Sustainability Information

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. The Sustainability Committee discusses and reports on the status of recent initiatives, and regularly reports to the Board of Directors, which approves these matters.

Status of Initiatives

1 Group-wide themes

1) Performance for the fiscal year ended March 2025

(1) Strengthening supply chain management system: Initiatives implemented in ORIX Auto, ORIX Rentec, and the Real Estate segment, along with the resulting improvements in third-party evaluations.

(2) Preparing to comply with disclosure regulations: Accelerating GHG emissions calculation processes incorporating them into disclosure control processes.

2) Focus themes for the fiscal year ending March 2026

(1) Updating ESG-related key goals and material issues: Progress toward 2030 goals remains steady. We will update goals and issues in light of ORIX's long-term vision and the forthcoming SSBJ standards.

(2) Reducing Scope 2 emissions: We have formulated reduction plans for each major emission site and will implement reductions in phases.

(3) Maintaining and improving ESG ratings: Based on peer comparisons, we will continue working to maintain and improve five ESG ratings.

2 Business unit level approach and KPIs

Major initiatives for the fiscal year ended March 2025

- In the leasing business, increased the proportion of next-generation vehicles.*1 Advanced the use of green electricity for our own operations, and formulated a Supplier Code of Conduct. (Auto)
- Conducted a second round of supplier questionnaire surveys. Developed CSR Procurement Guidelines and an explanatory handbook, and communicated them to key suppliers. (Rentec)
- Accelerated the renewal of energy-saving equipment at owned properties, expanded the use of renewable electricity. Continued to promote food waste recycling. (Real Estate)
- Conducted quantitative verification toward the conversion of coal–biomass co-fired power plants to biomass-only operations. (Environment and Energy)
- Executed sustainable finance. (Banking)
- Placed newbuilding orders for next-generation fuel vessels.*2 (Ship Business)

*1 Hybrid vehicles (HV), plug-in hybrid vehicles (PHV), electric vehicles (EV), and fuel cell vehicles (FCV).
*2 Dual-fuel vessels powered by methanol and heavy oil

Approach of Each Business Unit from the Fiscal Year Ending March 2026 Onward

Examples of Sustainability Initiatives in Each Business Unit

Sustainability Governance Structure

▮ Sustainability Governance Structure

The Board of Directors supervises and guides the promotion of sustainability.

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), Group COO, Deputy President Executive Officer, Executive Officer Responsible for Corporate Function Unit, and other Executive Officers designated by the Group CEO.
Also 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

ESG-related Material Issues and Key Goals

🌍 Environment

Key Goals

Indicators	Medium-term target	Long-term target
• ORIX Group GHG (CO_2) emissions	• Reduce 50% by the end of the fiscal year ending March 2030 (vs. FY2020.3)	• Achieve net zero by the end of the fiscal year ending March 2050
• ORIX Group's investment and credit balance to GHG (CO_2) emitting industries*	• Reduce 50% by the end of the fiscal year ending March 2030 (vs. FY2020.3)	• Achieve net zero 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.

Progress

Actual (Fiscal year ended March 2025)
• Total Scope 1 and Scope 2 emissions were 1.064 million tons. Reduction of 0.202 million tons (16.0%) compared to the fiscal year ended March 2020.
• Monitoring credit balance for target industries by three local subsidiaries on a semiannual basis.

Material Issues

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.

Initiatives

- To achieve the target of a 50% reduction in GHG emissions by the fiscal year ending March 2030, we are considering measures including refitting equipment at our coal-biomass co-fired power plants, which account for the majority of our Scope 1 emissions. In the fiscal year ended March 2025, in our considerations for full conversion to biomass-only firing, we examine demonstration tests to increase the biomass ratio, engaged in negotiations to secure fuel supply, storage, and transportation after conversion, and held specific discussions with multiple customers regarding transactions of renewable electricity after conversion. In cases where reduction is deemed difficult, ORIX is also considering shutting down the plants. As a result, ORIX booked an additional impairment associated with these assets of approximately ¥20.0 billion in the fiscal year ended March 2025. For Scope 2 emissions, ORIX is formulating plans for each major emission site and will implement reductions in phases.

- Through the global expansion of our renewable energy business, we contributed to a reduction of 4.883 million tons in the fiscal year ended March 2025, an increase of 2.6% year over year. In December 2024, we launched the energy storage plant business in Wakayama Prefecture in collaboration with Kansai Electric Power, promoting the stabilization of renewable energy as a power source.

🖥 Environment and Energy

- To promote development of a circular economy and reduce waste, in April 2024, ORIX Eco Services and ORIX Renewable Energy Management began domestic sales and reuse of used solar panels. ORIX Hotel Management has also been working to provide environmentally conscious amenities and reduce food waste, while also obtaining certifications for lodging facilities that implement the SDGs.   🖥 Promoting the Circular Economy and Reducing Waste

- In March 2025, we built a scheme together with ORIX Eco Services, glass manufacturers, sash manufacturers, and metal processors to recycle window glass and aluminum sashes discarded during housing demolition or renovation. By leveraging our diverse expertise and intercompany network, we are promoting a circular economy.

ESG-related Material Issues and Key Goals

Social

Key Goals

Indicators	Medium-term target
• Ratio of female managers in ORIX Group	• Achieve 30% or higher by the fiscal year ending March 2030

Progress

Actual (As of March 2025)
• ORIX Corporation 33.2%
• Nine Group companies in Japan 28.8%

Material Issues

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.

Initiatives

• To build a sustainable supply chain, in the fiscal year ended March 2025, ORIX Auto, ORIX Rentec, and the Real Estate segment conducted risk assessments, identified priority issues, and formulated a Supplier Code of Conduct. We strive to ensure that our suppliers understand our approach, and we advance a process of continuous improvement through engagement activities such as regular questionnaire-based surveys to assess our suppliers' current situation.

• To enhance understanding and permeation of the ORIX Human Rights Policy, in April 2025, we released an explanatory video and leaflet for internal use. We also incorporated training on human rights into compliance training and rank-specific training programs, thereby promoting initiatives to respect human rights.

📄 ORIX Human Rights Policy

• To enhance corporate value through the realization of the ORIX Group Purpose & Culture, we are implementing human capital management. We focus on three pillars: instilling core values, enhancing core capabilities, and providing workplaces where diverse talent can play an active role, and we monitor progress against key indicators.

📄 Human Capital Management to Support Sustainable Growth

ESG-related Material Issues and Key Goals

Governance

Key Goals

Indicators	Medium-term target
• Ratio of outside directors on the Board of Directors	• Achieve a majority of outside directors by the General Meeting of Shareholders in June 2023
• Ratio of female directors on the Board of Directors	• Achieve 30% or higher by the fiscal year ending March 2030

Progress

Actual (As of June 2025)
• 54.5% (of 11 directors, 6 are outside directors)
• 27.2% (of 11 directors, 3 are female directors)

Material Issues

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.

Initiatives

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.
- Introduced a compensation scheme for executive officers that evaluates contributions to business performance as well as medium- to long-term results.
- Began 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 managing executive officers, and higher. ➡ Page 57 Evaluation of Effectiveness of the Board of Directors   ➡ Pages 59–60 Compensation System

- In April 2025, we revised the ORIX Group Code of Conduct and established the following 4 Core Compliance Values. The value of "conducting business with ethics and integrity" includes "recording and reporting accurately" which encompasses accurate and transparent tax reporting. In addition, we set forth the values of "respecting our people and our communities," "striving for excellence in championing innovative solutions that create value for customers and society," and "committing to protecting our assets". These apply not only to all officers and employees, but also to contractors, distributors, suppliers, advisors, and other business partners, and we expect them to act in line with the Code of Conduct. 📄 Code of Conduct   📄 Tax Policy

- 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

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_2) 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.

1 GHG (CO_2) Emissions Reduction

GHG (CO_2) Emissions Reduction Goals and GHG (CO_2) Emissions

GHG (CO_2) Emissions Reduction Goals
ORIX has set GHG (CO_2) emissions reduction goals as follows:
(1) Reduce GHG (CO_2) 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_2) emissions by the end of the fiscal year ending March 2050.

ORIX Group GHG (CO_2) Emissions (Baseline Emissions) in the Fiscal Year Ended March 2020
(Unit: Thousand tons CO_2e)

	Emissions	(Scope 1)	(Scope 2)
Environment and Energy segment	108.9	106.9	2.0
– Two coal-biomass co-fired power plants	94.1	93.9	0.1
Real Estate segment	8.5	1.9	6.6
Total of other segments	9.3	1.8	7.4
Total	126.6	110.7	15.8

GHG (CO_2) Emissions
Total Scope 1 and Scope 2 emissions in the fiscal year ended March 2025 were 1,064 thousand tons. Compared to the baseline emissions, this was a decrease of 202 thousand tons. Emissions from the two coal-biomass co-fired power plants amounted to 810 thousand tons, accounting for 76.1% of the total.

ORIX Group GHG (CO_2) Emissions
(Unit: Thousand tons CO_2e)

	FY ended March 2020 (Baseline Emissions)	FY ended March 2025
Scope 1	110.7	94.2
Scope 2	15.8	12.2
Total	126.6	106.4

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.

Initiatives to Reduce Emissions

Exploring Emissions Reduction at Coal-biomass Co-fired Power Plants*
In line with the ORIX Group's GHG (CO_2) emissions reduction targets, we are considering measures such as equipment modifications to shift to biomass-only combustion. In the fiscal year ended March 2025, ORIX carried out the following initiatives related to the transition to pure biomass combustion:
1) Consideration of demonstration testing to increase the co-firing ratio
2) Negotiations concerning fuel procurement, storage, and transportation following conversion to pure biomass combustion
3) Specific negotiations with multiple electricity users regarding the sale of renewable energy electricity after the conversion

* 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).

Plan Formulation to Reduce Scope 2 Emissions
To reduce Scope 2 emissions, ORIX is formulating plans for each major emission site and will implement them in phases. For the fiscal year ending March 2026, the following initiatives are planned:
1) Environment and Energy segment: Introduce renewable energy at key bases such as the Yorii Biogas Plant
2) Real Estate segment: Implement a reduction plan utilizing non-fossil fuel certificates
3) PE Investment business: Begin formulating reduction plans for each investee
4) ORIX Rentec: Begin transition to renewable energy at the Tokyo Technology Center, the company's largest emission site
5) For other large-scale bases, formulate reduction plans on a property-by-property basis

2 Promoting the Renewable Energy Business

ORIX operates power generation businesses around the world as a global renewable energy company. As of March 31, 2025, our generation capacity of power plants in operation around the world, including Japan, was 4.7 GW.[1]

Going forward, ORIX plans to expand capacity while also considering the use of third-party capital. The total capacity of assets under ownership and management is projected to reach 5.6 GW in 2028 and 25 GW in 2035.

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$_2$ Avoided Emissions

CO$_2$ avoided emissions at our renewable energy businesses totaled approximately 4.883 million tons for the fiscal year ended March 2025. The year-over-year increase was approximately 0.122 million tons. This was mainly due to the start of operations of new renewable energy power plants in Spain and increased operations at a hydroelectric power plant in India.

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

■ CO$_2$ Avoided Emissions through the Renewable Energy Business
(Unit: Thousand tons CO$_2$)

	Wind Power	Solar Power	Geothermal Power	Hydro Power	Biomass	Total
India	1,111	582	–	371	–	2,064
Spain	203	578	–	39	–	821
Japan	322	116	283	–	23	745
U.S.A.	–	434	8	–	243	684
Others	563	1	–	5	–	569
Total	2,200	1,710	291	416	266	4,883

[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

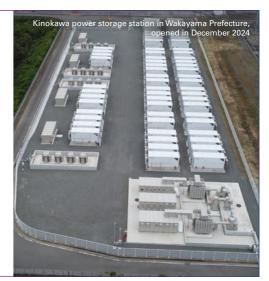
Kinokawa power storage station in Wakayama Prefecture, opened in December 2024

Energy Storage Plant Business Contributing to the Adoption of Renewable Energy

As the introduction of renewable energy continues to advance, a new challenge has emerged: the significant fluctuations in power generation depending on weather and time of day. Against this backdrop, energy storage plants are being developed as critical infrastructure to stabilize the power grid. These facilities store surplus electricity and discharge it into the market during periods of supply-demand tightness or price surges, playing a vital role in ensuring the stable use of renewable energy.

In December 2024, ORIX opened its first energy storage plant in Kinokawa City, Wakayama Prefecture, in partnership with Kansai Electric Power Co., Inc. In 2027, ORIX plans to launch one of Japan's largest* energy storage plant in Maibara City, Shiga Prefecture, with a rated output of 134 MW and a capacity of 548 MWh.

As the expansion of renewable energy and changes in demand structure make electricity supply and demand more complex and diverse, ORIX will continue to develop energy storage infrastructure to support the stable supply of electricity and the further adoption of renewable energy as a main power source.
* According to an ORIX survey

Replacement of used solar panels

Enhancing the Sustainability of Renewable Energy through Circular Use of Solar Panels

As the adoption of renewable energy accelerates, so too is the importance of resource circulation across the full lifecycle of equipment. In particular, the mass disposal of solar panels is expected to begin in earnest in the latter half of the 2030s, highlighting the need for new mechanisms that enable the continued use of renewable energy while minimizing environmental impact.

Since 2024, ORIX Eco Services has been engaged in the reuse and recycling of solar panels. Each used panel is evaluated individually for performance, and reusable panels are redistributed to the domestic market. By utilizing reused panels at power plants managed and maintained by ORIX, we aim to reduce procurement costs and ensure stable facility operations. Meanwhile, panels that cannot be reused are dismantled and sorted by material and either recycled as resources or appropriately disposed of.

ORIX will continue expanding its reuse and recycling initiatives and, through the development of circular infrastructure, aim to realize a sustainable society while creating new opportunities for growth.

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.

In fiscal year ended March 2025, at the Board of Directors meeting the status of regulatory compliance regarding the disclosure of non-public information was reported.

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.

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.

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_2) emissions by 50% by the fiscal year ending March 2030 compared to the fiscal year ended March 2020.
• Reduce ORIX Group GHG (CO_2) emissions to net zero by the fiscal year ending March 2050.
• Reduce investment in and lending to industries* that emit GHG (CO_2) 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_2) 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.

Scope 1, 2, and 3 GHG Emissions

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)[*1] (IEA WEO 2024), Physical: SSP[*2] 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)[*1] (IEA WEO 2024), Physical: SSP[*2] 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.

*1 A scenario presented in World Energy Outlook 2024, published by the International Energy Agency (IEA) in 2024.
*2 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	• Supply chain disruptions • Damage to real estate, vehicles, aircraft, and ships • Falling real estate prices in areas likely to be affected • Customers and investees affected • Damage to sales offices and business locations	• Disaster recovery demand
	Chronic	• Reduced solar power generation efficiency • Longer construction periods because intense heat disrupts more workdays • Decrease in areas available for real estate development • Increase in demand for air conditioning	
1.5°C Scenario		• Accelerated phase-out of coal-fired power generation • Increase in business facility and operating costs • Decline in corporate value of investees with significant GHG emissions • Higher real estate and ship construction costs due to regulatory compliance • Falling prices for used cars with gasoline engines • Deteriorating customer performance	• Increased investment in renewable energy • Increase in demand for energy-efficient real estate • Increase in demand for rental cars and car sharing • Expansion in investment opportunities in decarbonization businesses

🟢 Environment and Energy   🟠 Real Estate   🔵 Auto   🔵 Aircraft and Ships   🟣 Finance

🔴 Life Insurance   **ALL** All six businesses listed

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 ORIX Group Code of Conduct, which applies to all ORIX Group employees, and we call on our suppliers to understand and implement the principles outlined in the ORIX Human Rights Policy and the 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.

Ongoing Initiatives

- Based on Group-wide outsourcing management rules, we conduct screening when selecting or renewing outsourcing partners. These screenings include checks for any concerns related to "environmental considerations" and "respect for human rights."
- ORIX Corporation, ORIX Life Insurance, ORIX Auto, and ORIX Facilities, among others, have formulated and disclosed declarations regarding their efforts to build partnerships as well as multi-stakeholder policies.

New and Planned Future Initiatives

- In April 2025, we revised the ORIX Group Code of Conduct to explicitly state that it also applies to our suppliers. Going forward, we intend to use this Code as a foundational concept for efforts to prevent and mitigate risks across our supply chain.
- ORIX Auto, ORIX Rentec, and ORIX Real Estate have conducted risk assessments within their supply chains to identify priority suppliers and issues requiring action. Each company has also formulated its own Supplier Code of Conduct. In addition, we are actively communicating our approach to suppliers via our website and other channels, and are conducting questionnaire-based surveys.
- Based on the survey results, we will formulate plans to prevent and mitigate risks, and continue working in collaboration with suppliers to build and maintain a sustainable supply chain.

  📄 ORIX Auto Corporation Supplier Code of Conduct 📄 ORIX Rentec Corporation CSR Procurement Guidelines
  📄 ORIX Group Real Estate segment Supplier Code of Conduct

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. In addition, based on an analysis of our biodiversity dependencies with reference to the TNFD LEAP approach, no material dependencies on biodiversity in our business activities have been identified at this time.

The Relationship between Our Business Activities and Natural Capital

- Food and beverage manufacturing
- Real estate development
- Transportation

Business activities assumed to depend on or impact natural capital

- Facility development and operation
- Owning and operating transportation equipment
- Energy and water use
- GHG emissions, and discharge of pollutants and waste

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.

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

Ongoing Initiatives

- ORIX prohibits investments and loans in sectors that may have a negative impact on human rights in accordance with the ORIX Sustainable Investing and Lending Policy.
- ORIX has launched human rights due diligence based on international standards such as the UN Guiding Principles on Business and Human Rights.
- ORIX has established internal and external reporting systems to accept human rights-related consultations and reports from both internal and external parties.   💻 Internal Whistleblower System   💻 External Whistleblower System
- In accordance with the UK Modern Slavery Act, we update and disclose our Modern Slavery Act Statement on an annual basis.   💻 Response to the United Kingdom's Modern Slavery Act 2015
- ORIX promotes awareness and education on respect for human rights through various training programs.
- The Sustainability Committee deliberates on human rights initiatives, including those related to supplier employees, and reports to the Board of Directors.

New and Planned Future Initiatives

- In April 2024, we revised the ORIX Human Rights Policy and produced an explanatory video and leaflet in both Japanese and English for internal distribution.
- In addition to the compliance training conducted annually for all domestic and overseas Group employees, ORIX will begin providing training specifically focused on business and human rights, thereby strengthening awareness and education regarding respect for human rights.
- In business divisions where human rights risks in the supply chain are presumed to be relatively high due to the nature of operations, ORIX has conducted risk assessments. We are also conducting surveys of suppliers, including through questionnaires. Based on the survey results, we will formulate plans to prevent and mitigate risks and will work to make continuous improvements.   💻 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, antipersonnel 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 and Risk Governance

Risk Management

ORIX has established a company-wide risk management system to accurately identify and appropriately manage the various risks associated with our business activities. The Board of Directors has ultimate oversight responsibility for the overall management of the company, including risk management, and determines company-wide policies and basic frameworks.
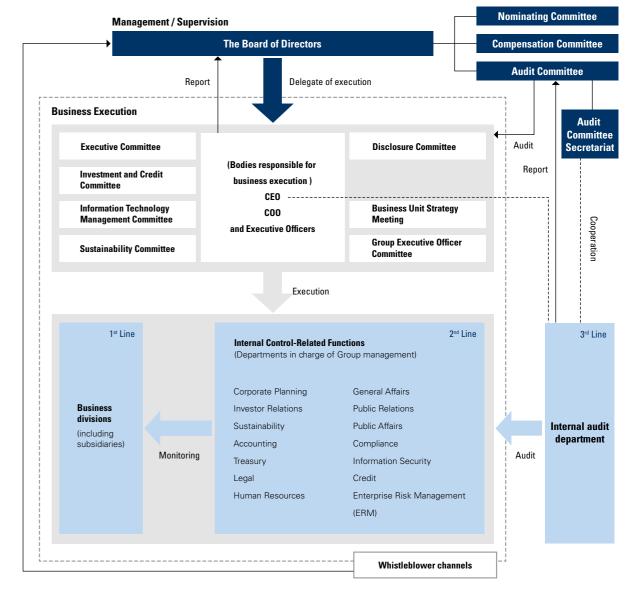
The Representative Executive Officers (CEO and COO) are responsible for establishing and maintaining the risk management systems necessary for the operation of each business division based on the company-wide risk appetite which is in turn based on the business strategy established by the Board of Directors. Responses to various risks are decided through deliberation bodies such as the Executive Committee, which is chaired by the CEO, and the Investment and Credit Committee. The status of risk management in the business divisions is monitored through coordinated efforts of the internal control-related functions. Specifically, each business division formulates within its annual business plan a risk management plan which takes into account the risks specific to its business. Furthermore, through an annual self-verification program, the division identifies risks that could have a significant impact on business operations and verifies whether the division is adequately addressing these significant risks. The ERM department continuously evaluates company-wide risks, including credit risk, market risk, liquidity risk, and operational risk, and provides support for improvements as necessary. Through these procedures, we secure the effectiveness of company-wide risk management.

Risk Governance

ORIX has established and operates an internal control system that takes into account risk management, compliance, Group company management, audit systems, and other aspects in order to respond quickly and flexibly to changes in the business environment and enable efficient business execution and effective management. The Board of Directors bears ultimate responsibility for this risk governance system and its operation, and determines the overall approach. ORIX has established the following division of roles based on the three-line defense model in order to implement robust risk governance. Business divisions (first line) identify, assess, and manage risks related to their assigned business operations in accordance with the policies and frameworks established by internal control-related departments. Internal control-related departments (second line) monitor the risk response status of business divisions from a specialized, cross-company perspective and encourage improvements as necessary. The internal audit department (third line), independent from business divisions and internal control-related departments, verifies and evaluates the effectiveness of the entire risk governance process and recommends corrective measures if any deficiencies are identified. In addition, external and internal reporting hotlines complement our risk governance as a mechanism for identifying signs of risk incidents.

🖥 Risk Management and Risk Governance

■ Summary of ORIX's Internal Control System (with some additions) (As of June 30,2025)

Risk Management and Risk Governance

■ Key Risk Factors

The kind of key risk factors that could affect the business operation and financial position of ORIX Group, as well as our management of them, include the following.

Risk Factors	Risk Management	Departments Handling Risks	Executive Bodies Related to Risk Management
External environmentrelated risk	• 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 • Establishment of a disaster risk management system 📺 Disaster Risk Management System • Establishment of a system to respond to climate change risks ➡ Page 36 Sustainability Governance Structure ➡ Page 42 Information Disclosure Based on TCFD Recommendations	Corporate planning, Credit, Public relations, Public affairs, Investor relations, Sustainability, Treasury, ERM	Executive Committee Sustainability Committee
Credit risk	• When appraising individual projects, comprehensively evaluate the credit recipient's financial condition, cash flow, underlying security interests, profitability, etc. • Strengthen credit risk management methods for individual projects and portfolios (obtaining sufficient collateral and guarantees, diversifying industries and credit recipients, controlling exposure to potentially high-risk markets) 📺 Risk Management System for Investing and Lending	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Business risk	• Thoroughly analyze risk (scenario analysis and stress testing) before executing a business or investment • 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 📺 Risk Management System for Investing and Lending	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Market risk	• Establishment of an integrated management system for assets and liabilities (comprehensive understanding and verification system for market risks, using derivative transactions as a means of hedging)	Credit, Treasury, Corporate planning, Accounting, ERM	Executive Committee
Liquidity risk (risk related to funding)	• Promotion of diversification of procurement methods • 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)	Treasury, ERM	Executive Committee
Compliance risk	• 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) 📺 Compliance	Compliance, Public relations, Public affairs	Executive Committee Sustainability Committee
Legal risk	• Establishment of a legal compliance and legal risk management system (establishing internal regulations for legal compliance, understanding laws and regulations applicable to each business, and implementing appropriate responses to revisions to the law)	Legal, Accounting, Investor relations, Sustainability	Executive Committee Sustainability Committee
Information / cybersecurity risk and IT risk	• 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) 📺 Information Security	Information Security	Information Technology Management Committee

Operational risk	• Establishing, disseminating, and training about internal regulations
	• Establishment of systems related to execution of operations
	  – Building an internal control system for financial reporting
	  – Establishment of a personnel system and a work environment to stably secure diverse human resources
	    📺 Human Capital Management to Support Sustainable Growth
	  – Continuously strengthen the overall risk management system through monitoring of operational risks by the Audit Department
	• Establishing system for responding to and preventing recurrence of operational risk incidents, and risk control self-assessment
	    📺 Incident Management System
		ERM, Human resources, Corporate administration, Accounting, Public relations, Public affairs	Executive Committee Sustainability Committee

Risk Management and Risk Governance

A Framework for Reducing Operational Risk Through Incident Response and Prevention

ORIX has established a system to centrally monitor and manage risks associated with its entire portfolio and is working to enhance the sophistication of its risk management practices. We have developed risk dashboards that visualize and monitor portfolio risk, market liquidity risk, and operational risk. These dashboards are used by business units for rapid deal assessments, by management departments for analysis and evaluation, and by senior management for decision-making.

With respect to operational risk, the ERM department, business units, and internal audit department work closely together from both the perspectives of incident response and preventive measures to strengthen our management framework. We have established a robust PDCA cycle that identifies incidents arising in day-to-day operations, ensures timely responses and recurrence prevention, and enables proactive measures based on early warning signs.

For incident response, we have implemented a centralized reporting system that allows all consolidated domestic and overseas Group companies to report incidents, supporting a unified Group-wide risk management system. Incidents that may impact ORIX or its consolidated subsidiaries are immediately reported to senior management, in accordance with internal regulations. The ERM department analyzes root causes, collaborates with relevant departments to propose and support the formulation of preventive measures, and identifies whether similar risks may surface in other departments. When necessary, this information is shared as a cross-organizational risk to reinforce the overall management framework.

On the preventive side, with the aim of establishing an appropriate risk management framework each business unit conducts an annual Risk Control Self-Assessment (RCSA) to identify and assess risks inherent in its operations and develop action plans to reduce those risks. These assessments also confirm compliance
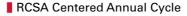
with internal policies. The ERM department creates and shares a "risk catalog" that lists risk items based on specialized perspectives from management departments such as legal, compliance, and information security, as well as information on external incidents. This promotes comprehensive risk identification by each business unit. Risk selection information from each business unit is fed back to the management departments, enabling the identification of risks tied to business characteristics and cross-departmental risks. These insights are then reflected in the catalog, thereby improving its accuracy.
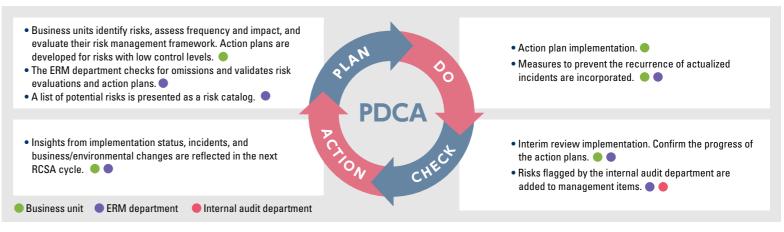
In addition, the ERM department continuously verifies both the validity of the action plans and risk assessments formulated by each busines unit and whether management practices are being carried out in line with actual business operations.

During the year, action plan implementation is monitored through interim reviews by both the business units and the ERM department. If a risk materializes, recurrence prevention measures or findings from the internal audit department are incorporated

as necessary. Going forward, each business unit will continue improving its own risk management framework. In parallel, the ERM department will identify and focus on risks related to priority businesses, provide hands-on support as needed, and confirm the effectiveness of these measures.

By continuously enhancing enterprise-wide risk awareness and linking it with departmental efforts, we aim to strengthen the effectiveness of our overall risk controls. In a rapidly changing business environment, we will continue to evolve our risk management framework as a foundation for sustainable and stable Group-wide operations.

■ RCSA Centered Annual Cycle

- Business units identify risks, assess frequency and impact, and evaluate their risk management framework. Action plans are developed for risks with low control levels. ●
- The ERM department checks for omissions and validates risk evaluations and action plans. ●
- A list of potential risks is presented as a risk catalog. ●

- Insights from implementation status, incidents, and business/environmental changes are reflected in the next RCSA cycle. ● ●

- Action plan implementation. ●
- Measures to prevent the recurrence of actualized incidents are incorporated. ● ●

- Interim review implementation. Confirm the progress of the action plans. ● ●
- Risks flagged by the internal audit department are added to management items. ● ●

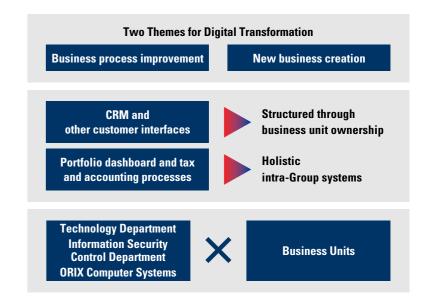● Business unit   ● ERM department   ● Internal audit department

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. In general, 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 also exploring opportunities for new businesses, with emphasis on aforementioned approach to balance the needs of 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. In addition, ORIX Computer Systems is the lead organization in developing and operating Group systems. These specialized, Group-wide departments and other organizations oversee and manage areas such as enterprise architecture, governance, and analytics to provide cross-organizational coordination and achieve holistic optimization, but also work in collaboration with each business unit to drive digitalization at every level of the organization. In addition to these specialized departments, each business unit has its own people and team specializing in digitalization, and business units work on optimization that meets the specific needs of their individual unit. For example, each business unit takes ownership of the development of its customer relationship management (CRM) and other customer interfaces. On the other hand, from the perspective of holistic optimization, cross-Group organizations are building common systems that include dashboard functions enabling rapid monitoring of the business portfolio, as well as functions related to tax and accounting. Further, we address large-scale projects that affect everyone in our Group such as upgrading core systems through close communication between all affected departments as a collaborative, Group-wide approach.

Two Themes for Digital Transformation

Business process improvement	New business creation

| CRM and other customer interfaces | → Structured through business unit ownership |
| Portfolio dashboard and tax and accounting processes | → Holistic intra-Group systems |

Technology Department Information Security Control Department ORIX Computer Systems **×** Business Units

Building a Bank Resilient to Change and Creating Value
—Enhancing customer experience and employee experience through System Strategy and Talent Development—

ORIX Bank's efficient and unique business model is centered on transactions via the internet rather than physical branches and real estate investment loans for individuals. To continuously evolve this business model, we require a system development framework that can respond quickly and flexibly to changes in the business environment and customer needs, while also pursuing cost efficiency. To that end, we have promoted in-house system development and built a framework that enables us to independently develop and improve systems. Since 2019, under this in-house framework, we have advanced the migration of information, accounting, and office automation systems to the cloud, achieving a 92% cloud migration rate (based on server count) by the end of the fiscal year ended March 2025. We also place strong emphasis on talent development. Positioning talent development as the foundation for digital transformation, we have established a structure in which the IT department and user departments share business issues and goals and work together to drive continuous improvement cycles. Through these initiatives, we aim to enhance customer experience and employee experience.

In recent years, we have also promoted the use of generative AI in various business processes, building on the foundation of in-house system development and cloud migration. In system development and operations, we are deploying strategies that create sustainable value from the perspectives of businesses, customers, developers, and employees. One example is "ORION," an in-house generative AI service developed by our engineers in 2024. Through functions such as Internal FAQ and Company Rules Navigator, ORION searches and references internal documents such as rules and manuals, and generates answers, enabling rapid access to business-specific knowledge. In deposit-related call center operations, we introduced a function that uses ORION to summarize call content, reducing the time required to prepare negotiation records by approximately 46.6%. These initiatives contribute not only to internal value, such as knowledge sharing and operational efficiency, but also to external value, including improvements in the quality and speed of customer service.

Going forward, ORIX Bank will leverage our talent and in-house system development capabilities to continue to support our unique business model and continue evolving into a resilient business structure capable of sustainable growth.

AI service ORION