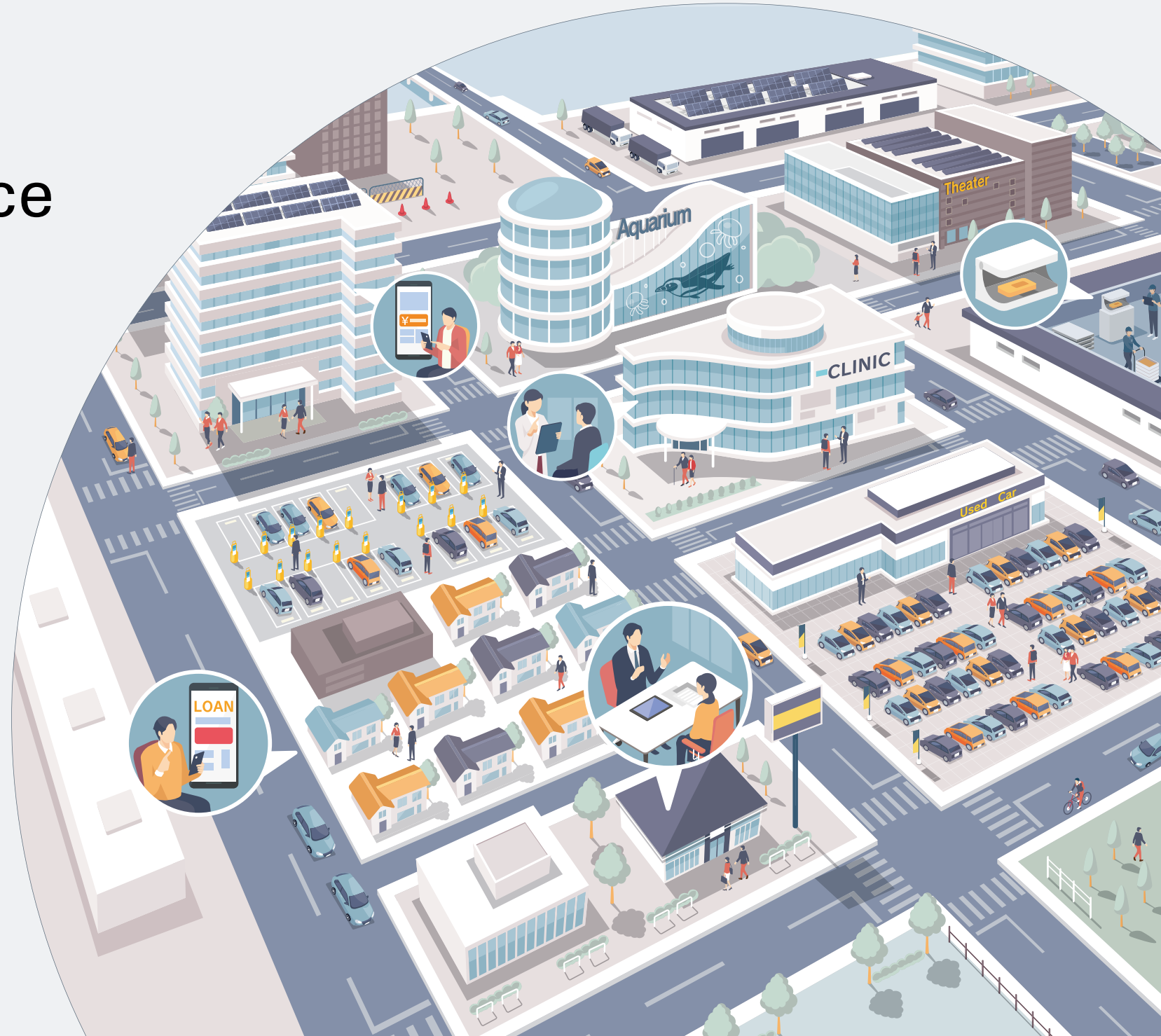


Corporate Governance

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.

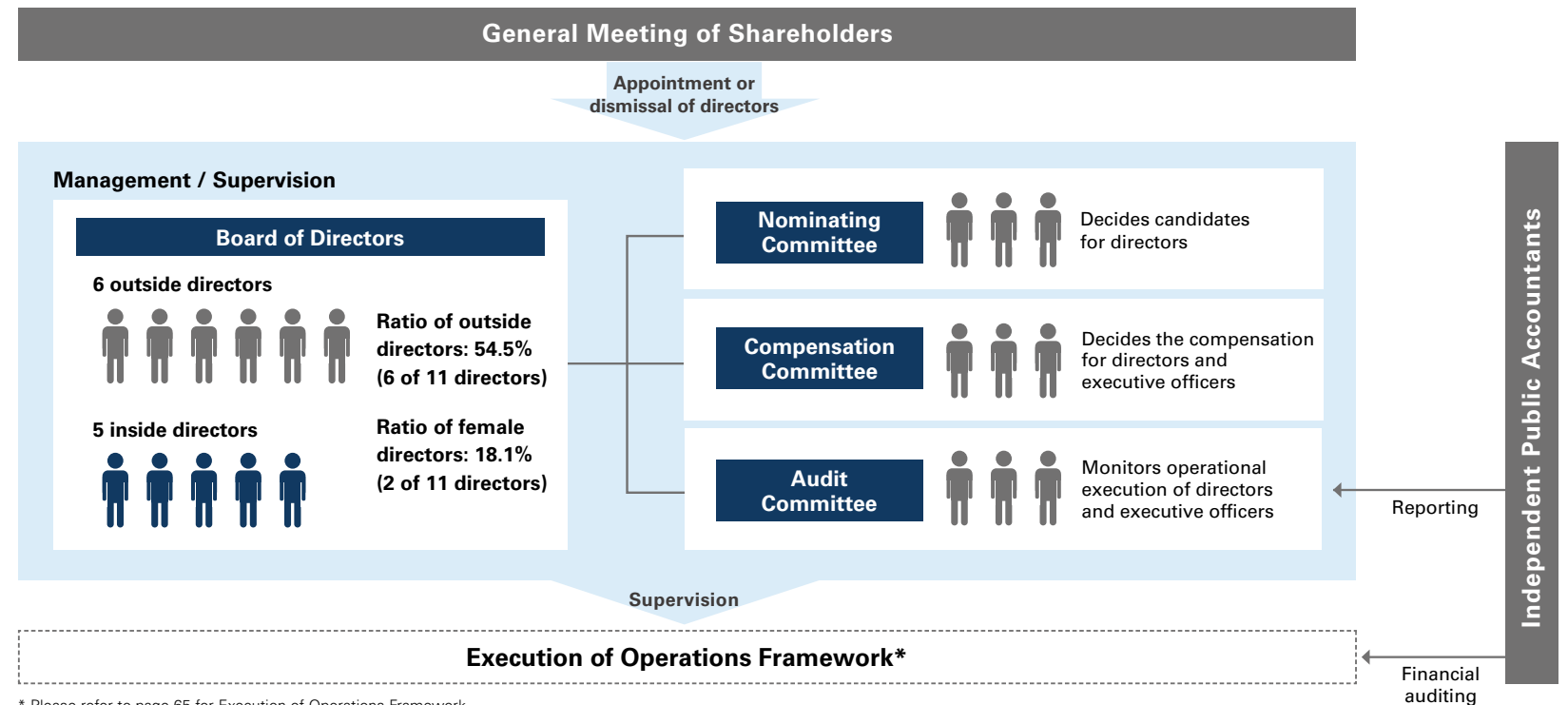
Approach to Corporate Governance

- 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](#)

* Please refer to page 65 for Execution of Operations Framework.

Corporate Governance at ORIX

Initiatives to Enhance Corporate Governance

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

ORIX has been strengthening corporate governance as a management oversight function since its founding. The current corporate governance framework requires 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"> • Communicate results and businesses accurately to investors • Increase corporate value • Separate management supervision and execution to raise the efficiency of execution of operations • Increase convenience for foreign shareholders • Ensure the involvement and counsel of independent outside directors regarding executive personnel and compensation • Appoint managers and determine their compensation from the perspective of shareholders
Management Team Diversity ▶ Page 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"> • Strengthen supervision • Ensure objectivity in determining risk by using people with diverse backgrounds • Operation led by outside directors
Evaluation of Effectiveness of the Board of Directors ▶ Page 61	2016 Evaluation of effectiveness of the Board of Directors initiated 2022 Appointment of an outside consulting firm Key initiatives to improve effectiveness implemented since 2016 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"> • Sufficiently deliberate on Board of Directors agenda items and improve the quality of deliberation • Incorporate the third-party perspective of an outside consulting firm in evaluations • Strengthen the system for sharing information among outside directors • Help outside directors deepen their understanding of our businesses • Understand investors’ concerns
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* * Applied to the President, the Senior Managing Executive Officers, and the Managing Executive Officers	<ul style="list-style-type: none"> • Improve motivation to contribute to operating results and mid- to long-term results • Promote ESG initiatives and improve motivation to contribute to achieving ESG-related key goals



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 Outside Independent	Male	USA	5 years			○					● (Information technology)
Sakie Akiyama Outside Independent	Female	Japan	5 years	◎			●	●			● (Technology)
Hiroshi Watanabe Outside Independent	Male	Japan	4 years	○		◎	●	●	●		● (International finance, Tax affairs)
Aiko Sekine Outside Independent	Female	Japan	4 years	○	◎						● (International accounting)
Chikatomo Hodo Outside Independent	Male	Japan	3 years		○	○	●	●			● (Information technology)
Noriyuki Yanagawa Outside Independent	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
<p>An outside consulting firm conducts a survey and individually interviews all directors based on their responses to the survey.</p> <p>↓</p> <p>The outside consulting firm analyzes and evaluates the content of the survey responses and individual interviews.</p> <p>↓</p> <p>Results of analysis and evaluation are reported to the Board of Directors. The Board holds discussions and develops an action plan.</p>	<ul style="list-style-type: none"> • Composition and operation of the Board of Directors meetings • Corporate strategy and business strategy • Corporate ethics and risk management • Communication and cooperation with stakeholders • Measurement of the effects of responses on policies for issues raised in the previous fiscal year • Effectiveness of the Nominating Committee, the Compensation Committee, and the Audit Committee

Results for Fiscal Year Ended March 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 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 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* In addition to continuing to hold business unit briefings, prepare explanatory materials earlier and collect questions from outside directors in advance to facilitate Q&A sessions focused on subjects of greater interest to outside directors.</p>	<p>1) Share information on important initiatives in a timely fashion 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. 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 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. 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 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. 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 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 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 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%)
	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%)	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%) 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%)
Share component of compensation	For mid- to long-term compensation, directors and executive officers are granted a fixed amount of points based on their position, and paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement. Note: Number of shares scheduled to be issued by share-based compensation plans (latent shares) is as shown on page 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

$$\text{Performance-linked compensation (Annual bonus)} = \text{Standardized base amount for each position (100\%)} \times \text{Company-wide performance indicator (Variable: 0\% to 200\%)} + \text{Standardized base amount for each position (100\%)} \times \text{Progress in ESG (Variable: -30\% to 30\%)}$$

- 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

$$\text{Performance-linked compensation (Annual bonus)} = \begin{matrix} \text{Standardized base amount for each position (50\%)} \\ \text{Standardized base amount for each position (50\%)} \end{matrix} \times \begin{matrix} \text{Company-wide performance indicator (Variable: 0\% to 200\%)} \\ \text{Division performance indicator (Variable: 0\% to 300\%)} \end{matrix} + \text{Standardized base amount for each position (100\%)} \times \text{Progress in ESG (Variable: -30\% to 30\%)}$$

← Applicable to all executive officers
← Applicable to managing executive officers and above

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%.

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%)

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:

- 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).
- 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.
- 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.
- ORIX did not provide stock options in the form of stock acquisition rights in the fiscal year ended March 2024.
- Figures shown are rounded down by truncating figures of less than ¥1 million.

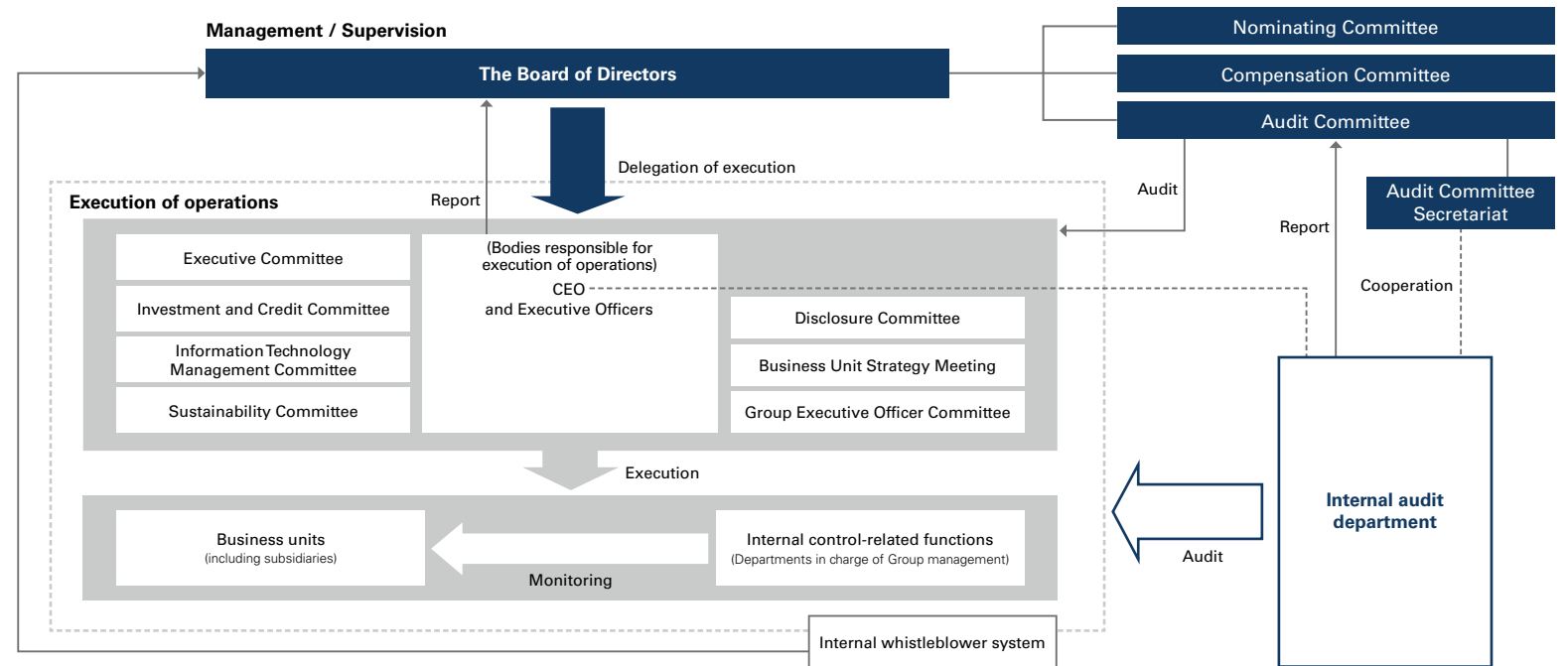
Execution of Operations Framework

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	<ul style="list-style-type: none"> Deliberates on important matters related to the management of ORIX Group. 	○	○*	Group Executives*
Sustainability Committee	<ul style="list-style-type: none"> Deliberates on important matters related to promoting and implementing sustainability. 	○	○*	Group Executives*
Investment and Credit Committee	<ul style="list-style-type: none"> Deliberates regarding investments and credit transactions that exceed certain specified investment or credit amounts. 	○	○*	Group Executives*
Group Executive Officer Committee	<ul style="list-style-type: none"> Shares important information related to business execution of ORIX Group. 	○	○	Group Executives
Business Unit Strategy Meeting	<ul style="list-style-type: none"> Deliberates on each business unit's strategies and changes in the business environment. 	○	○*	
Information Technology Management Committee	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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](#)