adventure in Challenge	Find Opportunity in Change
Share ideas and collaborate, explore different perspectives and transcend boundaries.	Strive for originality, and identify opportunities and risks while seeking adventure in new challenges.	Recognize trends from a big-picture perspective, act promptly on signs of change, and find opportunities to evolve.



## Taro Suemitsu

Electric Power Business  
Department, Wheeling  
Development Team Leader  
Energy and Eco Services  
Headquarters

## Profile

Joined ORIX in April 2008. Subsequently, broadly engaged in the Environment and Energy segment, including energy service company (ESCO) business proposals for major companies, overseas investments in renewable energy such as wind and hydroelectric power, and new business development. Since 2022, involved in initiatives to commercialize a large-scale power storage station business as a team leader for new business development.

## An Idea from a Failed Ambitious Challenge Led a Diverse Team to Create Japan's First Power Storage Station Business

Backing the launch of this new business was the recognition that overcoming the instability of renewable energy power generation was a requirement for realizing a decarbonized society. Discussions on this issue began to gain momentum within government and industry around 2020, and ORIX also began to consider new business opportunities Group-wide in the fall of 2020.

Our initial approach was to borrow power from the in-house generation facilities of our customers to smooth out shortfalls and reimburse the power providers with revenue from the sale of the electricity. However, we were unable to differentiate ORIX because we were not using our own assets, so we were unable to achieve the results we had expected. Given this experience, we decided that our competitive advantage lay in using the knowledge and risk management capabilities we have developed over

many years in the renewable energy business and making the most of our own assets. This led us to the idea of investing in and owning energy storage facilities that are basically huge storage batteries.

Project members from throughout the Group came together to make the concept a reality as soon as possible, and we also collaborated with partner companies. This business began operating on a commercial scale in spring 2021. The power storage station business had few precedents in Japan and was a significant challenge, which was just what the project members who came together to launch this new business wanted. They met the challenge by taking full advantage of changes in the environment, such as the rapid drop in battery prices due to the proliferation of electric vehicles and the emergence of a new supply and demand adjustment market.



## Human Capital Management: Core Values

**We are encouraging ORIX Group employees to learn about and identify with the three values articulated in the ORIX Group Purpose & Culture. We plan to implement measures that will enable each employee to naturally act in accordance with the three values.**

### Step 1 Learn about, identify with, and rediscover the three values (2024)

Understanding the mindset and behavior required for our work creates the foundation for acting in accordance with the three values. We will implement various initiatives so that all employees can learn about the three values and how they emerged, and rediscover the importance of these values in the context of their own work.

### Step 2 Personalize the three values and act in accordance with each value (from 2025)

Delineating the specific practices required and then actually implementing them naturally leads to the behavioral changes among employees that are necessary for ORIX to generate sustainable business growth. We plan to promote behavioral change by helping to clarify desired practices and by providing opportunities to actually implement them.

## Encouraging People to Learn about, Identify with, and Rediscover the Three Values

### Cascading Dialogue Sessions for All Employees Worldwide

We are implementing level-specific group dialogue sessions to ensure that all ORIX Group employees understand the relationship between the three values, achieving our purpose, and business growth. These sessions began in January 2024, and sessions\*<sup>1</sup> for levels from executive officer to general manager have already taken place. In each session, participants verbalize and share ways to implement the ORIX Group Purpose & Culture in each organization and the roles they should play. We will hold sessions for everyone from section managers down to help all Group employees know about, identify with, and rediscover the three values.

\*<sup>1</sup> A total of 543 people from 35 Group companies have participated in the dialogue sessions.

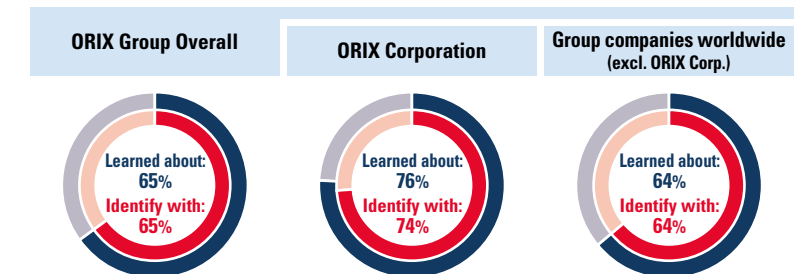
### Measuring Knowledge and Identification Using Value Surveys

A Group-wide annual survey that began in 2024 contains some questions that provide insights into values to measure the level to which we have permeated our core values, and to measure the degree to which employees learn about and identify with the ORIX

Group Purpose & Culture\*<sup>2</sup>. We are monitoring these insights as indicators linked to the ORIX Value Score.

In the fiscal year ended March 2024, the first year of the survey, ORIX Corporation outperformed Group companies in and outside Japan in learning about and identifying with the core values. However, our goal is to improve scores for the entire Group with Group-wide permeation programs.

\*<sup>2</sup> The percentage of employees who answered affirmatively (highest two points on a five-point scale) to the survey items, "I learned about the ORIX Group Purpose & Culture" and "I identify with the ORIX Group Purpose & Culture".



## Initiatives in Each Region Dialogue sessions held to promote permeation globally





## Human Capital Management

# Core Capabilities

## ORIX's Unique Organizational Transformation Capabilities Empower New Business Creation and Enhance the Value of Existing Operations

### Our Core Capabilities

ORIX's core capabilities are the unique organizational transformation capabilities that come from the expertise gained in growing a diverse business portfolio.

#### Three Core Capabilities

**Business Design**

The ability to create new businesses and services

Generating new business opportunities by anticipating emerging market and customer demands helps ORIX Group grow.

**Value Enhancement**

The ability to increase the value of businesses

Enhancing the quality of services and operations helps ORIX Group increase the value and profitability of existing businesses.

**Risk Management**

The ability to identify and assess business risks

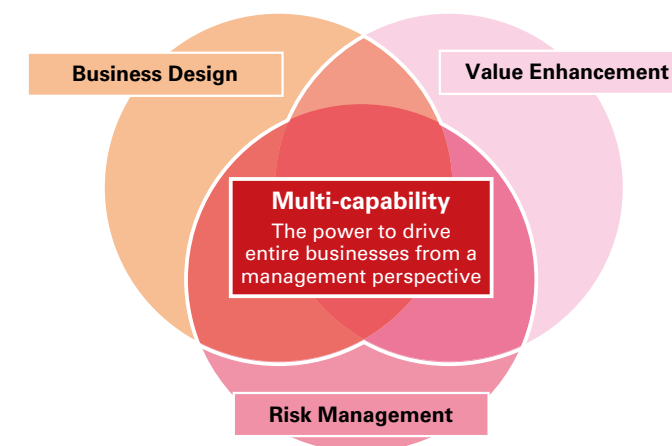
Accurately assessing business risks and returns helps ORIX Group make appropriate decisions for business growth.

### Multi-capability: Combining the Three Core Capabilities

Multi-capability is the combination of the three core capabilities to create the power to drive entire businesses from a management perspective.

Bringing together people with diverse experience and expertise enables us to quickly identify market and customer needs and objectively assess the growth potential of businesses to create new businesses and increase the value of existing operations.

Multi-capability is essential for sustainable Group growth and a source of innovation.

**Satoshi Hasegawa**

Managing Director  
Business Development and  
Investment Group I  
Investment and Operation  
Headquarters

**Profile**

Joined ORIX Corporation in April 1988. Some 20 years of experience in Corporate Financial Services in assistant manager and manager positions. Now involved in M&A project management and as a director of two investee companies improving investee value. Teaches in-house online courses for ORIX employees covering career development.

### Capabilities Gained through Dialogue with Various Executives

I define business design as the ability to bring new customers and businesses to ORIX Group and the ability to encourage relatability with ORIX Group. Value enhancement encompasses the ability to expand and diversify transactions with customers and the ability to expand business without being bound by preconceived notions. Risk management is the ability to combine a perspective that qualitatively identifies market changes with quantitative risk control driven by a financial mindset. These are capabilities that ORIX employees share and have consistently employed to generate growth by transforming market and customer changes into business opportunities.

During my time in Corporate Financial Services, I listened to numerous executives ranging from small, privately owned businesses to listed

companies discuss their challenges. I always did my best to provide unique solutions by combining the Group's diverse products and services. The challenges that managers face change as markets evolve, so I tried to identify changes in customer needs and trends to create long-term business relationships with ORIX for as many customers as possible.

PE Investment is also committed to proposing innovative growth strategies only ORIX can achieve to potential investees. After extensive discussion with management to understand the potential strengths of an investee, we share growth strategies and management issues from a long-term perspective and collaborate to improve investee value.





## Human Capital Management: Core Capabilities

# We are implementing a variety of Group-wide measures to simultaneously strengthen our three core capabilities and multi-capability.

### CO-WORK: A Unique Concept That Links the Expertise of Various Business Units

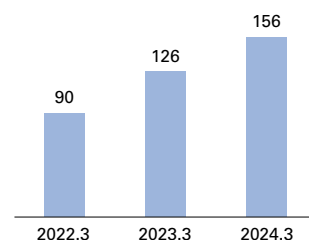
CO-WORK is a unique ORIX concept that involves diverse employees collaborating across companies, units, and departments to maximize their individual expertise and create new value. It has taken root throughout ORIX Group as a culture that allows us to provide the Group's comprehensive strengths to customers.



### Career Challenge System: Opportunities for New Challenges through Transfers

The Career Challenge System allows employees to directly transfer to their desired business unit, contingent upon mutual agreement. This system allows employees to acquire a wide range of expertise by experiencing various business operations within ORIX Group, thereby supporting employee-driven career development.

Career Challenge System Applicants



Note: Actual data from nine Group companies in Japan\*

### Orichare: A New Business Idea Competition for Collaboration with New Members to Plan New Businesses

Orichare (ORIX Challenge) is a system that enables employees to propose entrepreneurial ideas with members of their choice and directly present them to management. Members can speak with support departments, gain new insights and knowledge, and refine their new business ideas. We plan to upgrade this system to accelerate the commercialization of ideas.

#### New Business Ideas

Ideas	422
Participants	467

Note: Actual data from March 2020 to March 2024

### A Training System to Enhance Skills That Support the Growth and Value of Each Business

The three core capabilities that support growth and value enhancement in each business include expansive knowledge specific to each business, so strengthening these capabilities requires measures tailored to each business.

ORIX Group implements its own educational programs and skill certification systems that are tailored to the characteristics of each business, and each business unit plans and implements its own training in addition to the training organized by the Human Resources Department. ORIX Group strengthens its three core capabilities by enhancing the expertise of each employee, thereby creating the power to transform businesses from within.

#### Unit-specific Training Results (Total of Nine Group Companies in Japan\*)

Training sessions	576
Training time	111,374 hours

Notes: 1. Actual data from nine Group companies in Japan\*  
2. The ratio of unit-specific training hours to total training hours for the nine Group companies in Japan\* is 33%.

### Succession Management for Systematic Development of Multiple Successors Who Can Drive Businesses

Until now, ORIX has developed personnel with multi-capability by flexibly repositioning our talent pool to accommodate the expansion and growth of our business segments, thereby exposing people to a variety of work experiences.

Future initiatives will create a system that systematically produces personnel with multi-capability to enable further growth in each business unit.

We will refine the requirements needed to take on key positions, visualize the talent pool of potential successors, and share this information with the management team to develop people with Group-level multi-capability and effectively implement succession management.

At the same time, this process will enable us to select the skills and expertise that we believe will have a particularly positive impact on business growth and visualize the status of these skills and expertise Group-wide. Our objective is a more systematic and effective approach to enhancing each core capability.



\* The nine Group companies in Japan: ORIX, ORIX Auto, ORIX Rentec, ORIX Asset Management & Loan Services, ORIX Real Estate, ORIX Eco Services, ORIX Life Insurance, ORIX Bank, and ORIX Computer Systems  
Note: 2024.3 denotes the fiscal year ended March 2024.



## Human Capital Management

## Ensuring a Workplace in Which Diverse Human Resources Can Play an Active Role

## Ensuring a Workplace in Which Diverse Human Resources Can Play an Active Role

ORIX has created a series of valuable new businesses by bringing together diverse talent and engaging in ongoing discussions across organizational boundaries. Sustainable business growth requires a workplace in which diverse human resources can play an active role as the basis for instilling core values and enhancing core capabilities. We therefore accept people with diverse backgrounds and values, regardless of characteristics such as gender, nationality, or age, and are committed to maintaining a workplace in which employees can work in their own way with peace of mind.



## Welcome Diverse Talent and Support Their Growth

We believe that actively accepting people with diverse backgrounds and values in areas such as gender, nationality, age, race, and LGBTQ+ status, will support the creation of new value. Based on this belief, we are promoting various measures to accept and respect the diversity of our employees.

## Promote the Active Participation of Women

ORIX has been actively recruiting women since before Japan's Equal Opportunity Law came into effect in 1986. We provide a workplace in which employees can build their careers and participate in decision-making regardless of gender.

## ● Mentoring Program

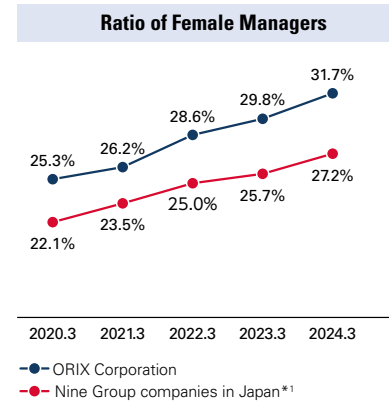
We assign experienced mentors within ORIX to newly appointed female managers and provide support through mentoring to nurture future female leaders.

## ● Inter-industry Study Group

This program is for female managers and provides opportunities for external interaction through social gatherings and group work with female executives and managers from participating companies.

## ● Pay Gap between Men and Women\*2

We compensate employees according to their roles and duties, regardless of gender, and pay is no different for men or women for the same roles and duties. The main reason for the difference in pay among employees is the significant difference in the distribution of men and women in job types.



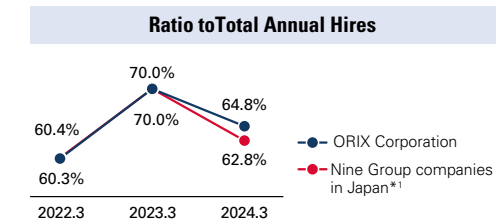
**General managers: 95.0%**  
**All employees: 62.2%**

Note: FY ended March 2024

## Emphasis on Both Mid-career and New Graduate Hiring

Since day one, ORIX has energetically recruited people with a wide range of experience and expertise in order to acquire the new knowledge necessary to grow its businesses. In recent years, ORIX has been concentrating on recruiting people with expertise in areas such as digital transformation, information security, and business governance, in addition to its focus on the fields of environment and energy and private equity investment.

## Ratio of Mid-career Hires



## Ratio to All Employees\*3



Note: As of March 31, 2024

## Initiatives to Hire New Graduates Outside Japan

Initiatives to grow our businesses outside Japan include hiring new graduates from major universities in China and Taiwan.

## Percentage of Foreign National Graduates Hired\*3

11.1%

Eight of the 72 new graduates hired in the fiscal year ended March 2024 are foreign nationals.

## Providing Opportunities for Older Employees

Older employees with diverse experience and expertise who continue to take on new challenges enhance the vitality of the entire organization.

Retirement age of 65

In-house recruiting system for older employees

Pay scale based on job requirements and performance

## Promoting the Active Participation of People with Disabilities

ORIX Business Support Corporation helps each Group company by allocating work duties according to the characteristics of employees with disabilities so they can experience the joy and growth of working and live vibrant lives.

## Employment rate Rate for People with Disabilities\*3

2.56%

Statutory employment rate: 2.5%

Note: As of March 31, 2024

\*1 The nine Group companies in Japan: ORIX, ORIX Auto, ORIX Rentec, ORIX Asset Management & Loan Services, ORIX Real Estate, ORIX Eco Services, ORIX Life Insurance, ORIX Bank, and ORIX Computer Systems

\*2 Comparative ratio of the average annual wage of female employees to the average annual wage of male employee

\*3 ORIX Corporation



## Human Capital Management: Ensuring a Workplace in Which Diverse Human Resources Can Play an Active Role

### Maintain a Workplace in Which Employees Can Work in Their Own Way with Peace of Mind

We provide a wide range of support for employees to build and realize their own careers and for maintaining their physical and mental health, so that employees with different values can achieve their best while feeling physically and mentally fulfilled.

#### Initiatives to Support Employees in Realizing Their Own Careers

##### ● Support for balancing life events and career

We help both men and women balance their work and family lives with a flexible system for work before and after childbirth, and systems to support childcare and nursing care at levels that exceed statutory requirements.

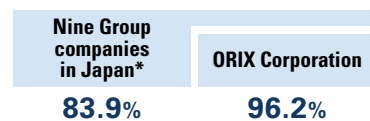
▶▶▶ [Promoting Diversity, Equity, and Inclusion](#)

##### ● Support for realizing diverse work styles

We have established flextime, hourly paid leave, and telecommuting systems and have introduced flexible seating arrangements and satellite offices to allow employees to adopt a flexible work style that suits them.

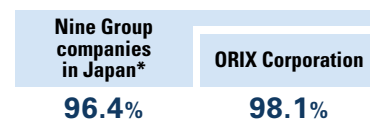
▶▶▶ [Systems to support diverse work styles](#)

#### Rate of Men Taking Childcare Leave



Note: Fiscal year ended March 2024

#### Rate of Women Returning to Work after Childcare Leave



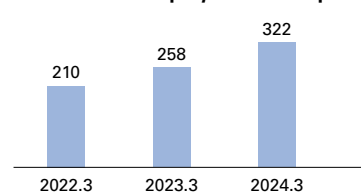
Note: Fiscal year ended March 2024

### Initiatives to Help Employees Independently Design Their Careers

##### ● Internal internship system (from 2017)

This system allows employees to deepen their understanding of various businesses by taking on the challenges of work in other units, thus providing the opportunity to increase career options.

#### Internal Internship System Participants



Note: Data from nine Group companies in Japan\*  
Note: 2024.3 denotes the fiscal year ended March 2024.

##### ● Online courses taught by employees (from the fiscal year ended March 2024)

Employees who are familiar with the operations of their respective business units teach these courses. They cover the work they do and the appeal of their jobs, and also discuss their careers to date and their personal approach to self-improvement. These courses are an opportunity to clarify required skills and self-improvement, and to map out careers.

##### ● Career development program (from the fiscal year ending March 2025)

This program supports the employee-driven career development of our employees. It helps employees map out their own career plans and enact them by providing career training by age group and role. It also offers both internal and external career consultation hotlines that give employees access to career consultants.

▶▶▶ [Human resource development and career development support](#)

### Employee Health Initiatives

We collaborate with the ORIX Group Health Insurance Association to promote health and support disease prevention and lifestyle improvements.

▶▶▶ [Employee Health and Safety](#)

Themes	Initiatives
Preventing the onset or progress of lifestyle-related diseases	Improved health guidance for high-risk individuals and young people
Providing mental health care	Stress checks, level-specific training, and e-learning Appropriate support from in-house industrial physicians and counselors, and an external hotline
Subsidizing health-related expenses	Subsidized complete medical examinations and cafeteria plans

#### Third-party Recognition & Awards



\* The nine Group companies in Japan: ORIX, ORIX Auto, ORIX Rentec, ORIX Asset Management & Loan Services, ORIX Real Estate, ORIX Eco Services, ORIX Life Insurance, ORIX Bank, and ORIX Computer Systems



#### Chieko Okamoto

Team Leader  
Osaka Sales Department II  
Corporate Business  
Headquarters

##### Profile

Joined ORIX in April 2003. Took maternity leave after sales positions in Real Estate and Leasing. Returned to work in Corporate Financial Services.

### Balancing Work and Childcare in a Gender-neutral Environment

I took two years of childcare leave when I gave birth. After returning to work, I took advantage of the inter-industry study group program and other opportunities, and increased the amount of time I spent at work and on self-improvement as my child grew. At that time, I had never even considered advancing to team leader, but a supervisor who knew me well opened up that possibility for me and supported my career development, for which I am very grateful.



#### Weiqi Hong

Aviation and Investment  
Group  
Global Transportation  
Services Headquarters

##### Profile

Joined ORIX in Taiwan as a new graduate in September 2016. Employed in the middle office in the Aviation and Investment Group.

### Making the Most of My Strengths in an Inclusive Work Environment

Training and other kinds of support have enabled me to improve my understanding of ORIX's culture and my Japanese language skills, and I feel that I can employ my language skills to contribute from a different perspective than others. I also feel that different opinions are actively accepted in meetings, regardless of position or nationality. In the future, I would like to gain additional expertise and become a bridge between ORIX and its Group companies outside Japan.





## Human Capital Management

# Case Study: How ORIX's Human Capital Management Creates Business Opportunities

## Second Founding: A New Chapter of Growth for DHC – ORIX's Commitment to Growing with Investees Engenders Unprecedented Collaboration –

### Q1: Please begin with the background and details of the investment in DHC.

**Odaka:** Healthcare is a focus for ORIX's PE Investment, which has extensive experience in business succession using M&A. DHC has strengths in health foods and supplements, which are gaining attention in the field of preventive healthcare as Japan's society ages. ORIX saw the appeal of DHC and reached out to it. ORIX was able to make the investment due to its approach of respecting DHC's independence while also providing hands-on support to improve its corporate value. Further, ORIX was able to create a growth story based on ORIX's international network. DHC was an opportunity for us to take on a new challenge with an investment on the scale of ¥300 billion, the largest in our history, by leveraging the knowledge we have gained through healthcare investments and the ability to assess risks that we gained through our experience with failure.

### Q2: What strengths has ORIX demonstrated in the project?

**Odaka:** One is the CO-WORK concept of creating new business value by fusing the knowledge and expertise of multiple businesses. One of ORIX's greatest strengths is its culture of reducing barriers between business units so everyone can work with the same enthusiasm, not just in the legal and accounting departments, but also in our businesses, such as collaboration with the Greater China Group to establish a foothold for international growth. ORIX has also demonstrated its ability to fuse diverse strengths and find adventure in challenges. ORIX has grown through its business-to-business (B2B) businesses, so project members found adventure in the challenge of deepening their understanding of a business-to-consumer (B2C) business like DHC. Members also fused their diverse knowledge to innovate and find ways to resolve complex challenges. United in our shared commitment to exploring how to grow the company, we

deepened our understanding of the business, assessed the risks we ought to take, and overall had very meaningful conversations despite this being a new field for us. All project members demonstrated initiative in taking on the adventure of a new and unfamiliar challenge.

**Murata and Sato:** In every project, the leader structures an appropriate team. Entrusting junior employees with responsibilities regardless of seniority, the leader works with team members to develop their own areas of expertise, which has given us a sense of personal growth through our work.

**Odaka:** While that is part of ORIX's culture, our No. 1 criterion for making decisions is whether or not ORIX's involvement will enhance the investee's business. We then keep risk management at the front of mind in making decisions. I think that our approach to and enthusiasm for deploying the strengths of DHC to collaboratively grow the business differentiated us from other investment funds and impressed DHC.

### Q3: What does ORIX require to leverage its strengths and succeed in future projects?

**Murata and Sato:** One key is an environment that supports independent action so ORIX can deploy the initiative of each individual. Open access to the latest information and diverse knowledge, and the unequivocal respect for the opinions of everyone on the team, enable us to fuse diverse insights and expertise to create innovative answers unique to ORIX, no matter how complex the challenge.

**Odaka:** I would say another key is maintaining an environment in which people can take on challenges. I always try to support junior members by making a point of entrusting them with specific areas to give them space to work independently and providing them with the personal connections and knowledge they need to solve problems. I want them to take on various challenges they may not think they can handle so that they can gain the experience to grow and succeed in that adventure.

#### Hiroyuki Odaka

Executive Vice President  
of DHC

Joined ORIX in April 2004.  
Currently in PE Investment  
following positions in  
Corporate Financial  
Services and corporate  
restructuring. Became  
Executive Vice President  
of DHC in 2023.



#### Hisayoshi Murata

PE Investment

Joined ORIX in April 2007.  
Currently in PE Investment  
following positions in  
Real Estate and global  
businesses. Core member  
of the DHC investment  
project.

#### Masakatsu Sato

PE Investment

Joined ORIX in April 2008.  
Currently in PE Investment  
following positions in  
Finance and Corporate  
Financial Services. Core  
member of the DHC  
investment project.





# 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 2024

- (1) Progress toward ESG-related key goals
- (2) Revision of ORIX Environmental Policy and ORIX Human Rights Policy
- (3) Disclosure of certain Scope 3 categories
- (4) Progress in promoting sustainability within the Group

#### 2) Focus themes for the fiscal year ending March 2025

- (1) Strengthen supply chain management system. Consider supply chain risk analysis, establishing a code of conduct, and operational methods.
- (2) Consider revising key goals related to ESG.
- (3) Increase opportunities to learn about social and environmental issues and relevant solutions, and utilize this knowledge in business activities. Provide more information about promoting sustainability, both inside and outside the Group.
- (4) Prepare to comply with regulations related to non-financial information disclosure.

- ▶ Pages 41-43 Status of Initiatives to Address ESG-related Material Issues and Key Goals
- ▶ Page 47 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 2024 to establish our approach for the fiscal year ending March 2025 and beyond.

Major initiatives for the fiscal year ended March 2024 were as follows.

- The ratio of next-generation vehicles\* is increasing in the leasing, rental and car sharing businesses. All rental car outlets have completed the conversion to green electricity. (Auto)
- Surveyed suppliers and contractors to structure a procurement system that incorporates ESG considerations. (Rentec)
- Reduced CO<sub>2</sub> emissions from owned properties. Reduced food waste and promoted recycling in operating businesses. (Real Estate Investment and Facilities Operation)
- Expanded renewable energy businesses both in and outside Japan. (Environment and Energy)
- Promoted sustainability finance. (Banking)
- Evaluated, monitored and annually reviewed ESG score. (ORIX USA)
- Reduced CO<sub>2</sub> emissions from investment activities. Robeco registered as a TNFD Early Adopter. (ORIX Europe)

\* Hybrid vehicles (HV), plug-in hybrid vehicles (PHV), electric vehicles (EV), and fuel cell vehicles (FCV).

Approach of Each Business Unit from the Fiscal Year Ending March 2025 Onward

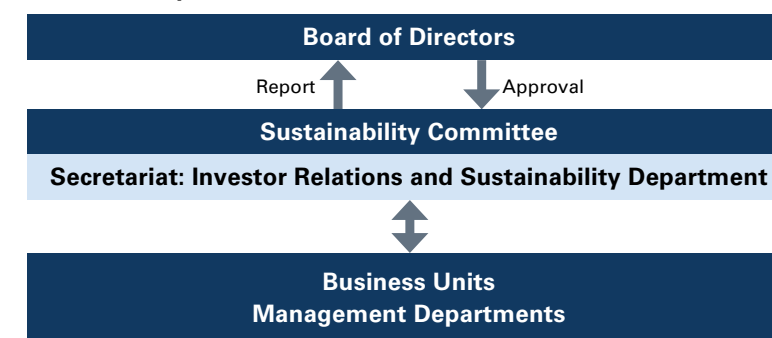
▶ Pages 71-84 “Approach to Sustainability” section for each business unit

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

▶▶▶ [Approach to Sustainability Issues](#)



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



## Environment

### 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 (CO<sub>2</sub>) 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 (CO<sub>2</sub>) emissions by the end of the fiscal year ending March 2050.
- Reduce ORIX Group's investment and credit balance in GHG (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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

■ In order to achieve our GHG (CO<sub>2</sub>) emissions reduction targets, we are continuing to consider decarbonization measures such as reducing emissions by changing to different fuels at our two coal-biomass co-fired power plants, which accounted for more than 70% of our GHG emissions in the fiscal year ended March 2020.

- Our Scope 1 and Scope 2 GHG (CO<sub>2</sub>) emissions in the fiscal year ended March 2024 totaled 1,129 thousand tons. This was a decrease of 137 thousand tons, or 10.8%, compared to baseline emissions in the fiscal year ended March 2020.

▶ Page 86 Reducing GHG (CO<sub>2</sub>) Emissions

■ We revised our Environmental Policy in February 2024 to address the expansion of ORIX Group's businesses and diversifying environmental issues. Our initiatives involve reducing GHG emissions, energy saving measures and renewable energy investment and production, reducing waste and promoting recycling, resource conservation and green procurement, preventing environmental pollution, conserving water resources, and giving consideration to our impact on biodiversity.

▶▶▶ [Environmental Policy](#)

■ 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). We disclose numerical data for Categories 6 and 7.

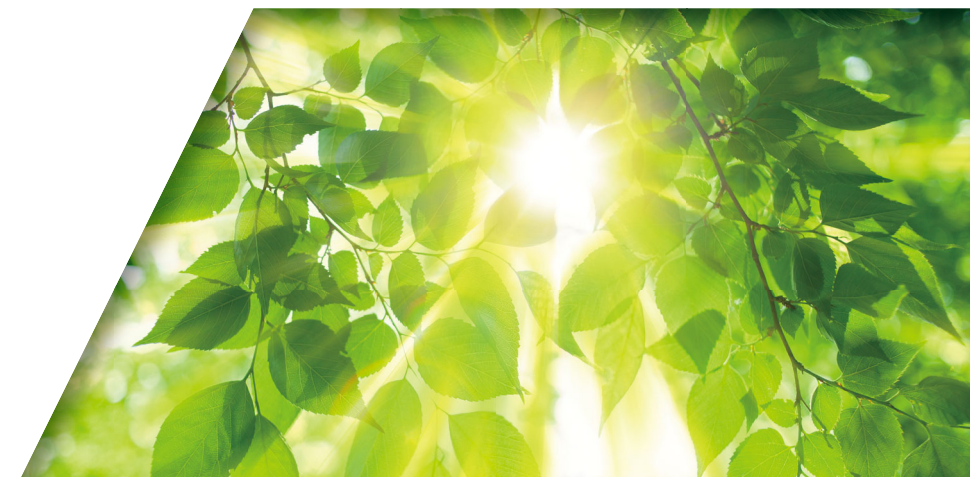
▶ Page 87 ESG Data (Scope 3)

■ 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](#)

■ 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, 2024 decreased compared to the fiscal year ended March 2020 for all three local subsidiaries.





## 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, equity and inclusion and non-discrimination.
- 3 Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive and equitable 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

- We revised the ORIX Human Rights Policy in April 2024 to promote initiatives relevant to respect for human rights throughout all of our business activities. We continue to implement human rights due diligence. For business divisions that appear to have relatively elevated potential for human rights risks, we are conducting fact-finding surveys that encompass stakeholder engagement, and are taking action to prevent and mitigate issues.

We provide training on human rights for employees to raise awareness of human rights and promote initiatives relevant to respect for human rights.

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, and we have announced it on our website.

▶ Page 49 Human Rights

- ORIX aims to structure a sustainable supply chain with its suppliers, and is implementing initiatives such as conducting fair and equitable transactions, reducing environmental impact, and respecting human rights. We have initiated analyses to identify risks and understand current circumstances, with emphasis on business units with many suppliers that are essential to the continuity of our businesses, and that are at risk of negatively impacting human rights or burdening the natural environment because of the nature of their operations. In addition, when selecting or renewing a contractor, our screening process now includes confirmation of compliance with laws and regulations and information on ethical concerns.

▶ Page 48 Supply Chain Management

- 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.

▶ Pages 32-39 Human Capital Management

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

- As of March 31, 2024, the ratio of female managers in ORIX Group is 31.7% for ORIX Corporation and 27.2% for our nine domestic Group companies.

- 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 49 Sustainable Investing and Lending





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 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

- 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 ended March 2024, ORIX Group’s progress in achieving ESG-related key goals was added to quantitative evaluation items for the president, senior managing executive officers, and managing executive officers.
- ▶ Page 54 Corporate Governance
- As of June 2024, the ratio of outside directors is 54.5% (of all 11 directors, 6 are outside directors).
  - As of June 2024, the ratio of female directors is 18.1% (of all 11 directors, 2 are female directors).

- 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](#)

- 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](#)





# Addressing Climate Change

## 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 (CO<sub>2</sub>) 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 46 Information Disclosure Based on TCFD Recommendations

## 1. GHG (CO<sub>2</sub>) Emissions Reduction

### GHG (CO<sub>2</sub>) Emissions Reduction Goals and GHG (CO<sub>2</sub>) Emissions

#### • GHG (CO<sub>2</sub>) Emissions Reduction Goals

ORIX has set GHG (CO<sub>2</sub>) emissions reduction goals as follows:

- (1) Reduce GHG (CO<sub>2</sub>) 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 (CO<sub>2</sub>) emissions by the end of the fiscal year ending March 2050.

#### ORIX Group GHG (CO<sub>2</sub>) Emissions (Baseline Emissions) in the Fiscal Year Ended March 2020

(Unit: Thousand tons CO<sub>2</sub>e)

	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 (CO<sub>2</sub>) emissions (baseline emissions) in the fiscal year ended March 2020.

#### • GHG (CO<sub>2</sub>) Emissions

Total Scope 1 and Scope 2 emissions in the fiscal year ended March 2024 were 1,129 thousand tons. Compared to the baseline emissions, this was a decrease of 137 thousand tons. Emissions from the two coal-biomass co-fired power plants amounted to 796 thousand tons, accounting for 70.6% of the total.

#### ORIX Group GHG (CO<sub>2</sub>) Emissions

(Unit: Thousand tons CO<sub>2</sub>e)

	FY ended March 2020 (Baseline Emissions)	FY ended March 2024
Scope 1	1,107	991
Scope 2	158	138
Total	1,266	1,129

▶ Page 86 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).

We disclose numerical data for Categories 6 and 7.

▶ Page 87 ESG Data ▶▶▶ [Environmental Performance Data](#)

## Initiatives to Reduce Emissions

### • Environment and Energy Segment: Coal-biomass Co-fired Power Plants\*<sup>1</sup>

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.

During the fiscal year ended March 2024, we continued to discuss decarbonization, confirmed power generation efficiency and costs for the exclusive use of biomass, considered fuel procurement routes, and conducted interviews with customers.

\*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 towards our 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.\*<sup>2</sup>
- (2) Adopt renewable energy at properties we own or operate\*<sup>3</sup>
- (3) Use non-fossil certified renewable energy\*<sup>4</sup> and purchase J-credits\*<sup>5</sup>

In the fiscal year ended March 2024, we achieved the target amount of reduction. In the fiscal year ending March 2025, we will maintain initiatives to reduce emissions in stages 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

ORIX operates power generation businesses around the world as a global renewable energy company. As of March 31, 2024, our generation capacity of power plants in operation around the world, including Japan, was 4.3 GW\*<sup>1</sup>. Elawan Energy (100% share) and Greenko (approx. 20% share) lead business growth, with Elawan Energy having 11 GW\*<sup>2</sup> and Greenko having 18 GW\*<sup>2</sup> 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\*<sup>1</sup> (7 GW\*<sup>1</sup> before considering sale). Our goal is to expand capacity to 10 GW\*<sup>1</sup> 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.

### CO<sub>2</sub> Avoided Emissions

CO<sub>2</sub> avoided emissions at our renewable energy businesses totaled approximately 4.8 million tons for the fiscal year ended March 2024. The year-over-year increase was approximately 0.1 million tons. This was mainly due to the start of operations of new renewable energy power plants at Elawan Energy.

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

#### CO<sub>2</sub> Avoided Emissions through the Renewable Energy Business

(Unit: Thousand tons CO<sub>2</sub>)

	Wind Power	Solar Power	Geothermal Power	Hydro Power	Biomass	Total
India	1,222	608	0	320	0	2,150
Japan	0	446	0	0	252	698
U.S.A.	325	68	243	0	7	644
Others	789	432	42	8	0	1,270
Total	2,336	1,553	285	327	259	4,761

▶ Page 87 ESG Data   ▶▶▶ [Environmental Performance Data](#)

\*1 Net figures that take into account our ownership ratio. If the individual project is a joint venture, we also consider the investment ratio.

\*2 Gross figures before taking into account our ownership ratio.

### Example Initiatives

#### ORIX Signs One of Japan’s Largest Onsite PPAs with Kansai Airports

ORIX concluded a power purchase agreement (PPA) with Kansai Airports in November 2023. ORIX plans to install solar power generation facilities with a capacity of approximately 23.4 MW, which will be one of the largest onsite facilities in Japan\*, at Kansai International Airport and Osaka International Airport, and begin supplying power to each airport from spring 2025. In this project, ORIX established a special purpose corporation (SPC) to serve as the power generation company that will install and operate solar power generation systems with a total capacity of approximately 22.8 MW at Kansai International Airport and approximately 0.6 MW at Osaka International Airport, for a total of approximately 23.4 MW. The Kansai Airports Group expects that electricity generated on-site at the airports will cover approximately 20% of its annual electricity consumption and reduce annual CO<sub>2</sub> emissions by approximately 12,300 t-CO<sub>2</sub>.

\* According to an ORIX survey



Image of the solar power generation system installed at Osaka International Airport

#### Elawan Executes Corporate PPA for Amazon

Elawan develops and operates wind and solar power plants in 15 countries, mainly in Spain and elsewhere in Europe, as well as in North America and South America. In 2023, it concluded a PPA with Amazon and began supplying electricity from five solar power plants. In addition, from 2025 it plans to supply environmental value along with the phase-in of approximately 160 MW of electricity generated from two wind power plants and four solar power plants under development in Spain.

This will bring the cumulative total of power supplied to Amazon to approximately 340 MW.



Solar power plant in Spain that started supplying Amazon in 2023





# 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 2024, the Board of Directors heard performance reports for the fiscal year ended March 2024 in the following areas.

- (1) Progress toward ESG-related key goals
- (2) Revision of ORIX Environmental Policy
- (3) Disclosure of certain Scope 3 categories

#### 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 40 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

Our analysis indicates exposure to a certain extent of risk of financial impact in Real Estate and Environment and Energy, but risks are immaterial in other businesses.

- ▶ Page 47 Scenario Analysis Assumptions
- ▶ Pages 88-91 Results of Analysis

### Risk Management

When formulating business plans, we collate progress on ESG-related key goals and the policies and KPIs of each business division, report them to the Sustainability Committee, and obtain approval from the Board of Directors. In addition, once every year each business unit holds discussions with the Investor Relations and Sustainability Department and updates the scenario analysis assumptions and results.

### 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 (CO<sub>2</sub>) emissions by 50% by the fiscal year ending March 2030 compared to the fiscal year ended March 2020.
- Reduce ORIX Group GHG (CO<sub>2</sub>) emissions to net zero by the fiscal year ending March 2050.
- Reduce investment in and lending to industries\* that emit GHG (CO<sub>2</sub>) 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 (CO<sub>2</sub>) 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 44 GHG (CO<sub>2</sub>) Emissions Reduction

#### Scope 1, 2 and 3 GHG Emissions

▶ Pages 86-87 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](#)



Strategy and Scenario Analysis—Assumptions

4° C Scenario

The average global temperature at the end of the 21st century is about 4°C higher than preindustrial levels. Government policies of each country in addition to corporate and consumer preferences remain the same. For example, coal use continues, renewable power generation gains limited traction, no full-scale introduction of carbon pricing, demand for energy-saving real estate remains limited, electric vehicles do not become widespread, and the shift away from ownership-based vehicle usage stalls. The physical effects of climate change become apparent and can be felt directly.

Reference scenarios: Transitional: Stated Policies Scenario (STEPS)\*<sup>1</sup> (IEA WEO 2023), Physical: SSP\*<sup>2</sup> 5-8.5 (IPCC AR6)

1.5° C Scenario

The average global temperature increase at the end of this century can be kept at 1.5°C compared to preindustrial levels. Aggressive government decarbonization policies move forward, corporate and consumer tastes change, and society shifts. There will be no significant change from the current physical impact of climate change.

Reference scenarios: Transitional: Net Zero Emissions by 2050 (NZE)\*<sup>1</sup> (IEA WEO 2023), Physical: SSP\*<sup>2</sup> 1-1.9 (IPCC AR6)

Degree of Impact Assessment

In the Environment and Energy business and Real Estate business, we own and operate large facilities including large power plants and hotels and inns, and their GHG emissions have become significant. Our scenario analyses have identified risks corresponding to both the 4°C and 1.5°C scenarios, along with significant opportunities in the 1.5°C scenario.

The Auto business and Aircraft and Ships business involve significant GHG emissions from customer use of leased assets, but our scenario analyses identified only limited risk in either scenario. The Finance business and Life Insurance business involve significant GHG emissions from investees and borrowers, but we concluded that the impact of potential risks and opportunities is not material.

Please refer to the scenario analyses on pages 88-91 for more details.

<sup>\*1</sup> A scenario presented in *World Energy Outlook 2023*, published by the International Energy Agency (IEA) in 2023.  
<sup>\*2</sup> Shared Socioeconomic Pathways: Models for estimating temperature increase presented in the *Intergovernmental Panel on Climate Change Sixth Assessment Report* (IPCC AR6). Each SSP is numbered in ascending order, with higher numbers associated with greater estimated temperature increases.

		Risks	Opportunities
4°C Scenario	Acute	<ul style="list-style-type: none"><li>Supply chain disruptions</li><li>Damage to real estate, vehicles, aircraft, and ships</li><li>Falling real estate prices in areas likely to be affected</li><li>Customers and investees affected</li><li>Damage to sales offices and business locations</li></ul>	<ul style="list-style-type: none"><li>Disaster recovery demand</li></ul>
	Chronic	<ul style="list-style-type: none"><li>Reduced solar power generation efficiency</li><li>Longer construction periods because intense heat disrupts more workdays</li><li>Decrease in areas available for real estate development</li><li>Increase in demand for air conditioning</li></ul>	
1.5°C Scenario		<ul style="list-style-type: none"><li>Accelerated phase-out of coal-fired power generation</li><li>Increase in business and operating facility costs</li><li>Decline in corporate value of investees with significant GHG emissions</li><li>Higher real estate and ship construction costs due to regulatory compliance</li><li>Falling prices for used cars with gasoline engines</li><li>Deteriorating customer performance</li></ul>	<ul style="list-style-type: none"><li>Increased investment in renewable energy</li><li>Increase in demand for energy-efficient real estate</li><li>Increase in demand for rental cars and car sharing</li><li>Expansion in investment opportunities in decarbonization businesses</li></ul>

Environment and Energy

Real Estate

Auto

Aircraft and Ships

Finance

Life Insurance

All of the above businesses



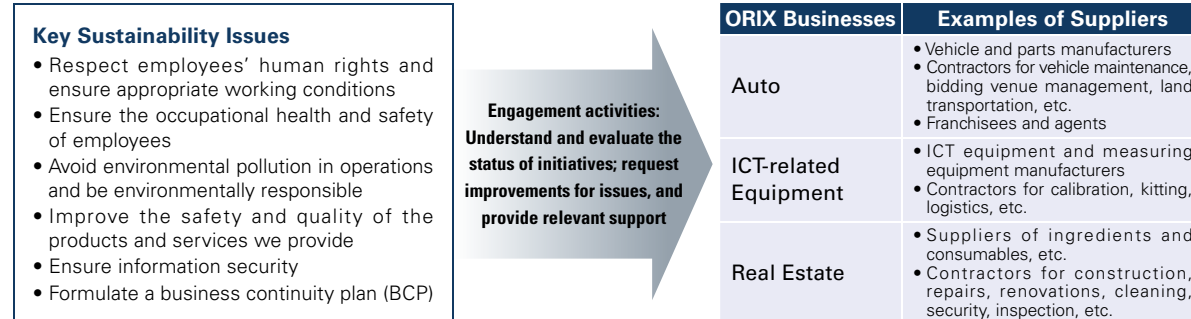
# Supply Chain Management

## Our Approach

The suppliers who provide ORIX with various goods and services are indispensable to the continuation of our business. ORIX recognizes that it is our responsibility to society to exercise our influence to build a sustainable supply chain. Reflecting this recognition, fair and equitable dealings with our stakeholders is a tenet in the Code of Conduct, which applies to all ORIX Group employees, and we have included our suppliers in the scope of our ORIX Human Rights Policy and ORIX Environmental Policy.

In addition to our long-standing commitment to high service quality, by working with our suppliers to promote sustainability initiatives such as reducing environmental impact and respecting human rights, we aim to continue to be the company of choice for our stakeholders.

Due to factors such as the physical nature of the work involved, ORIX's auto, ICT-related equipment, and real estate businesses have an elevated risk relative to ORIX's other businesses that their suppliers' business activities may have a negative impact on human rights (e.g., worker injury) and a negative impact on the natural environment (e.g., inappropriate disposal of hazardous substances). To build a sustainable supply chain, ORIX will work with its suppliers to establish firm and consistent compliance with laws and regulations related to occupational health and safety and environmental protection.



## Initiatives

- In our Company policy regulating the use of outside service providers, which applies across the entire Group, we screen for not only regulatory compliance but also any matters of concern regarding business ethics when selecting or renewing outside service providers.
- We have begun risk identification and data gathering to more accurately assess the situation around our business units that, due to the nature of their business, are especially reliant on their suppliers.
- ORIX Rentec, our ICT-related equipment rental business, conducted its first independent survey of its material suppliers in 2023 to ascertain how strictly they were complying with relevant laws and regulations and what work they were doing regarding sustainability. Going forward, it will continue to conduct periodic surveys to identify and address issues.
- ORIX Corporation and ORIX Life Insurance Corporation have formulated and disclosed declarations regarding their efforts to build partnerships as well as multi-stakeholder policies.

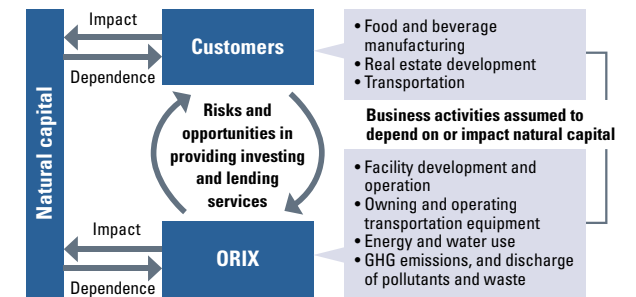
# Biodiversity

## Our Approach

ORIX Environmental Policy stipulates that we “give due consideration to our impact on biodiversity.” ORIX Group recognizes it both depends on and impacts the natural environment both directly through its own business activities and indirectly through the business activities of its customers.

We will continue to analyze the relationship between our value chain and natural capital from both a risk and an opportunity perspective, and use the insights gained to inform how we can continue to address social issues through our business activities.

### The Relationship between Our Business Activities and Natural Capital



## Initiatives for Risk Reduction

- Our governance structure constitutes deliberation on sustainability issues, including biodiversity, by the Sustainability Committee, with such deliberations being reported to the Board of Directors.
- As an ESG-related key goal, we have set a target to reduce the balance of our investments and loans in sectors with high environmental impact, such as fossil fuel mining, palm oil plantations, and forestry.
- In addition to the above, we prohibit new transactions in certain sectors and business practices that negatively impact biodiversity such as the manufacture, use, and importing/exporting of internationally prohibited agricultural chemicals, pesticides and herbicides, dynamite fishing, and the handling of specific wildlife species.
- In our renewable energy business, we engage in dialogue with local communities and experts and conduct environmental assessments in accordance with laws and regulations. In addition, we have voluntarily established Guidelines for Environmental and Social Considerations and are taking biodiversity considerations into account when conducting our business activities.

## Initiatives to Create Business Opportunities

- Robeco integrates a sustainability perspective, including biodiversity, into its business strategy, and incorporates sustainability into its investment criteria across most of its portfolio. By exerting influence throughout the entire investment process, including selection of investees, monitoring, and exercise of voting rights, Robeco provides not only investment returns but also social impact.
- The SUMIDA AQUARIUM and the KYOTO AQUARIUM provide opportunities for visitors to learn about and be inspired by organisms and ecosystems. They also contribute to biodiversity through conservation, education and research. Specifically, the aquariums engage in conservation activities of rare and endangered species such as sea turtles and giant salamanders, run educational programs such as workshops at the aquariums and at public schools on local ecosystems, and conduct research on preventive veterinary medicine. In addition to collaborating with local governments, regional communities, and educational institutions, we also invite the participation of our business partners who support our aims and objectives.



# Human Rights

## Our Approach

ORIX recognizes its responsibility as a corporation to incorporate consideration of human rights into its business activities in order to realize a sustainable society.

There is a risk that our business activities may cause, encourage, or be associated with human rights violations, either through our own actions or decisions or through those of our external stakeholders, such as investees, clients, and suppliers.

We strive to prevent any direct human rights violations by requiring our own employees to comply with our relevant policies (described below). We also strive to prevent any indirect human rights violations through the screening, monitoring, and engagement processes with our investees, clients, and suppliers. When negative impacts occur despite our prevention efforts, we will take corrective measures to address them.

▶▶▶ [ORIX Human Rights Policy](#)

## Initiatives

- ORIX prohibits investments and loans in sectors that may have a negative impact on human rights in accordance with the ORIX Sustainable Investment and Lending Policy.
- ORIX has established internal and external reporting systems to accept human rights-related consultations and reports from both internal and external parties.
- In accordance with the UK Modern Slavery Act, we update and disclose our Modern Slavery Act Statement on an annual basis.

▶▶▶ [Internal Whistleblower System](#) ▶▶▶ [External Whistleblower System](#)  
▶▶▶ [Response to the United Kingdom's Modern Slavery Act 2015](#)

## New and Planned Future Initiatives

- In April 2024, ORIX revised our ORIX Human Rights Policy to strengthen and clarify the relevant human rights impacts and stakeholders.
- In the future, we plan to conduct dedicated training for all employees on our revised Human Rights Policy to strengthen employee understanding, leading to more effective implementation of the policy.
- We are raising our employees' awareness of human rights through harassment training and various other training for all employees. In addition, more intensive training is provided for some business units that we concluded in a desktop analysis have relatively elevated potential for human rights risk due to their more extensive supply chains.
- In the aforementioned business units with relatively elevated human rights risks, we are taking actions to better manage our human rights risk, such as enhanced diligence to confirm or clarify the findings of our desktop analysis and formulating specific preventive and mitigating measures tailored to each unit's human rights risk profile.
- Initiatives concerning respect for human rights are discussed and approved by the Sustainability Committee and reported to the Board of Directors.

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

# Sustainable Investing and Lending

## Our Approach

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) 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 impacts of each individual transaction, and may disallow a matter if it determines that the involved counterparty poses environmental or social risks.

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

## Initiatives

ORIX prohibits all investing and lending transactions involving companies, sectors, and business activities that fall under the following categories:

1. Organizations that carry out forced labor, child labor, human trafficking, or any other practices defined as human rights offenses by the UK Modern Slavery Act 2015
2. Organizations that are operating in countries/regions determined as high risk in relation to human rights violations and have participated in human rights violations
3. Sectors/business practices in which new transactions are prohibited

	Sectors and Business Practices in Which New Transactions Are Prohibited
1	Manufacturing, using, storing, and importing/exporting controversial weapons, including cluster munitions, anti-personnel landmines (violation of the Oslo/Ottawa Treaties), chemical weapons, biological weapons, depleted uranium ammunition, nuclear weapons, and firearms
2	Manufacturing, using, supplying, and importing/exporting asbestos and other prohibited hazardous chemicals (violation of the Japanese Industrial Safety and Health Act)
3	Manufacturing, using, and importing/exporting internationally prohibited agricultural chemicals, pesticides, and herbicides (violation of the Stockholm Convention on Persistent Organic Pollutants)
4	Engaging in dynamite fishing, otherwise known as blast fishing (violation of the Act on the Protection of Fishery Resources)
5	Handling specific prohibited wildlife (violation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, otherwise known as the Washington Convention)
6	Engaging in business practices involving pornography or the sex trade
7	Engaging in business practices involving illegal casinos



# 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, 2024)



Executive bodies manage risk under the supervision of the Board of Directors. These bodies (corresponding with the list at left) 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. If needed, matters are additionally deliberated by the Executive Committee and reported to the Board of Directors.
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

Development of Integrated Risk Management System by Using Risk Dashboards



**Jun Shimamoto**  
General Manager of ERM Department  
Assistant to Responsible for ERM Department  
Group Strategy Business Unit

**Profile**  
Joined ORIX in August 2003 with prior experience in auditing and banking. At ORIX, she has been engaged in credit and investment businesses such as real estate finance, non-performing debt investment, and concessions, and assumed her current position in April 2023.

The mission of the ERM Department is to accurately identify and assess the risk characteristics of ORIX Group’s global, diversified portfolio, and to contribute to management decision-making and the Group’s business growth by providing timely and appropriate risk information.

ORIX Group excels at conducting thorough due diligence on individual transactions, regardless of the amount or scale of a business. The Group has leveraged this strength over the years to take on appropriate risks and to expand and diversify its business scale, domains, and the

countries and regions it serves. However, Group-wide risk exposure has also become more diversified, making it harder to understand and assess those risks. With the increasing significance of risk management, it had become critical for the Group to establish a Group-wide integrated risk management system.

Currently, the ERM Department covers three risk areas, consisting of portfolio risk, market and liquidity risk, and operational risk. Through the design and management of the risk dashboard, we help management clearly and intuitively grasp the degree of risks through visualized data.

For portfolio risk, the ERM Department manages the risk dashboard, which presents the financial position of the balance sheet for each of the 10 business segments, and visualizes estimated risk exposure, stress test results, various risk indicators suitable for grasping the risks concerning respective business portfolios, as well as the overview and updates of key investment projects. Regarding market and liquidity risk, we monitor Group-wide financial soundness, quantify market risk with reference to foreign exchange and interest rates, and monitor adequacy of Group liquidity. In terms of operational risk, we capture incidents\* in a timely manner across the world, including the applicability of economic loss, based on the Group’s Incident Management Rules. We also assess and analyze incident trends by level, type, and segment on the risk dashboard, which allows us to manage risks in a manner that responds to our diversifying business.

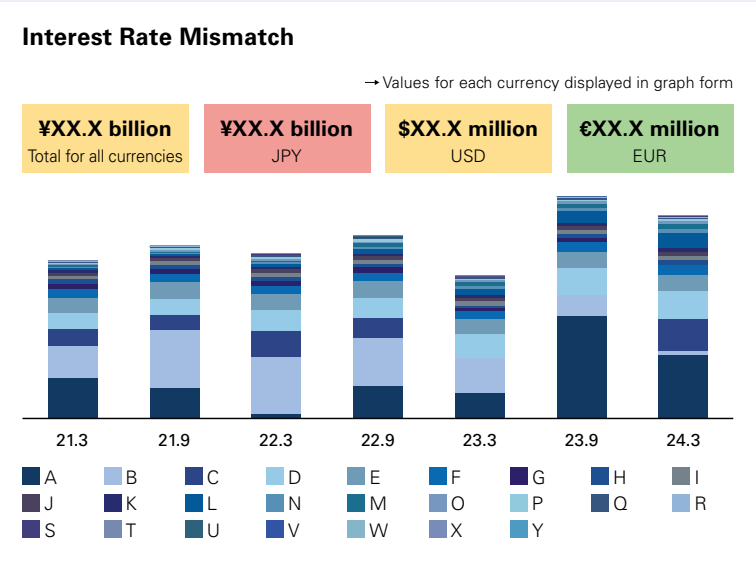
For a timely and appropriate response to our diversified business and the ever-changing business environment, proactive risk management through digitization, automation and collaboration with relevant corporate functions is essential. Therefore, talent acquisition and development aligned to these strategic needs are vital.

The ERM Department is comprised of members with diverse backgrounds, experience, expertise, and values, including new university graduates, mid-career hires, working mothers, and foreign nationals. We

hope to build and evolve a risk management system that supports the growth of ORIX Group. We will do this by both maximizing individual strengths and expertise and encouraging individual growth but also promoting collaborative approaches in the spirit of "Finding Power in Diversity," as laid out in ORIX Group’s purpose statement.

\* An incident is an occurrence or event that may negatively impact our business operations or reputation or any claims or demands from external parties such as our customers.

Example of Risk Dashboard





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"><li>Establishment of a system that enables sound financial operation to continue by diversifying our profit structure with diversified business development and by securing sufficient liquidity</li><li>Establishment of a disaster risk management system<ul style="list-style-type: none"><li>▶▶▶ <a href="#">Disaster Risk Management System</a></li></ul></li><li>Establishment of a system to respond to climate change risks<ul style="list-style-type: none"><li>▶ Page 40 Sustainability Governance Structure</li><li>▶ Page 46 Information Disclosure Based on TCFD Recommendations</li></ul></li></ul>	Corporate planning, Credit, Public relations, Public affairs, Investor relations, Sustainability, Treasury, ERM	Executive Committee Sustainability Committee
Credit risk	<ul style="list-style-type: none"><li>When appraising individual projects, comprehensively evaluate the credit recipient's financial condition, cash flow, underlying security interests, profitability, etc.</li><li>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"><li>▶▶▶ <a href="#">Risk Management System for Investing and Lending</a></li></ul></li></ul>	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Business risk	<ul style="list-style-type: none"><li>Thoroughly analyze risk (scenario analysis and stress testing) before executing a business or investment</li><li>Improvement 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"><li>▶▶▶ <a href="#">Risk Management System for Investing and Lending</a></li></ul></li></ul>	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Market risk	<ul style="list-style-type: none"><li>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)</li></ul>	Credit, Treasury, Corporate planning, Accounting, ERM	Executive Committee
Liquidity risk (risk related to funding)	<ul style="list-style-type: none"><li>Promotion of diversification of procurement methods</li><li>Strengthen 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)</li></ul>	Treasury, ERM	Executive Committee
Compliance risk	<ul style="list-style-type: none"><li>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"><li>▶▶▶ <a href="#">Compliance</a></li></ul></li></ul>	Compliance, Public relations, Public affairs	Executive Committee Sustainability Committee
Legal risk	<ul style="list-style-type: none"><li>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)</li></ul>	Legal, Accounting, Investor relations, Sustainability	Executive Committee Sustainability Committee
Information / cybersecurity risk and IT risk	<ul style="list-style-type: none"><li>Establishment of an information/cybersecurity risk, and IT 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 cybersecurity incidents, and implementing measures to reduce the risk of system failures)<ul style="list-style-type: none"><li>▶▶▶ <a href="#">Information Security</a></li></ul></li></ul>	Information Security	Information Technology Management Committee
Operational risk	<ul style="list-style-type: none"><li>Establishing, disseminating, and training about internal regulations</li><li>Establishment of systems related to execution of operations<ul style="list-style-type: none"><li>– Building an internal control system for financial reporting</li><li>– Establishment of a personnel system and a work environment to stably secure diverse human resources<ul style="list-style-type: none"><li>▶▶▶ <a href="#">Human Resources Strategy to Support Sustainable Growth</a></li></ul></li><li>– Continuously strengthen the overall risk management system through monitoring of operational risks by the Audit Department</li></ul></li><li>Establishing system for responding to and preventing recurrence of operational risk incidents, and risk control self-assessment<ul style="list-style-type: none"><li>▶▶▶ <a href="#">Incident Management System</a></li></ul></li></ul>	ERM, Human resources, Corporate administration, Accounting, Public relations, Public affairs	Executive Committee Sustainability Committee

# Promoting a Digital Transformation

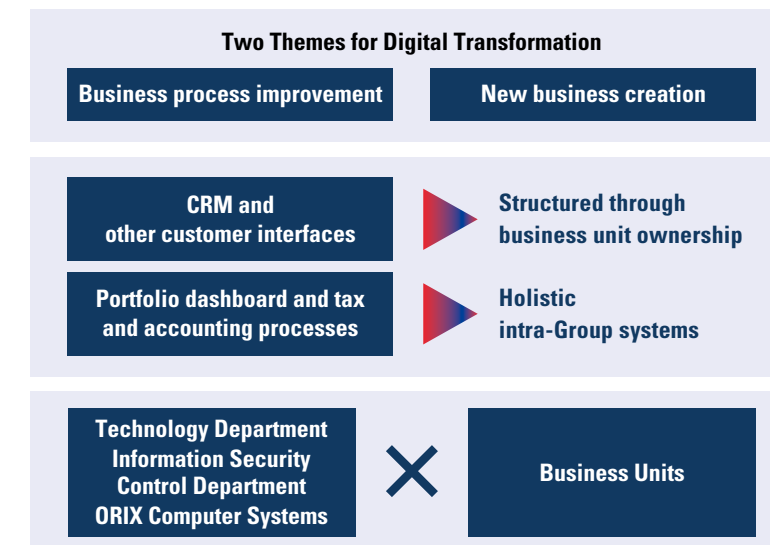
## Business Process Improvement and New Business Creation

ORIX is undertaking digitalization to fully deploy the intellectual capital of its accumulated knowledge and expertise. We are therefore transitioning to digital processes 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 as a whole. 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 as a whole.

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.



## Using AI to Expand the Scope of Medical Insurance Underwriting

ORIX Life Insurance is upgrading its stable IT environment to support sustainable growth and provide products and services that satisfy customers as its business expands. It has integrated multiple call center systems and moved core and business systems to the cloud to achieve significant improvements in productivity and operational efficiency, including reduced processing and service development time. The company's efforts to improve customer convenience also entail aggressive digitalization in all aspects of its business. Achievements include a function that reads medical statements using AI-OCR\* and automatically displays the names of injuries, illnesses, and operations on smartphones and other devices, and a service that allows the online submission of benefit claims.

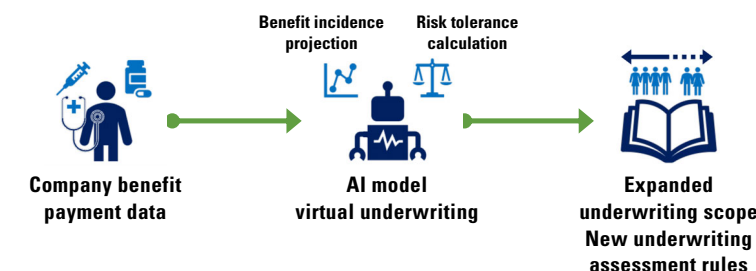


In October 2023, ORIX Life Insurance structured and began using new underwriting assessment rules that employ AI to expand the scope of medical insurance underwriting. We considered various approaches to formulating new underwriting assessment rules because we recognized that more detailed assessment might enable us to provide coverage to customers who had been ineligible or only eligible under certain conditions due to past medical history or chronic disease. We were the first in Japan to adopt Virtual Underwriting, an AI model from French company SCOR SE, using it to conduct a virtual simulation of what would happen if we were to unconditionally underwrite injuries and illnesses that we did not in the past. We analyzed which of approximately 3 million data points, such as age and number of days since discharge from hospital, would help us expand underwriting scope. Drawing on this analytical data, we created a model that calculates the benefit incidence rate for each injury or illness and risk tolerance in terms of insurance premiums. We then deployed benefit incidence rate and risk tolerance in considering underwriting potential for each injury or illness, and discovered that the loss ratio could be within the risk tolerance range even if we expanded underwriting scope for some

injuries and illnesses. We projected that we could expand the unconditional underwriting rate to 90% overall from 70% for injuries and illnesses for which we are best able to expand underwriting. We will continue to further improve customer satisfaction and expand into new markets while taking into account factors that may affect actuarial projections, such as periodic review of rules and the development of new therapies.

\*Optical character recognition device equipped with artificial intelligence.

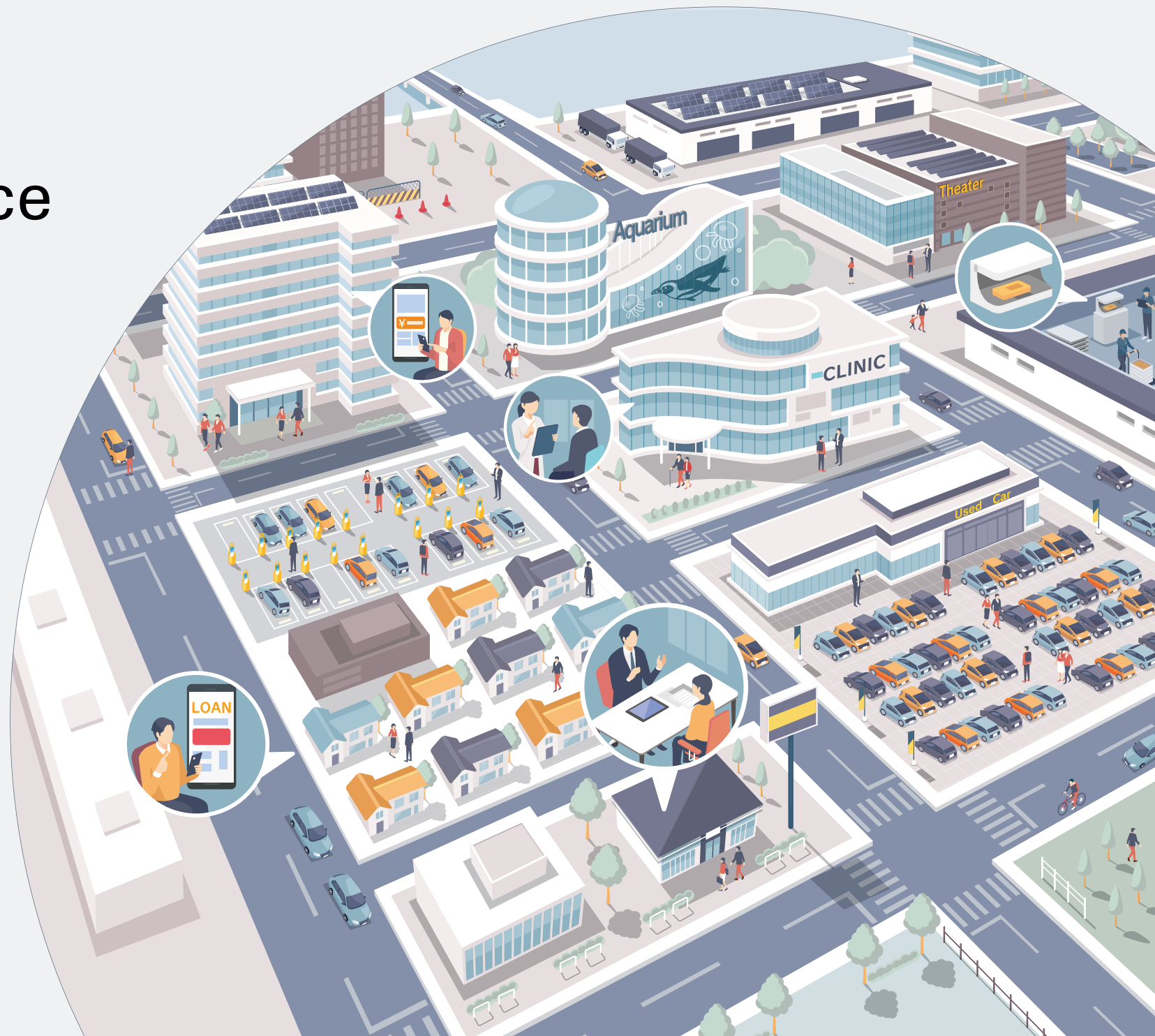
### Virtual Underwriting Process





This section introduces ORIX's system of governance.

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# 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.

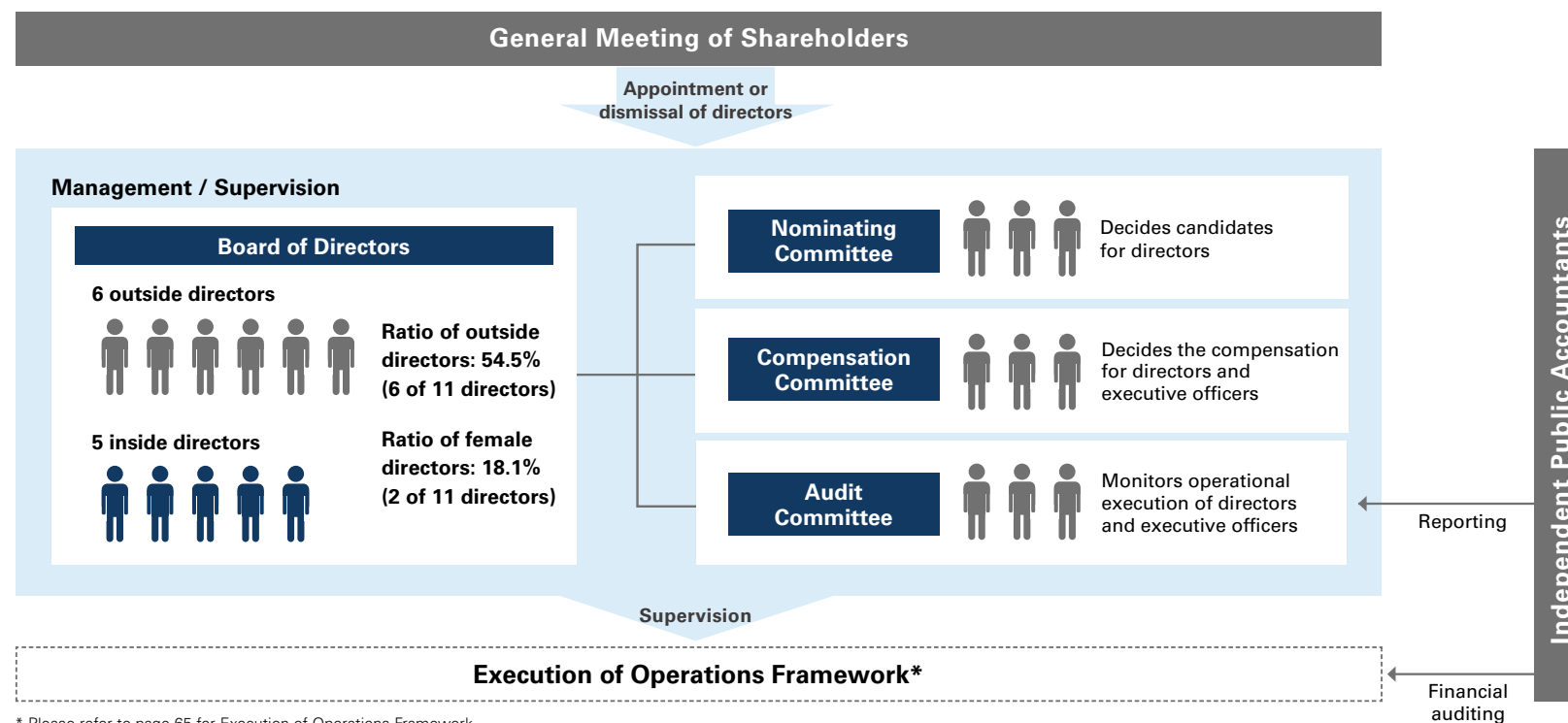
## Approach to Corporate Governance

- ORIX believes that a robust corporate governance system is essential for ensuring objective management and carrying out appropriate business initiatives in line with our core policies. We have therefore established a sound and transparent corporate governance system.

## Corporate Governance Framework (As of June 30, 2024)

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.



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 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 our 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 our management members themselves 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"><li>• Communicate results and businesses accurately to investors</li><li>• Increase corporate value</li><li>• Separate management supervision and execution to raise the efficiency of execution of operations</li><li>• Increase convenience for foreign shareholders</li><li>• Ensure the involvement and counsel of independent outside directors regarding executive personnel and compensation</li><li>• Appoint managers and determine their compensation from the perspective of shareholders</li></ul>
Management Team Diversity ▶ Page 57	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 58 2022 Outside directors comprise the majority of the Board of Directors	<ul style="list-style-type: none"><li>• Strengthen supervision</li><li>• Ensure objectivity in determining risk by using people with diverse backgrounds</li><li>• Operation led by outside directors</li></ul>
Evaluation of Effectiveness of the Board of Directors ▶ Page 61	2016 Evaluation of effectiveness of the Board of Directors initiated 2022 Appointment of an outside consulting firm <b>Key initiatives to improve effectiveness implemented since 2016</b> Establishing occasions exclusively for outside directors to exchange opinions; providing information on investor perspectives; setting up opportunities to explain mid- to long-term strategies of business units to outside directors; and creating opportunities for outside directors to have dialogue with institutional investors.	<ul style="list-style-type: none"><li>• Sufficiently deliberate on Board of Directors agenda items and improve the quality of deliberation</li><li>• Incorporate the third-party perspective of an outside consulting firm in evaluations</li><li>• Strengthen the system for sharing information among outside directors</li><li>• Help outside directors deepen their understanding of our businesses</li><li>• Understand investors’ concerns</li></ul>
Compensation System ▶ Page 63	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 2023 Implemented a compensation clawback policy Began reflecting progress toward ESG-related key goals in quantitative evaluations for annual bonuses in the fiscal year ended March 2024* <small>* Applied to the President, the Senior Managing Executive Officers, and the Managing Executive Officers</small>	<ul style="list-style-type: none"><li>• Improve motivation to contribute to operating results and mid- to long-term results</li><li>• Promote ESG initiatives and improve motivation to contribute to achieving ESG-related key goals</li></ul>





# Leadership Team

(As of June 25, 2024)

## Inside Directors



**Makoto Inoue** Age: 71  
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).



**Satoru Matsuzaki** Age: 58  
Member of the Board of Directors, Senior Managing Executive Officer, Head of Corporate Business Headquarters, Chairperson, ORIX Auto Corporation, and Chairperson, 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: 63  
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: 56  
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).



**Hidetake Takahashi** Age: 53  
Member of the Board of Directors, Senior Managing Executive Officer, Head of Energy and Eco Services Headquarters, Group Strategy Business Unit, Responsible for Global Investment Strategy, and Member of the Board of Directors, Ubiteq, INC.  
**Profile** Joined ORIX in 1993. After serving in positions including General Manager of Business Development Department, Investment and Operation Headquarters, and Deputy Head of Energy and Eco Services Headquarters, appointed Director and Senior Managing Executive Officer in June 2024 (to present).

## Outside Directors



**Michael Cusumano** Age: 69  
● 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  
**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).  
\* Retired on June 30, 2024.



**Sakie Akiyama** Age: 61  
● Nominating Committee (Chair)  
● Founder, Saki Corporation  
● Member of the Board of Directors (Outside Director), Sony Group Corporation  
● 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: 74  
● Compensation Committee (Chair) ● Nominating Committee  
● President, Institute for International Monetary Affairs  
**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: 66  
● 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), IHI Corporation  
● Member of the Board of Directors (Outside Director), NIPPON STEEL CORPORATION  
**Profile** Has served as partner of Aarata Audit Corporation (currently PricewaterhouseCoopers Japan LLC) and Chairman and President of Japanese Institute of Certified Public Accountants. Appointed Outside Director in June 2020 (to present).



**Chikatomo Hodo** Age: 63  
● Audit Committee ● Compensation Committee  
● Member of the Board of Directors (Outside Director), KONICA MINOLTA, Inc.  
● Member of the Board of Directors (Outside Director), Mitsubishi Chemical Group Corporation  
● Member of the Board of Directors (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).



**Noriyuki Yanagawa** Age 61  
● 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](#)



Leadership 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	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	To serve as the basis of decision-making on important management matters in areas such as tax affairs, accounting, ERM, legal affairs, and information technology

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				
				Nominating	Audit	Compensation	Corporate Management	Global Business	Finance	Business Investment	Business Knowledge
Makoto Inoue	Male	Japan	14 years				●	●	●	●	
Satoru Matsuzaki	Male	Japan	5 years				●	●	●	●	
Stan Koyanagi	Male	USA	7 years					●	●		● (Enterprise Risk Management, Legal)
Yasuaki Mikami	Male	Japan	1 year				●	●	●	●	
Hidetake Takahashi	Male	Japan	—				●	●	●	●	
Michael Cusumano <span>Outside</span> <span>Independent</span>	Male	USA	5 years			○					● (Information technology)
Sakie Akiyama <span>Outside</span> <span>Independent</span>	Female	Japan	5 years	◎			●	●			● (Technology)
Hiroshi Watanabe <span>Outside</span> <span>Independent</span>	Male	Japan	4 years	○		◎	●	●	●		● (International finance, Tax affairs)
Aiko Sekine <span>Outside</span> <span>Independent</span>	Female	Japan	4 years	○	◎						● (International accounting)
Chikatomo Hodo <span>Outside</span> <span>Independent</span>	Male	Japan	3 years		○	○	●	●			● (Information technology)
Noriyuki Yanagawa <span>Outside</span> <span>Independent</span>	Male	Japan	2 years		○				●		● (Economics and financial policies)

◎: Chair ○: Member

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

# A Dialogue between Outside Directors

Two outside directors discuss the type of oversight they provide and the distinctive features of ORIX Group's organizational culture and human capital.



## Aiko Sekine

Audit Committee Member  
(Chairperson)  
Nominating Committee Member  
ORIX Outside Director since  
June 2020

Ms. Sekine is an accounting professional who has served in numerous roles, including as a member of various councils advising governments and organizations in Japan and overseas on financial accounting, as a partner of Arata Audit Corporation (currently Pricewaterhouse Coopers Japan LLC), and as Chairman and President of the Japanese Institute of Certified Public Accountants.

## Noriyuki Yanagawa

Audit Committee Member  
ORIX Outside Director since  
June 2022

Mr. Yanagawa has in-depth knowledge of finance and economics as a specialist in financial contracts, law, and economics. He is a professor with the Faculty of Economics of the Graduate School of Economics at the University of Tokyo and serves on councils advising the Japanese government and various organizations regarding finance and economics.

## Proper Supervision with a Holistic View Based on Extensive Information

**Yanagawa:** I was appointed as an outside director in June 2022. ORIX has adopted the Company with a Nominating Committee model of corporate governance, and I attend Audit Committee meetings as a committee member. At ORIX, I am also able to participate as an observer in committees of which I am not a member. In addition, all business units hold annual briefings at which Board members receive explanations of strategies and reports on business status from the management heads of each unit. These mechanisms are effective for me, especially the business unit briefings, where I can obtain information through the exchange of opinions with people on the front lines.

**Sekine:** The Board of Directors delegates significant authority to the Representative Executive Officer, which naturally narrows matters for the Board to discuss and resolve. At the same time, at the business unit briefings, Board members can also request information they want to hear about. I was appointed as an outside director four years ago in June 2020, and I have deepened my understanding of ORIX and its businesses each year because of these mechanisms. I also serve as the chairperson of the Audit Committee, so I receive reports from the Audit Committee Secretariat about twice a month. Taking advantage of my own experience as an audit specialist, I look at ORIX from a different perspective than the directors involved in business execution, and my comments often include societal perspectives. I am always learning at these meetings and gaining insights into what ORIX values at its core.

**Yanagawa:** I agree. I can also view materials and minutes from various committees, and that access to discussions and decisions on the executive side is very useful for me as an outside director. The role of an outside director is to understand the status of a corporation from a holistic view based on extensive information and provide

appropriate supervision. One of the objects of that supervision is the risk management system.

## Capital Recycling Mindset Reduces Portfolio Risk

**Yanagawa:** Corporate risks fall largely into two categories. The first is portfolio management risk. ORIX carefully monitors risk factors relevant to execution such as performance, profits, and changes in the business environment for each project and portfolio, and I do not see any major risks there. The other risk category is reputational and compliance risk. ORIX proactively monitors this risk category through audits, but unfortunately, problems can emerge unexpectedly. We prepare for the unexpected by supervising from the perspective of how well ORIX has structured and consistently implements compliance systems and internal controls.

**Sekine:** ORIX has a system in place for reporting compliance issues to the Audit Committee on a case-by-case basis. I agree that completely preventing problems caused by human error or organizational flaws is exceptionally difficult, no matter how effective the system may be. The key is to address problems before they get out of hand and to make improvements on the spot to prevent similar incidents from occurring in the future.

**Yanagawa:** Regarding portfolio risk, Japanese companies are known for being good at acquiring but less skillful at selling. However, ORIX is extremely well versed in capital recycling, and I am impressed by its ability to time exits appropriately.

**Sekine:** ORIX discusses new investments with exit strategies in mind, and for existing projects, ORIX constantly compares future value to present value to decide whether to retain the business or to sell it after growing it. The ability to make the decisions is an ORIX strength.



## A Dialogue between Outside Directors



### Resilient Managers Run Businesses Using the Differing Capabilities of Each Business Unit

**Yanagawa:** I would say the challenge for ORIX to grow further in the future lies in expanding globally. ORIX has grown by expanding its business into new fields based on a strong spirit of challenge. To develop new areas of business, ORIX can deploy its wide body of knowledge, but it must also utilize insights from overseas and grow and support its international employees. A major challenge will be how to nurture and establish the culture of ORIX now that it has become a huge corporation. A key phrase in the ORIX Group Purpose & Culture statement is “Finding Paths. Making Impact.” Impact investing has been attracting attention in recent years, and it emphasizes social and environmental impact along with economic returns. I believe that the ORIX Group Purpose statement implies that the Group should bring positive direction and impacts to society and the environment. This is my own interpretation, however, and the meaning that each employee finds in the words of the Purpose may well be different. The ORIX Purpose statement has no absolute interpretation; the key is for all employees to share the inspiration they draw from it.

**Sekine:** I was also thinking that strengthening international operations

would require ORIX to evolve its culture so that it is applicable and relevant globally while still taking advantage of what makes ORIX unique. As you point out, the key is what the Purpose statement evokes. I can feel a strong ambition for the future in the words “Finding Paths. Making Impact.”

**Yanagawa:** One unique aspect of ORIX is this “spirit of challenge.” This can be said to be the driving force behind the company making an impact on the world. People may fail when they take on challenges, but the people of ORIX learn and gain experience from failures rather than simply shrugging them off. Rigorous compliance and internal controls empower this mindset, which is one of the features that make ORIX special.

**Sekine:** ORIX’s culture of finding excitement in challenging circumstances is appealing. I also think that ORIX has an atmosphere in which failure does not result in reprimand. ORIX has grown rapidly since its founding, so it has a diverse mix of employees, including many joining ORIX mid-career, which I believe has created the corporate culture of finding excitement in new challenges. Even when I interact with new employees who have only been with the company for two or three years since joining as new graduates, I find that ORIX is sharing this corporate culture with everyone they bring on.

**Yanagawa:** When all is said and done, ORIX’s people are the ones who take on new challenges to pioneer the future. To that end, each business unit requires highly specialized knowledge and skills, but these are difficult to acquire through classroom study alone. ORIX therefore provides extensive on-the-job training and spends significant time developing specialist personnel, including among mid-career hires. I am impressed by the resilience of managers who run businesses using the differing capabilities of each business unit.

### Still Work to Do in Ensuring Diversity for Global Expansion

**Sekine:** Some business units require their leaders to meet quantitative targets for human resource development. For example, the target may be a specific number of people with specialized knowledge or

qualifications. Initiatives such as considering the age distribution of personnel and ensuring training time for people to acquire qualifications help ORIX ensure it always has the appropriate number of people with these specialized skills. In addition, ORIX has its internal internship system and its career challenge system. The former allows employees to gain actual experience and deepen their understanding of the work of other departments, and the latter enables employees to directly request a transfer to the department of their choosing. Within the career challenge system, people with no experience in audit work have been assigned to the Group Internal Audit Department. Because ORIX operates in a variety of businesses, employees can acquire new knowledge without leaving the company. I believe this type of training system is very uniquely “ORIX.”

**Yanagawa:** ORIX has systems in place and a good corporate culture, but it still has work to do in terms of ensuring human resource diversity. Mid-career hiring, promoting female employees, and bringing on non-Japanese employees are commonplace at ORIX, but I would say that further global expansion requires ORIX to actively promote people with different experiences and values, such as non-Japanese employees and people with diverse cultural backgrounds. As a result, promoting more women and non-Japanese employees to important positions such as executive officer could be beneficial.







# 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 2024 confirmed, among other things, that over 80% of the members of ORIX’s Board of Directors indicated our initiatives were “effective and appropriate” or “somewhat effective and appropriate,” and that the initiatives in the action plan for the fiscal year ended March 2024 led to an improvement in Board effectiveness. 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"><li>• Composition and operation of the Board of Directors meetings</li><li>• Corporate strategy and business strategy</li><li>• Corporate ethics and risk management</li><li>• Communication and cooperation with stakeholders</li><li>• Measurement of the effects of responses on policies for issues raised in the previous fiscal year</li><li>• Effectiveness of the Nominating Committee, the Compensation Committee, and the Audit Committee</li></ul>

## Results for Fiscal Year Ended March 2024 and Action Plan for Fiscal Year Ending March 2025

Action Plan for Fiscal Year Ended March 2024 (Prepared in May 2023)	Specific Initiatives and Evaluation Results of the Action Plan for the Fiscal Year Ended March 2024	Action Plan for Fiscal Year Ending March 2025 (Prepared in May 2024)
<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) 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 shared to what is necessary to resolve a particular 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&amp;A sessions focused on subjects of greater interest to outside directors.</p>	<p>1) Share information on important initiatives in a timely fashion</p> <p>Initiative: Information on important matters and other topics aside from the agendas of the Board of Directors and the three committees were also shared with directors in a timely fashion.</p> <p>Evaluation: Directors were able to receive the information required to monitor execution. The project to specify ORIX Group’s purpose employed a positive process that considered all stakeholders, and included the involvement of outside directors.</p> <p>2) Provide the perspective of investors and have outside directors hold dialogues with investors</p> <p>Initiative: The Board of Directors received reports on IR activities and feedback from investors and analysts. Several outside directors met with investors from multiple companies.</p> <p>Evaluation: Improvement was evident in outside director communication with and access to the opinions of investors. These reports will be the basis for deepening discussions about medium- to long-term strategies.</p> <p>3) Continue to hold business unit briefings</p> <p>Initiative: All business units hold a briefing once a year. The date for distributing materials to outside directors was moved up to provide an opportunity for outside directors to focus on themes of interest to them while limiting explanations to strategies.</p> <p>Evaluation: As per the requests of outside directors, explanations have emphasized the future prospects of each business unit. Significant improvements were evident compared to when the initiative launched.</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 the process for formulating the next medium-term business plan</p> <p>Directors will receive regular updates on the formulation process for the new medium-term business plan that will launch in the fiscal year ending March 2026. Sharing with outside directors will include important matters for fulfilling their role as a monitoring body, such as the roadmap for formulating the plan, perception of the environment and recognition of issues, overall strategy and corresponding business unit strategies, and targets the Board of Directors will monitor.</p> <p>2) Share information on important initiatives in a timely fashion</p> <p>Information that is particularly important from the perspective of monitoring execution will be shared in a timely fashion, without limiting the purpose of the information shared to resolutions.</p> <p>3) Provide the perspective of investors and have outside directors hold dialogues with investors</p> <p>Through reports at Board meetings and other methods, we will enhance opportunities to share details of dialogues with investors and their opinions of ORIX. In addition, as in the previous fiscal year, we will continue to create opportunities for direct dialogue between outside directors and investors.</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 2024

### 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, deliberating on 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

#### Matters Resolved

Approval of the Audit Committee Audit Plan and compensation for the independent public accountants, evaluation and reappointment of the independent public accountants, decision on the Group Internal Audit

Department's mid-term audit policy and annual audit plan, decision on the policy for selecting Audit Committee candidates, and preapproval for outsourcing of non-auditing work and other duties

#### Matters Reported

Business execution reports by the CEO and executive officers, report on the Group Internal Audit Department's activities, internal control-related functions activity report, financial report, and accounting audit report

- The Audit Committee established regular 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 2023 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 2024, deliberating on compensation levels for directors and executive officers based on the results of a survey conducted by a third-party research organization, and deliberating and deciding on the establishment of an executive compensation clawback policy.

- 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 22, 2023. 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.

## Committee Composition as of June 30, 2024, and Number of Meetings Attended and Attendance Rate for the Board of Directors and Committee Meetings in FY Ended March 2024

Name	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%						
Satoru Matsuzaki	8/8	100%						
Stan Koyanagi	8/8	100%						
Yasuaki Mikami	6/6*	100%						
Hidetake Takahashi	—	—						
Michael Cusumano	8/8	100%					5/5	100%
Sakie Akiyama	8/8	100%	7/7	100%				
Hiroshi Watanabe	8/8	100%	7/7	100%			5/5	100%
Aiko Sekine	8/8	100%	7/7	100%	14/14	100%		
Chikatomo Hodo	8/8	100%			14/14	100%	5/5	100%
Noriyuki Yanagawa	8/8	100%			14/14	100%		

\* Attendance at the Board of Directors meetings since he became a director



# 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 25, 2024.

### 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.
- 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.
- 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.

\*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)

- For executive officers, 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.
- 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 2024 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 our mid-term management targets.

- In addition to the above, for the president, senior managing executive officers, and managing executive officers, progress toward ORIX Group’s ESG-related key goals is used as a performance indicator, and the position-based standard amount is increased or decreased within the range of 0% to 30%. The adjustment is 0% for progress that is on schedule.
- For the share component of compensation reflecting mid- to long-term performance, executive officers are granted a fixed amount of points for each position while in office, and they are paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement.
- ORIX draws on third-party compensation research reports to provide effective incentives for executive officers and maintain a competitive level of compensation.

### 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)	Representative Executive Officer, President	Executive Officers
	Company-wide performance indicator (100% of the position-based standard amount) Level of achievement of the consolidated net income growth target (Adjustment: 0% to 200%)	Company-wide performance indicator (50% of the position-based standard amount) Level of achievement of the consolidated net income growth target (Adjustment: 0% to 200%)
		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 (Adjustment: 0% to 300%)
Share component of compensation	ESG progress (100% of the position-based standard amount) Progress on ESG-related key goals (Adjustment: Increase or decrease within the range of -30% to 30%)	ESG progress – only applies to managing executive officers and above (100% of the position-based standard amount) Progress on ESG-related key goals (Adjustment: Increase or decrease within the range of -30% to 30%)
	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 64.	

\*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.



Compensation System

Method for Calculating Performance-linked Compensation (Annual Bonus)

Representative Executive Officer, President

Performance-linked compensation (Annual bonus)

=

Standardized base amount for each position (100%)

×

Company-wide performance indicator (Variable: 0% to 200%)

+

Standardized base amount for each position (100%)

×

Progress in ESG (Variable: -30% to 30%)

- The only performance indicators for the executive officer and president Company-wide performance indicators, which reflect the degree of achievement of the annual growth rate target for consolidated net income against a standardized base amount for each position.

Executive Officers

Performance-linked compensation (Annual bonus)

=

Standardized base amount for each position (50%)

×

Company-wide performance indicator (Variable: 0% to 200%)

+

Standardized base amount for each position (50%)

×

Division performance indicator (Variable: 0% to 300%)

+

Standardized base amount for each position (100%)

×

Progress in ESG (Variable: -30% to 30%)

Applicable to all executive officers

Applicable to managing executive officers and above

Level of Achievement of Target 2022.3	Level of Achievement of Target 2023.3	Level of Achievement of Target 2024.3
103%	87%	105%
0% to 300% (Median: 100%)	0% to 150% (Median: 100%)	0% to 150% (Median: 100%)

Note: 2024.3 denotes the fiscal year ended March 2024.

- **Company-wide Performance Indicator:** To support the achievement of mid-term management targets, the Compensation Committee sets milestones for annual growth rate related to consolidated net income. The level of achievement of this milestone for the fiscal year ended March 2024 was 105%.
- **Division Performance Indicator:** Division performance targets are based on Company-wide performance targets. The level of achievement of division performance targets among the 26 executive officers responsible for the fiscal year ended March 2024 (comprehensive evaluation including qualitative aspects) ranged from 0% to 150%, with a median of 100%.

ORIX Shares Held (As of the Date of Submission of the Securities Report for the FY Ended March 2024)

Name (Internal Directors)	Currently Held Common Shares	Latent Common Shares*	Name (Outside Directors)	Currently Held Common Shares	Latent Common Shares*
Makoto Inoue	105,010	761,948	Michael Cusumano	0	8,500
Satoru Matsuzaki	10,122	176,420	Sakie Akiyama	0	8,500
Stan Koyanagi	5,000	0	Hiroshi Watanabe	0	7,000
Yasuaki Mikami	2,616	115,388	Aiko Sekine	0	7,000
Hidetake Takahashi	7,100	73,333	Chikatomo Hodo	0	5,500
			Noriyuki Yanagawa	0	4,000

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

Compensation for Directors and Executive Officers (FY Ended March 2024)

Category	Fixed Compensation		Performance-linked Compensation (Annual Bonus)		Share Component of Compensation		Total Compensation (Millions of yen)
	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	
Directors (Outside Directors)	6 (6)	110 (110)	—	—	6 (6)	20 (20)	131 (131)
Executive Officers	26	649	26	691	26	728	2,069
Total	32	760	26	691	32	749	2,201

For details on the number of ORIX shares held by executive officers and compensation for directors and executive officers, please refer to the following:

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

Reflecting ESG Initiatives in Annual Bonuses

To encourage directors, executive officers, and Group executives to take the initiative in addressing ORIX Group's ESG issues, the status of ESG initiatives is reflected in their compensation.

- From the fiscal year ended March 2022, "Status of ESG Initiatives" has been added as a qualitative evaluation item in the division performance indicator for annual bonuses for executive officers.
- From the fiscal year ended March 2024, progress on ORIX Group's ESG-related key goals has been added as a quantitative evaluation item for the president, the senior managing executive officers and the managing executive officers.

Notes:

1. Number of recipients and amounts paid include one executive officer who retired during the fiscal year ended March 2024. As of March 31, 2024, ORIX had 11 directors (6 outside directors) and 25 executive officers (including directors serving concurrently as executive officers).
2. At ORIX, no directors serving concurrently as executive officers received compensation as directors. Total compensation for the six people serving concurrently as directors and executive officers is shown in the Executive Officers 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 2024 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 2024 is not presented. The total amount of share component of compensation actually paid in the fiscal year ended March 2024 was ¥127 million for one executive officer who retired during the fiscal year ended March 2024.
4. ORIX did not provide stock options in the form of stock acquisition rights in the fiscal year ended March 2024.
5. Figures shown are rounded down by truncating figures of less than ¥1 million.





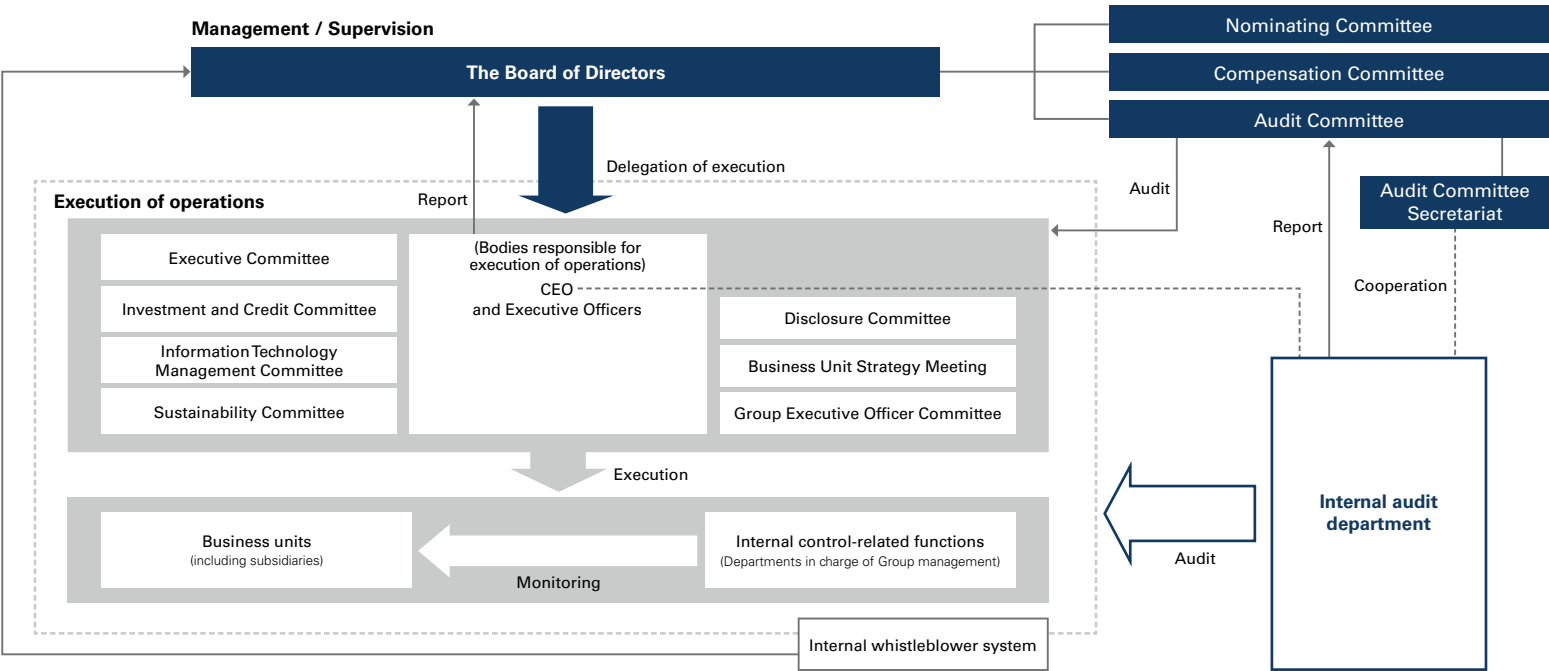
# Execution of Operations Framework

## 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.

Execution of Operations Framework (As of June 25, 2024)



Executive Body	Activities	Members		
		Representative Executive Officer	Executive Officers	Others
Executive Committee	• Deliberates on important matters related to the management of ORIX Group.	○	○*	Group Executives*
Sustainability Committee	• Deliberates on important matters related to promoting and implementing sustainability.	○	○*	Group Executives*
Investment and Credit Committee	• Deliberates regarding investments and credit transactions that exceed certain specified investment or credit amounts.	○	○*	Group Executives*
Group Executive Officer Committee	• Shares important information related to business execution of ORIX Group.	○	○	Group Executives
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 June 25, 2024)

	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 Chairperson, ORIX Auto Corporation, Chairperson, ORIX Rentec Corporation
Corporate Financial Services	Eiji Arita	Managing Executive Officer Deputy Head of Corporate Business Headquarters Member of the Board of Directors (Outside Director), Kanamoto Co., Ltd.
Corporate Financial Services	Tetsuya Kotera	Executive Officer Deputy Head of Corporate Business Headquarters
Corporate Financial Services	Taro Baden	Executive Officer Deputy Head of Corporate Business Headquarters Group Kansai Deputy Representative
Auto	Yuji Kamiyauchi	Group Executive President, ORIX Auto Corporation Member of the Board of Directors, Ubiteq, INC.
Auto	Susumu Naito	Group Executive Deputy President, ORIX Auto Corporation Member of the Board of Directors (Outside Director), Kanamoto Co., Ltd.
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 Osaka IR Project Office Responsible for Real Estate Sales Department Senior Managing Executive Officer, ORIX Real Estate Corporation
RE Investment and Facilities Operation	Hiroko Yamashina	Group Executive Chairperson, ORIX Asset Management Corporation Member of the Board of Directors (Outside), Japan Tobacco Inc.
RE Investment and Facilities Operation	Takaaki Nitandai	Group Executive Senior Managing Executive Officer, ORIX Real Estate Corporation President, ORIX Hotel Management Corporation
RE Investment and Facilities Operation	Satoshi Matsui	Executive Officer Head of Osaka IR Project Office Senior Managing Executive Officer, ORIX Real Estate Corporation

RE Investment and Facilities Operation	Tatsuya Kitamura	Group Executive President and Representative Director, ORIX Real Estate Investment Advisors Corporation
PE Investment and Concession	Seiichi Miyake	Managing Executive Officer Head of Investment and Operation Headquarters
Environment and Energy	Hidetake Takahashi	Member of the Board of Directors, Senior Managing Executive Officer Head of Energy and Eco Services Headquarters Group Strategy Business Unit Responsible for Global Investment Strategy Member of the Board of Directors, Ubiteq, INC. Member of the Board of Directors, ORIX Corporation UK Limited
Energy Businesses in Japan	Atsunori Sato	Executive Officer Deputy Head of Energy and Eco Services Headquarters President, ORIX Renewable Energy Management Corporation
Elawan Energy S.L.	Dionisio Fernandez Auray	CEO
Insurance	Kazunori Kataoka	President, ORIX Life Insurance Corporation
Banking and Credit	Yuichi Nishigori	Representative Director and President, ORIX Bank Corporation
Aircraft and Ships	Ryujiro Tokuma	Executive Officer Head of Global Transportation Services Headquarters Representative Director, Santoku Holdings Corporation President, ORIX Maritime Corporation
ORIX Aviation Systems Limited	James Meyler	Chief Executive Officer
Avolon Holdings Limited	Andy Cronin	Chief Executive Officer
ORIX USA	Yoshiteru Suzuki	Group Senior Managing Executive President and Chief Executive Officer, ORIX Corporation USA
ORIX Corporation USA	Gilbert Van Hassel	Group Head of Asset Management
ORIX Corporation USA	Jeff Abrams	Group Head of Private Credit and Real Estate

Note: Please refer to the following for ORIX's organization chart. ▶▶▶ [Organization](#)



Management Team: Executive Officers and Business Unit Managers (As of June 25, 2024)

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.	Robert Golden	CEO
ORIX Europe	Kiyoshi Habiro	Group Executive Chief Executive Officer, ORIX Corporation Europe N.V. Chief Executive Officer, ORIX Corporation UK Limited
Robeco	Karin van Baardwijk	Chief Executive Officer
Asia and Australia	Hao Li	Executive Officer Responsible for Greater China Group
ORIX (China) Investment Co., Ltd.	Guoping Liu	Chairperson
Asia and Australia	Yoshiaki Matsuoka	Group Strategy Business Unit Head of Global Business Group
ORIX Australia Corporation Limited	Reggie Cabal	Managing Director & CEO
ORIX Leasing Singapore Limited	Joanne Liau	Managing Director
ORIX Capital Korea Corporation	Chung Sung-Yoon	CEO
Thai ORIX Leasing Co., Ltd.	Ed Sirivallop	Managing Director and Co-CEO
Thai ORIX Leasing Co., Ltd.	Daisuke Morita	Managing Director and Co-CEO

Other Officers

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
Enterprise Risk Management	Takashi Otsuka	Executive Officer Group Strategy Business Unit Responsible for Enterprise Risk Management
Information Security and Technology	Tony Ahn	Executive Officer Group Strategy Business Unit Responsible for Information Security Control Department Responsible for Technology Department
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 [Treasury, Accounting, Corporate Planning, Investor Relations, and Sustainability]	Yasuaki Mikami	Member of the Board of Directors, Senior Managing Executive Officer Responsible for Corporate Function Unit Responsible for Work Style Reform Project
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
ORIX Baseball Club, Osaka City Dome	Michio Minato	Group Executive President, ORIX Baseball Club Co., Ltd. President, Osaka City Dome Co., Ltd.



Management Team: Executive Officers and Business Unit Managers (As of June 25, 2024)

Profiles of Six Newly Appointed Executives

Four Executive Officers



**Taro Baden**      Age: 57  
Executive Officer  
Deputy Head of Corporate Business Headquarters  
Group Kansai Deputy Representative

**Profile** Joined ORIX in 1990. Having served in positions including Deputy Head of Kinki Sales Headquarters, appointed Deputy Head of Corporate Business Headquarters and Group Kansai Deputy Representative in January 2019 (current positions), and appointed Executive Officer in January 2024 (current position).



**Satoshi Matsui**      Age: 55  
Executive Officer  
Head of Osaka IR Project Office  
Senior Managing Executive Officer, ORIX Real Estate Corporation

**Profile** Joined ORIX in 2019 from MITSUBISHI ESTATE RESIDENCE CO., LTD. Having served in positions including General Manager of Architectural Design & Management Department and Managing Executive Officer, ORIX Real Estate Corporation, appointed Executive Officer, Head of Osaka IR Project Office and Senior Managing Executive Officer, ORIX Real Estate Corporation in January 2024 (current positions).



**Tony Ahn**      Age: 56  
Executive Officer  
Group Strategy Business Unit  
Responsible for Information Security Control Department  
Responsible for Technology Department

**Profile** Joined ORIX in 2020 from Prudential Systems Japan, Limited. Having served in positions including General Manager of Technology Department and Deputy Responsible for Information Security Control Department, appointed Executive Officer, Responsible for Information Security Control Department and Responsible for Technology Department in January 2024 (current positions).



**Atsunori Sato**      Age: 51  
Executive Officer  
Deputy Head of Energy and Eco Services Headquarters  
President, ORIX Renewable Energy Management Corporation

**Profile** Joined ORIX in 1995. Having served in positions including General Manager of Business Development Department, appointed Deputy Head of Energy and Eco Services Headquarters in January 2020 (current position), appointed President, ORIX Renewable Energy Management Corporation in August 2020 (current position), and appointed Executive Officer in January 2024 (current position).

Two Group Executives



**Tatsuya Kitamura**      Age: 57  
Group Executive  
President and Representative Director,  
ORIX Real Estate Investment Advisors Corporation

**Profile** Joined ORIX in 2000 from MITSUI LIFE INSURANCE COMPANY LIMITED (currently TAIJU LIFE INSURANCE COMPANY LIMITED). Having served in positions including General Manager of Real Estate Investment Department I, ORIX Real Estate Corporation, appointed President and Representative Director, ORIX Real Estate Investment Advisors Corporation in January 2017 (current position), and appointed Group Executive in January 2024 (current position).



**Susumu Naito**      Age: 56  
Group Executive  
Deputy President, ORIX Auto Corporation  
Member of the Board of Directors (Outside Director), Kanamoto Co., Ltd.

**Profile** Joined ORIX in 1990. Having served in positions including Deputy Head of Tokyo Sales Headquarters, appointed Deputy President, ORIX Auto Corporation in January 2023 (current position), and appointed Group Executive in January 2024 (current position).





# 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 71
	Auto	One-stop provider of every kind of automobile-related service. World leader in vehicles under management.	▶ Page 72
	Rentec	Japan's largest equipment rental company. Provides equipment along with technology and expertise.	▶ Page 73
Real Estate	RE Investment and Facilities Operation	Wide range of real estate expertise. Diversified operations encompass development, investment, asset management, and facility operation.	▶ Page 74
	DAIKYO	Development and brokerage of real estate and building maintenance and management, with a focus on condominiums.	▶ Page 75
PE Investment and Concession	PE Investment	Enhancement of investee corporate value through hands-on management that leverages the Group's expertise and network.	▶ Page 76
	Concession	Operation of public facilities and other properties while public entities retain ownership. Kansai Airports operates three airports* in Kansai.	▶ Page 77
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 a biogas power generation facility.	▶ Page 78
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 79
Banking and Credit	Banking	Decades of experience in real estate investment loans. Primarily Internet-based transactions, does not own branch or ATM network.	▶ Page 80
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 81
ORIX USA	ORIX USA	Provides funding solutions to U.S. companies encompassing financing to private equity utilizing own and third-party capital.	▶ Page 82
ORIX Europe	ORIX Europe	Robeco and several other brands in the asset management business. Robeco has extensive expertise in ESG investment.	▶ Page 83
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 84

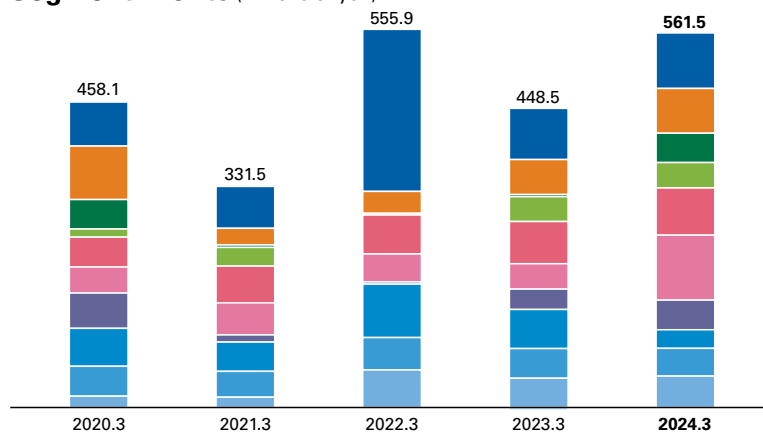
\* Kansai International Airport, Osaka International Airport, and Kobe Airport.



# Segment Summary (Profits, Assets, ROA and Employees)

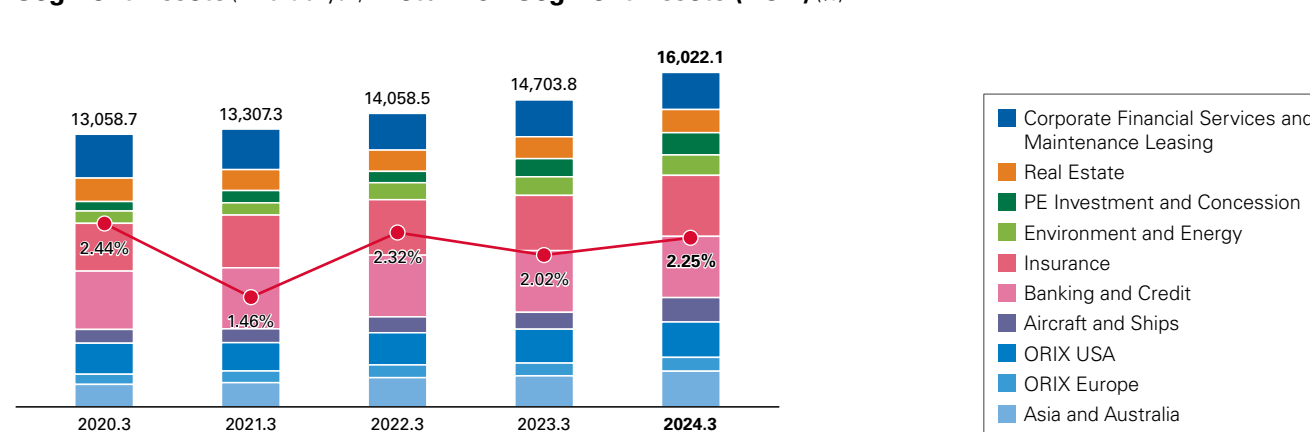
## Five-Year Summary

### Segment Profits (Billions of yen)



In the fiscal year ended March 2021, profits declined 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, post-COVID reopening and gains on sales contributed to earnings. Profits increased year on year excluding the gain on sale of Yayoi in the previous fiscal year. In the fiscal year ended March 2024, profits increased due to strong performance in domestic Real Estate and PE Investment and Concession, as well as a gain on the transfer of a portion of our shares in ORIX Credit Corporation.

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

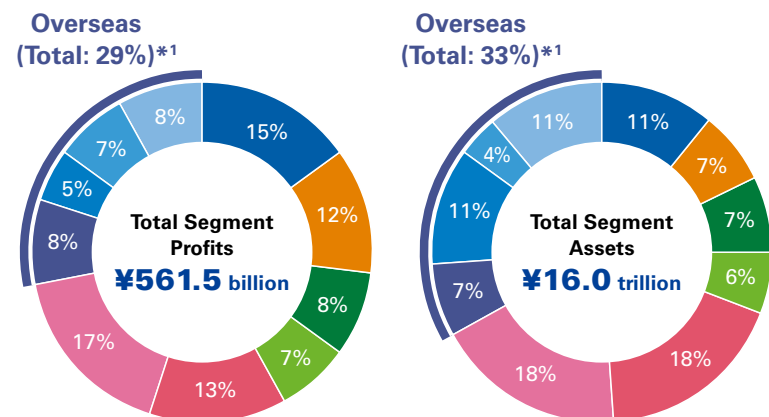


Assets at March 31, 2024 increased by ¥1,318.3 billion from the end of the previous fiscal year. The main factors for the increase were investment in and loan to Toshiba, the acquisition of Santoku Senpaku in its business succession, the purchase of aircraft, and the execution of new investments in Asia and Australia. There was also a positive exchange rate effect.



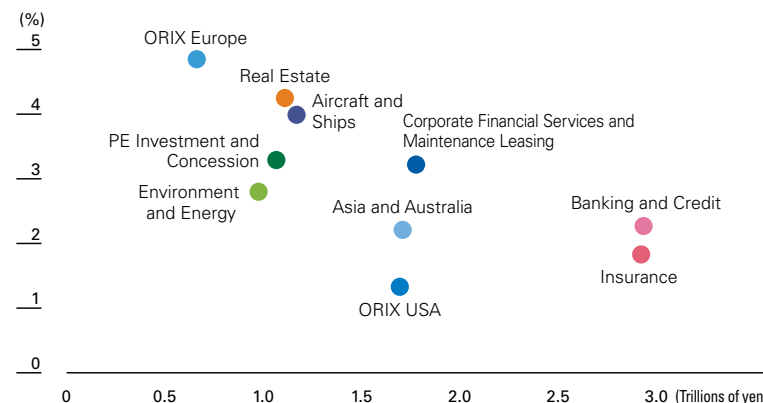
## Fiscal Year Ended March 2024

### Composition of Segment Profits Composition of Segment Assets



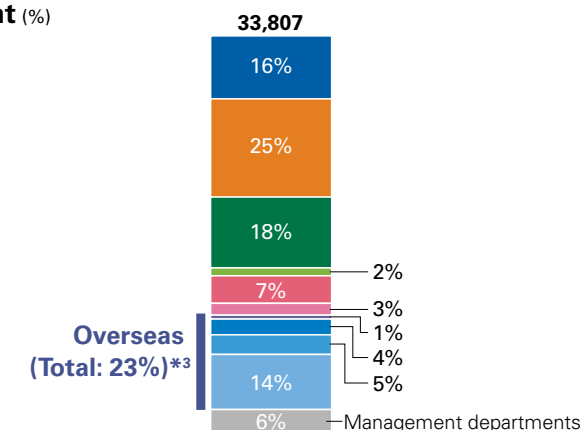
\*1 Excludes overseas results in Environment and Energy

### 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: 2024.3 denotes the fiscal year ended March 2024.

▶▶▶ [Five-Year Financial Data and Financial Highlights \(2014.3 – 2024.3\)](#)

▶▶▶ [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, ESG, and supply chains

### Risks

- Adverse impact on client earnings due to the weaker yen, higher costs, and labor shortages
- Intensifying competition in corporate lending due to a rising interest rate environment

### 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:

### Expand Financial Assets that Provide Base Profits and Further Accumulation of Earnings from Fees

#### Fiscal Year Ended March 2024 in Review

We carefully selected projects in the challenging business environment, and the asset balance remained at the same level as in the previous year. Services income grew as we accurately identified customer needs for supplementary support for their core businesses, asset management, and business succession. We recorded profit following IPOs of venture capital investees.

- For finance revenues, we will enhance our market presence by providing the financing that our customers need to address environmental change, including support for a shift to digital technology and achieving carbon neutrality. Further, we will build up the asset balance through financing initiatives that capture changes in the market environment amid a rising interest rate environment.
- We will grow services income by gaining a multifaceted understanding of the various issues our customers face in order to better 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 M&A intermediation, real estate brokerage, 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 2024 in Review

We focused on decarbonization support, business succession support, the preventive healthcare business, and the electronic storage business. In decarbonization support, we helped customers to decarbonize through the introduction of subsidized energy-saving equipment and investment in solar power generation. In business succession support, we have put a system in place that provides a comprehensive range of services to address various business succession issues. In the preventive healthcare business, we supported health management among SMEs through a members-only medical club. In the electronic storage business, we launched a cloud storage service for business documents to support corporate digitalization.

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, 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.
- 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 medical examination centers.
- We help customers decarbonize by supporting the introduction of subsidized energy-saving equipment and investment in solar power generation.
- We invest in DX and ESG-related startups with the goal of creating new services by supporting growth and collaboration.

## Focus ▶

## Electronic Storage Business and Preventive Healthcare Business

Supporting Corporate Digitalization and Health Management



We are working to resolve social issues through services that meet the needs of our customers.

(Upper photo) ORIX is helping businesses go digital by providing [PATPOST](#), a storage service that uses our proprietary AI-OCR technology to store documents in the cloud.

(Lower photo) Consolidated subsidiary CMC Corporation operates [Central Medical Club Setagaya](#), a members-only medical service established in March 2023. In partnership with a clinic equipped with advanced diagnostic imaging equipment, the service supports SME management from a health perspective through preventive healthcare services such as physical check-ups and other tests related to the three major diseases of cancer, heart disease, and cerebrovascular disease, as well as routine health consultations.

See [here](#) more information on the above initiatives.



## Corporate Financial Services and Maintenance Leasing Auto

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

### Opportunities

- Increase in demand for mobility and transport due to resumption of economic activity and revival of inbound demand
- The need to switch to next-generation vehicles\*1 to achieve a decarbonized society
- Responding to DX and ESG in automobiles

\*1 Hybrid vehicles (HV), plug-in hybrid vehicles (PHV), electric vehicles (EV), and fuel cell vehicles (FCV)

### Risks

- Rising energy and resource prices due to the weakening of the yen and the emergence of geopolitical risks, as well as rising material and logistics costs related to the "2024 problem" (possible driver shortages due to new overtime regulations)
- A reduction in the number of vehicles in Japan due to the decline in the productive population and the optimization of corporate vehicle fleets

### Strengths

- Comprehensive and optimized service lineup that goes beyond simple provision of vehicles
- Global leader in terms of vehicles under management and volume of vehicle data

## Growth Strategy: Strengthen the Customer Base and Respond to Social Needs

### Fiscal Year Ended March 2024 in Review

Leasing remained strong as we captured demand for re-leasing and used cars, despite a continuing supply shortage of new cars. Car rentals were similarly buoyant, benefiting from a sharp recovery in inbound travel on the back of the weak yen and rising demand for domestic travel. We are promoting an enhanced service lineup that contributes to a decarbonized society in response to social needs.

- In addition to growing existing businesses, we will expand services related to vehicle management, EV introduction support, and car sharing in response to changes in customer needs and the business environment, including changes in legislation. We will strengthen relationships with various partners, such as maintenance shops and car rental franchises, to stabilize the business base. These measures will improve one-stop services for customers and strengthen our customer base.
- In leasing, we will accumulate quality assets with profitability in mind. We will also respond to customer needs by adding new services to meet new demands for a decarbonized society, compliance with laws and regulations, and work style reform. Other measures include stepping up initiatives in the retail market.
- In car rentals and car sharing, we will make efforts to enhance profitability through the use of digital technology to save labor at outlets (including the transition to unmanned operations), improvements in operational efficiency, and flexible pricing.
- We will expand our range of next-generation vehicles and look into providing associated energy management services to meet the needs of a decarbonized society.

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

The number of next-generation vehicles in the leasing business increased because of higher fuel prices and a growing orientation toward decarbonization. At the same time, the proportion of next-generation vehicles in the car rental and car sharing businesses increased due to active efforts to replace fleets to contribute to long-term CO<sub>2</sub> emissions reduction. Further, we completed the greening of electricity sources used at all passenger car rental outlets\*2.

\*2 Excludes outlets at airports and other locations where the company does not have direct contracts with electricity providers.

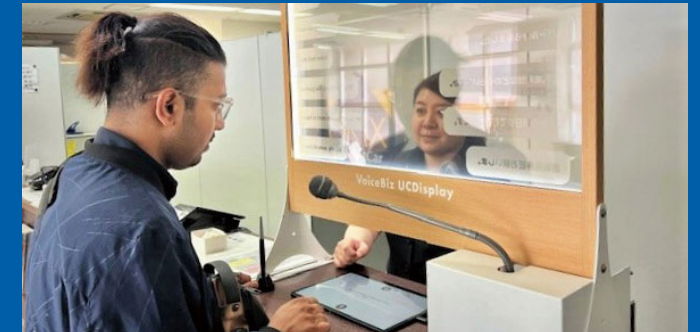
We will promote services that help to reduce environmental impact and ensure compliance with laws and regulations. We will also continue to promote and accelerate decarbonization in our own facilities and businesses.

- By increasing the number of EV models on offer as well as proposing the installation of charging facilities, we will provide an environment where customers can easily introduce EVs on lease.
- We will continue to transition our rental car and car-sharing vehicle fleets to next-generation vehicles.
- We will transition to green sources of electricity used at truck rental outlets, U-Car outlets, and bidding venues.
- We will increase the use of rebuilt and used parts and components for vehicle maintenance to promote the circular economy and reduce environmental impact.
- We will develop services in response to mandatory pre-driving alcohol checks. This will help eliminate dangerous driving such as driving under the influence and will promote DX in corporate fleet management.

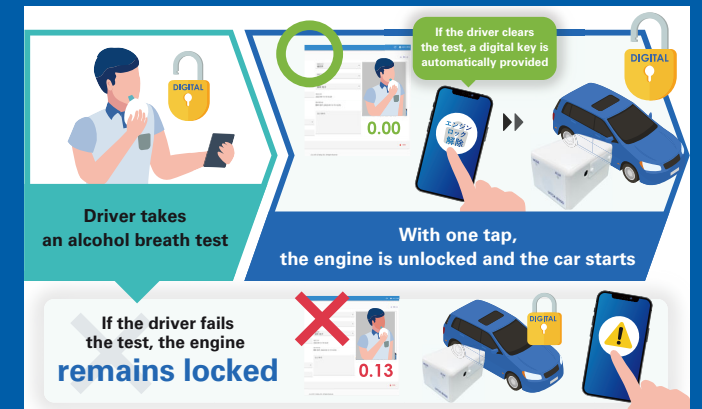
▶▶▶ See [here](#) for information on how we help to resolve social issues through our business activities.

## Focus ▶ Strengthening Outlet Support and Business for Corporate Customers

Expanding Services for Both Retail and Corporate Customers



In response to the rapid increase in the use of rental cars by foreign visitors to Japan, we have set up dedicated foreign-language counters and introduced displays supporting 13 languages. The dedicated counters will ease congestion at outlets and improve customer satisfaction for both domestic and overseas customers.



Amendments to the law now require companies to strictly control the driving of company vehicles by requiring the use of alcohol detectors and record-keeping before and after trips. To assist companies with these management tasks, we have begun to introduce a service developed by ORIX Group company Ubiteq that releases the engine lock of a vehicle only when the driver clears an alcohol check. The service provides support to both strengthen compliance and improve operational efficiency.





## Corporate Financial Services and Maintenance Leasing Rentec

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

### Opportunities

- Full-scale replacement demand accompanying the transition to Windows 11
- Expansion of defense and space-related national budgets and related needs against a backdrop of international developments
- Accelerated development of GX\*<sup>1</sup>-related technologies toward the realization of a decarbonized society

\*<sup>1</sup> Green transformation (GX): Innovations for using clean energy while minimizing the use of fossil fuels, and measures to put such innovations into practice.

### Risks

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

### 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 2024 in Review

We expanded the handling of cloud services that eliminate the need for maintenance, kitting, and other tasks to capture growth in replacement demand for Windows 11 and conducted activities to capture replacement demand in the market. In the 3D printer business, we were the first in Japan to acquire domestic sales rights for 3D printers manufactured by BLT\*<sup>2</sup>, and have established a support system to solve problems faced by customers by permanently installing equipment for real machine verification. Yodogawa Transformer received robust orders for demand associated with the Osaka/Kansai Expo 2025 and social infrastructure renewal (construction of the maglev Chuo Shinkansen bullet train and other projects).

\*<sup>2</sup> Xi'an Bright Laser Technologies Co., Ltd.

- In the ICT field, we anticipate replacement demand associated with the transition to Windows 11 to appear in earnest in the fiscal year ending March 2025 and peak in the fiscal year ending March 2026. In preparation for this, we plan to accumulate assets by providing high value-added services alongside hardware.
- In the measuring instrument market, we will continue to target needs related to GX and the resumption of nuclear power plant operations, as well as promote the use of communications measuring instruments in the defense and space industries.
- In the 3D printer business, in addition to starting sales and rentals of BLT products, we will provide post-sales maintenance support. We will also provide comprehensive support for the introduction of 3D printers in companies by offering training in operation methods and lectures on modelling techniques.
- We plan to expand Yodogawa Transformer's market share by launching new products. We will establish a production system for fully custom-made cubicles, which require high technical capabilities, to achieve further differentiation from competitors.

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

We began introducing Zero Board, a cloud service for CO<sub>2</sub> emissions visualization. In wind measurement-related services, in addition to providing wind doppler lidar, we started to consider expanding this lineup to include offshore wind measurement equipment and peripheral equipment such as fuel cells. We also developed a rental service with carbon credits (to be launched in the fiscal year ending March 2025) and conducted a survey of suppliers and contractors with a view to establishing a procurement system that incorporates ESG perspectives. Moreover, we prepared for the publication of our own procurement policy.

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 CO<sub>2</sub> emissions with reduction solutions inside and outside ORIX Group. In addition, we will consider promoting the introduction of rentals for equipment used in R&D projects for new GX technology.
- We will formulate and publish procurement policies that effectively incorporate ESG perspectives. We will conduct regular surveys of suppliers and contractors. We will also set up internal committees on several topics, such as health and safety and human rights, and implement a PDCA cycle to promote sustainability.

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

## Focus ▶ 3D Printer Business

Supporting Customers' Product Development in Advanced Fields



ORIX Rentec supports customers' product development through 3D printer technology, which is expected to be applied to manufacturing in various advanced fields, including automobiles, aerospace, and medicine. With 3D-FABs, our free, online, AI-based 3D printing simulation tool, the customer uploads 3D CAD data and specifies conditions, and automatically receives feedback on whether printing is possible along with an estimate of fees. This service quickly provides answers that help customers realize their ideas and shorten 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

- Recovery in domestic and overseas tourism demand following the end of the COVID-19 pandemic
- Firm domestic and overseas investor trends against a backdrop of relatively low interest rates and a weak yen
- Growing demand for properties with high environmental value

## Risks

- Personnel shortages and rising operating costs at operating facilities
- Rising construction and equipment costs
- Market turmoil caused by sharp interest rate rises

## Strengths

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

## Growth Strategy:

**Expand the Earnings Base through Both Recurring (Operation and Asset Management Business) and Sales/Fee (Turnover-Based Logistics and Rental Condominium Business) Revenue**

### Fiscal Year Ended March 2024 in Review

In the development and rental business, we continued to invest in logistics facilities and rental condominiums, and sold them as part of our "develop and sell" model. In the facility operation business, inbound accommodation demand recovered significantly after the COVID-19 pandemic subsided, contributing to profits, and we opened a second hotel under our luxury onsen resort brand, Atami Izusan KARAKU. In the asset management business, assets under management increased as well as management fees due to timely sales.

- In the development and rental business, we will continue our "develop and sell" model business by carefully selecting properties, including logistics facilities and rental condominiums. Tenant demand for logistics facilities is strong, so we will carefully assess locations, costs, and plans, and work on development. We will add environmental value to our portfolio properties through appropriate capital investment and replace them while keeping an eye on the market.
- In the facility operation business, we will continue with a sales strategy that focuses on prioritizing higher room rates while maintaining occupancy rates. We will continue to promote community co-creation initiatives with the goal of increasing added value of the facilities and improving brand recognition.
- In the asset management business, we will strive to continuously increase assets under management through the formation of a new fund and other measures.

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

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

We promoted reduction of CO<sub>2</sub> emissions from portfolio properties by upgrading energy-saving equipment, installing photovoltaic panels at logistics facilities, and sourcing electricity from renewable sources. We reduced food waste in the facility operation business by approximately 27% year on year at 15 targeted facilities. We meanwhile recycled 100% of food waste at Beppu SUGINOI HOTEL, and installed a waste disposal machine at Hakone Ashinoko HANAORI. We began serving Japan's first\*1 sustainable seafood\*\*2 at 16 of our operating facilities.

\*1 According to MSC Japan, this was Japan's first initiative to offer sustainable seafood at multiple accommodation facilities.

\*2 Internationally certified seafood produced and distributed through sustainable fisheries and aquaculture, with due consideration for fisheries resources and the environment. International certification is based on the Marine Stewardship Council (MSC) or Aquaculture Stewardship Council (ASC) certification system.

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 CO<sub>2</sub> 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.
- We will start building a supply chain management system.

## Focus ▶

# Opening Atami Izusan KARAKU

Promoting Sustainable Tourism at Directly Managed Facilities



We have developed Atami Izusan KARAKU, which opened in December 2023, as an environmentally friendly facility through measures such as achieving a B+ CASBEE\*3 rating for comprehensive building quality and installing EV charging facilities in the customer parking area. Further, we have launched the [Tsunagu-Hagukumu Tourism project](#) for directly managed inns, hotels, and training facilities to promote sustainable tourism\*4, offering customers experiences that lead to the achievement of SDG targets in various forms, including accommodation plans, meals, and exhibitions.

\*3 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.

\*4 Sustainable tourism means "tourism that takes full account of its current and future economic, social, and environmental impacts, while addressing the needs of visitors, industry, the environment, and host communities" (Source: [United Nations World Tourism Organization](#)).





Real Estate

DAIKYO

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

### Opportunities

- Continuing strong demand in the new condominium market, despite rising sales prices
- Continuing growth in both prices and number of contracts concluded in the pre-owned market

### 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, and other businesses originating from the condominium business

## Growth Strategy:

**Expand the Earnings Base through Both Recurring (Condominium and Office Building Management and Construction) and Sales/Fee (Condominium Development and Brokerage) Revenue**

#### Fiscal Year Ended March 2024 in Review

The real estate development business performed well, partly due to sales of large properties in favorable locations. Despite the continued competitive environment for purchasing land, we continued to carefully select investments, focusing on urban centers and favorable locations. The real estate management business strengthened its operations while strategically canceling less profitable contracts. The real estate brokerage business promoted the purchase and resale of pre-owned condominiums.

- In the real estate development business, we will work on condominium development, purchasing select properties in prime urban locations.
- In the real estate management business, we will improve competitiveness by reducing the number of managers and increasing operational efficiency to expand the number of units under management. In the construction business, we will strengthen orders by securing and training technical personnel.
- In the real estate brokerage business, we will improve sales efficiency through store consolidation. We will also expand purchase and sales channels for brokering the purchase and resale of premium properties in the Tokyo metropolitan area to improve profitability.
- In the building management business, we will increase annual contract amounts and orders for ancillary work based on our existing customers and focus assets (hospitals, hotels, logistics facilities, and government facilities).

## Approach to Sustainability

#### Fiscal Year Ended March 2024 in Review

We are developing condominiums that are ZEH-M Oriented\*<sup>1</sup>. The Ministry of the Environment has selected company projects for the six years through the fiscal year ended March 2024 as High-Rise ZEH-M Support projects. By March 31, 2024, the number of ZEH-M Oriented condominium buildings completed by DAIKYO and ANABUKI CONSTRUCTION had reached 51 nationwide. DAIKYO and ANABUKI CONSTRUCTION signed a collaboration agreement with Nissan Motor Co., Ltd. and other companies to use EVs to turn model condominium showroom facilities into disaster prevention centers.

\*<sup>1</sup> 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.

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.

## Focus ▶

# THE LIONS Setagaya Hachimanyama

Japan's First ZEH-M Condominium



THE LIONS Setagaya Hachimanyama is the first condominium in Japan\*<sup>2</sup> to be certified as ZEH-M, the highest rank in the ZEH category, and all units are built to ZEH standards. Primary energy consumption was reduced by more than 120% for all units and more than 110% for the building by conserving energy with outstanding thermal insulation performance and the use of highly efficient facilities, and by generating energy with solar power. In addition, the property adopts an energy creation storage system that allows life to continue during disasters, and a landscaping plan that takes into consideration coexistence with the local community and biodiversity. The rebranded "THE LIONS" will create new value in the lives of our customers to achieve "lifestyle one step beyond."

\*<sup>2</sup> Calculated from the [official website of the Association for Evaluating and Labeling Housing Performance](#). The property was the earliest condominium built with reinforced concrete construction to obtain the BELS evaluation certificate.



## 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 M&As aiming to improve productivity and acquire human resources, and accelerating industry reorganization

## Risks

- Soaring acquisition prices and increased difficulty in obtaining bilateral deals due to an intensifying competitive environment
- Exits at lower prices than expected resulting from the emergence of risks and investee underperformance because of poor due diligence

## 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 in deal flow because ORIX invests its own capital

## Growth Strategy:

## Achieve Constant New Investments and Exits

## Fiscal Year Ended March 2024 in Review

We exited from TENKOUSHA Co., Ltd. (funeral service business) and Primagest, Inc. (corporate DX support and outsourced operations). Meanwhile, we executed investments in WHITE ESSENCE Co., Ltd. (teeth whitening business) and Toshiba Corporation.

- 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.
- We will carefully select and consider deals with clear strategies for adding value to counter rising acquisition prices resulting from an increasingly competitive environment.
- In addition to 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 with the aim of securing large projects with an enterprise value of ¥50 billion or more.
- We will recycle capital by systematically replacing existing assets with superior assets, while also considering co-investment and fund schemes with a view to utilizing outside capital for further investment expansion.

## Approach to Sustainability

## Fiscal Year Ended March 2024 in Review

We continued to monitor the CO<sub>2</sub> emissions of investees. Initiatives to reduce CO<sub>2</sub> emissions among investees included updating aging equipment, improving air conditioning energy efficiency, and switching to low CO<sub>2</sub> 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 CO<sub>2</sub> emissions among investees, and engage in collaboration by jointly advancing relevant initiatives such as replacing equipment and switching to renewable energy.
- We will start conducting risk analysis of each investee to address supply chain management and medium- and long-term ESG issues set by the investees.
- Enhancing compliance and governance among investees is a priority. We emphasize optimized labor management and thorough 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.

## Focus ▶

## Next-Generation Construction Sites

Contributing to Construction Site Safety and Work Efficiency



(Left)  
Ryo Sugiyama,  
Representative  
Director, President  
& Chief Executive  
Officer,  
SUGIKO CO., LTD.  
(Right)  
Kentaro Kamata,  
Director, SUGIKO  
CO., LTD.  
(Senior Vice  
President, Business  
Development and  
Investment Group I,  
Investment  
and Operation  
Headquarters,  
ORIX Corporation)

SUGIKO is a major rental company that supplies scaffolding and other temporary equipment to construction sites. Since joining ORIX Group in 2020, the company has greatly expanded the scale of its business by accelerating investment in the replacement of scaffolding with new models. SUGIKO has earned high praise from major construction companies for its work in automating scaffold quantity calculations and web-based ordering using digital technology, and for the development of educational tools, such as one leveraging the metaverse to instruct on assembly technique, and one providing hazard simulation. Through its investments in companies that provide construction-related services, ORIX Group is contributing to the productivity improvement at construction sites and the creation of safe and secure social infrastructure.





PE Investment and Concession

## Concession

Business ▶ Operation of airports and water businesses

### Opportunities

- Focus in Japan on concessions as a way to resolve social issues and reduce debt
- The potential size of concession target areas

### Risks

- Closure or disruption of operations due to an act of God, such as a drop in passenger volume due to a pandemic
- Changes in policies, laws, and regulations regarding concession promotion

### Strengths

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

## Growth Strategy:

### Help Reduce the Financial Burden on National and Local Governments while Providing High-Quality Public Services

#### Fiscal Year Ended March 2024 in Review

Kansai Airports turned a profit for the first time in four fiscal years as international flights recovered in earnest from the COVID-19 pandemic. In December 2023, the duty-free store area at Kansai International Airport was reopened after renovations. In the water supply and sewage market, we operated in compliance with laws and regulations throughout the year. We established a stable earnings base by reducing costs, including bringing outsourced operations in-house, to minimize the impact of recent price hikes. In the stadium and arena market, Kawasaki Todoroki Park Corporation began operating in April 2023 as the operating rights holder of the Todoroki Ryokuchi Park Redevelopment, Operation, Etc. Project.

- Kansai Airports will work with related parties to further enhance airport functions, including the renovation of Kansai International Airport Terminal 1 in preparation for the Osaka/Kansai Expo 2025.
- The Japanese government is aiming to implement the Water PPP program to renovate and maintain water facilities in a way that makes more use of private-sector funds and know-how. We will use this trend as a business opportunity to further expand our water business.
- We will also consider new projects for other public infrastructure, while discussing with the parties concerned the best scheme to resolve issues faced by the national and local governments.

## Approach to Sustainability

#### Fiscal Year Ended March 2024 in Review

Kansai Airports is actively promoting initiatives to reduce its environmental impact. Details are published in its [Environmental Report 2023](#) (issued in September 2023). In our water supply, industrial waterworks, and sewage project in Miyagi Prefecture, our introduction of concessions won the Minister of Land, Infrastructure, Transport and Tourism Award (Ingenuity at Maintenance Sites) at the 7th [Infrastructure Maintenance Awards](#) organized by various government ministries.

- Kansai Airports will continue with its environmental plan, [Environmental Vision 2050 and Environmental Goals 2030](#), launched in April 2023. The plan addresses greenhouse gas emissions 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.
- In water supply and sewage concessions in Hamamatsu City and Miyagi Prefecture, ORIX will be 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, and reducing and recycling sludge 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.

## Focus ▶

### Hamamatsu International Sewage Seminar

Helping to Improve the Knowledge and Technical Skills of Sewerage Professionals



(Photo courtesy of Hamamatsu Water Symphony K.K.)



(Photo courtesy of Veolia Japan GK)

In the water and sewage field, the Hamamatsu International Sewage Seminar was held to introduce advanced domestic and overseas initiatives in the sewage business (upper photo). Under the theme of decarbonization, the seminar introduced efforts to realize a decarbonized society, including decarbonization initiatives in the sewage concession project (Hamamatsu, lower photo) and examples of decarbonization at overseas sewage treatment plants.



## Environment and Energy

Business ▶ Renewable energy in Japan and overseas, electric power retail, energy-saving services, sale of solar panels, 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

- Supply chain disruptions and material price hikes
- Increased volatility in electricity market prices
- 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 diverse energy businesses in Japan
- Global business operations
- One-stop service from waste collection and transportation to final disposal

## Growth Strategy: Expand Business in Response to New Trends in Japan and Abroad

### Fiscal Year Ended March 2024 in Review

In the renewable energy business, Kansai Airports concluded one of the largest corporate power purchase agreements (PPAs) in Japan. Overseas, Elawan Energy concluded a corporate PPA for Amazon in Spain. In the operation and maintenance (O&M) service business for solar power plants, we launched a new O&M service for energy storage plants.

- In the domestic energy market, we will accelerate business development in areas where we can demonstrate our strengths, such as large-scale energy storage plants, off-site PPA\*<sup>1</sup>, and asset management.
- Internationally, we will use Elawan Energy as a strategic platform to expand and diversify our portfolio. This will include expansion into Europe, North America, and other regions we do not yet serve; diversification into energy storage plants, offshore wind power generation, and other power sources; and development of green hydrogen and other types of next-generation energy.
- In the domestic environmental market, we will not stick to conventional businesses, but will hasten to establish new business models in line with the transition to a society that reuses and recycles. We also aim to expand the scale of our business, including M&A and business alliances with other companies.

\*1 A system whereby power generators provide electricity to specific general consumers via the general power grid.

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

## Approach to Sustainability

### Fiscal Year Ended March 2024 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\*<sup>2</sup> in operation to 4.3 GW at March 31, 2024 from 3.7 GW at March 31, 2023.

ORIX Eco Services has begun efforts to recover and recycle chlorofluorocarbons from air conditioning equipment and promoted initiatives to reduce CO<sub>2</sub> emissions and contribute to the reduction of environmental impact through the recycling and utilization of chlorofluorocarbons. ORIX Environmental Resources Management increased the number of agreements with municipalities for combustible waste disposal and provides a backup function in case municipalities are unable to dispose of their waste.

\*2 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 to contribute to a society that reuses and recycles. ORIX Eco Services buys and resells pre-owned solar panels to promote reuse and reduce waste.
- We will study and implement measures to reduce CO<sub>2</sub> 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.

## Focus ▶

## Minami-Kayabe Geothermal Power Plant Comes Online

Largest Binary Cycle Geothermal Power Plant in Japan



We developed the Minami-Kayabe Geothermal Power Plant in the Minami-Kayabe area of Hakodate City, Hokkaido, and began commercial operation on May 1, 2024. With an installed capacity of 6,500 kW (6.5 MW), it is the largest geothermal power plant in Japan using binary cycle power generation, in which heat from hot water extracted from underground is used to boil a medium with a lower boiling point than water, the steam of which turns a turbine to generate electricity. This method makes it possible to generate electricity even from low-temperature (mainly below 200°C) geothermal resources. ORIX Group owns and operates a private power plant at the Beppu SUGINOI HOTEL (Beppu, Oita Prefecture), an onsen resort operated by the Group, and is promoting development at several locations in Japan, including a study for the construction of a power plant for a geothermal power generation project on Hachijo-jima adopted through a public tender.





Insurance

## Life Insurance

Business ▶ Life insurance, including medical insurance and death insurance

### Opportunities

- Rising asset formation, asset management, and lifetime security needs in the age of 100-year lifespans
- Advances in digital technology such as AI

### 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
- Multi-channel business development
- High-quality call centers (high external evaluation)

## Growth Strategy: Further Strengthen Price Competitiveness and Product Development Capabilities

### Fiscal Year Ended March 2024 in Review

We increased the new policy balance from the previous year by strengthening sales of first-sector insurance (death and savings insurance). Sales were driven by *Candle*, a U.S. dollar-denominated whole life insurance policy, and *Rise*, a yen-denominated whole life insurance policy, both of which revised their premium rates. The expense ratio declined due to efforts to improve operational efficiency, including digitalization of the administrative department.

- We provide products that meet the inheritance and asset management needs of older customers, the asset-building needs of the working-age population for their retirement, and the business security needs of business owners.
- In the agent channel, we will strengthen the support system for agents through hybrid sales (face-to-face and telephone support).
- We will enhance the customer experience by providing services that customers feel they truly need in order to increase customer loyalty.

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

We compared [ORIX Group's ESG-related Material Issues](#) to ORIX Life Insurance's material issues to identify issues in common and assessed the status of ORIX Life Insurance's efforts to address these issues. We established rules for divestment of assets with high stranded asset risk.

ORIX Life Insurance has formulated a [Sustainability Policy](#) and identifies five material issues (materialities) to be given priority. By working to resolve these material 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.

## Focus ▶

## Providing Security through the Insurance Business

Lower Coverage Premiums and High Potential Savings



We lowered premiums for the U.S. dollar-denominated whole life insurance *Candle* and the yen-denominated whole life insurance *Rise* as an initiative to provide security through the insurance business to people of all generations in the age of 100-year lifespans. By reviewing premium rates considering the favorable investment environment for U.S. dollar-denominated assets and rising long-term interest rates for the yen, we have been able to provide coverage at lower premiums than before and realize high savings potential.



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
- Strong investor appetite in the real estate investment market
- Diversifying customer needs for asset management and administration

**Risks**

- Aggressive sustainability-related investments and loans by other financial institutions
- Contraction in the core real estate investment loan market due to rising real estate and construction 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:**  
**Take on Challenges in New Strategic Areas Based on Sustainability**

**Fiscal Year Ended March 2024 in Review**

In real estate investment loans, the market was solid as real estate investment needs of individual investors remained strong. Despite intense competition, we promoted new lending while maintaining healthy lending standards. In corporate loans, new lending was focused on financing projects in the sustainability field, such as renewable energy and logistics-related facilities. We also promoted our asset securitization business by commercializing loan assets into financial products and selling them to institutional investors. As a new initiative, we began offering e-Direct Family Trust, which supports asset management services for customers concerned about developing dementia.

- 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 continue to focus on financing for renewable energy, green buildings, and other environmental areas, as well as taking on the challenge of new strategic areas. We will also enhance our asset securitization business that addresses the asset management needs of investors.
- We are targeting sustainable growth and higher profitability (ROA and ROE) while appropriately controlling the quality and volume of assets.

**Approach to Sustainability**

**Fiscal Year Ended March 2024 in Review**

We promoted management based on sustainability. In addition to our mainstay real estate investment loan business, we focused on providing loans for renewable energy projects and logistics facility-related projects. In July 2023, we made our first sustainability linked loan\*<sup>1</sup> and in December of the same year, we implemented positive impact financing\*<sup>2</sup> for the first time.

\*<sup>1</sup> A financing method that aims to promote economic activities that lead to the realization of a sustainable society by offering preferential interest rates and other conditions to borrowers based on their progress in furthering sustainable economic activities.

\*<sup>2</sup> A financing method that comprehensively analyzes and evaluates the impact of corporate activities on the economy, the environment, and society, and supports the increase of positive impacts and the reduction of negative impacts.

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.

- We will continue with initiatives addressing material issues (materialities).
- We will strengthen support functions for sustainability management, including energy transitions at business partners, in environmental fields such as renewable energy and green buildings, centered on the promotion of sustainable finance.
- We will continue to promote DE&I, strategically develop IT personnel in the area of human capital, and enhance our sustainability promotion system and disclosure.

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

**Focus ▶**

**Contributing to the Formation of a Sustainable Society**

Supporting Cutting-edge Initiatives from the Financial Side



In November 2023, we provided non-recourse project financing for a virtual power purchase agreement (VPPA) for a solar power generation project. The VPPA allows customers to receive the environmental value of renewable electricity generated from a high-voltage solar power plant developed on previously unused land in the Chubu and Shikoku regions.

ORIX Bank has promoted financing for solar power plants in the past, and will continue to support advanced initiatives like VPPAs from a financing perspective that will lead to the expansion of the renewable energy market, thereby contributing to the resolution of social issues such as climate change.





## 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 (Santoku Senpaku, ORIX Maritime)
- Diversified portfolio encompassing owned vessels, financing, and fee businesses

## Growth Strategy: Improve Portfolio Quality and Expand Scale

### Fiscal Year Ended March 2024 in Review

**Aircraft business:** We replaced assets to benefit from the recovery in passenger demand, thus improving portfolio quality and expanding the business.

**Ship business:** We acquired the shares of Santoku Senpaku Co., Ltd., a leading Japanese shipowner, related to its business succession. We diversified ship types owned and expanded into the ship asset management business.

### Aircraft Business

- We will continue to improve the quality of our portfolio and further expand our business while actively replacing assets.
- Utilizing our know-how and high level of expertise, we will expand asset management services for domestic and overseas investors in aircraft.

### Ship Business

- We will move forward with PMI\* for Santoku Senpaku to expand our business domain and improve profitability. We will also seek to identify new M&A opportunities.
- In addition to our three core businesses of owned vessels, financing, and fee businesses, we will expand our business domain by further diversifying our ship types and engaging in comprehensive ship operation and management.

\* Post-merger integration (PMI). Consists of the integration of management (philosophies, strategies, and frameworks), operations (work processes, infrastructure, human resources, organization, and bases), and awareness (corporate culture).

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

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

**Aircraft business:** New fuel-efficient models accounted for 78% of ORIX's portfolio as of March 31, 2024 (64% as of March 31, 2023) and 60% of Avolon's portfolio as of December 31, 2023 (55% as of December 31, 2022; all figures based on book value).

**Ship business:** As part of the acquisition of Santoku Senpaku, we acquired six dual-fuel vessels (state-of-the-art, environmentally low-impact vessels) for LNG and fuel oil on order from the company (delivery scheduled for 2025 to 2027).

### Aircraft Business

- Recognizing the strong social demand for reduced CO<sub>2</sub> emissions in the airline industry, we will provide supplementary support for meeting the emissions reduction targets of airline companies as an operating lease provider. We therefore aim to increase the ratio of new fuel-efficient models in our aircraft portfolio. At Avolon, we aim to achieve 75% new models by 2025.
- We will continue to 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. Along with the sale of older vessels with poor fuel efficiency, we will consider the introduction of next-generation fuel vessels such as LNG dual-fuel vessels and methanol- and ammonia-fueled vessels. We will also discuss and examine biofuel and energy-saving technologies for demonstration tests and trial voyages.
- We will increase sustainability linked loans.

## Focus ▶

## Business Succession of Santoku Senpaku

Diversification of Ship Types and Expansion of Business Domain



In February 2024, ORIX acquired all the shares of Santoku Senpaku. Santoku Senpaku is a shipping company that was established in 1972 and built up by its founding president over a single generation, which owns, manages, and crews ships. It is one of the top-class shipowners in Japan, owning 67 ships of various types, including bulk carriers, car carriers, and container carriers (as of March 31, 2024, of which six are on order), and leasing them to major resource companies and grain companies in Japan and abroad. In addition to training and dispatching crew members and performing ship maintenance and management in-house, the company also undertakes ship management services for ships owned by other companies, thereby operating an international and diversified shipping business.



# ORIX USA

Business ▶ Finance, investment, and asset management in the United States

## Opportunities

- More opportunities to provide financing as banks tighten lending standards
- Growth of assets under management as interest in specialized private credit grows

## Risks

- Extended period of high interest rates and inflation
- Counterparties and clients negatively impacted by macroeconomic environment
- Decreased investment and credit opportunities due to reduced M&A activity

## Strengths

- A broad, integrated private markets platform
- Our teams are known for their long-term client partnership focus and deep industry expertise

## Growth Strategy: Find Opportunities Where We Can Excel Based on Our Strengths and Deep Bench of Expertise

### Fiscal Year Ended March 2024 in Review

We worked to strengthen our risk management, portfolio management, and governance structures, given the uncertain financial and economic outlook in the United States. We remained selective in underwriting deals and making new investments, while growing our asset management platform in anticipation of future growth.

- We will further grow our hybrid asset management businesses across our private credit and real estate platforms, combining balance sheet investments with increased third-party capital.
- Our plan is to continue to strengthen and diversify our business lines with new capabilities and products. For example, Boston Financial, the largest Low-Income Housing Tax Credit (LIHTC) syndicator in the United States, will continue to leverage its expertise in tax credits to develop new products in other sectors.
- In this environment, we will take advantage of credit dislocation and improving market conditions to invest in high-quality assets. We will continue to manage our downside risks in an extended high-interest-rate environment, while being opportunistic and innovative.

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

ORIX Corporation USA (OCU) enhanced its proprietary Sustainability Scorecard\*<sup>1</sup>; assessed and monitored sustainability scores for over 720 investment positions; updated OCU Group's Corporate Sustainability Policy, integrating sustainability considerations in its investment activities as well as business practices; submitted its first private report as a UN PRI signatory; incorporated TCFD-related indicators into periodic internal risk reporting dashboards; successfully conducted an external independent review of its sustainability practices in preparation for future sustainable investment funds; made progress in developing sustainable investment products; and provided training to OCU Group employees and raised awareness.

\*1 The Sustainability Scorecard is influenced by the guidance of the U.S. Sustainability Accounting Standards Board (SASB). OCU assigns a sustainability score for all assets intended to be held on balance sheet.

We believe that investment decisions incorporating sustainability considerations are essential to contributing to society, generating sustainable growth, managing risk, and maintaining the trust and respect of our stakeholders. As we continue to evolve, we aim to:

- Continue to evaluate and monitor sustainability scores and conduct annual reviews;
- Develop a new policy on stewardship and engagement;
- Provide training on climate change to all OCU Group employees; and
- Move forward with the launch of sustainable investment products.

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

## Focus ▶

# Affordable Housing Project

Environmentally Friendly Development



OCU subsidiary Boston Financial was proud to work with Affirmed Housing Group on the development of Vitalia Apartments in San Jose, California, an affordable housing project built with a focus on sustainable energy. The project is GreenPoint Platinum Rated\*<sup>2</sup>, with extensive use of photovoltaic (PV) solar panels and designed to eliminate approximately 14.6 tons of carbon. Vitalia is an all-electric building with energy-efficient appliances and a PV array to offset 50% of total load and a 75% offset of residential load. The project's landscape design prioritizes water-efficient landscaping, low-flow plumbing storm water design to reduce run-off and any run-off will be treated naturally at multiple on-site treatment areas.

\*2 A certification program accredited by Fannie Mae's Green Certification Program, which certifies sustainable and environmentally friendly facilities.





# ORIX Europe

Business ▶ Asset management of global equity and fixed income

## Opportunities

- Expansion of assets under management in line with growth in the asset management market
- Inflow of funds into ESG investing
- Market expansion in the area of alternative investment products

## Risks

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

## 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: Develop into an Asset Management Business with a Presence in Europe, Asia, and North America

### Fiscal Year Ended March 2024 in Review

Assets under management increased year over year due to the recovery of the stock market. Robeco underwent a major sales reorganization and strengthened its sales structure; Boston Partners launched its first ETF with John Hancock, a major U.S. insurance company; and Harbor Capital restructured its business and enhanced its product offering (active ETFs).

- ORIX Europe will promote growth strategies, including M&A, to increase assets under management and develop into an asset management business with a presence in Europe, Asia, and North America.
- While strengthening our distribution base, we aim to establish a business model that cross-sells ORIX's unique alternative products to this base, thereby improving profitability.

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

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

**Robeco:** Our impact investment AUM as of March 31, 2024 was EUR 23.5 billion, an increase of 6% compared to the end of the previous year. In accordance with our Net Zero Roadmap, we reduced our CO<sub>2</sub> emissions from our investment activities by 43.7% as of December 31, 2023 compared to December 31, 2019. In accordance with our Biodiversity Roadmap, we launched a pilot version of a framework for assessing contributions to biodiversity. Finally, we also strengthened our engagement with states and state-owned enterprises.

**Robeco:** We will continue our activities in accordance with our Net Zero Roadmap and Biodiversity Roadmap. In particular, we plan to expand our Biodiversity Framework. We also aim to increase impact investment AUM, as exemplified by our introduction of a range of transition investment funds.

**Transtrend:** Our ambition is to further refine the measuring and reporting of our carbon footprint. We will also monitor the debate on the effectiveness of carbon offsetting initiatives to enhance our offsetting program where possible. Additionally, we will continue our role as a responsible investor, including our engagement activities on issues around market functioning.

**Harbor Capital:** We will continue to apply our proprietary framework to provide various sustainable investing options to our clients.

**Boston Partners:** We will continue to leverage our sustainability and engagement team's expertise to make sustainability-informed investment decisions and advocate for change.

## Focus ▶ Approach to Sustainability

Fiscal Year Ended March 2024 in Review



**Transtrend:** We published our first [Sustainability Report](#) at the end of 2023. Among other topics, the report describes our operational carbon footprint and how it is offset through participating in certified carbon offset projects. It also describes our role as a responsible investor, aiming to contribute to well-functioning markets, and how we engage with exchanges, regulators, and financial industry associations on issues around market functioning.

**Harbor Capital:** We maintain a proprietary framework for rating each of our funds based on the level of integration of ESG factors into its investment strategy. There are five categories, and we have AUM in each category.

**Boston Partners:** Our dedicated sustainability and engagement team provided original ESG research to assist in our investment decisions and also implemented our proxy voting and engagement activities to drive improvement in our investee companies. The team also provided carbon footprint data for each product and shared this information on a quarterly basis with our portfolio managers.



## 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
- High population growth prospects in Australia, India, and Indonesia

### 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: Promote Business Diversification

### Fiscal Year Ended March 2024 in Review

We achieved continued growth in Asia and Australia by selecting quality projects and reducing costs. We implemented a global training program to create new businesses and develop future management personnel.

In Greater China, we reviewed the management structure to improve profitability, and took an inventory of existing investments, prioritizing them to prepare for exits.

- In Asia and Australia, in light of market opportunities and economic conditions, we will promote new investments in Australia and Indonesia as our top priority countries. We will seek investment and credit opportunities in the real estate sector in particular.
- In Greater China, we will focus on identifying new business opportunities in the renewable energy, consumer finance, and infrastructure-related sectors, which have high market potential in China. In existing private equity investments, we will promote capital recycling.

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

## Approach to Sustainability

### Fiscal Year Ended March 2024 in Review

The balance of credit extended to industries with high environmental impact\*<sup>1</sup> by subsidiaries in Malaysia, Indonesia, and Australia decreased on a local currency basis compared to the fiscal year ended March 2020.

In Greater China, we promoted green finance\*<sup>2</sup> at our subsidiary in China. In addition, each portfolio company promoted ESG initiatives.

\*<sup>1</sup> Fossil fuel mining, palm oil plantations, and forestry.

\*<sup>2</sup> Leasing initiatives for solar power generation, electric vehicles, etc.

- 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, and to zero by the fiscal year ending March 2040. To achieve this target, we will continue monitoring the reduction of the balance of credit extended to industries with high environmental impact, closely examining credit recipients and credit amounts.
- Based on the laws and regulations of each country, we will take stock of issues and organize the situation at each local subsidiary with regard to human rights risks, supplier management, and compliance.
- Among local subsidiaries, we will share measures expected to have a positive impact and discuss their feasibility. Measures include electric vehicle conversion, provision of sustainable loans, and provision of products to unbankable customers.
- In Greater China, we will continue to examine methods for measuring GHG emissions of major portfolio companies. In addition, we will encourage investees that have not yet issued ESG reports to do so.

## Focus ▶

## Global Training Program

Deepening Group Understanding and  
Creating New Businesses



The Global Business Group conducted its third Global Training Program in June 2024. This program, which began in January 2023, selects executives from ORIX Group overseas subsidiaries (in Asia and Australia) and provides them with approximately one month of training in Japan. The program offers an opportunity for participants to deepen their understanding of the ORIX Group and to generate and share new business ideas through training at ORIX's specialized departments, such as the Credit Evaluation Department and Investor Relations and Sustainability Department, and Group companies such as ORIX Auto and ORIX Rentec.





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# ESG Data

## Environment

### ▶ ORIX Group’s GHG Emissions

(Unit: Tons CO<sub>2</sub>e)

	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ended March 2023	FY ended March 2024
Scope 1	1,138,566	987,771	1,044,892	981,519	★ 991,233
Scope 2	112,444	151,055	151,980	139,766	★ 137,525
Scope 1 & 2 Total	1,251,010	1,138,826	1,196,872	1,121,285	★ 1,128,757

#### 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))

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

#### Calculation Boundary and Method

##### Calculation Period

From April 1 to March 31 each fiscal year

##### Calculation Boundary

FY ended March 2020: Consolidated ORIX Group companies in Japan (excluding investees in our PE Investment business)  
FY ended March 2021 and FY ended March 2022: Consolidated ORIX Group companies (Japan and overseas, excluding a limited number of overseas offices)  
FY ended March 2023: 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)  
FY ended March 2024: Consolidated ORIX Group companies (Japan and overseas, excluding entities which were consolidated in the last quarter of the fiscal year)

##### Target Activities

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

##### Calculation Method

- GHG emissions (converted to CO<sub>2</sub>) are calculated based on the GHG Protocol and Japan's "Ministerial Ordinance Concerning Calculation of Greenhouse Gas Emissions Associated with Business Activities of Specified Emitters" (calculated based on ORIX Group's GHG calculation guidelines).
- GHG emissions, including CO<sub>2</sub> from non-energy sources, methane (CH<sub>4</sub>), and dinitrogen monoxide (N<sub>2</sub>O), are calculated based on ORIX Group rules concerning the management of environmental information.
- Includes emissions from some domestic rental assets over which we have energy management authority under Japan's Act on Rationalizing Energy Use and Shift to Non-fossil Energy.
- In principle, we use the emissions factors under Japan's Mandatory Greenhouse Gas Accounting and Reporting System before the 2024 amendment.
- 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 the fiscal year ended March 2024, the adjusted emission factors published by the Ministry of the Environment in December 2023 for each electricity provider are used. For emissions factors related to electricity consumption at overseas offices, electricity provider-specific emission factors are used when available, and otherwise the International Energy Agency's CO<sub>2</sub> 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 2024 were 6 thousand t-CO<sub>2</sub>e.
- Some calculations use estimated values.

##### [Notes]

- Change in emissions factors: Beginning from the 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 2024 were 796 thousand t-CO<sub>2</sub>e.

#### Third-Party Assurance

- ◆ Since the fiscal year ended March 2017, we have continuously received independent assurance for our GHG emissions (Scope 1 and Scope 2) disclosure.
- ◆ For the fiscal year ended March 2024, KPMG AZSA Sustainability Co., Ltd. has provided independent assurance for our GHG emissions (Scope 1 and Scope 2). (★: 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, 2023 to March 31, 2024 included in its Integrated Report 2024 (the "Report") for the fiscal year ended March 31, 2024.

#### 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 Agatsuma Bio Power Co., Ltd and Soma 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/ Takeru Yamada  
Takeru Yamada, Partner  
KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
September 24, 2024

Notes to the Reader of Independent Assurance Report:

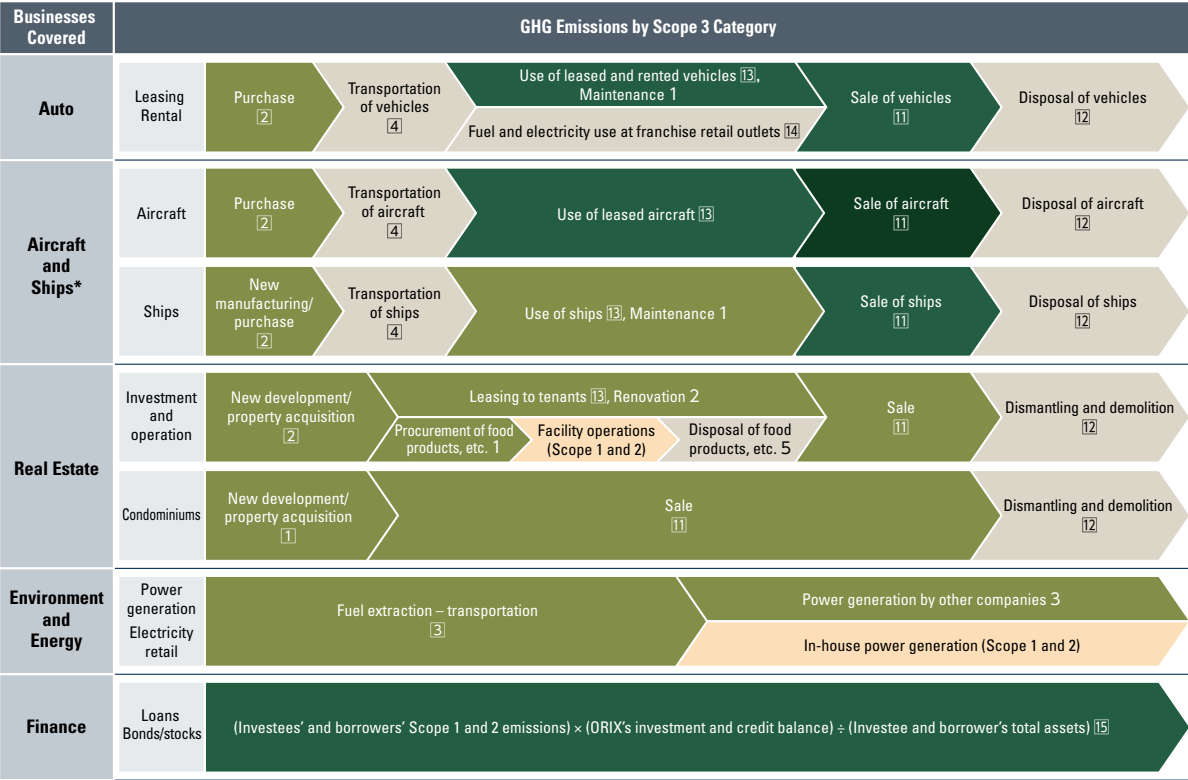
This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.



ESG Data

► Scope 3 (Value Chain GHG Emissions) and ORIX’s Businesses (FY Ended March 2024)

ORIX’s Scope 3 emissions from customers using leased properties (Category 13) and from investments (Category 15) are relatively large and therefore material categories. For example, we calculate Category 13 emissions for the Auto business unit based on estimates of customer fuel consumption using data from AMS fuel cards. In addition, we calculate emissions from secondary use after the sale of a property (Category 11) in aggregate based on the estimated emissions from time of sale to end of life, so we necessarily base our calculations on multiple assumptions, such as the period of use of the property and energy consumption. Category 11 emissions for the aircraft business increased year over year in the fiscal year ended March 2024, which was due to increased aircraft sales activities compared with the previous fiscal year.



Notes to table  
(Note 1) Emissions: Less than 10,000 tons 10,000 to 500,000 tons 500,000 to 5,000,000 tons 5,000,000 to 10,000,000 tons  
(Note 2) Calculation period: Emissions from business activities for the fiscal year ended March 2024 are estimated in accordance with the GHG Protocol.  
(Note 3) Numbers in the table indicate Scope 3 categories.  
\* Santoku Senpaku, which was acquired in the fiscal year ended March 2024, has been excluded from the scope of calculations.

Emissions for categories other than those listed to the left are as follows. (Unit: Thousand tons CO<sub>2</sub>e)

	FY ended March 2023	FY ended March 2024
Category 6 (Business travel)	39	49
Category 7 (Employee commuting)	4	5

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

Note: Categories 2, 3, 6, 7, 11, 13, and 15 of Scope 3 emissions for the fiscal year ended March 2024, have received third-party assurance from LRQA Limited. See [here](#) for the third-party assurance letter from LRQA Limited.

► CO<sub>2</sub> Avoided Emissions through the Renewable Energy Business (Unit: Thousand tons CO<sub>2</sub>e)

	FY ended March 2022	FY ended March 2023	FY ended March 2024
Wind Power Generation	1,670	2,155	2,336
Solar Power Generation	1,297	1,425	1,553
Geothermal Power Generation	640	477	285
Hydropower Generation	428	406	327
Biomass Power Generation	254	198	259
Total	4,289	4,661	4,761

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

► ORIX Corporation Water Usage and Waste Disposal Volume

Water Usage (Unit: Thousand m<sup>3</sup>)

	FY ended March 2022	FY ended March 2023	FY ended March 2024
Water withdrawal	249	273	282
Rainwater	2	2	2
Water discharge	248	272	280

Waste Disposal Volume

	FY ended March 2022	FY ended March 2023	FY ended March 2024
Disposal volume	661 tons	302 tons	353 tons

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



Information Disclosure Based on TCFD Recommendations / Strategy and Scenario Analysis

**Environment and Energy Business:** We expect the 4°C scenario to reduce sales and incur recovery costs due to flood damage at power plants. Meanwhile, we expect the 1.5°C scenario to increase business opportunities from the expansion of the renewable energy market, although there is substantial risk of an accelerated move away from our coal-fired power plant assets and higher costs from the introduction of carbon pricing.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency	<b>Acute</b> Landslides, floods, and storm surges increase	<b>Risk</b> Landslide and flood damage to operating facilities such as power plants	<b>Coal-biomass co-fired power plants and solar power plants</b> Repair costs and loss of power sales opportunities	ORIX, in principle, does not develop power generation facilities in areas where there is a risk of landslides. Thus, while ORIX could incur some risk as a result of expansion in the hazard map area following development, we believe the risk is minimal as solar power plants located in hazard map-specified areas account for less than 1% of generating capacity for ground-mount and less than 2% for roof-mount types. Meanwhile, while some power generation plants may be at risk from floods and storm surges, this can be mitigated through (1) estimating flood risk and locating facilities at an adequate elevation, and (2) both quickly restoring service following damage and shoring up construction through reinforcement and other measures.
		<b>Chronic</b> Temperature increases	<b>Risk</b> Decrease in power generation efficiency due to higher temperatures	<b>Solar power plants</b> Lower sales due to reduced power generation	Degradation of generation efficiency per 1.0°C increase in temperature is only about 0.3%-0.5%, so only minor impact foreseen
1.5°C Scenario	More stringent environmental regulations in Japan and internationally to decarbonize society	More stringent government policies to reduce coal use	<b>Risk</b> Accelerated move away from coal-fired power generation	<b>Coal-biomass co-fired power plants</b> Incur costs for closure or facility renovation due to fuel conversion	ORIX is considering fuel conversion; such measures and other issues may incur commensurate costs
		Introduction of carbon pricing	<b>Risk</b> Higher costs due to carbon pricing	<b>Coal-biomass co-fired power plants, waste processing facilities, and final disposal sites</b> Rising costs	Impact depends on ability to pass on higher costs into the selling price
	Corporations increasingly invest in and adopt renewable energy in response to investor and consumer pressure	Expansion of the renewable energy market and renewable power generation	<b>Opportunity</b> Increased business prospects resulting from the expansion of the renewable energy market	Expansion of renewable energy business (PPA*1, biogas, geothermal, and wind power generation, storage batteries, etc.)	—
			<b>Risk</b> Increased output constraints*2 resulting from system capacity limitations	<b>Solar power plants</b> Reduced revenue from electric power sales due to output constraints*2	Online power control*2 can mitigate impact on daily output suppression to a certain extent compared to manual control
			<b>Risk</b> Increased use of inherently unstable renewable power generation could result in temporary tighter supply and demand	<b>Electric power retailing</b> Unstable wholesale market prices  <b>Electric power retailing</b> Price competitiveness of ORIX-owned coal-biomass co-fired power plants lower owing to surge in fuel prices	Flexible operations utilizing ORIX-owned coal-biomass co-fired power plants can mitigate impact to a certain extent  Impact depends on ability to pass on higher costs into the selling price

\*1 PPA (Power Purchase Agreement): A third-party service delivery model in which ORIX installs solar power generation infrastructure and storage batteries in facilities such as stores owned by customers, and supplies the power generated by the facilities to those customers.

\*2 Electric power companies temporarily restrict the connection from the power generation facility to the power grid to avoid oversupply when power demand is low. Power sales are suspended or partially restricted during controlled output suppression.

Elawan Energy's Sustainability Report discloses risks and opportunities associated with climate change. Please see [here](#) for details.  
The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.





## Information Disclosure Based on TCFD Recommendations / Strategy and Scenario Analysis

**Real Estate Business:** We expect the 4°C scenario to expose some inns and hotels to flooding risk. Meanwhile, although costs may increase as a result of carbon pricing, we expect the 1.5°C scenario to increase the value of energy-efficient real estate.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency	Acute Flooding increases	Risk Flood damage to operating facilities	Inn and hotel operation Repair costs and loss of sales opportunities	Business continuity planning (BCP) can mitigate impact by minimizing damage
		Chronic Temperature increases	Risk Increased demand for air conditioning at operating facilities	Inn and hotel operation, and real estate investment and development Increased air conditioning costs	Minor impact due to renovation with highly efficient air conditioning and rent increases
			Risk Longer construction periods due to work interruptions resulting from intense heat on a larger number of days	Condominiums, and real estate investment and development Higher construction costs due to longer construction periods	Minor impact due to the use of low-heat concrete that can be poured on days of intense heat
1.5°C Scenario	More stringent environmental regulations in Japan and internationally to decarbonize society	Introduction of carbon pricing	Risk Increased fuel costs due to carbon pricing	Condominiums, and real estate investment and development Higher construction material costs	Minor impact due to higher sales prices and rent
				Inn and hotel operation Higher utility costs	Minor impact due to replacement with highly efficient air conditioning equipment during renovation
	Demand for environmentally responsible real estate will increase, and companies will respond accordingly	Increased demand for energy- and CO <sub>2</sub> -efficient real estate	Opportunity The value of real estate certified as energy-efficient and decarbonized housing will increase	Condominiums, and real estate investment and development Increased unit rent, higher sales prices, and increased property sales	Develop environmentally certified properties and make other investments to decarbonize

**Auto Business:** We expect the 4°C scenario to increase earnings by increasing disaster recovery demand. Meanwhile, we expect a limited impact from the 1.5°C scenario, although our conventional businesses are exposed to the risk of contraction due to the growing popularity of electric vehicles. We expect the rental car and car sharing businesses to present opportunities for expansion.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency	Acute Flooding increases	Risk Damage to ORIX offices	Damage to large auction venues; water damage to vehicles owned by ORIX	Minor impact because auction venues are decentralized
			Opportunity Disaster recovery demand	Higher earnings due to increased demand for vehicles resulting from reconstruction	Meet supply obligations by ensuring sufficient inventory
1.5°C Scenario	More stringent environmental regulations and government policies in Japan and internationally to decarbonize society	Electric vehicle adoption accelerates	Risk Reduced opportunities for maintenance and fueling due to the popularity of electric vehicles	Reduced maintenance revenue and AMS Card* demand	Adding an electric vehicle charging function to the existing AMS Card will largely mitigate impact
			Risk Falling prices for pre-owned gasoline vehicles	Reduced auto sales revenue	Specifying appropriate residual values will largely mitigate impact
			Opportunity New business opportunities, such as charging infrastructure, renewable energy supply, use of batteries for storage	Increase in earnings opportunities	—
	Consumer preferences change due to heightened environmental awareness	Accelerated shift away from ownership-based vehicle usage	Opportunity Increased demand for car rentals and sharing	Expansion of the car rental and sharing businesses due to the rise of the sharing economy	—

\* A fuel card that offers the same price at ENEOS, COSMO, and apollostation service stations.

The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.



Information Disclosure Based on TCFD Recommendations / Strategy and Scenario Analysis

**Aircraft Business:** We expect the 4°C scenario to have an impact on leased aircraft due to weather-related disasters, although the impact is expected to be limited. Meanwhile, although customer costs are expected to increase due to factors such as carbon pricing in the 1.5°C scenario, the impact is expected to be minor. Demand for high-efficiency aircraft is likely to increase.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		<b>Risk</b> Aircraft damage from weather disasters	Customer repair costs and loss of sales opportunities	Aircraft can be moved, so the risk of damage is limited
1.5°C Scenario	More stringent environmental regulations in Japan and internationally to decarbonize society	Full-scale introduction of carbon pricing and increased use of SAF*1	<b>Risk</b> Increased fuel costs due to carbon pricing/SAF	Increased customer fuel costs	Minimal impact on customers because impact of higher fuel costs can mostly be added on to passenger fares
			<b>Opportunity</b> Increased demand for SAF	Expansion of new business	—

**Ships Business:** We expect the 4°C scenario to have an impact on ships due to weather-related disasters, although the impact is expected to be minor. Also, construction costs are anticipated to increase in the 1.5°C scenario due to stricter environmental regulations, but the impact is expected to be limited.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		<b>Risk</b> Increase in ships damaged by weather disasters	Increased repair costs and loss of opportunities for charter fees	Minor impact because it is expected to remain within the range of market price fluctuations
1.5°C Scenario	More stringent environmental regulations in Japan and internationally to decarbonize society		<b>Risk</b> Owned ships become obsolete	Risk of lower asset values	Replacing owned vessels with more environmentally friendly ships
			<b>Risk</b> Rise in ship purchase price to comply with regulations	Increased construction costs	Limited impact as it can be passed onto charter fees
	Heightened environmental awareness among shippers and charterers		<b>Opportunity</b> Increased demand for ships compatible with new fuels*2	Expansion of investment opportunities	—

\*1 SAF: Sustainable Aviation Fuel. Aviation fuel that does not use fossil-derived raw materials and has a lower environmental impact than conventional aviation fuel.  
\*2 New fuels: Ships are being converted to environmentally friendly LNG-fueled ships and zero-emission ships that use green methanol, ammonia, hydrogen, and other fuels. Zero-emission ships have not yet been put into commercial use.

The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.



Information Disclosure Based on TCFD Recommendations / Strategy and Scenario Analysis

**Finance Business (Japan/United States/Asia and Australia):** We expect the 4°C scenario to expose properties used as collateral, customer offices, and others to risk of damage due to weather-related disasters, but the impact is expected to be minor. Although customer costs are anticipated to increase in the 1.5°C scenario due to factors such as carbon pricing, the impact is expected to be minor.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		<b>Risk</b> Damage to real estate used as collateral and assets owned by the Group (offices, leased assets, etc.)	Increased credit costs due to damage to real estate used as collateral and owned assets	As a result of trial calculations, the anticipated amount of losses to real estate with disaster risk used as collateral and the anticipated amount of damage to customers are minor, and the increase in credit costs is negligible
			<b>Risk</b> Damage to customers' offices	Increased credit costs due to business suspension of customers and increased repair costs	
			<b>Risk</b> Damage to ORIX offices	Repair costs, opportunity loss for sale	Impact can be mitigated by creating business continuity planning (BCP) policies in order to minimize damage, other measures
1.5°C Scenario	More stringent environmental regulations in Japan and internationally to decarbonize society	Introduction of carbon pricing and shift to environmentally friendly products and services	<b>Risk</b> Increased customer operating costs due to carbon pricing	Increased credit costs due to deterioration in customer performance	Investing in and lending to carbon related industries are limited, and the impact is minor
			<b>Opportunity</b> Expanded investing and lending opportunities for renewable energy businesses	Increase in new investing and lending transactions	—

ORIX Bank discloses measures to address TCFD in its Securities Report for the FY ended March 2024.

**Life Insurance Business:** We expect the 4°C scenario to reduce the corporate value of investees and borrowers that are vulnerable to natural disasters, but the impact is expected to be minor. We will survey the impact and assess the risk that climate change may have, such as higher insurance payouts and premiums as a result of worsening health impairment, higher death rates, and deteriorating morbidity rates. As the corporate value of investees and borrowers with high GHG emissions is expected to decline in the 1.5°C scenario, we will promote reductions in Scope 3 (emissions from investees and borrowers).

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		<b>Risk</b> Decline in corporate value of investees and borrowers vulnerable to natural disasters	Loss of investment income	Investees and borrowers are diversified, so the impact is minor
1.5°C Scenario	More stringent environmental regulations in Japan and internationally to decarbonize society	Introduction of carbon pricing and shift to environmentally friendly products and services	<b>Risk</b> Decline in corporate value of investees and borrowers with high GHG emissions	Loss of investment income	Promote reduction of Scope 3 (emissions from investees and borrowers) • Promote investing in and lending to businesses and companies that contribute to the transition to a decarbonized society • Engagement with existing investees and borrowers, and replacement of investees and borrowers
			<b>Opportunity</b> Expanded investing and lending opportunities for renewable energy businesses	Expansion of investment income	

The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.



ESG Data

Social

Employee Composition (ORIX Group Consolidated)

		2020	2021	2022	2023	2024
Number of employees		31,233	33,153	32,235	34,737	33,807
By region	Japan	23,458	25,718	24,738	27,021	25,915
	Outside Japan*1	7,775	7,435	7,497	7,716	7,892
By gender	Male	19,630	20,876	20,330	21,352	20,707
	Female	11,603	12,277	11,905	13,385	13,100
Average number of temporary staff		19,816	19,194	19,024	19,623	19,678

Data Concerning Employees\*2 (ORIX Corporation\*3)

Average age	Overall	43.4	43.8	44.2	44.5	44.5
	Male	44.9	45.2	45.4	45.4	45.2
	Female	41.3	41.9	42.7	43.3	43.5
Average years of service	Overall	16.1	17.3	17.8	18.1	18.0
	Male	16.3	17.6	17.9	17.8	17.5
	Female	15.8	17.0	17.7	18.3	18.5
Turnover rate*4	Overall	4.1	3.3	4.6	5.2	4.8
	Male	5.2	4.4	6.6	7.1	6.7
	Female	2.7	1.9	2.1	2.7	2.5
Percentage of female employees		42.9	43.3	44.0	44.2	44.6
Percentage of mid-career employees		40.3	40.1	39.8	40.3	41.0
Percentage of foreign national employees		2.0	2.0	1.9	1.9	2.0

Working Hours and Leave Taken (ORIX Corporation)

Annual paid leave taken	Days taken	15.1	13.3	14.1	14.9	15.1
	Percentage taken	80.6	71.3	75.0	79.7	81.9
Average monthly working hours		150.8	156.4	157.4	157.3	156.7
Average monthly non-statutory working hours		3.6	6.0	6.1	5.8	5.2

Compensation (ORIX Corporation)

Average annual salary (JPY)	8,711,932	8,583,327	8,852,516	9,100,288	9,203,700
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Pay Gap between Men and Women\*5 (Ratio of Women’s Wages to Men’s) (ORIX Corporation) (FY ended March 2024)

All employees	Of full-time employees	Of fixed-term and part-time employees
62.2%	61.7%	68.8%

Training (ORIX Corporation)

Annual total training hours	30,931	42,022	45,548	86,429	135,998
Annual average training hours per employee	8.3	11.3	12.5	24.0	37.6
Annual average training cost per employee (JPY)	90,810	55,520	67,285	98,646	112,825

\*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): 2,929 employees, or 8% of consolidated group employees, as of the end of March 2024.

\*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 nine Group companies in Japan (10 Group companies until the fiscal year ended March 2023).

Female Managers\*6 (ORIX Corporation)

		2020	2021	2022	2023	2024
Female managers	Number of persons	451	474	512	529	554
	Percentage	25.3	26.2	28.6	29.8	31.7
Percentage of newly appointed female managers		35.3	35.3	54.2	50.0	61.2

Childbirth and Childcare (ORIX Corporation)

Working mothers	Number of persons	637	723	749	767	775
	Percentage*7	40.2	45.1	46.8	48.2	48.0
Female employees who took childcare leave*8	Number of persons	53	60	59	61	46
	Percentage	110.4	92.3	111.3	107.0	109.5
Male employees who took childcare leave or special childcare paid time off*9	Number of persons	49	54	52	61	51
	Percentage	63.6	76.0	83.8	91.0	96.2
Percentage of employees returning after childcare leave*10	Male	—	100.0	100.0	100.0	100.0
	Female	92.3	97.0	94.4	97.0	98.1
Retention rate after return*11	Male	100.0	—	100.0	83.3	88.8
	Female	97.2	96.6	100.0	100.0	98.4

Nursing Care (ORIX Corporation)

Number of employees who took nursing care paid time off	Male	25	14	14	17	29
	Female	47	35	40	45	59
Number of employees who took nursing care leave	Male	0	0	0	0	0
	Female	1	1	1	0	3

Recruiting (ORIX Corporation)

Total number of employees recruited		127	127	101	147	205
New graduates	Male	42	35	21	30	30
	Female	31	33	19	14	42
Mid-career employees	Male	40	47	51	84	105
	Female	14	12	10	19	28
Percentage of female recruits		35.4	35.4	28.7	22.4	34.1
Percentage of mid-career employees		42.5	46.4	60.3	70.0	64.8

Health and Safety (ORIX Corporation)

Percentage of employees who went through stress checks	87.7	88.7	89.1	91.8	93.0
Percentage of employees with high stress in stress checks	9.1	6.0	7.9	7.9	7.7
Number of occupational accidents	3	1	2	3	2
Number of fatal accidents	0	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 2024) The number of employees who took special paid leave days between April 2023 and March 31, 2024.

\*10 Percentage of employees returning after childcare leave: (For the fiscal year ended March 2024) The percentage of employees who returned to work among employees who reached the end of childcare leave in the fiscal year ended March 2024.

\*11 Retention rate after return: (For the fiscal year ended March 2024) Percentage of employees still working as of March 2024 to the number of employees who returned to work during the fiscal year ended March 2023.





ESG Data

Governance

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

	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ended March 2023	FY ended March 2024
Number of Board of Directors meetings held	9	8	9	8	8
Board of Directors meeting attendance rate	96%	100%	99%	100%	100%
Number of directors	12	12	11	11	11
Of which, number of outside directors	6	6	6	6	6
Ratio of outside directors	50.0%	50.0%	54.5%	54.5%	54.5%
Of which, number of female directors	2	2	2	2	2
Ratio of female directors	16.6%	16.6%	18.1%	18.1%	18.1%

Number of Meetings Held and Attendance Rates of Committees

	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ended March 2023	FY ended March 2024
Number of Nominating Committee meetings held	5	5	7	6	7
Nominating Committee attendance rate	95%	100%	100%	100%	100%
Number of Audit Committee meetings held	8	11	12	14	14
Audit Committee attendance rate	96%	97%	97%	98%	100%
Number of Compensation Committee meetings held	6	4	4	4	5
Compensation Committee attendance rate	100%	100%	100%	100%	100%

Amount of Tax Paid by Country

FY ended March 2023			FY ended March 2024		
Country	Amount of tax paid (Millions of yen)	Percentage by country	Country	Amount of tax paid (Millions of yen)	Percentage by country
Japan	162,667	86.9%	United States	17,277	492.7%
United States	7,294	3.9%	Spain	4,443	126.7%
Netherlands	2,549	1.4%	Netherlands	1,839	52.5%
Switzerland	2,013	1.1%	Malaysia	1,396	39.8%
Others	12,723	6.8%	Others	-21,449	-611.6%
Total	187,246	100.0%	Total	3,507	100.0%

Note: The amount of tax paid is based on reports by country submitted to the tax authorities.  
In the fiscal year ended March 2024, ORIX received a refund of taxes paid in past fiscal years.

Inclusion in ESG Indices

As of March 2024, 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 DiversityTilt Index

See the following pages for other data.

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

- ▶ Page 62 Number of Meetings Attended and Attendance Rate for the Board of Directors and Committee Meetings in FY Ended March 2024 (by Director)
- ▶ Page 64 ORIX Shares Held (As of the Date of Submission of the Securities Report for the FY Ended March 2024)
- ▶ Page 64 Compensation for Directors, Executive Officers, and Group Executives (FY Ended March 2024)



# Eleven-Year Summary of Consolidated Financial Data

Years ended March 31, 2014 through 2024

(Millions of yen)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Financial Position:</b>											
Net Investment in Leases	¥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	¥ 1,155,023
Installment Loans	2,315,555	2,478,054	2,592,233	2,815,706	2,823,769	3,277,670	3,779,697	3,705,660	3,899,503	3,905,026	3,958,814
Investment in Operating Leases	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	1,868,574
Investment in Securities	1,214,452	2,846,257	2,344,792	2,026,512	1,729,455	1,928,916	2,186,896	2,578,023	2,761,698	2,852,378	3,263,079
Property under Facility Operations	295,863	278,100	327,016	398,936	434,786	441,632	562,485	491,855	561,846	620,994	689,573
Total Assets	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	16,322,100
Short-term Debt, Long-term Debt and Deposits	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	8,446,306
Long- and Short-term Debt	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	6,200,471
Debt/Equity Ratio											
Short-term Debt, Long-term Debt and Deposits/Shareholders' Equity (Times)	2.8	2.7	2.5	2.3	2.2	2.2	2.3	2.3	2.2	2.2	2.1
Short-term Debt and Long-term Debt/Shareholders' Equity (Times)	2.2	2.1	1.9	1.7	1.5	1.6	1.5	1.6	1.5	1.6	1.6
Share of Long-term Debt (%)	93	94	92	93	93	93	93	93	91	91	91
ORIX Corporation Shareholders' Equity	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	3,941,466
Shareholders' Equity Ratio (%)	21.2	18.8	21.0	22.3	23.5	23.8	22.9	22.3	23.1	23.2	24.1
<b>Revenues and Expenses:</b>											
Total Revenues	¥1,375,292	¥ 2,174,283	¥ 2,369,202	¥ 2,678,659	¥ 2,862,771	¥ 2,434,864	¥ 2,283,000	¥ 2,292,357	¥ 2,508,043	¥ 2,663,659	¥ 2,814,361
Total Expenses	1,172,244	1,917,454	2,081,461	2,349,435	2,526,576	2,105,426	2,010,648	2,033,884	2,215,160	2,327,736	2,453,648
Provision for Doubtful Receivables and Probable Loan Losses	13,838	11,631	11,717	22,667	17,265	22,525	24,425	—	—	—	—
Provision for Credit Losses	—	—	—	—	—	—	—	16,275	5,388	8,117	20,968
Income before Income Taxes and Discontinued Operations	286,339	344,017	391,302	424,965	435,501	395,730	412,561	287,561	509,447	392,178	469,975
Net Income Attributable to ORIX Corporation Shareholders	187,364	234,948	260,169	273,239	313,135	323,745	302,700	192,384	317,376	290,340	346,132
ROA (%)	2.14	2.29	2.32	2.46	2.76	2.74	2.40	1.44	2.28	1.96	2.19
ROE (%)	10.5	11.5	11.7	11.3	12.1	11.6	10.3	6.4	10.0	8.5	9.2
<b>Per Share Data (Yen):</b>											
Net Income Attributable to ORIX Corporation Shareholders:											
Basic Earnings per Share	¥ 147.75	¥ 179.47	¥ 198.73	¥ 208.88	¥ 244.40	¥ 252.92	¥ 237.38	¥ 155.54	¥ 263.72	¥ 245.98	¥ 298.55
Diluted Earnings per Share	143.20	179.21	198.52	208.68	244.15	252.70	237.17	155.39	263.42	245.65	298.05
ORIX Corporation Shareholders' Equity per Share	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	3,422.94
Cash Dividends	23.00	36.00	45.75	52.25	66.00	76.00	76.00	78.00	85.60	85.60	98.60
<b>Segment:</b>											
Segment Profits	¥ 322,619	¥ 337,543	¥ 403,437	¥ 447,308	¥ 462,809	¥ 438,298	¥ 458,059	¥ 331,497	¥ 555,851	¥ 448,510	¥ 561,521
Segment Assets	8,968,734	11,131,987	10,782,609	11,015,440	11,161,820	11,752,421	13,058,664	13,307,279	14,058,463	14,703,812	16,022,129
Return on Segment Assets (ROA) (%)	2.34	2.34	2.37	2.51	2.82	2.83	2.44	1.46	2.32	2.02	2.25
Number of Employees	25,977	31,035	33,333	34,835	31,890	32,411	31,233	33,153	32,235	34,737	33,807

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 fiscal year ended March 2024, 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.

16. From the fiscal year ended March 2024, the presentation of equity method investment has been changed. The presentation has been retrospectively reclassified from the fiscal year ended March 2020 to reflect this change.

17. From the fiscal year ending March 2025, the interest expenses allocation method for each segment was partially changed. Segment profits for prior fiscal years have been retrospectively reclassified to reflect this change.

18. From the fiscal year ending March 2025, the scope of segment assets was changed to include cash and cash equivalents, trade notes, accounts and other receivables. Segment assets for prior fiscal years have been retrospectively reclassified to reflect this change.



# Consolidated Balance Sheets

As of March 31, 2022, 2023 and 2024

		(Millions of yen)		
		2022	2023	2024
<b>ASSETS</b>				
Cash and Cash Equivalents		¥ 954,827	¥ 1,231,860	¥ 1,032,810
Restricted Cash		136,985	135,048	152,497
Net Investment in Leases		1,057,973	1,087,563	1,155,023
Installment Loans	The amounts which are measured at fair value by electing the fair value option are as follows: March 31, 2022: ¥151,061 million March 31, 2023: ¥197,041 million March 31, 2024: ¥129,959 million	3,899,503	3,905,026	3,958,814
Allowance for Credit Losses		(71,415)	(65,373)	(58,110)
Investment in Operating Leases		1,463,202	1,537,178	1,868,574
Investment in Securities	The amounts which are measured at fair value by electing the fair value option are as follows: March 31, 2022: ¥19,353 million March 31, 2023: ¥25,386 million March 31, 2024: ¥35,696 million	2,761,698	2,852,378	3,263,079
Property under Facility Operations		561,846	620,994	689,573
Equity Method Investments		1,033,741	1,062,410	1,313,887
Trade Notes, Accounts and Other Receivable		359,949	441,803	401,368
Inventories		139,563	169,021	227,359
Office Facilities		240,421	253,649	248,458
Other Assets	The amounts which are measured at fair value by electing the fair value option are as follows: March 31, 2022: ¥5,214 million March 31, 2023: ¥4,676 million March 31, 2024: ¥2,786 million	1,742,391	2,057,828	2,068,768
Total Assets		¥14,280,684	¥15,289,385	¥16,322,100

		(Millions of yen)		
		2022	2023	2024
<b>LIABILITIES</b>				
Short-term Debt		¥ 439,639	¥ 508,796	¥ 574,095
Deposits		2,276,158	2,246,345	2,245,835
Trade Notes, Accounts and Other Payable		291,422	366,851	362,504
Policy Liabilities and Policy Account Balances	The amounts which are measured at fair value by electing the fair value option are as follows: March 31, 2023: ¥163,734 million March 31, 2024: ¥167,207 million	1,912,698	1,832,057	1,892,510
Income Taxes:				
Current		115,340	25,199	65,534
Deferred		346,001	429,063	505,190
Long-term Debt		4,427,046	5,209,723	5,626,376
Other Liabilities		1,040,202	1,056,084	1,025,446
Total Liabilities		10,866,506	11,674,118	12,297,490
Redeemable Noncontrolling Interests		—	945	2,645
Commitments and Contingent Liabilities				
<b>EQUITY</b>				
Common Stock:		221,111	221,111	221,111
Authorized Issued	2,590,000,000 shares March 31, 2022 1,258,277,087 shares March 31, 2023 1,234,849,342 shares March 31, 2024 1,214,961,054 shares			
Additional Paid-in Capital		260,479	233,169	233,457
Retained Earnings		2,914,558	3,054,448	3,259,730
Accumulated Other Comprehensive Income (Loss):				
Net unrealized gains on investment in securities		(72,892)	(183,034)	(250,806)
Impact of changes in policy liability discount rate		37,536	164,516	257,785
Debt valuation adjustments		221	275	84
Defined benefit pension plans		(8,072)	(3,617)	9,670
Foreign currency translation adjustments		61,914	155,912	324,208
Net unrealized losses on derivative instruments		2,788	22,083	16,207
Sub-Total		21,495	156,135	357,148
Treasury Stock, at Cost:		(113,447)	(121,256)	(129,980)
March 31, 2022	64,877,309 shares			
March 31, 2023	64,543,473 shares			
March 31, 2024	63,475,848 shares			
ORIX Corporation Shareholders' Equity		3,304,196	3,543,607	3,941,466
Noncontrolling Interests		109,982	70,715	80,499
Total Equity		3,414,178	3,614,322	4,021,965
Total Liabilities and Equity		¥14,280,684	¥15,289,385	16,322,100

Notes: 1. The Company's shares held through the Board Incentive Plan Trust (1,963,282 shares as of March 31, 2022, 2,800,866 shares as of March 31, 2023, and 2,727,686 shares as of March 31, 2024) are included in the number of treasury shares as of March 31, 2022, 2023, and 2024, respectively.  
2. From the first quarter of the fiscal year ended March 2024, 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.  
3. From the fiscal year ended March 2024, the presentation of equity method investment has been changed. The presentation for prior fiscal years has been retrospectively reclassified to reflect this change.



# Consolidated Statements of Income

For the years ended March 31, 2022, 2023 and 2024

	2022	2023	2024
(Millions of yen)			
<b>Revenues:</b>			
Finance revenues	¥ 281,701	¥ 319,478	¥ 348,001
Gains on investment securities and dividends	42,076	27,850	33,023
Operating leases	450,454	499,541	535,490
Life insurance premiums and related investment income	481,810	494,070	558,923
Sales of goods and real estate	435,398	392,569	373,914
Services income	816,604	930,151	965,010
Total revenues	2,508,043	2,663,659	2,814,361
<b>Expenses:</b>			
Interest expense	68,232	127,618	188,328
Costs of operating leases	322,070	336,987	356,760
Life insurance costs	363,569	373,906	433,863
Costs of goods and real estate sold	381,119	333,009	268,627
Services expense	495,110	571,127	560,101
Other (income) and expense	20,494	14,445	(4,671)
Selling, general and administrative expenses	522,782	559,406	627,633
Provision for credit losses	5,388	8,117	20,968
Write-downs of long-lived assets	35,666	2,297	1,724
Write-downs of securities	730	824	315
Total expenses	2,215,160	2,327,736	2,453,648
Operating Income	292,883	335,923	360,713
Equity in Net Income of Affiliates	24,565	22,081	36,774
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	191,999	33,000	72,488
Bargain Purchase Gain	—	1,174	—
<b>Income before Income Taxes</b>	509,447	392,178	469,975
Provision for Income Taxes	186,594	95,245	131,388
Net Income	322,853	296,933	338,587
Net Income Attributable to the Noncontrolling Interests	5,477	6,561	(7,682)
Net Income Attributable to the Redeemable Noncontrolling Interests	—	32	137
<b>Net Income Attributable to ORIX Corporation Shareholders</b>	¥ 317,376	¥ 290,340	346,132

Notes: 1. From the fiscal year ended March 2024, 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.  
2. From the fiscal year ended March 2024, the presentation of equity method investment has been changed. The statements of income for prior fiscal years have been retrospectively reclassified to reflect this change.

# Consolidated Statements of Comprehensive Income

For the years ended March 31, 2022, 2023 and 2024

	2022	2023	2024
(Millions of yen)			
Net Income	¥322,853	¥296,933	¥338,587
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	(56,684)	(110,166)	(67,762)
Impact of changes in policy liability discount rate	62,177	126,980	93,269
Net change of debt valuation adjustments	(337)	54	(191)
Net change of defined benefit pension plans	13,002	4,448	13,293
Net change of foreign currency translation adjustments	105,693	94,707	173,304
Net change of unrealized gains (losses) on derivative instruments	15,070	19,670	(5,875)
Total other comprehensive income (loss)	138,921	135,693	206,038
Comprehensive Income	461,774	432,626	544,625
Comprehensive Income Attributable to the Noncontrolling Interests	12,137	12,059	(3,035)
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	—	(17)	350
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥449,637	¥420,584	547,310

Notes: 1. From the fiscal year ended March 2024, 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.  
2. The LDTI standard has been applied since April 1, 2023, with the transition date of April 1, 2021, using the modified retrospective transition approach.





# Breakdown of Assets and Revenues by Segment

(Fiscal year ended March 2024)

(Millions of yen)

	Corporate Financial Services and Maintenance Leasing		Real Estate		PE Investment and Concession		Environment and Energy		Insurance	
Main Components of Segment Assets		1,777,320		1,110,087		1,066,647		976,434		2,921,927
Net Investment in Leases	Corporate leasing, sales finance, and auto leasing	567,735	Real estate leasing	51,978	—	1,238	Leasing of energy-saving equipment	3,104	—	—
Installment Loans	Corporate loans, loans purchased under loan servicing unit	346,840	—	52	Loans to investees	115,629	—	2,255	—	11,792
Investment in Operating Leases	Leasing and rental of auto and precision measuring equipment	535,655	Real estate rental	278,191	Investees' operating assets	56,286	—	250	Operating assets (rental properties)	26,876
Investment in Securities	Investment in listed shares	36,683	Investment in funds	4,036	Investment in listed shares and in funds	36,729	—	571	Management of corporate and government bonds and other assets	2,236,495
Property under Facility Operations and Servicing Assets	Solar power facilities (JV with Kyudenko Corporation)	17,404	Facility operation	165,387	Investees' operating assets	41,416	Environment and energy-related facilities and equipment	453,252	—	—
Inventories	—	928	Condominiums	174,990	Investees' operating assets	47,553	—	2,463	—	—
Advances for Finance Leases and Operating Leases	—	3,400	Rental properties under development	114,649	—	5	—	—	—	—
Investment in Affiliates	Investment in joint ventures including new businesses	14,984	Joint development of rental properties	143,751	Investment in concession business and PE investment	118,310	Investment in power business abroad	219,018	—	29,742
Advances for Property under Facility Operations	—	—	Operating facilities under development	8,183	—	4,466	Environment and energy-related facilities and equipment under development	44,962	—	—
Goodwill, Intangible Assets Acquired in Business Combinations	—	28,693	—	52,898	—	351,202	—	121,174	—	4,452
Main Components of Segment Revenues		444,959		471,692		379,168		165,598		563,869
Finance Revenues	Interest revenues from loans, revenues from corporate leasing and sales finance, and auto leasing revenues	61,428	Revenues from real estate leasing	6,134	—	6,679	Leasing revenues from energy-saving equipment	1,478	—	300
Gains on Investment Securities and Dividends	Gains on listed shares	2,626	—	857	Gains on sales of investees, equity income/ dividends from investees and funds	1,207	—	1,784	—	—
Operating Leases	Auto and precision measuring equipment leasing, rental revenues, and gains on sales from used cars	266,871	Rental revenues from rental properties and gains on sales of rental properties	50,205	Investees' lease income	41,529	—	79	—	—
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	Life insurance premiums and investment income	561,533
Sales of Goods and Real Estate	Revenues from sales of used rental equipment	3,934	Gains on sales of condominiums	111,013	Revenues from sales of goods by investees	249,085	—	3,771	—	—
Services Income	Various fees and revenues from vehicle maintenance services	110,100	Revenues from facility operation and asset management fees	303,483	Revenues from services provided by investees	80,668	Revenues from Environment and Energy businesses and gains on sales	158,486	—	2,036



Breakdown of Assets and Revenues by Segment (Fiscal year ended March 2024)

(Millions of yen)											
	Banking and Credit		Aircraft and Ships		ORIX USA		ORIX Europe		Asia and Australia		Total
Main Components of Segment Assets		2,934,217		1,169,641		1,694,484		662,139		1,709,233	16,022,129
Net Investment in Leases	—	—	—	—	—	505	—	—	Leasing and sales finance	530,426	1,154,986
Installment Loans	Real estate investment loans and card loans	2,378,183	Ship loans purchased	60,468	Corporate loans	699,384	—	—	Corporate loans	343,936	3,958,539
Investment in Operating Leases	—	—	Aircraft and ship leasing	557,867	—	9,858	—	—	Auto leasing	395,573	1,860,556
Investment in Securities	Management of corporate and government bonds and other assets	311,237	—	11,960	Investment in municipal bonds, CMBS and funds	509,172	Seed capital	82,568	Investment in funds	33,520	3,262,971
Property under Facility Operations and Servicing Assets	—	—	—	—	Mortgage servicing rights	79,747	—	—	—	1,849	759,055
Inventories	—	—	—	733	—	159	—	—	—	224	227,050
Advances for Finance Leases and Operating Leases	—	—	—	9,232	—	—	—	—	—	3,017	130,303
Investment in Affiliates	Interest in ORIX Credit	43,601	Investment in Avolon	399,061	PE investment	61,415	—	11,907	PE investment	271,682	1,313,471
Advances for Property under Facility Operations	—	—	—	—	—	—	—	—	—	—	57,611
Goodwill, Intangible Assets Acquired in Business Combinations	—	—	—	—	—	176,785	—	364,773	—	7,313	1,126,404
Main Components of Segment Revenues		88,574		65,191		173,426		227,151		225,293	2,804,921
Finance Revenues	Interest revenues from real estate investment loans and card loans	80,653	—	7,769	Interest revenues from loans and CMBS	112,545	—	2,409	Leasing and sales finance revenues and interest revenues	70,836	350,231
Gains on Investment Securities and Dividends	—	600	—	(130)	Gains on sales of investees, equity income from PE funds, and gains on sales of municipal bonds	6,446	Equity income from seed capital	10,711	Equity income from PE funds	7,885	31,989
Operating Leases	—	—	Lease income and gains on sales of aircraft and ships	48,074	—	1,225	—	—	Auto leasing revenues and gains on sales of used cars	122,624	530,606
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	—	—	561,532
Sales of Goods and Real Estate	—	—	—	97	—	602	—	—	—	425	368,926
Services Income	—	7,321	Investment arrangement fees, asset management fee revenues	9,381	Asset management fee revenues	52,608	Asset management fee revenues	214,031	Revenues from auto maintenance service	23,523	961,637



# Group Companies

(As of March 31, 2024)

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%
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%
Banking and Credit			
ORIX Bank Corporation	Banking	(Apr. 1998)	100%
Aircraft and Ships			
ORIX Maritime Corporation	Ship Charter and Ship Broker Service	Nov. 1977	100%
Santoku Senpaku Co., Ltd.	Ship Related Business	(Feb. 2024)	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, 2024)

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	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%
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 *2	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 approximately 30 countries and regions worldwide.

\*2 Listed company.





# Corporate Profile / Stock Information / Investor Memo

## Corporate Profile (As of March 31, 2024)

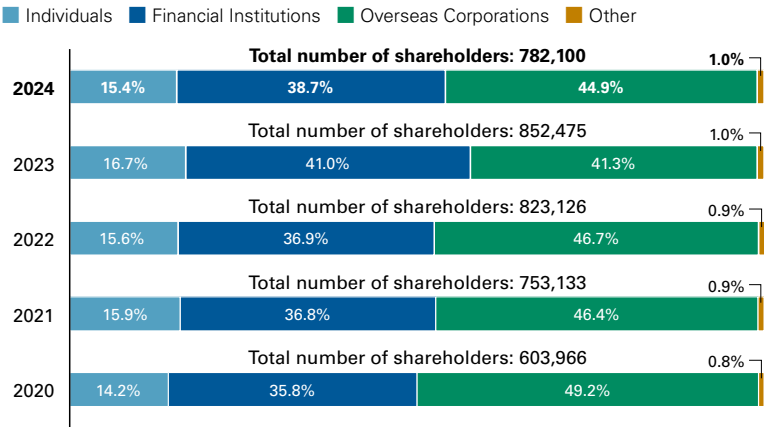
Company Name	ORIX Corporation
Established	April 17, 1964
Head Office	World Trade Center Building, South Tower, 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-5135, Japan Tel: +81-3-3435-3000
Shareholders' Equity	¥3,941,466 million
Fiscal Year-End	March 31
Consolidated Companies	1,132
Affiliates	127
Number of Employees	33,807
Global Network	Approximately 30 countries and regions worldwide

## Stock Information (As of March 31, 2024)

### Number of Shares

Total Number of Shares Authorized	2,590,000,000 shares
Total Number of Shares Issued and Outstanding	1,214,961,054 shares
Number of Shareholders	782,100

### Number of Shareholders/Composition of Shareholders



Note: Calculated excluding treasury shares.

### Major Shareholders (Top 10)

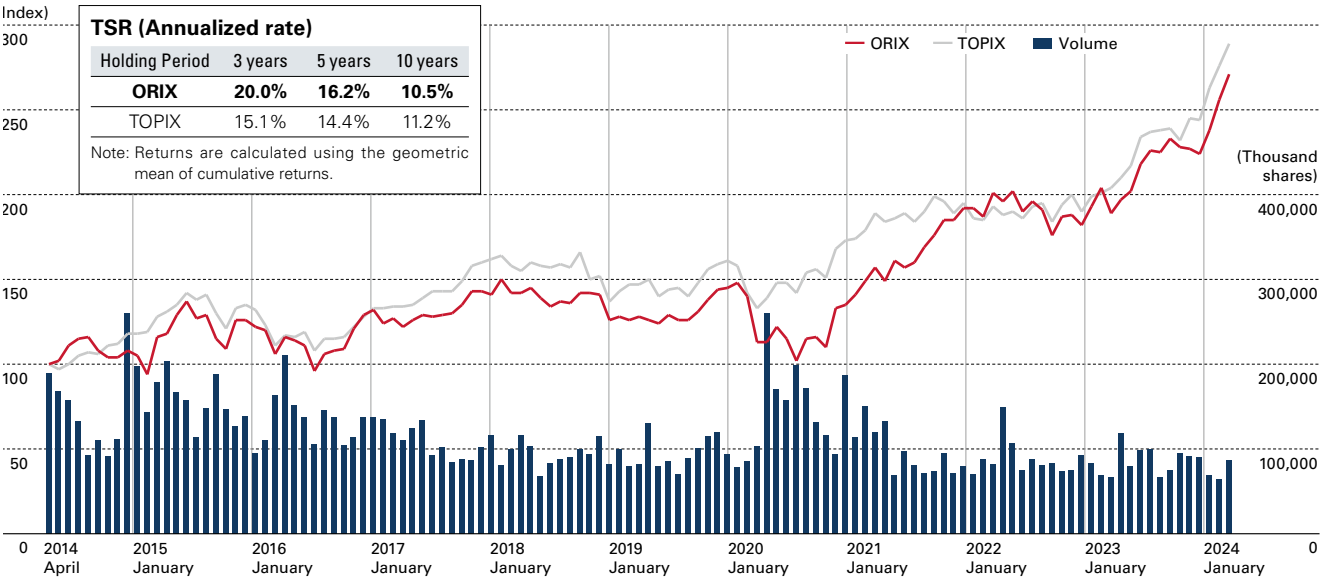
Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	221,733	19.21
Custody Bank of Japan, Ltd. (Trust Account)	96,916	8.39
SSBTC CLIENT OMNIBUS ACCOUNT	24,782	2.14
CITIBAN K, N.A. -NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	24,228	2.09
STATE STREET BANK WEST CLIENT -TREATY 505234	23,439	2.03
JPMorgan Securities Japan Co., Ltd.	17,838	1.54
SMBC Nikko Securities Inc.	16,505	1.43
JP MORGAN CHASE BANK 385781	15,941	1.38
BNYM AS AGT/CLTS 10 PERCENT	11,778	1.02
STATE STREET BANK AND TRUST COMPANY 505223	11,107	0.96

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 (60,748 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 2014, including dividends and the stock price as of March 31, 2024. 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 2014 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, 2024)

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](mailto: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, 2024 is referred to throughout this Integrated Report as "2024.3" 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](#)

