

The cover features a large circular frame with a red-to-purple gradient border. Inside the circle is a photograph of a glass globe resting on a field of green grass with small blue and yellow flowers. The globe reflects the surrounding nature. The text "SUSTAINABILITY REPORT 2019" is centered over the globe in white, bold, uppercase letters.

SUSTAINABILITY REPORT 2019

Message from the CEO

Sustainability as part of ORIX's DNA

Sustainability used to be peripheral to investment decisions, corporate management and employee recruiting. It was generally a concept that academia, non-profits and governmental and intergovernmental organizations used within a social and moral context. However, society at large has embraced the sustainability mindset. It is becoming a fundamental parameter for investment decisions among stakeholders, and society's expectations and requirements for companies are escalating. Sustainability is not a mere formality. For a truly global company that contributes to economic development and sustained growth within the context of constant economic, societal and environmental change, it is a fundamental component of all corporate activities.

ORIX currently operates in 37 countries and regions around the world. We originated in Japan and have our headquarters here, but we do not subscribe to the stereotypical model and culture of a Japanese company. We believe we must be an international company that holds itself to the highest global standards. The move toward sustainability in Japan may not yet have the same momentum as it does in other economically developed regions such as Europe and the United States, but ORIX sets detailed directives and goals for sustainability that it can pursue in its day-to-day

business activities. Sustainability as a mindset has been an integral part of ORIX's DNA since day one, and our goal has always been to meet societal needs through our business activities.

ORIX has consistently inculcated a corporate culture that stresses innovation, flexibility and action. As a result, we believe we have grown into a corporation unlike any other. Our unique corporate culture has been a source of strength that has enabled ORIX to grow diverse businesses worldwide.

ORIX's multi-faceted diversity

The diversity that characterizes ORIX has two aspects. One is the geographical diversity of our business network encompassing not just Japan, but the world. The other is the extensive experience and long list of achievements generated by our exceptionally diverse portfolio of businesses. This diversity is an irreplaceable asset that defines and characterizes ORIX. The extensive experience we have gained from managing our diverse portfolio of businesses gives us the ability to see through the peripheral and grasp the essential core of any particular matter, which enables us to anticipate societal needs and quickly and flexibly capture emerging business opportunities.

However, the diversity of our global business portfolio



and our geographic diversity sometimes pose challenges in applying the monolithic concept of sustainability throughout ORIX. Our people operate in a variety of environments and regions and therefore have differing needs and issues, so a Group-wide management approach is not necessarily appropriate. Even if we set a Group-wide framework for sustainability, not all businesses can apply it without modification. We therefore need to consider approaches to sustainability that accommodate the characteristics, environment and issues of each business unit. That requires senior management from the Group CEO on down to clearly demonstrate their commitment to sustainability and to give direction to ORIX.

Each business unit is responsible for creating and executing its own approach to sustainability aligned with both the characteristics of its business and the Group-wide sustainability framework. We need to put in the time and effort to do this carefully, with due consideration of relevant issues. I intend to maintain a proactive approach to sustainability and as the head of senior management will disclose in detail information regarding ORIX's directives with regards sustainability. ORIX operates in a wide range of businesses, and can therefore respond flexibly to all types of social change. We continuously provide this unique value to the markets we serve. That is the ORIX business model.

Sustainable growth driven by diversity

Managing risk is also part of sustainability. But with risk also comes the potential for new and significant opportunities. If we lose sight of this, we risk being constrained by conservative, short-term thinking in our business activities. ORIX therefore needs to nurture a long-term, "eyes on the horizon" approach that incorporates multiple perspectives, all informed by sustainability. Such an approach will enable us to engage in various new businesses.

I am confident that ORIX's diversity will drive sustainable growth in a changing world. We look forward to expanding our portfolio of businesses that contribute to society, and to further deepening our dialogue with stakeholders.



Makoto Inoue

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



Corporate Philosophy

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

Management Policy

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

Action Guidelines

Creativity

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

Integration

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

EC21(Excellent Company 21)

ORIX established "EC21," which distinguishes ORIX's Corporate Vision as an "Excellent Company in the 21st Century," based on our corporate philosophy, management policy and action guidelines.

Pride

We have pride in creating new value which is highly regarded from the market.

The function of a company in society is to make a positive contribution to the economy reflected in the world around us. This is the true purpose and role of a company. By achieving this purpose at a higher level, ORIX is proud that as a company it contributes to society.

Trust

We win the trust of all stakeholders by responding professionally to diverse society needs.

It is the stakeholders, including shareholders, customers and employees, that have the most direct and large involvement in supporting the existence and development of a company. We aim to be a company that exceeds international standards by responding not only to the expectations of all of our stakeholders but also the expectations of society as a whole. By responding to these various expectations while maintaining a humble and modest position, we wish to become a company trusted by all.

Respect

We earn utmost respect from society with the highest standards of compliance with all laws, morals and a transparent corporate culture.

If a problem occurs that offends social norms during the course of corporate activities, the reputation of the company will be harmed. By acting according to higher standards than that of solely abiding by the law and raising these standards as ORIX grows, we would like to create a widely respected corporate culture of excellence.



<https://www.orix.co.jp/grp/en/about/overview/philosophy/ec21/>

International Commitments

ORIX endorses the following international commitments, initiatives, and frameworks:

- The United Nations Global Compact
- Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention against Corruption

Participation in the United Nations Global Compact

ORIX became a participant in the United Nations Global Compact in July 2014. We support the ten principles in the four fields of human rights, labour, environment and anti-corruption, and we are promoting initiatives in each of these fields.



Foreword

ORIX proactively tackles social issues and needs and provides unique value based on our commitment to contributing to society through our business activities. In keeping with this commitment, we have published our Sustainability Report 2019 to present our sustainability initiatives. The objectives of this report are to fulfill our responsibility to meet stakeholder demand for disclosure, to effectively explain our approach to sustainability, and to improve our business management through dialogue with our stakeholders. We hope the report gives readers a deeper understanding of ORIX as we aim to realize a sustainable society and sustainable growth through our sustainability initiatives.

Scope of the Report

ORIX Corporation and Group companies in Japan and overseas. In this report, "ORIX" refers to the ORIX Group.

Disclosure of Sustainability Information

In addition to the Sustainability Report, ORIX discloses sustainability information through the following media.

▶ Group Sustainability Website

Presents information on ORIX's sustainability initiatives.

<https://www.orix.co.jp/grp/en/sustainability/>

▶ Integrated Report

Presents information on sustainability in addition to financial information, with the principal objective of enabling a wide range of stakeholders, including shareholders and investors, to gain a multifaceted understanding of ORIX's sustainable growth.

https://www.orix.co.jp/grp/en/ir/library/annual_report/index.html

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Sustainability at ORIX

Since its inception, ORIX has offered new value to society through its business activities with a fundamental commitment to social contribution. Profits are important to us as a company, but they are not our only objective. We believe that providing new value to and being an integral part of society will result in the profits that enable sustainable growth.

ORIX will continue to achieve sustainable growth and fulfill its social responsibilities by contributing to society through its business activities. In September 2019, we adopted our ORIX Corporate Sustainability Policy to clarify our intention to promote sustainability.

Purpose of the Sustainability Policy

The success of ORIX's business and the value we create for society are rooted in our ability to identify changes in society and transform them into opportunities through collaboration with our stakeholders.

In a world in which the changes we seek out for opportunities—and the scrutiny we face from society—will increasingly come from matters related to corporate sustainability, including environmental, social, and governance (“ESG”) issues, integrating sustainability into our operations will play a key part in whether we can continue to create new value and maintain the trust and respect of our stakeholders.

This policy sets out the principles by which we integrate sustainability across ORIX so that we can continue to benefit society through our business, both now and in the long-term.

Since our business is diverse, different parts of it could have an impact on, or be impacted by, entirely different sets of sustainability issues. As such, the principles set out in this policy are designed so that they can be applied to all areas of the company. Besides these core principles, ORIX is committed to continuously analyzing and identifying the specific sustainability issues relevant to our different business areas and to incorporate these into the management of our business. We also describe our current priority sustainability issues in this policy.

Scope of the Sustainability Policy

This policy applies to all ORIX employees and covers all of ORIX's business activities and operations globally. Since ORIX is made up of many diverse businesses with different business models, it is the responsibility of each business unit to implement the policy in a way that accounts for the risks and opportunities particular to their service line.

Core Principles of Our Sustainability

Considering sustainability issues is a prerequisite if we are to continue to grow in the long-term and to create new value by responding to the needs of society. As such, we look to integrate sustainability into all areas of our decision-making.

The strength of our company rests in the diversity of our businesses and the synergies we can achieve among them. It is therefore imperative that we understand how sustainability issues impact each of our businesses individually, and how these impacts filter back to ORIX as a whole. To this end, we commit to doing the following on an ongoing basis.

Understand our sustainability priority issues:

Identify and understand priority sustainability issues.

Identify and pursue sustainability opportunities:

Seek out new business opportunities in sustainability issues, including where collaboration across business lines could contribute to solving societal problems.

Identify and manage sustainability-related risks:

Introduce analysis of sustainability issues in risk management, both at the Group level and for individual businesses.

Engage with our stakeholders:

Engage with all stakeholders, maintain transparency in our operations, and adequately consider stakeholder feedback in our activities; encourage business partners and suppliers to support this policy.

Develop employee awareness:

Develop employees' awareness of this policy, and, when necessary, provide guidance on how to implement it; develop employee awareness and knowledge of priority sustainability issues.

Furthermore, the concepts of pride in our company, stakeholder trust, and respect from society are key drivers of ORIX, as outlined in our Corporate Vision, EC21. To maintain our license to operate and grow our business along these lines, we recognize that we must do the following in our daily work.

Care for the natural environment:

As detailed in our Environmental Policy, we measure and minimize our environmental impacts and look to provide solutions to society's environmental issues through our business. ORIX takes a precautionary approach, as set out in the Rio Declaration, to environmental challenges, meaning we act proactively to manage environmental risks and do not use lack of full scientific evidence as a reason to postpone reasonable actions to prevent environmental damage.

Respect human and labor rights:

We uphold human and labor rights as defined in international standards such as the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. This includes, but is not limited to, the rights to freedom of association and collective bargaining and the elimination of all forms of compulsory and child labor.

Promote diversity, and care for the well-being of our employees:

We respect the diversity of our employees and provide opportunities and environments maximizing their professional development. Furthermore, ORIX is committed to respecting the culture, customs and environment of countries and regions where we operate, and positively contribute to those economies and societies. We are also committed to creating safe and secure workplaces where our employees can thrive and where no forms of discrimination are tolerated.

Uphold the highest business ethics:

At all times we conduct our business in accordance with all laws and promote fair competition. This includes rejecting all forms of corruption and bribery, not engaging in unethical transactions, associating with anti-social forces, or engaging in activities that could lead to conflicts of interest.

Priority Issues

ORIX has a diversified business model, meaning different parts of our business impact, and are impacted by, different sustainability issues. For our efforts and contributions to society to be as effective as possible, it is important that we focus on the areas where we have the most impact.

At present, we have identified the following material issues for us to address as priority issues in our sustainability efforts. We have also linked these key topics to the United Nations Sustainable Development Goals (SDGs) to show how we contribute to sustainability in a global context. We are committed to continuously re-assessing and refining our analysis. This means that our list of priority issues may change as our business grows and expands into new areas.

<div style="text-align: center;">  <p>Automobiles</p>  </div>	<p>Promoting environmentally friendly driving</p> <p>Road traffic represents a significant share of global greenhouse gases and other emissions. By supporting our customers in choosing fuel-efficient vehicles and promoting fuel-efficient driving, we can help our customers reach their own environmental ambitions and thereby contribute to the transition to a low-carbon society.</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div style="text-align: center;">  <p>13 CLIMATE ACTION</p> </div> </div>
<div style="text-align: center;">  <p>Real Estate</p>  </div>	<p>Sustainability considerations in real estate investment and management</p> <p>Environmental and social factors are becoming increasingly important in real estate investment. Buildings with higher environmental performance and buildings that integrate the tenants' well-being into their design and operation are likely to grow in demand among tenants wishing to improve their own sustainability performance and are also likely to have lower operating costs. These factors in turn affect the market value of such properties, leading to creation of both environmental, social and economic value.</p> <p>Further, buildings consume significant amounts of energy for heating, cooling, lighting and appliances. Water is also consumed through the use of fixtures and appliances. By working towards environmental efficiency of our buildings, we are able to reduce our environmental footprint while at the same time optimizing operational cost efficiency.</p>	<p style="text-align: center;">  3 GOOD HEALTH AND WELL-BEING </p> <p style="text-align: center;"> This issue has the potential to contribute to all SDGs, not just one specific goal. </p>

 <p>Real Estate</p>	<p>Social considerations in real estate management</p> <p>To support the prosperity of individuals and the local communities in which we operate, it is important that we consider social aspects such as accessibility and safety in the management of our real estate portfolio. Not only does this enable us to build strong relationships with our stakeholders but it also strengthens our brand and license to operate.</p>	
 <p>Environment and Energy</p> 	<p>Investment in and operation of renewable energy generation</p> <p>The expansion of renewable energy is happening at an ever-increasing pace as the world transitions away from fossil fuels. By investing in and operating renewable energy sources such as solar and geothermal energy, we are supporting this transition while at the same time securing long-term revenue sources.</p>	 
	<p>Conservation of biodiversity</p> <p>Biodiversity refers to the variety of ecosystems and species in the natural environment.</p> <p>These ecosystems provide humans with functions that support societies and economies*. Human activities such as development activities put pressures on the natural environment. Including biodiversity considerations in the planning and development of new projects is key to identifying any issues at an early stage and taking action to protect sensitive ecosystems necessary for human well-being.</p>	

* Besides providing functions or goods like food, wood and other raw materials, plants, animals, fungi and micro-organisms provide essential regulating functions such as pollination of crops, prevention of soil erosion and water purification, and a vast array of cultural functions, like recreation and a sense of peace.

Our Process for Identifying Our Priority Issues

ORIX has analyzed our business areas to identify which specific environmental, social and governance-related issues are of most importance to us and our stakeholders. This analysis consisted of both looking to external sources such as established sustainability frameworks, ratings agencies and leading best practices in the industries in which we are involved, as well as looking internally to understand which issues are most important to our current and future business performance.

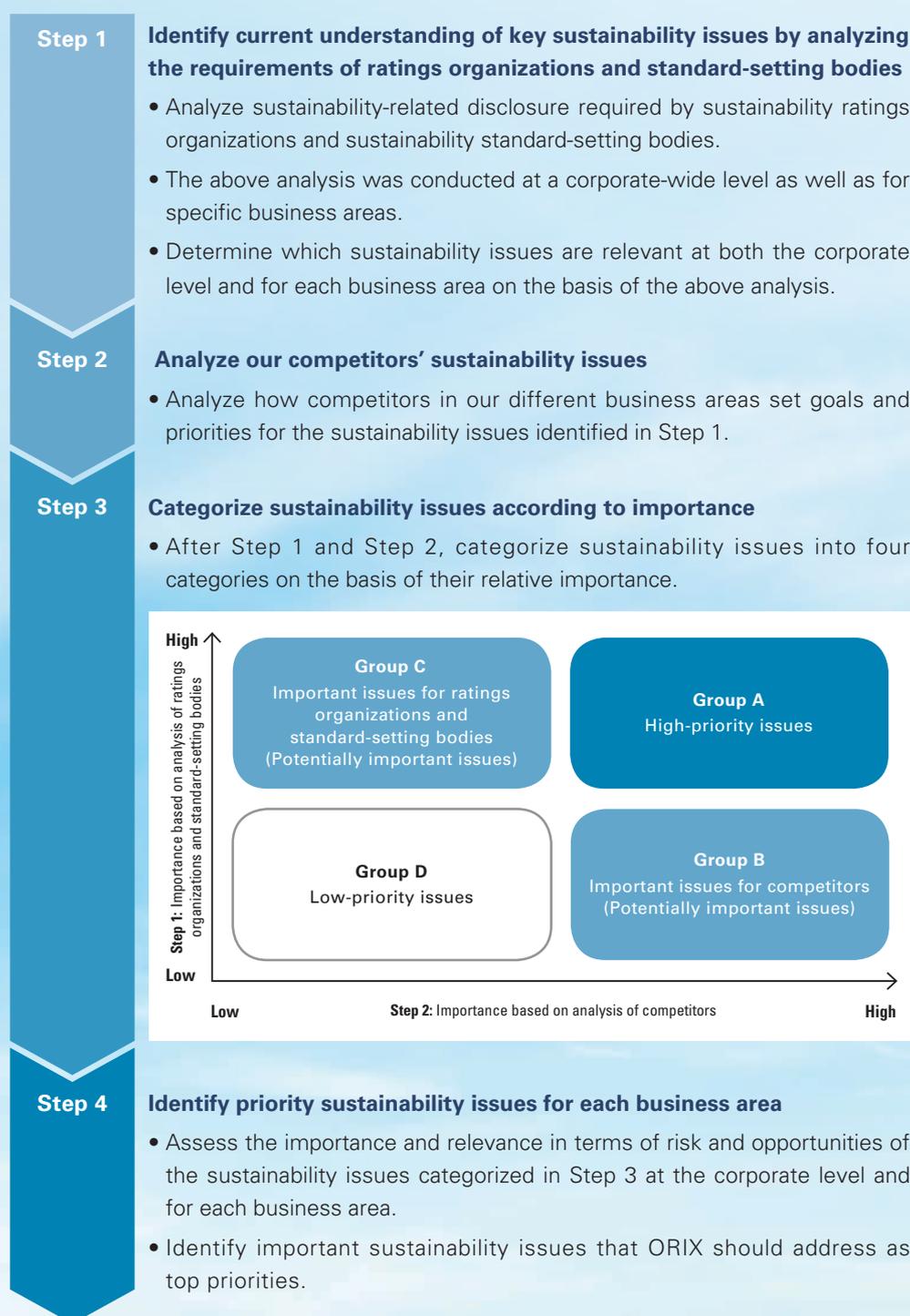
ORIX's approach to determining its material sustainability issues can be described in four steps.

Steps 1 to 3 confirm the sustainability discourse in society at large. We researched the kind of sustainability measures that society demands of businesses and how businesses are responding to these demands. We identified which issues are central and material

in today’s sustainability discourse by determining where the demands of society and corporate responses overlap most strongly.

In Step 4, we took the issues identified as central and material in society at large and examined our specific businesses through the lens of those issues. We analyzed the relevance of each such issue to ORIX’s business activities, including the specific risks and opportunities inherent in each issue, and identified and prioritized ORIX’s specific sustainability issues.

The specific content of each process is as follows.





Environment

Environmental Management

■ Environmental Policy and Goals (Updated September 25, 2012)

Environmental Policy

ORIX Group strives to understand the needs of customers and society, contributing environmental and energy solutions through business. We will continue to adapt to change brought about by business expansion and growth.

Goals

1. Provide new ecological services that contribute environmental and energy solutions.
2. Understand the impact of business activities on the environment, complying with environmental laws and regulations in order to reduce environmental impact.
3. Raise employee awareness and knowledge in order to respond to environmental issues based on our nature of business.
4. Provide and disclose information on matters required by environmental laws and regulations.

■ Environmental Activity Management Structure

In order to promote environmental activities with more relevance to ORIX's business, ORIX has put in place the following management structure:

- The person responsible for environmental activities shall be the Head of Treasury and Accounting Headquarters and the department responsible for policy and plan formulation will be the ORIX Corporate Planning Department.
- Other relevant departments shall be the Legal and External Relations Department, Energy and Eco Services Business Headquarters and Corporate Communications Department.
- The structure covers domestic Group companies and involves cooperation between each domestic Group company, especially those in business fields with large environmental impacts. The management structure keeps abreast of developments in the environmental sector as well as related legal developments, and develops responses or initiatives in response to such developments.



■ ISO14001 Status

ORIX currently possesses ISO14001 environmental management system certification for the following locations.

Company	Acquisition Date
Ubiteq Inc.	Oct. 2004
ORIX Environmental Resources Management Corporation (Yorii Plant)	Jan. 2009
ORIX Eco Services Corporation (Funabashi Plant)	Jun. 2014
ORIX Eco Services Corporation (Kasukabe Plant)	Feb. 2017

Environment and Energy Business: Energy Business

We entered the environment and energy business by investing in the wind power generation business in 1995. We subsequently expanded into a broad range of operations including energy-saving services, electric power retailing, and renewable energy generation. We began to commercialize renewable energy when the Great East Japan Earthquake of March 2011 led us to predict that Japan's energy business and electricity generation mix would change. We had already established the organization to accelerate our renewable energy business when the feed-in tariff system was first introduced in July 2012. We proceeded to construct a nationwide network for selling solar power generation systems and to acquire the land needed for mega-solar projects. By acting quickly and boldly investing our time and resources into this field, ORIX successfully established a profitable business model ahead of our competitors. Currently, we are engaged in various renewable energy businesses such as solar, biomass, geothermal and wind power.

Renewable energy is well positioned to become an important market with a global scale due to the ever growing need for clean energy and call for reduction in carbon emissions, exemplified by the growing number of companies that have committed to RE100.* In particular, the renewable energy market in Asia is expected to expand in line with the increase in electricity demand, and we are taking advantage of the know-how we have cultivated in Japan to pursue business opportunities in this promising market.

* An initiative of a global group of companies started in 2014 by The Climate Group, an international environmental NGO. Members aim to procure 100% of their electricity from renewable sources. As of September 2019, there are 203 member companies.

Renewable Energy Business (Japan)

Mega-solar power generation business

We lease idle, unused land throughout Japan that is owned by municipalities, companies and other organizations, on which we construct and operate large-scale solar power generation facilities. These mega-solar projects have a maximum output of over 1,000kW (1MW).

Mega-solar facilities are long-term projects that generate power for 20 years after the construction and start-up period and involve numerous stakeholders during this long period. As the business owner, ORIX focuses on safe and stable management of all aspects of the project.

Operation and maintenance (O&M) are key to stable power plant operations. ORIX outsources solar power plant maintenance and administration to highly reliable industry players and monitors the status of each plant at all times using remote monitoring systems to maintain high standards and maximize efficiency in our power generation.

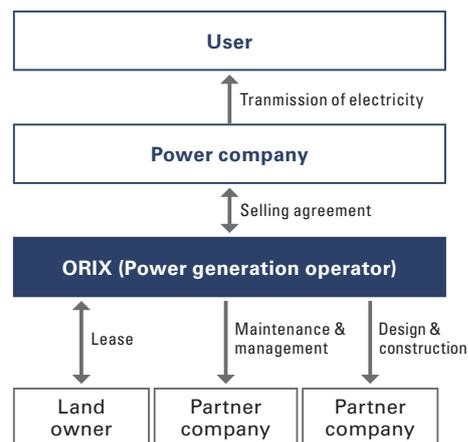
Roof solar power generation business

ORIX operates a "rented roof" solar power generation business, utilizing roofs rented out from clients who own large facilities such as factories and warehouses. Unlike ground-mounted solar panels, rooftop-mounted panels do not require development or other preparation of the land, allowing for easy installment and power generation within a short construction period.

In addition to enabling energy generation, the benefit for customers who install rooftop solar panels include effective use of a resource that normally does not produce profit and improved efficiency of air conditioning systems, as solar panels can act as thermal barriers.

From the initial facility design stages, ORIX supports the installment of rooftop solar panels that maximize output. This involvement includes proposals at the design and construction stage of the client's facility to help maximize the solar generating value of the facility or for the use of lightweight panels when roofs are structurally incapable of supporting heavy panels.

Mega-solar power generation business



Data

Total maximum output of mega-solar power generation business and roof solar power generation business

Secured projects: Approx. 1GW

In operation: Approx. 840MW

(As of March 31, 2019)

As this business involves the installment of systems into facilities owned by our clients, we ensure safe and secure construction by having dedicated personnel advise and oversee the work of contractors. As for the maintenance and administration of the power generation system, we select and commission highly reliable O&M contractors.

This initiative also involves the use of roofs of facilities owned by ORIX, including commercial facilities.

Biomass power generation business

We operate the Agatsuma Biomass Power Plant, a wood chip-fired thermal power station in Higashiagatsuma, Gunma Prefecture. Wood chip-based combustion power generation is a method of generating electricity by burning wood chips in a boiler and rotating the turbine with the hot steam. Wood chips are a biomass*¹ substitute for fossil fuels that enables reductions in CO₂ emissions. Further, this power plant uses thermal recycling*² technology, increasing efficiency and reducing environmental impact. The Agatsuma Biomass Power Plant uses domestically sourced wood chips and has a power generation capacity of 13.6MW, and annual power transmission that reached 86 million kWh in the fiscal year ended March 2019.

Sourcing quality wood chips is crucial for a stable power supply. The plant uses waste wood from construction and tree trimming, and also employs thinned timber*³ that formerly went unused. We collaborate with the town of Higashiagatsuma and the local forestry association to support local forest maintenance*⁴ and increase the recycling rate for wood chips.

Appropriate processing of ash from combustion is also important. The plant outsources this function to recycling companies so that ash from combustion is used effectively. At the recycling plant, combustion ash is used for production of road foundation materials and solar panel installation platforms.

*1 This refers to organic resources derived from renewable organisms, excluding fossil resources. Of these, wood-derived materials are called woody biomass and are attracting attention as environmentally friendly fuels.

*2 Thermal recycling refers to the process of collecting and utilizing heat energy generated from combustion, rather than merely incinerating waste materials.

*3 This refers to wood that results from thinning operations that thin out dense trees. It is not suitable for building construction materials and is regarded as wood that is difficult to effectively utilize.

*4 This refers to practices such as planting, conservation, and thinning to aid forests in continuing to function in their role in land conservation, water source cultivation, prevention of global warming, and supply of forest products such as timber.

Agatsuma Bio Power Co., Ltd ▶▶▶ <https://agatsuma.orix-eco.jp/index.htm> (Japanese only)

Wind power generation business

We first invested in Japanese land-based wind power generation in 1995. Since then, we have accumulated knowledge of wind power generation in Japan and overseas, and used it to research and examine developments in our wind power generation business, including offshore wind power.

- We are investing in Akita Araya Wind Farm (maximum output 8.7MW) in Akita City, Akita Prefecture.
- We are considering the feasibility of offshore wind power generation in Choshi City, Chiba Prefecture, via marine geological surveys and other means.

Geothermal power generation business

ORIX's Beppu Suginoi Hotel in Beppu City, Oita Prefecture owns and operates a geothermal power plant with a maximum output of 1,900kW (1.9MW), which is the largest in Japan for private use. Utilizing such geothermal power generation businesses and expertise in the management of hot spring hotels, we aim to branch out into several locations nationwide and contribute to the vitalization of local communities.

Currently promoted businesses are as follows:

- We are set to begin construction of a geothermal power plant with a maximum output of 6,500kW (6.5MW) in the Minami-Kayabe region of Hakodate City, in Hokkaido with the goal of completing construction and commencing commercial operations in early spring 2022.



Agatsuma Biomass Power Plant

Biomass power generation business

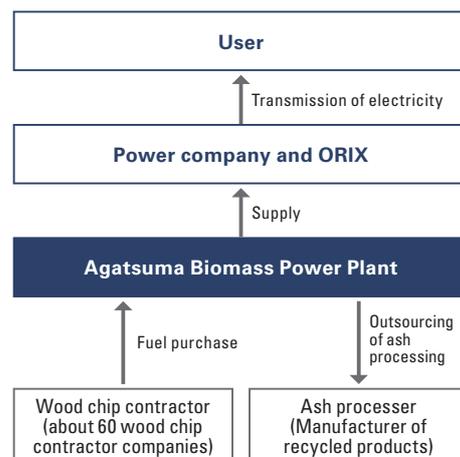


Image of Minami-Kayabe Geothermal Power Plant (Name to be confirmed)



- In Aomori City, Aomori Prefecture, and Kazamaura in Shimokita District, Aomori Prefecture, and Hachimantai City, Iwate Prefecture, ground surveys for the construction of geothermal power stations have been completed and we are now preparing for the drilling survey.
- In addition, we have entered into an agreement with the town of Hachijo, Tokyo regarding geothermal power generation and plan to start operation of a geothermal power plant with a maximum output of 4,400kW (4.4MW) in 2022.

Support for installing solar power generation systems

As implementation of solar power accelerates worldwide, the cost per unit of power generation systems is dropping, but construction and other costs remain high in Japan, with system prices higher than in other countries. On the other hand, there is a growing shift in use from conventional sales to consumption of self-generated power, backed by amendments to the feed-in tariff system and ESG investment.

We take advantage of our direct, wholesale purchases from manufacturers and our network with construction companies nationwide to support customers' investment in solar power generation facilities at a reasonable price. ORIX provides equipment from multiple manufacturers, as well as customized procurement methods including installment payment plans, acquisition of business plan approval of the feed-in tariff system, and consultation on applying for subsidies for solar energy self-consumption system installation. We provide support throughout the process from implementation to maintenance, supporting the smooth installment of facilities for customers.

Renewable Energy Business (Overseas)

Wind power and distributed solar power generation businesses in India

India's population is expected to exceed China's by 2030. Along with this population increase, high economic growth and improvement in the Indian people's standard of living are projected to lead to a rapid increase in future energy demand. The Indian government is expanding investment in both public and private sector power plant development to address this rapid growth in energy demand.

The Indian government is also developing and upgrading systems to meet increasing power demand. However, due to problems such as power transmission loss in the grid, service cannot be guaranteed during high demand in some urban areas, and power outages during peak hours occur regularly. In addition, the numerous rural areas without electricity are an issue.

- Wind power generation business in India

We are developing and operating a wind power business in India in collaboration with an Indian infrastructure development and investment company, INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED. In October 2019, ORIX acquired all shares of wind power generation subsidiaries and made them wholly owned subsidiaries.

This business has developed a total of 23 wind power plants in seven southwestern Indian states that have appropriate wind conditions with a total output of 873.5MW. The generated power is mainly sold to state power companies under a feed-in tariff system, and partially sold to large-scale energy consumers.

India pledged at COP 21 (the 21st Conference of the Parties to the Framework Convention on Climate Change) to generate 40% of its total power from sources other than fossil fuels by 2030. To achieve that goal, India is targeting a total output of 100,000MW using solar power by 2022 and total output of 60,000MW using wind power.

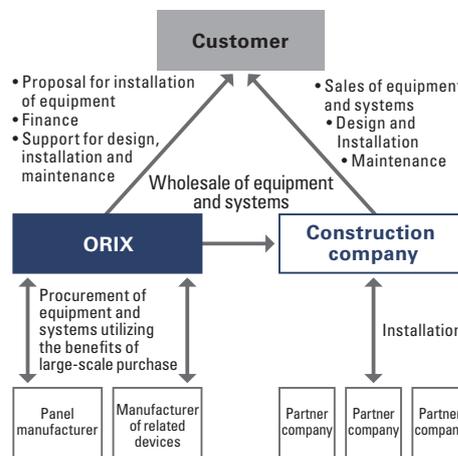
- Distributed solar power generation business in India

In India, we are working on a distributed solar power generation business with the

Data

Total capacity of sold panels: 835MW
(As of March 31, 2019)

Support for installing solar power generation system



SUN Group, a local mid-sized conglomerate. This involves installing solar power generation equipment on the roofs of buildings or small-scale structures, and the use of the generated electricity by that building or structure. Power generation near sites of electricity demand can limit power transmission loss. Furthermore, electricity from the power company can be used when solar power is insufficient, such as at night or on days with low sunshine. Distributed power generation utilizing sunlight is locally produced and locally consumed, can be installed in small spaces and does not require the costly investment of transmission and distribution infrastructure. This is useful in India where there are many off-grid regions. Based on these advantages compared to the traditional transmission and distribution structure, further demand is expected.

Hydropower generation business in Vietnam

In Vietnam, demand for power is expected to grow along with the economy. To secure its power supply, the Vietnamese government set a target in 2016 of 7% GDP growth by 2030, formulated its Seventh National Power Development Master Plan to meet the power demand, and is developing new power sources. However, this power development also entails many large-scale coal-fired power generation projects, raising concerns about environmental impact. The Vietnamese government has therefore introduced a feed-in tariff system and other preferential measures to promote the development of renewable energy sources such as solar, wind and biomass.

ORIX has a stake in Bitexco Power Corporation (“BPC”), a hydropower generation company in Vietnam. BPC hydropower plants are either in operation or under construction in 20 locations in Vietnam as of March 2019. The largest player in the hydropower generation business, BPC has a gross power capacity of 895MW.

In Vietnam, electricity demand is growing by more than 10% annually on average, and in 2030 the demand is expected to be triple that of 2015. Against this backdrop, the Vietnamese Government has a policy of gradually liberalizing the electricity market in order to meet the strong demand for electricity. ORIX employs its expertise in renewable energy and electric power retailing to continue to promote business in Vietnam.

Solar power generation business in the U.S.

We collaborate with IGS Solar to install solar panels on the roofs and land of properties including commercial facilities and schools, and then sell the generated electricity to the host. Panels are installed or under construction at 48 properties in eleven states throughout the U.S., with a projected total output of 50,000kW (50MW) as of March 2019.

ORIX Corporation USA ▶▶▶ <https://www.orix.com/>

Overseas geothermal power generation business

Geothermal power development is attracting attention globally—not only in North America and Europe, but also in emerging countries in Asia, Africa, Latin America and elsewhere—as a renewable energy generation method that can provide a long-term, stable power supply that is sustainable, unlike fossil fuels.

We are an investor in Ormat Technologies, Inc. (“Ormat”), which runs a geothermal power generation business among other businesses.

Ormat is the world’s only vertically integrated geothermal company that engages in the design, manufacture, sales, and installation of geothermal power generation facilities. It also independently carries out geothermal resource development and geothermal power generation. The company’s geothermal power generation facilities have established an installation record with total cumulative output of approximately 2,900,000kW (2,900MW) worldwide and hold about 82% of the world’s binary power generation installation capacity, the leading share. In addition, Ormat is developing its business not only in the U.S. but also in Central America and Africa, and has a total generating capacity of 947,000kW (947MW) as of March 2019. Through capital



The Dak Mi 4 Power Station which is owned and operated by BPC



The McGinness Hills Complex Power Plant owned and operated by Ormat



participation, we plan to strategically collaborate with Ormat to promote geothermal power generation businesses in Japan and Asia.

Ormat Technologies, Inc. ▶▶▶ <https://www.ormat.com/>

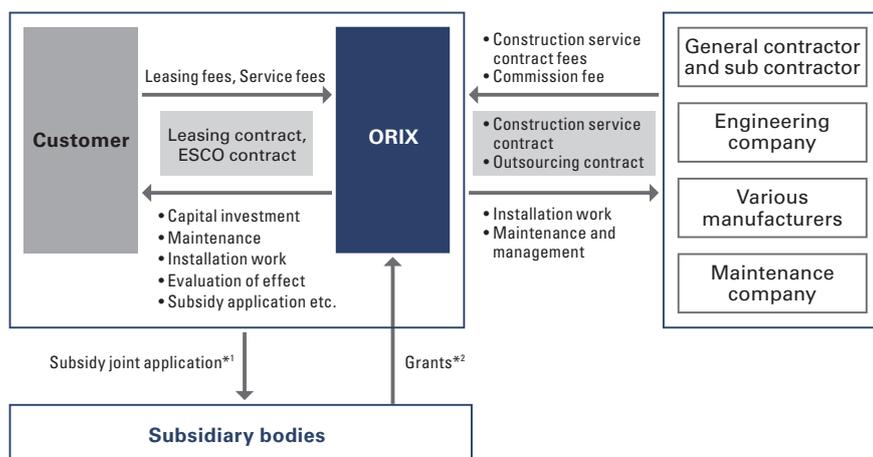
Energy-saving Services (ESCO Services)

Energy-saving services seek to realize energy savings and reductions in CO₂ emissions through increased productivity. The services are offered when our customers update or establish new production facilities in factories and buildings.

Data

Number of contracts
Approx. 750

(As of March 31, 2019)



*1 Cooperation of the customer, who is our joint applicant, is required for application procedures and asset management.

*2 This service does not guarantee the attainment of subsidies. We may be required to return the subsidy if we have not complied with the application guidelines.

Because subsidies come from public funds, there are restrictions on property disposition and reporting obligations, and unapproved changes in plans or failure to achieve certain results can lead to demands to return subsidies.

In the case of a joint application, if ORIX returns a subsidy, the customer will be required to pay the amount equivalent to the subsidy returned (unless ORIX is liable for the causes of the return of subsidy).

[Examples of Provided Service]

Type of Service	Description	Example of Implementation
Energy saving service in production facilities	Provision of productivity improvement and energy saving services for the overall facility mainly through renewal of the production equipment, which is the main energy consuming equipment of the facility.	Energy saving by updating production equipment for beverages or chemicals and updates for industrial furnaces and injection molding machines.
Electrical/heat supply service	Introduction of co-generation facilities aimed at stable procurement of power, business continuity plans (BCP), and cost reduction.	In addition to introducing high efficient boilers, introducing more effective uses of waste heat.
LNG fuel conversion	Conversion of fuels used in factories from heavy oil to LNG (liquefied natural gas) with low environmental impact, for the purpose of reducing CO ₂ .	Reduction of CO ₂ emissions (example reduction level of about 10% to 25% after conversion).
Energy saving service for factory utilities	Introduction of energy-saving equipment to energy-intensive factories, mainly through updating utilities.	Introduction of high efficiency utility equipment (air conditioning equipment, lighting equipment, boilers, etc.) to reduce energy consumption (example reduction of about 10% to 35% after introduction).
Energy saving service for commercial facilities and office buildings	Introduction of energy-saving equipment tailored to different types of facilities.	Introduction of high efficiency utility equipment (e.g. air conditioning equipment, lighting equipment, refrigeration equipment, energy management system (EMS) equipment) (example reduction of about 5% to 35% after introduction).
Energy saving service for local governments	ORIX has been selected as the representative business entity of various municipalities' ESCO projects introducing various energy-saving facilities tailored to different types of facilities.	Reduction of energy costs by introducing BEMS, CO ₂ concentration control/fan volume control in air conditioning units, high efficiency lighting equipment, filtration system controls, etc. (example reduction rate of about 10% to 15% after introduction).

■ Sale and Lease/Rental of Solar Panels, Electricity Storage Systems and Other Products

ONE Energy conducts wholesaling, leasing, rental and other services for solar panels and electricity storage systems. The combined use of solar panels and electricity storage systems allows customers to save electricity generated by solar power for private use, sell surplus electricity, and prepare for power outages. It can also help mitigate the risk of higher electricity fees resulting from increases in surcharges for renewable energy.*

* Renewable energy power promotion surcharge

ONE Energy Corporation ▶▶▶ <https://oneenergy.co.jp/> (Japanese only)

■ Initiatives for Establishing Distributed Energy Networks

The growing use of renewable power generation is moving the supply of energy from centralized supply by large-scale power plants to distributed supply by smaller-scale, regionally dispersed power plants that supply power to nearby areas. This shift is gaining traction globally, and a shift to distributed energy is also expected in Japan, where the Great East Japan Earthquake highlighted energy supply limitations and the weaknesses of the conventional centralized energy supply system. The advantage of decentralization is that it helps to disperse energy supply risks and reduce CO₂ emissions by optimally combining various supply capabilities (e.g., renewable energy, cogeneration) based on regional characteristics. In addition, through the use of distributed energy, consumers who had previously been exclusively users of energy can now become suppliers of energy, making the energy supply and demand structure more flexible.

ORIX already owns power supply facilities that contribute to a distributed energy network spanning over 600 locations throughout Japan, including renewable energy power plants such as solar (mega solar and rooftop), wind power and biomass. We have also installed approximately 10,000 residential-use stationary storage batteries and provide residential solar power generation equipment. We expect the power supply facilities we own and services we provide to contribute to the stability of the expanding distributed energy network. In addition, we will explore the development of electric vehicles that can serve as a new power source and medium and large stationary storage batteries. As the owner of distributed power generation and supply assets and resources that support the efficient consumption of electricity and the stable use of new energy-producing resources, ORIX will continue to be a major player in establishing distributed energy supply networks.

Environment and Energy Business: Environmental Business

In our environmental business, we expect the transition to a circular economy and “stock-based society” (a society that emphasizes long-term use of assets rather than short-term use) will re-invigorate the waste processing and recycling industry. Consequently, we will strengthen our existing integrated value chain from collection and transportation to intermediate processing and final disposal by expanding processing facilities at final disposal sites to address the expected increase in intake volume. In the general waste market, which has high entry barriers due to waste regulations, we are planning to construct a new biogas power plant mainly for processing food waste, wastepaper and other business-related general waste. It is scheduled to come online during the fiscal year ending March 2022. In addition, we aim to enter the business of recycling incombustible waste for local governments with the objective of receiving



Yorii Plant, ORIX Environmental Resources Management Corporation



orders to process waste in lieu of municipal recycling centers. Our facilities would also double as centers for receiving large amounts of waste in the event of a disaster.

ORIX's waste treatment and recycling businesses are as follows.

■ Waste Recycling and Disposal Support Business

In Yorii, Saitama Prefecture, ORIX Environmental Resources Management operates a zero emission facility* (Yorii Plant) that uses cutting-edge thermal decomposition, gasification and reforming methods as a private finance initiative in Saitama Prefecture. The main feature of the facility is that it achieves a 100% recycling rate by reducing waste to reusable resources through the process of melting or gasifying waste at approximately 2,000°C. It is capable of processing 450 tons of waste per day, making it one of the largest private-sector incineration and melting facilities in Japan.

The waste passes through various processes for reuse as resources such as material for asphalt paving (slag) and a road de-icing agent (industrial salts). The purified syngas produced during melting is used to fuel a high-efficiency power generator at an on-site power generation facility, and surplus electricity is sold to a power company.

Zeeklite Co., Ltd., a subsidiary of ORIX Environmental Resources Management, operates one of the largest controlled landfills in Japan. ORIX Environmental Resources Management has thus established an organization that provides final disposal in addition to waste incineration and melting to address a wide range of corporate and local government waste requirements.

* A facility that achieves zero waste emissions by breaking down waste into raw materials and effectively using them.

ORIX Environmental Resources Management Corporation
▶▶▶ <https://www.orix.co.jp/resource/> (Japanese only)

■ Support for Reuse, Recycling and Proper Disposal of Unwanted Goods (Nationwide Recycling System)

ORIX Eco Services has built a Japan-wide network for integrated support for the collection, reuse, recycling, and proper disposal of unwanted goods. The company supports the processing of unwanted goods with locations throughout Japan by centrally managing selection of disposal companies and allocation of their vehicles, price assessment upon sale, cost reduction proposals, and administrative work related to proper disposal. This support helps ensure uniform quality of collection and recycling nationwide as well as preventing improper disposal.

We meet diverse customer needs with a network for proper disposal that includes companies involved in collection and transportation, sale of used products, intermediate disposal and recycling.

■ Metal Recycling (In-House Disposal Facilities)

ORIX Eco Services operates intermediate disposal facilities in Funabashi, Chiba Prefecture and Kasukabe, Saitama Prefecture that mainly handle metal waste such as machinery and office automation ("OA") equipment.

The company sorts high-quality metals from machinery and other waste composed of multiple metals by conducting all stages of disposal from collection and storage to primary processing and material recycling. For machinery that contains rare metals, such as OA and information technology equipment, the company conducts all stages of processing from disassembly and data erasure to breaking down into raw materials, as well as sorting of materials for recycling.

ORIX Eco Services Corporation ▶▶▶ <https://www.orix.co.jp/eco/> (Japanese only)

Data

Amount processed:

Approximately 120,000 tons

(Fiscal year ended March 2019)

Materials processed:

Approximately 70% industrial waste and
30% general waste

(Fiscal year ended March 2019)

Types of resources reclaimed from waste:
slag, metal, metal hydroxide, industrial salt,
sulfur, purified syngas, electricity

Providing Products and Services with Outstanding Environmental Performance

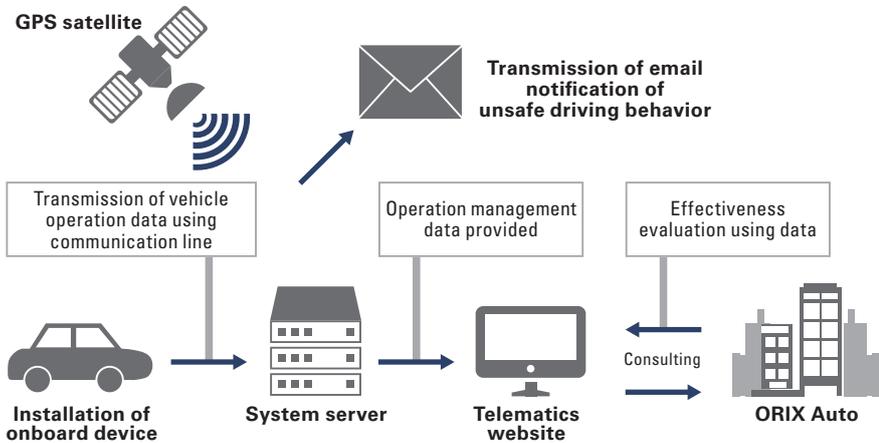
Introduction of Electric and Hybrid Vehicles in Our Car Rental and Car Sharing Businesses

ORIX Auto promotes the development of a sharing economy through the operation of car rental and car sharing businesses at approximately 2,800 locations nationwide. Of the approximately 71,000 vehicles under our management, we have introduced approximately 10,500 electric or hybrid vehicles (as of March 31, 2019). We provide customers with vehicles that offer superior environmental performance.

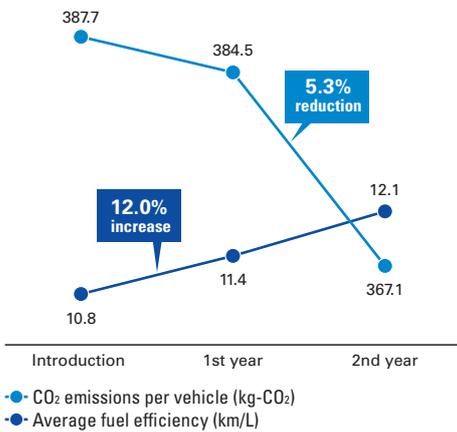
Telematics Service

In ORIX Auto's "e-Telematics" service, an onboard device with communication and GPS functions, is installed in customer vehicles to visualize their operating status. The onboard device collects information in real time on driver behavior, including driving speed and rapid acceleration or deceleration as well as data such as fuel consumption and CO₂ emissions. The service then analyzes this driving data to reduce the environmental load from vehicle use.

Specifically, an email is set to a designated recipient upon the occurrence of unsafe driving behavior, such as excessive speed or rapid acceleration or deceleration. Drivers will therefore want to drive more carefully to avoid receiving such emails, leading to safe, environmentally sound driving that reduces fuel costs, improves fuel economy and reduces CO₂ emissions.



Environmental Benefits of e-Telematics



Data

Number of vehicles with e-Telematics and e-Telematics PRO: 161,000
(As of March 31, 2019)

Real Estate Development Business

ORIX's real estate business segment conducts real estate development and offers buildings with high environmental performance. The buildings and logistics facilities that ORIX has developed have earned high praise for environmental performance and acquired certifications such as LEED*¹ and CASBEE.*²

Completed in September 2016, the ORIX Ueno 1-chome Building is conveniently located near six different train stations with access to six different train lines all within a walking distance of six minutes. In addition to creating a friendly working environment, we are committed to environmental performance and business continuity planning, and the property has acquired LEED and CASBEE certifications. The building is an office space that encourages innovation by offering a rooftop garden where workers can enjoy verdant greenery and a nice view. It also has parking and a shower room for bicycle commuters.



ORIX Ueno 1-chome Building (Taito-ku, Tokyo)

*1 An environmental performance index developed by the U.S. Green Building Council. It aims to promote the global development of sustainable buildings with excellent energy efficiency. "LEED-CS" has five environmental



categories and two bonus categories consisting of approximately 50 evaluation criteria. The evaluation is based on the total value of each index.

*2 Comprehensive Assessment System for Built Environment Efficiency: An evaluation system in Japan that evaluates and ranks the environmental performance of buildings. The comprehensive evaluation includes criteria on usage of environmentally friendly equipment and materials, energy saving efforts, provision of a comfortable indoor environment and consideration for the surrounding area. The buildings are given an overall rank ranging from S, A, B+, B- and C.

For information on our other properties, please refer to the ORIX website.

https://www.orix.co.jp/grp/en/sustainability/three_r/

ORIX Real Estate Corporation ▶▶▶ <https://www.orix-realestate.co.jp> (Japanese only)

DAIKYO and ANABUKI CONSTRUCTION are proactively promoting the creation of environmentally friendly homes, with the aim of realizing comfortable, healthy lives and a low-carbon society.

In its Strategic Energy Plan, the Government of Japan has set a policy goal of achieving ZEH (defined below) for more than half of the new, built-to-order stand-alone houses constructed by 2020 and ZEH (on an average basis) for all newly constructed houses, including ready-built houses and multiple-dwelling houses, by 2030. ZEH is an acronym for a net zero energy house, meaning a house that aims to reduce its balance of annual energy consumption to zero or less by means of energy savings through the introduction of high-performance insulation materials and energy efficient equipment, as well as energy creation from electricity generation using solar power or other methods.

DAIKYO obtained Japan's first "Nearly ZEH-M*1" certification for Lions Ashiya Grandfort, a pioneer among ZEH condominiums that was completed in May 2019. The property reduces primary energy consumption*2 by 32% as a result of energy savings from improved insulation performance and high-efficiency power generation using a next-generation fuel cell (ENE-FARM). By using solar power to generate 48% of its primary energy consumption, it achieves a reduction of more than 80% of primary energy consumption through energy savings and energy creation.



Lions Ashiya Grandfort (Ashiya, Hyogo)

In addition, ten DAIKYO and ANABUKI CONSTRUCTION projects were selected in September 2018 for the Ministry of Economy, Trade and Industry's Fiscal 2018 High-Rise ZEH-M Demonstration Project, the first open solicitation for proof-of-concept condominium projects that promote ZEH. In addition, 11 properties were selected for the Ministry of the Environment's Fiscal 2019 High-Rise ZEH-M Support Project. All the selected properties are condominiums that adopt "ZEH-M Oriented" standards to maintain a comfortable indoor environment by significantly improving insulation performance and introducing more efficient facilities and systems while reducing the annual primary energy consumption of the entire building, including common areas, by 20% or more.

*1 Nearly Zero Energy Mansion. A condominium (or mansion, as called in Japan) that complies with Nearly ZEH-M guidelines and achieves a reduction of 75% or more in primary energy consumption through energy savings and energy creation.

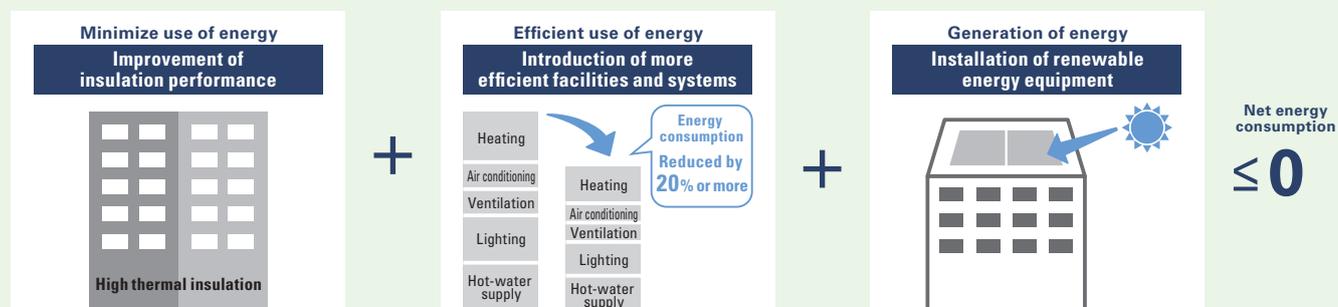
*2 Energy consumption across different functions as calculated through thermal conversion of HVAC equipment, hot water heaters, lighting and other equipment through both the construction and use phase of the building.

ZEH initiatives (Lions Mansion website) ▶▶▶ https://lions-mansion.jp/areaspecial/zeh_m/ (Japanese only)

DAIKYO corporate website ▶▶▶ <https://www.daikyo.co.jp/english/index.html>

ZEH-M Conceptual Diagram

ZEH-M (ZEH Mansion) is a framework for achieving zero net energy consumption in buildings through improvement of insulation performance, introduction of more efficient facilities and systems, and installation of renewable energy equipment.



Source: Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry (ZEH Roadmap Examination Committee for Condominiums)

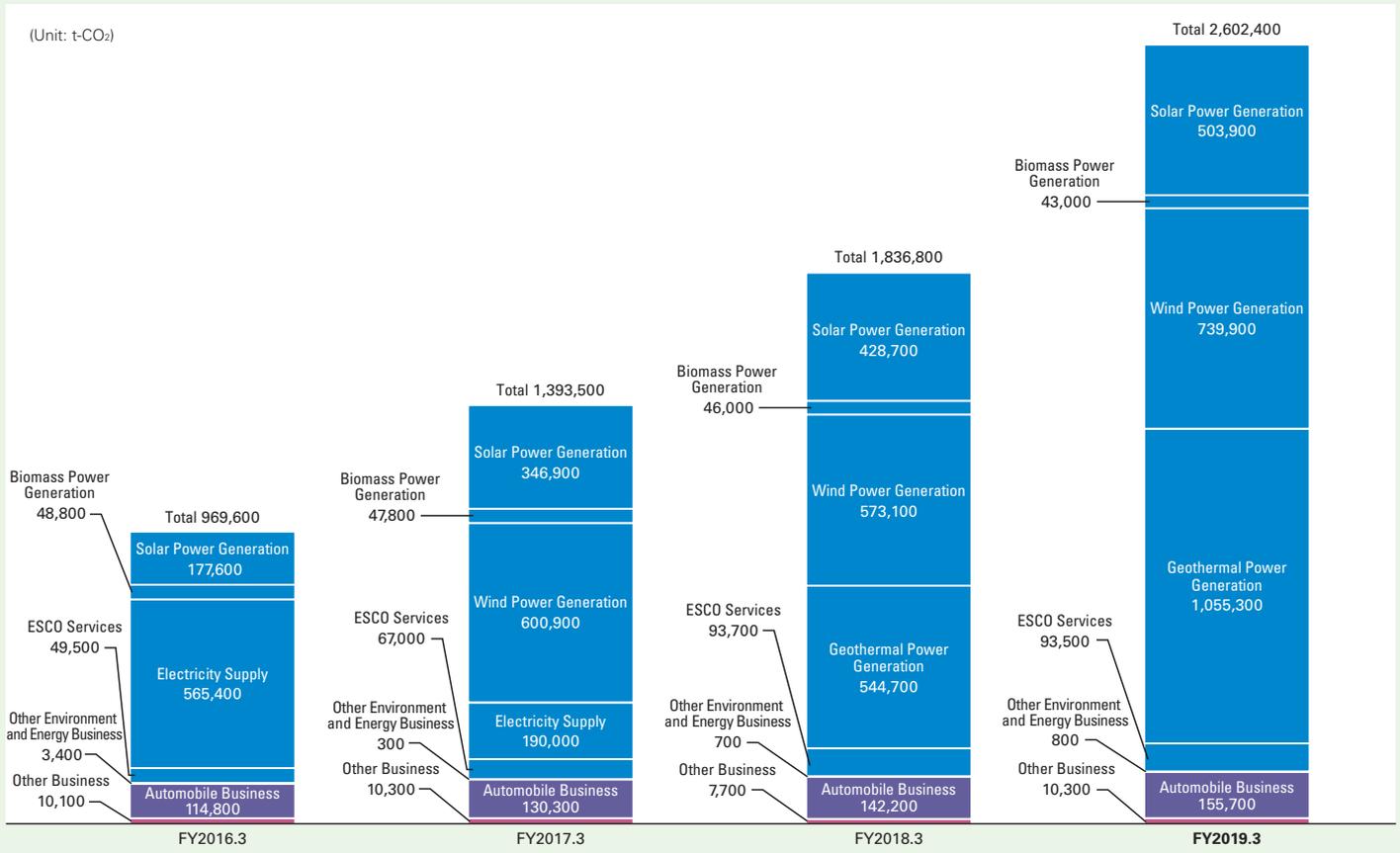
Reduction of Environmental Impact in Business Processes

ORIX is working to reduce the environmental impact of its business processes. Please refer to the link below for specific initiatives.

https://www.orix.co.jp/grp/en/sustainability/environment/business_processes.html

Environmental Performance Data

ORIX Group CO₂ Emission Reduction Contribution



Environment and Energy Business

- Solar Power Generation
Reduction calculated from sales of power generated from mega-solar and rooftop solar power
- Biomass Power Generation
Reduction calculated from sales of power generated from wood chip-fired thermal power stations
- Wind Power Generation
Reduction calculated from sales of power generated from wind power plants

- Geothermal Power Generation
Reduction calculated from sales of power generated from geothermal power plants
 - Electricity Supply
CO₂ emissions reductions through acquisition of rights to CO₂ emission reductions from overseas or other companies
 - ESCO* Services
Providing ESCO Services reduces CO₂ in conjunction with customers' reduced energy use
- *Energy Service Company

Automobile Business

- Other Business

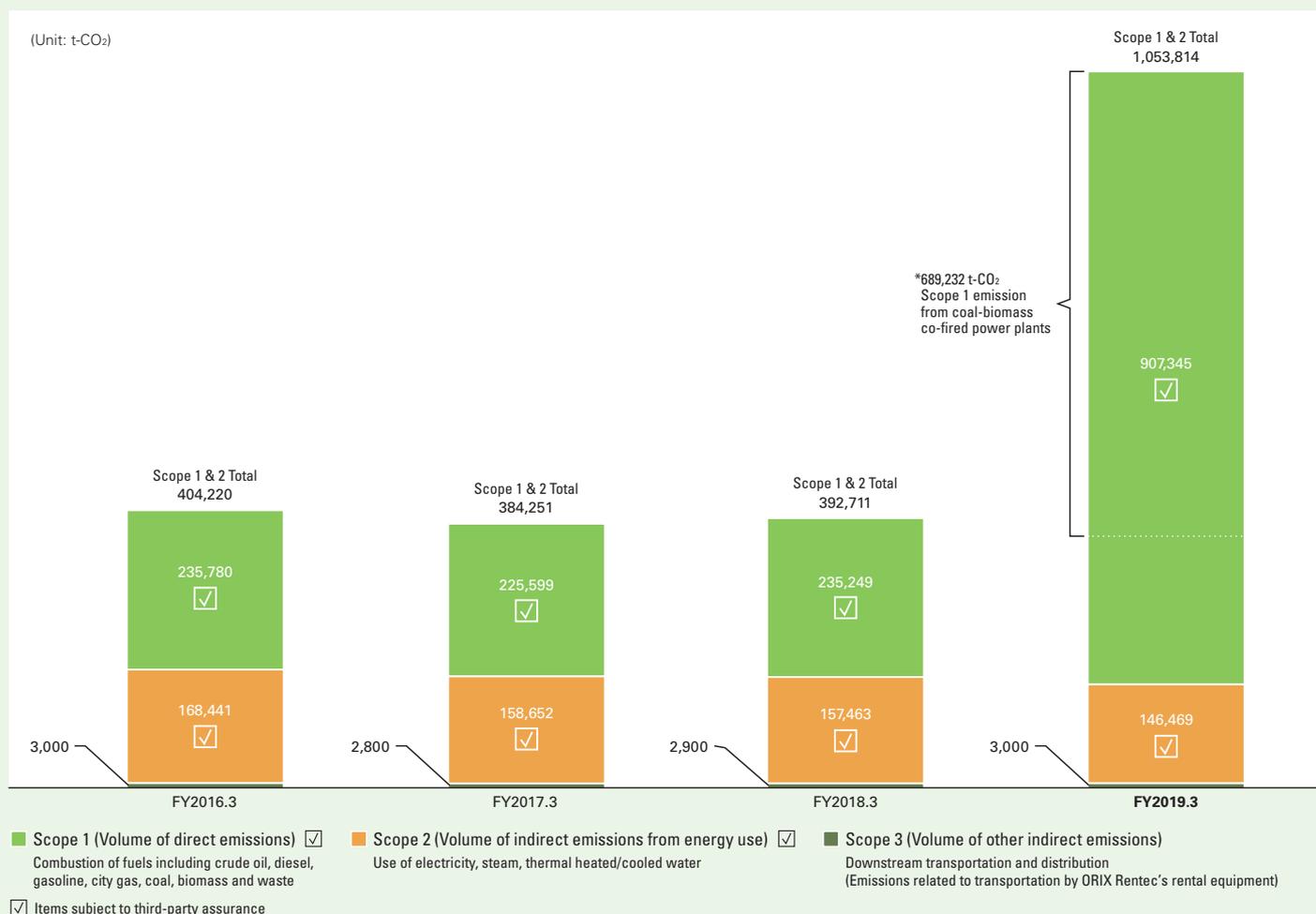
[Scope and Concept]

Calculation Period: From April 1 to March 31 each fiscal year

Calculation Scope: ORIX Group Companies both in Japan and overseas (including affiliated companies)

- Basic Concept:
- Calculations are performed by multiplying the reduced amount of activity among customers or society as a whole due to ORIX Group's business activities by a CO₂ emission factor.
 - For calculation of business activities in Japan, in principle the emission factor we use is "alternate value" under the Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System (Act on Promotion of Global Warming Countermeasures) (FY2016.3: 0.000579t-CO₂/kWh, FY2017.3: 0.000587t-CO₂/kWh, FY2018.3: 0.000512t-CO₂/kWh, FY2019.3: 0.000500t-CO₂/kWh).
 - For calculation of overseas business activities, in principle we use the emission factors from each country.
 - Calculations also include CO₂ reduction credits redeemed during the calculation period after being acquired by ORIX Group.
 - We calculate CO₂ reduction from affiliated companies according to our shareholding.

ORIX Group CO₂ Emissions



[Scope and Method]

Calculation Period: From April 1 to March 31 each fiscal year

Calculation Scope: Consolidated ORIX Group companies in Japan (excluding investees in principal investment business)

Calculation Method: • CO₂ emissions are calculated based on the "Ministerial Ordinance Concerning Calculation of Greenhouse Gas Emissions Associated with Business Activities of Specified Emitters."

- Calculated based on company rules concerning the management of environmental information.
- CO₂ emissions include CO₂ from non-energy sources, methane (CH₄), and dinitrogen monoxide (N₂O).
- Effective emission factor of electric power supplier based on GHG Emissions Accounting, Reporting, and Disclosure System is used for the emission factor relating to the use of electricity.

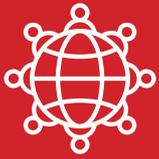
*689,232 t-CO₂ Scope 1 emission from coal-biomass co-fired power plants

ORIX operates two coal-biomass co-fired power plants in Japan. One is Soma Coal and Biomass Power Plant in Soma City, Fukushima Prefecture, which started operations in April 2018. The other is Hibikinada Coal and Biomass Power Plant in Kitakyushu City, Fukuoka Prefecture, which started operations in December 2018. Maximum output of each power plant is 112MW. At these two plants, biomass is mixed with coal to account for about 30% of the total amount of fuel. This helps reduce CO₂ emissions compared with emissions from coal-fired power plants in the same class and contributes to lessening the burden on the environment while at the same time providing a stable, reliable supply of electricity.

Third-Party Assurance

ORIX receives third-party assurance of its figures for direct emissions and indirect emissions from energy use from PricewaterhouseCoopers Sustainability LLC. See the website below for details.

<https://www.orix.co.jp/grp/en/sustainability/environment/data.html>



Social

Relationship with Employees

■ ORIX’s Human Resource Strategies

Maximizing the Capabilities and Expertise of Our Employees under the Concept of “Keep Mixed”

People are ORIX’s most important asset. Based on our concept of “Keep Mixed,” we hire diverse human resources regardless of nationality, age, gender or work history, integrating their diverse values and expertise with the aim of a Fusion of Intelligence to create new value and workplaces that maximize the capabilities and expertise of our employees. Specifically, we create fulfilling workplaces by establishing a working environment that respects diverse working styles and reforming our human resource system ahead of the pack instead of just reacting to current social conventions. Moreover, we are enhancing training to offer opportunities for employees who embrace challenges and to enable employees to excel internationally.



■ Ideal Characteristics

Creativity:

Proactively creating new businesses

ORIX intends to contribute to society through its businesses. In sensing society’s needs and consistently seeking out new businesses, our diverse employees pool their wisdom to provide innovative products and services. To remain a company that is essential to society, we look for employees with the flexibility and creativity to proactively create new opportunities and businesses.

Challenge:

Taking on new challenges and acquiring a high level of expertise

To create new businesses, we believe that our employees must have a positive attitude about taking on new challenges without fear of failure. Because our sphere of activity requires various types of specialized competence, we seek out employees who regularly take on new challenges as they acquire a high level of expertise throughout their careers.

Teamwork:

Respecting diversity and actively driving collaboration

ORIX has expanded its operations by emphasizing teamwork and pooling the wisdom of its various business divisions with their wide-ranging expertise. Therefore, we look for employees who display teamwork that respects diversity and actively drives collaboration.

* For purposes of the discussion related to human resources, information on pages 24 to 32 shall pertain to ORIX Corporation and Group companies in Japan unless specified otherwise.

Initiatives to Realize Our “Keep Mixed” Concept

ORIX promotes diversity and inclusion and the creation of workplaces that offer value for all employees to realize its concept of “Keep Mixed.”

■ Promoting Diversity and Inclusion

We believe it is essential that the knowledge and experience acquired by employees be passed on to the next generations. However, with the changing social environment such as retirement age extensions, increase in dual-income households and the enforcement of the Act on Promotion of Women’s Participation and Advancement in the Workplace, the need for a wider array of working styles is increasing. We strive to promote diversity and inclusion by creating a workplace that is optimal for the performance of individuals with different capabilities and expertise and one that accommodates different life events and working styles.

Promoting the participation and advancement of women in the workplace

ORIX was one of the earliest promoters of women’s participation in the workplace. We started recruiting female university graduates for comprehensive work positions* in 1982, before the enforcement of the Equal Employment Opportunity Law in 1986. We have also expanded our human resources system accordingly, and are actively engaged in not only expanding the system but also in strategically raising awareness about gender equality. To further promote the participation and advancement of women, who account for about 40% of our employees, we have established the following action plan, with targets in areas such as increasing the number of female employees in managerial positions and creating a workplace that allows for advancement while maintaining work-life balance.

* In Japan, there are two different tracks to employment: comprehensive and general administrative. Comprehensive track employees work on business matters and are potential managerial candidates. They are expected to take on a variety of roles in a range of business areas, and are therefore subject to transfers and relocations. General administrative employees, on the other hand, mainly provide administrative and clerical support to comprehensive employees.



ORIX Corporation’s Action Plan to Promote the Participation and Advancement of Women

Target	Increase the 18% ratio of female employees in managerial positions (as of March 31, 2014) by 5 percentage points by 2020 (target reached with 23.8% ratio as of March 31, 2019)
Main Initiatives	Secure a constant number of female recruits (Fiscal year ended March 2019: 32 women, 42.6% of total recruits)* ¹ Formulate a career plan to cultivate female managerial candidates and conduct seminars and workshops for young employees Implement programs and training to cultivate future female executive candidates
Achievements* ²	Female employees in managerial positions: 23.8% (418 employees) Female employees who are working mothers: 39.9% (634 employees) Female employees who gave birth in the fiscal year ended March 2018 who took childcare leave* ³ : 100% (77 employees) Female employees who used the shortened prescribed working hours system: 13.0% (206 employees)

*¹ Female recruits are the number of new graduates hired between April 1, 2018 and March 31, 2019.

*² Results as of March 31, 2019.

*³ Percentage of female employees who gave birth during the fiscal year ended 2018 and took childcare leave during the fiscal year ended March 2019.

Promoting the participation and advancement of seniors in the workplace

Senior citizens are increasingly motivated to work due to economic reasons such as longer healthy life expectancy and an increase in the age when pension payments start. Moreover, the knowledge and skills that senior employees have cultivated in their work are valuable assets for companies. To create an environment where senior employees can work with a sense of security, ORIX raised the retirement age from 60 to 65 in April 2014. We believe that the continued participation of senior employees with extensive experience and expertise will enhance the company's organizational strength and vitality.

Promoting the employment of people with disabilities

ORIX established ORIX Business Support, a special subsidiary, in April 2007 to promote the employment of people with disabilities. Today, two business offices in Tokyo (Tachikawa) and Osaka help promote ORIX's operational efficiency by undertaking routine tasks outsourced from within ORIX Group companies. As of April 1, 2019, 59 people with disabilities and eight supervisors handle outsourced clerical services including contract book binding, PDF conversion of stored documents, preparation of direct mailing enclosures and data entry, as well as other services such as washing and inspecting car sharing vehicles and office cleaning.

Mid-career and non-Japanese recruiting

We also focus on recruiting mid-career employees and non-Japanese new graduates to secure diverse human resources aligned with our changing businesses. Since its establishment, ORIX has been active in hiring mid-career employees with job histories in fields including finance, manufacturing, consulting, trading, real estate, and services. 67% of employees who joined ORIX in the fiscal year ended March 2019 were mid-career hires. ORIX has been focusing on recruiting students with diverse values since 2016 by hiring new graduates from overseas universities in China, Taiwan and Korea as well as foreign students in Japan. About 10% of the new graduates who enter ORIX each year are non-Japanese.

■ Workplaces That Offer Value

We have been conducting various human resource initiatives to realize a workplace environment where employees with diverse values can work healthily with peace of mind and experience fulfillment from being able to fully display their potential. We launched our Work Style Reform Project in 2016 under the direct mandate of the CEO, and we are working to enhance and improve measures to support various working styles and raise employee awareness.



Work Style Reform Project members

Work style reform project

In October 2016, we launched the Work Style Reform Project under the direct mandate of the CEO. The project conducts activities to foster a culture that recognizes diverse working styles to realize a highly productive workplace environment.

**Fiscal Year Ended March
2017**

Launch of the Work Style Reform Project and Identification of Employee Needs

We launched a committee made up of more than 200 employees with hands-on experience from 10 major ORIX Group companies. It considered issues and measures over a period of about half a year and recommended approximately 120 measures to the CEO.



**Fiscal Year Ended March
2018**

A Year of Promoting Work Style Reform

Based on the recommendations proposed by the employees during the project, we implemented 80 measures centered on our human resources system in an effort to promote diverse and flexible working styles. We enhanced working hour flexibility by establishing a new super flextime system that eliminated the core working hours of the preceding flextime system, established a system of annual paid leave in one-hour units, and expanded the incentive system to encourage employees to take their vacation days. We also launched an internal intern system to support diverse career perspectives.

**Fiscal Year Ended March
2019**

A Year of Investing to Improve Productivity

To increase workplace flexibility and support a variety of working styles, we set up infrastructure to enable work outside the office by upgrading our IT equipment and expanding external satellite offices. At the same time, we launched a system of financial support for self-improvement so that employees can effectively use the free time created through the promotion of work style reforms.

Employee morale survey

ORIX values communication with employees and conducts various initiatives to that end. To obtain data on how employees feel about their daily work for use in future human resource measures, we introduced a survey of employee morale in 2004. Annual surveys since 2016 have targeted employees of our 10 major ORIX Group companies (ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services and ORIX Asset Management & Loan Services). Results are disclosed internally.

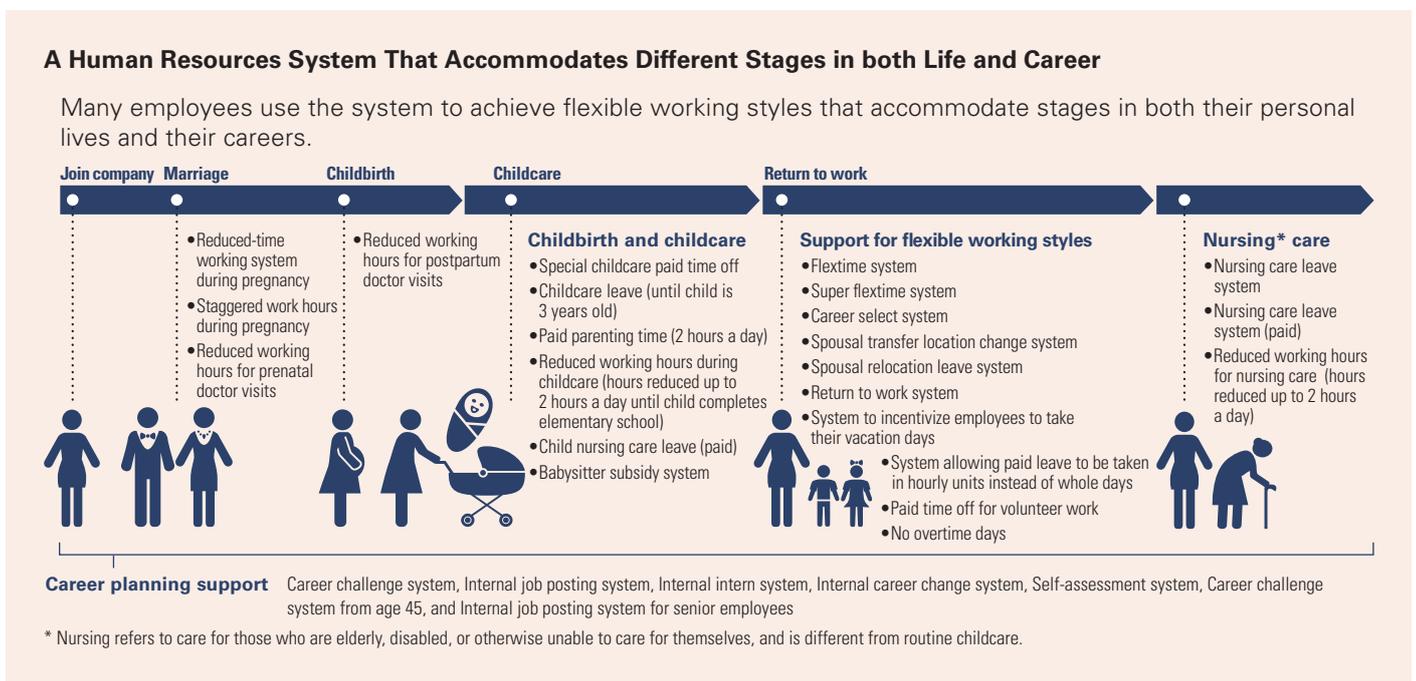
All employee responses are anonymous. Results are reported each year to the Group Executive Officer Committee to identify trends in morale at ORIX Group companies and in each division at ORIX Corporation. Employee morale survey results are used as a reference for deciding on human resource measures for the ORIX Group or for verifying the effectiveness of current measures.

Human Resources System

From early on, ORIX has created a human resources system that is more progressive than legal requirements. We started actively recruiting women from before the enforcement of the Equal Employment Opportunity Law in 1986.

By enriching our human resources system to support each employee's life stage and career, we are promoting the creation of workplaces that are fulfilling, and where employees can fully demonstrate their expertise and abilities.

Human Resources System Overview



For detailed information on our Human Resources System, please refer to the following:

Personnel Systems ▶▶▶ https://www.orix.co.jp/grp/en/sustainability/employee/management_systems.html

Systems to Support Career Planning

- **Systems for developing one's career**
Internal intern system, self-assessment system
- **Systems for career advancement**
Career challenge system, internal job posting system, internal career change system
- **Systems for encouraging contribution from our senior employees**
Career challenge system from age 45, internal job posting system for senior employees

■ Systems to Support Flexible Working Styles

- **Systems for working hours**

Flextime system, super flextime system

- **Systems for taking leave**

System allowing paid leave to be taken in hourly units instead of whole days, system to incentivize employees to take their vacation days, paid time off for volunteer work

- **Systems for supporting continuing careers**

Career select system, spousal transfer location change system, spousal relocation leave system, return to work system

■ Systems to Support Work-Life Balance (Childbirth/Childcare/Nursing Care)

Maternity and childbirth support

- **Systems for working hours**

Reduced-time working system during pregnancy, staggered working hours during pregnancy

- **Systems for outpatient work**

Reduced working hours for prenatal doctor visits, reduced working hours for postpartum doctor visits

Childcare support

As shown in the table below, our systems go beyond legal requirements.

Scheme	Japanese Law	ORIX
Childcare leave* ¹	Until the child reaches 2 years of age	Until the child reaches 3 years of age
Paid parenting time* ²	1 hour per day (unpaid)	2 hours per day (paid)
Reduced working hours during childcare	Under 3 years old	Until graduation from elementary school
Child nursing care leave (paid)	5 days per year (unpaid)	5 days per year, 10 days per year for parents with 2 or more children (paid)
Other	—	Babysitter subsidy system until graduation from elementary school Special childcare paid time off

*¹ The period of childcare leave to be taken is limited to 5 years in total. The period of childcare leave in excess of this limit is determined by law.

*² Paid parenting time is available to employees who return to work before the child reaches the age of 1.

Nursing care support

As shown in the table below, our systems go beyond legal requirements.

Scheme	Japanese Law	ORIX
Nursing care leave system	93 days	6 months
Nursing care leave system (paid)	—	5 days per year, 10 days per year for employees with 2 or more family members who require care (paid)
Reduced working hours for nursing care	—	Maximum 2 hours per day*, up to 3 years per family member who requires care

* Limited to 1 hour per day when taken concurrently with paid parenting time.

Human Resource Development

In a dramatically changing business environment, we have established various training systems so that each ORIX employee can fully demonstrate his or her individual capabilities.

■ Training System (ORIX Corporation, as of September 30, 2019)

Purpose of training	Enhancing management skills				Career support		Support for self-development	
	Employee management & organizational development skills		Global talent/ Next generation development		Work-life balance support	Diversity promotion		
	Job level-specific	Organization-specific	Selective		Seminars	Promoting participation by women	Promoting participation by seniors	
Managers and above	Compliance training Corporate philosophy/brand program TOEIC exam	Training for mid-career hires Division-specific training	Selective training for managers		Nursing care seminar Childcare seminar for couples Social gatherings for employees before maternity leave and during childcare leave	Study group for female managers in different industries Mentoring program	Training for senior employees Career interview	
Assistant Manager (6+ years)			Training for new assistant managers	Global human resource development program Global trainee system			Selective career design training	
Mid-level (4-5 years)			Training to reinforce basic knowledge (accounting, tax, legal training) 3rd year training Follow-up training for new recruits Training for new recruits	Young global human resource development program Language skills program			Women's forum for young employees	
Entry-level (1-3 years)				3rd year overseas subsidiary secondment program				
Pre-entry			Pre-entry training for job offeres					

For detailed information on Human Resource Development, please refer to the following:

Human Resource Development System ▶▶▶ <https://www.orix.co.jp/grp/en/sustainability/employee/development.html>

■ Enhancing Management Skills

Employee management and organizational development skills training

To develop young employees, we conduct job level-specific training starting with new employees and follow-up training for new recruits, third-year training, and training for new assistant managers. The training is designed as an opportunity to look back on the trainee's experience at each point in order to delineate a vision for the future. We also conduct position-specific training at the management level for employee management and organizational development.



Global talent/Next generation development training

In the fiscal year ended March 2012, we established a global human resource development system to strategically develop employees who can act on a global stage. Initiatives for young and mid-career employees include secondment to overseas subsidiaries and educational programs for acquiring global communication skills.

■ Career Support

Individuals are increasingly required to make career-related choices due to changing social conditions and events in their personal lives. In addition to enhancing our human resources system, we provide support for each employee to think and act independently.

Work-life balance support (childbirth, childcare, nursing care) seminars

In addition to providing support through its human resources system, ORIX works to prevent job turnover due to childcare and nursing care issues by holding career design seminars on work-life balance so that employees can obtain knowhow and advice on preparation from senior employees and acquire the knowledge required to continue working.

Diversity promotion

- For female employees

To allow female employees to fully demonstrate their individual abilities, we provide training to support them in planning their own careers and promote the further participation and advancement of women in the workplace.

- For senior employees

In the belief that the participation of senior employees with extensive experience and expertise, regardless of their age, will enhance the organizational strength and vitality of the company, ORIX conducts career interviews with employees at age 50 and promotes the participation and advancement of senior employees in the workplace.

■ Support for Self-Development

We encourage self-motivated employees to further develop the skills and knowledge necessary for work through various self-development support programs such as financial support for attending graduate school and one-time allowances upon acquiring qualifications recognized by ORIX. We also invite lecturers from outside ORIX to present a wide range of programs on topics such as logical thinking, financial knowledge, marketing and strategic planning.

Occupational Safety and Health

At ORIX, each employee is a valuable asset. Our Group companies and health insurance associations work together to promote initiatives aimed at improving the safety and health of employees and so that they can fully demonstrate their abilities as they continue working with enthusiasm for many years, healthy in both mind and body. Specifically, based on the characteristics of each Group company, we implement various measures to promote health under the themes of early detection for early treatment, prevention of disease progression, and lifestyle-related disease prevention for the young. For safety, we support the participation and advancement of diverse human resources in areas including management of safe driving and creation of a disaster response manual.

■ Employee Health Management

- Occupational physicians, public health nurses and nutritionists are stationed in the workplace for employees to consult with on health-related concerns and issues.
- External expert staff also offer phone consultations (24/7, toll-free) on questions regarding health issues, medical care and nursing care.
- For employees under the age of 35, regular health checkups are carried out once a year. In addition, a subsidy system for additional checkup expenses such as various cancer screenings and brain examinations is also available.
- It is compulsory for employees aged 35 and older to undergo a thorough medical checkup every year. Most expenses are subsidized, reducing the burden on employees and therefore eliminating an obstacle to receiving a health checkup. This leads to early detection of disease and prevention of progression. We also assist with expenses for optional examinations such as cervical cancer screenings, breast cancer screenings and brain examinations.



■ Mental Health

- We set up consultation days with occupational physicians, public health nurses, psychiatrists, and counselors, for employees to receive counseling on mental health issues or recommendations for clinics. We have also established a system for consultation on work leave and work reinstatement.
- With the enforcement of the Industrial Safety and Health Act, as amended, we conduct stress checks and work proactively to create vibrant and fulfilling workplaces.

■ Efforts to Improve Health

- In addition to distributing an e-newsletter on health, we conduct awareness-raising activities on subjects such as quitting smoking, physical fitness tests, women's health, and a breast cancer self-exam class.
- To refresh the mind and body, we have recreation facilities that we directly manage and that are available under contract for employees and their families to use. We operate directly managed recreation centers in three locations in Japan (Karuzawa, Nagano Prefecture; Arashiyama, Kyoto Prefecture; and Kashikojima, Mie Prefecture).



■ Ensuring the Safety of Sales Vehicles

ORIX is introducing sales vehicles with a collision prevention function to reduce accidents. We have also introduced the telematics service* provided by ORIX Auto in our sales vehicles. This service checks driving performance history including sudden acceleration or braking, long-term idling and other factors. We provide individual guidance on a monthly basis to employees who exceed a threshold level as well as employees responsible for managing safe driving.

In addition, employees who have had an accident as well as new employees and employees whose jobs involve driving are required to attend lectures at a driving school.

* An on-board vehicle service equipped with communication and GPS functions that can easily obtain data on vehicle operation status, which can then be used to set compliance, environment and safety targets for driving management and to improve or resolve important issues.



■ Disaster Management

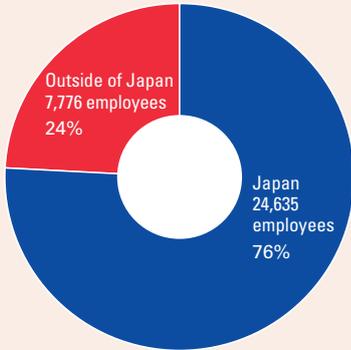
We have created our Basic Disaster Risk Management Rules and a handbook for responding to disasters. In principle, we confirm employee safety when an earthquake with an intensity of five or higher on the Japan Meteorological Agency seismic intensity scale occurs in a prefecture where employees work or live. We carry out safety confirmation drills for that purpose multiple times a year. We use a dedicated system to conduct safety confirmation and prepare for emergencies for all Group employees. If the Tokyo metropolitan area is affected and the functions of the Tokyo Headquarters are impaired, a disaster response headquarters will be set up at the Osaka Headquarters. In preparation, we conduct drills for setting up a disaster response headquarters and for collecting information.

ORIX stocks enough food and drinking water for three days per employee at key domestic workplaces.

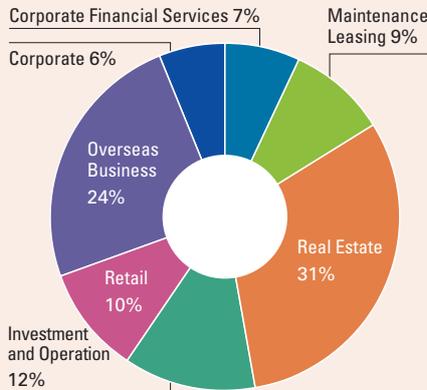
Personnel-Related Data

Employee Composition: 32,411 employees (As of March 31, 2019)

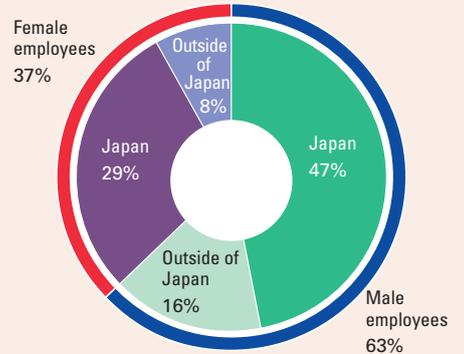
By Region



By Segment



By Gender



Composition of Executives and Employees (Fiscal year ended March 2019)

Average Age

Overall	42.9 years old
Men	44.6 years old
Women	40.7 years old

Average Years of Service

Overall	15.5 years
Men	15.8 years
Women	15.0 years

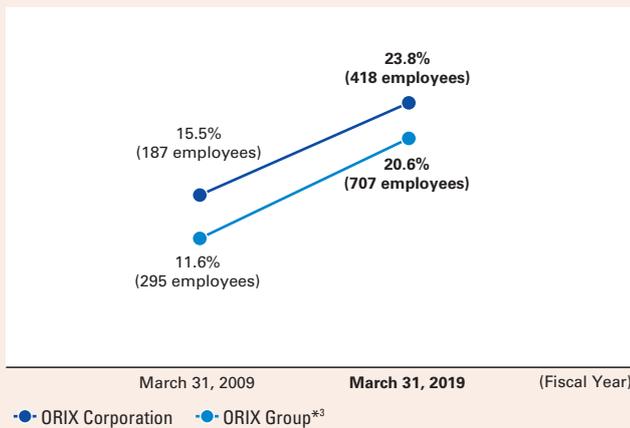
Annual Paid Leave Taken

Average days of paid leave taken	14.0 days
Average percentage of days taken out of days earned	83.3%

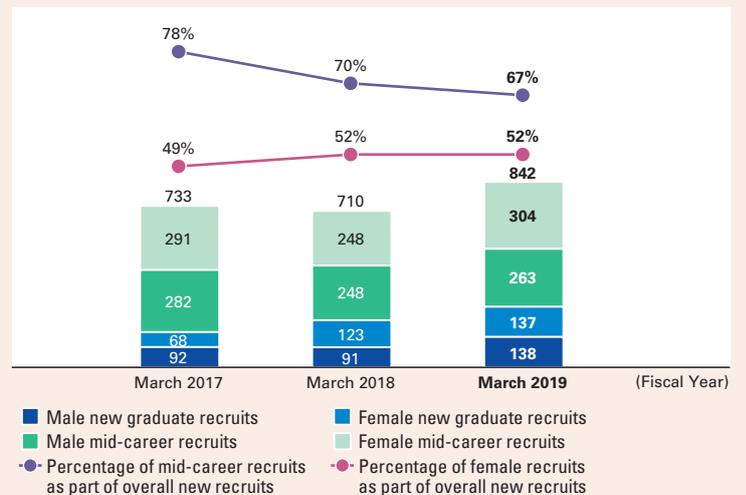
Note: Average age, average years of service, and average annual paid leave taken are for ORIX Corporation employees only. Directors and Executive Officers are not included.

Female Employees in Managerial Positions

Female Employees in Managerial Positions*1 (%)*2



Number of New Employees and Percentages of Mid-Career and Female Recruits as Part of Overall New Employees (ORIX Group*3)

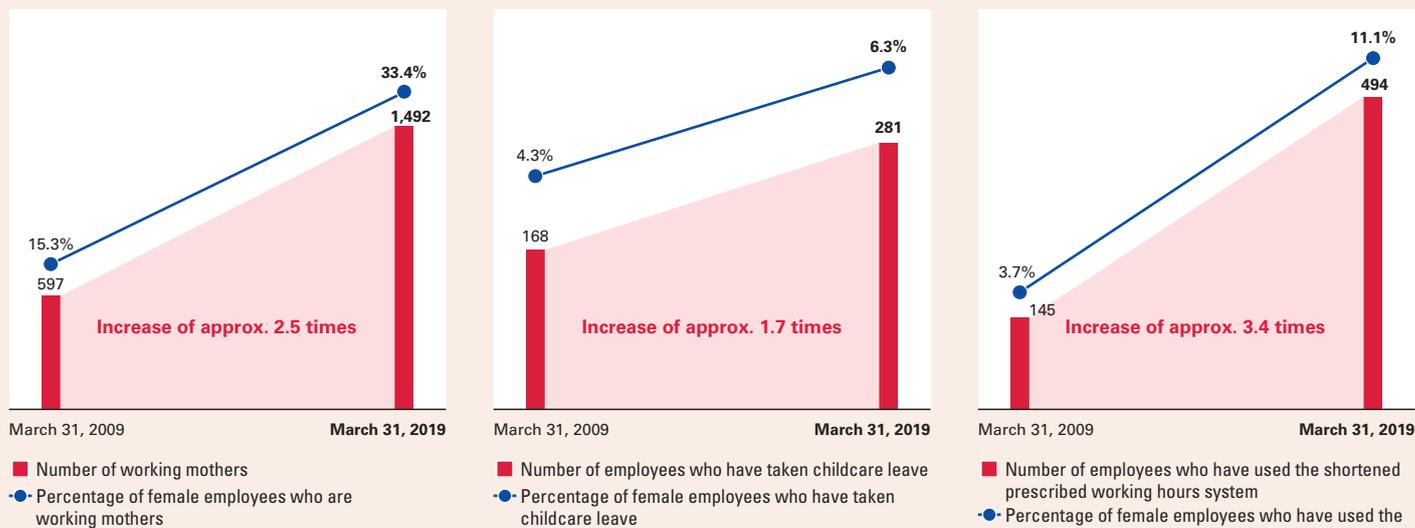


*1 Managerial positions are section leaders and other positions with work and responsibilities equivalent to section leader or above, regardless of job title or subordinate staff (does not include entry-level managers).

*2 The percentages in "Female Employees in Managerial Positions" represent the ratio of female managers to the total number of managers.

*3 Total of 10 ORIX Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services and ORIX Asset Management & Loan Services. Total number of employees at these 10 companies as of March 31, 2019 was 10,216, which was 32% of all employees.

■ Use of Childbirth and Childcare-Related Systems



Note: The information given in the tables above relates to full-time female employees of 10 ORIX Group companies (ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services and ORIX Asset Management & Loan Services).

■ External Recognition

“Certified Health & Productivity Management Organization 2019,” Ministry of Economy, Trade and Industry

On February 21, 2019, ORIX Corporation was named a “White* 500 (Large Enterprise Category)” company in the “Certified Health & Productivity Management Organization Recognition Program” for 2019. This certification recognizes corporations that value their employees’ health and strategically work to promote health from a management perspective. ORIX has been certified as a “White 500 (Large Enterprise Category)” company for three consecutive years since the certification’s start in 2017.

* In Japan, an employer with a bad track record regarding working conditions and employee rights is labeled “black.” The “white” label is used in contrast to the “black” label. There is no intended racial connotation to these labels.



“Semi-Nadeshiko Brand,” Ministry of Economy, Trade and Industry and Tokyo Stock Exchange

ORIX Corporation was selected as a “Semi-Nadeshiko Brand” on March 22, 2019. This is the category just below the “Nadeshiko Brand” category. Companies are selected from among approximately 3,600 listed companies for their encouragement of women’s success in the workplace as part of their efforts to increase their mid- to long-term corporate value.



“Eruboshi (highest level)” Certification from the Ministry of Health, Labour and Welfare

On May 27, 2019, ORIX Corporation obtained the highest level “Eruboshi (Grand 3)” company certification based on the Act on Promotion of Woman’s Participation and Advancement in the Workplace. The “Eruboshi” company certification is granted to companies with a high level of implementation of activities related to the promotion of women’s success. Companies that meet all five criteria in the areas of recruitment, continued employment, working hours, proportion of women in managerial positions and diversified career courses are selected for Grand 3.



Human Rights

■ Our Approach to Human Rights

ORIX believes that corporate responsibility should be part of everything that ORIX does and part of such corporate responsibility is the duty to integrate human rights considerations into business operations, including by assessing potential modern slavery risks that various industries may face. ORIX has identified existing measures that mitigate the risk of modern slavery in its business and supply chain, such as its anti-corruption and anti-money laundering policies, and has implemented our ORIX Human Rights Policy, which details its commitment to promoting respect for human rights of employees and responding to known cases where human rights are negatively affected by its suppliers. In addition, ORIX has worked with third parties and used screening services to analyze the risk profiles of its various businesses in order to understand the overall risk profile of ORIX.

ORIX Human Rights Policy

▶▶▶ <https://www.orix.co.jp/grp/en/sustainability/rights/policy.html>

■ Our Response to the UK Modern Slavery Act

The Modern Slavery Act 2015 ("MSA") is a U.K. law designed to help combat modern slavery and human trafficking. The MSA requires businesses that carry on a business or part of a business in any part of the U.K. and have global turnover of at least £36 million to produce a slavery and human trafficking statement each financial year setting out the steps the businesses have taken to ensure that their business and supply chains are slavery free, or a statement that they have taken no steps to do this. ORIX Corporation is within the scope of the MSA due to the fact that it carries on business in the U.K. in conjunction with its subsidiary, ORIX Corporation UK Limited.

MSA Statement for the 2019 Fiscal Year

▶▶▶ <https://www.orix.co.jp/grp/en/sustainability/rights/msa.html>

Contributing to Society through Our Businesses

■ Aging Society/Achieving Secure and Healthy Lifestyles

Measures to create a society where elderly people can lead secure lives is an important issue in Japan's aging society. ORIX helps resolve issues faced by aging society through its auto business, retail financial services and other operations. Moreover, the declining birthrate and aging population have raised concerns about maintaining the social security system in Japan. Through its life insurance and preventive medicine support businesses, ORIX offers products and services to prepare for uncertainties related to finances and health, helping people achieve secure and healthy lifestyles.

Telematics service (monitoring service for elderly drivers)

ORIX Auto launched *Ever Drive* in February 2017. This driving monitoring service uses telematics technology to reduce accident risk for families with elderly drivers. The proportion of elderly people involved in fatal accidents has been increasing year by year. The goal of this service is to identify the signs of dangerous driving by visualizing the driving of seniors. The service uses a specialized device mounted in the vehicle of the driver the family wishes to monitor. It provides the family with real-time information on driving behavior, including excessive speed and sudden acceleration and braking. In the future, we intend to analyze various data we accumulate to develop services that help prevent accidents involving elderly drivers. We will also share big data collected via our *e-Telematics* and *Ever Drive* services with local governments, police, universities and research institutes, hospitals and nursing care facilities to help achieve an accident-free motorized society.

Family Trust Support Service: Preparing for dementia

In Japan, greater longevity has also brought about an “aging” of financial assets, as the proportion of personal assets held by the elderly continues to grow. At the same time, indications are that by 2025, one in five people aged 65 years and older will develop dementia,* and creating measures to maintain and manage an individual’s property in the face of declining cognitive function has become a major issue.

ORIX Bank’s *Family Trust Support Service* provides support for the establishment of family trusts, in preparation for a decline in competency due to dementia or other conditions, and a resulting loss in decision-making abilities. ORIX Bank meets customers to listen to their concerns about asset management and asset succession, and suggests plans tailored to individual customer needs.

*Source: Cabinet Office, Annual Report on the Aging Society, 2017

A life insurance business that addresses diverse needs

ORIX Life Insurance has assembled a wide-ranging product lineup through its efforts to research and develop new products to offer the best insurance tailored to customer needs. Its products have earned a strong reputation among insurance professionals outside the company for being simple and easy to understand, as well as for having extensive insurance benefits at affordable premiums.

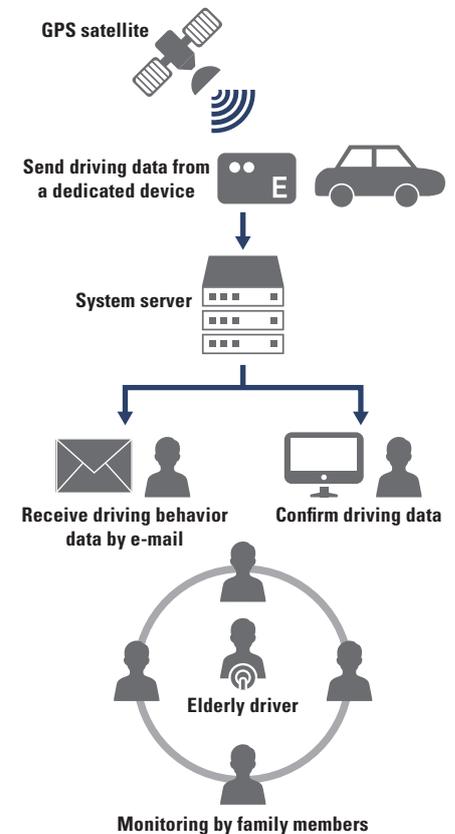
Preventive medicine support business

As Japan’s first medical mobile service company, FREEILL provides a wide range of regional medical services by offering rental services for vehicles equipped with an advanced diagnostic imaging system that includes MRI and CT scanners. Rentals are available for a minimum of two hours with the necessary technical support (photography by a technician/analysis by a radiologist) according to the requirements of the place, time and duration.

Businesses and local governments can thus provide brain and lung checkups and other exams by making rounds among designated locations. This not only improves the examination rate but also reduces costs through the benefits of scale from assembling examinees at places along the circuit.

With the growing shift in awareness from treatment to prevention in order to reduce medical expenses, companies and health insurance associations can avail themselves of our mobile services with health exam functions to meet corporate health management needs.

Monitoring Service for Elderly Drivers



Vehicle equipped with an MRI machine

Regional Revitalization

ORIX contributes to the revitalization of local communities through its concession business, operation of Japanese inns and other businesses. In airport operation, which is one of our concession businesses, we work with local companies and governments to increase demand for business travel and tourism.

In operating Japanese inns, particularly our restoration of historic inns in various areas, we emphasize retaining local employees and work to create attractive facilities that help increase the number of tourists.

Concession business

In the concession business, private enterprises are responsible for the operation of public facilities such as airports, roads, water supply and sewage systems while public entities retain ownership. The Japanese government is promoting concessions to revitalize the economy and enhance fiscal soundness, and ORIX is proactively addressing Japan's social issues of aging infrastructure and population decline.

In April 2016, ORIX started operating Kansai International Airport and Osaka International Airport (Itami Airport) as the first privately owned full-scale operation of airports in Japan, and has also been operating Kobe Airport since April 2018. Enhancements at the airport and attractions in the vicinity will be necessary to increase the number of routes and passengers. We continuously strive to enhance airport facilities and work with local companies and local governments to increase demand for business travel and tourism.



Kansai International Airport

Operation of Japanese inns

Since entering the Japanese inn business in 2002, ORIX Real Estate has been involved in the operation of nine hot spring resorts.* Our business of restoring historic Japanese inns in various locations has emphasized protecting the jobs of local employees. Moreover, the increased number of guests drawn by investment in new facilities and improved service levels has also helped to vitalize local economies by increasing the number of tourists.

* As of March 31, 2019, ORIX Real Estate is involved in the operation of seven of the nine resorts.

Beppu Suginoi Hotel after ORIX Investment

	Occupancy Rate	Number of Guests	Initiatives
2003	52%	251,000	Open air bath "Tanayu"
2008	68%	345,000	Buffet restaurant
2015	100%	628,000	Direct marketing
2016	100%	670,000	Theater-type buffet restaurant
2017*	91%	641,000	Open-air buffet restaurant
2018	97%	699,000	Fitness center (Gold's Gym)

* Decrease from previous year due to impact of Kumamoto earthquakes in April 2016



Beppu Suginoi Hotel

A Smart and Resilient Society

ORIX contributes to the realization of a smart and resilient society through the products and services of its auto business. In the auto business, telematics services are used for purposes including appropriate labor management for companies and accident prevention. We are also working to develop special vehicles that address customer needs for disaster response and operational efficiency.

Telematics service

The *e-Telematics* service provided by ORIX Auto uses devices equipped with communication and GPS functions in customers' vehicles to obtain real-time data on driver behavior such as speeding and sudden acceleration or braking, as well as vehicle data including fuel efficiency. By analyzing this data, we identify compliance, safety and environmental issues in the operation and management of a company's fleet of vehicles and provide support through consulting services on appropriate labor management of drivers, accident prevention and other matters.

In August 2018, we began sales of *Nauto*, an AI-equipped dashcam developed by Nauto Inc. of the United States, an AI technology company in the automotive field. The product caters to the needs of corporations that want to prevent accidents caused by distracted driving, falling asleep behind the wheel, and tailgating.

Development and sale of special-purpose vehicles

ORIX Auto uses the expertise it has cultivated in truck and specialty vehicle leasing to plan and develop mobile bank branch vehicles and mobile office vehicles that are equipped according to customer requirements.

Mobile bank branch vehicles enable financial institutions to provide financial services without opening a branch. We began developing these vehicles in response to a request from a regional bank whose branches had been damaged in the Great East Japan Earthquake. In addition to financial institutions that adopt these vehicles for use in disaster preparedness as part of their business continuity plan, an increasing number of financial institutions use the vehicles to raise operating efficiency in regions where they have consolidated their branches.

We developed the mobile office vehicle to meet customer requirements for reduced working hours and other ways to increase operating efficiency. Our mobile office vehicles are modified commercial-use vans equipped with a desk, a chair with storage compartments, an inverter, an air conditioner and an LED lamp. Mobile office vehicles serve as simple offices and enable office work as time permits. They can improve labor efficiency, lessen employee fatigue, and reduce office rental costs at construction sites and other locations where temporary offices are difficult to install. They also store power and therefore can be used in areas affected by disasters.

Social Contribution Activities

In addition to helping to resolve social issues through our businesses, ORIX conducts various initiatives for social and environmental issues that are not covered by our business activities.

In broad terms, we conduct initiatives from the following three viewpoints. Please refer to our website for details.

■ Environmental Conservation Activities

https://www.orix.co.jp/grp/en/sustainability/contribution/conservation_activities.html

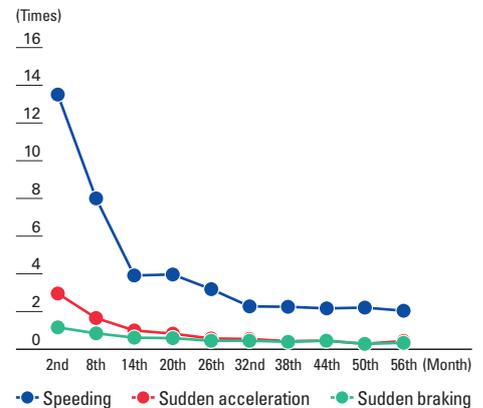
■ Fostering the Next Generation

<https://www.orix.co.jp/grp/en/sustainability/contribution/fostering.html>

■ Communication with Local Communities

<https://www.orix.co.jp/grp/en/sustainability/contribution/communication.html>

Effects of *e-Telematics* on Safe Driving*



* Data on customers that have installed *e-Telematics* in more than 100 vehicles for longer than 1 year (November 2018 survey)

Data

Mobile bank branch vehicle sales: 100 units
 Mobile office vehicle rental units in inventory:
 214 units nationwide

(As of March 31, 2019)



On-site class for elementary school students (Kyoto Aquarium)



Governance

Corporate Governance

Our Approach to Corporate Governance

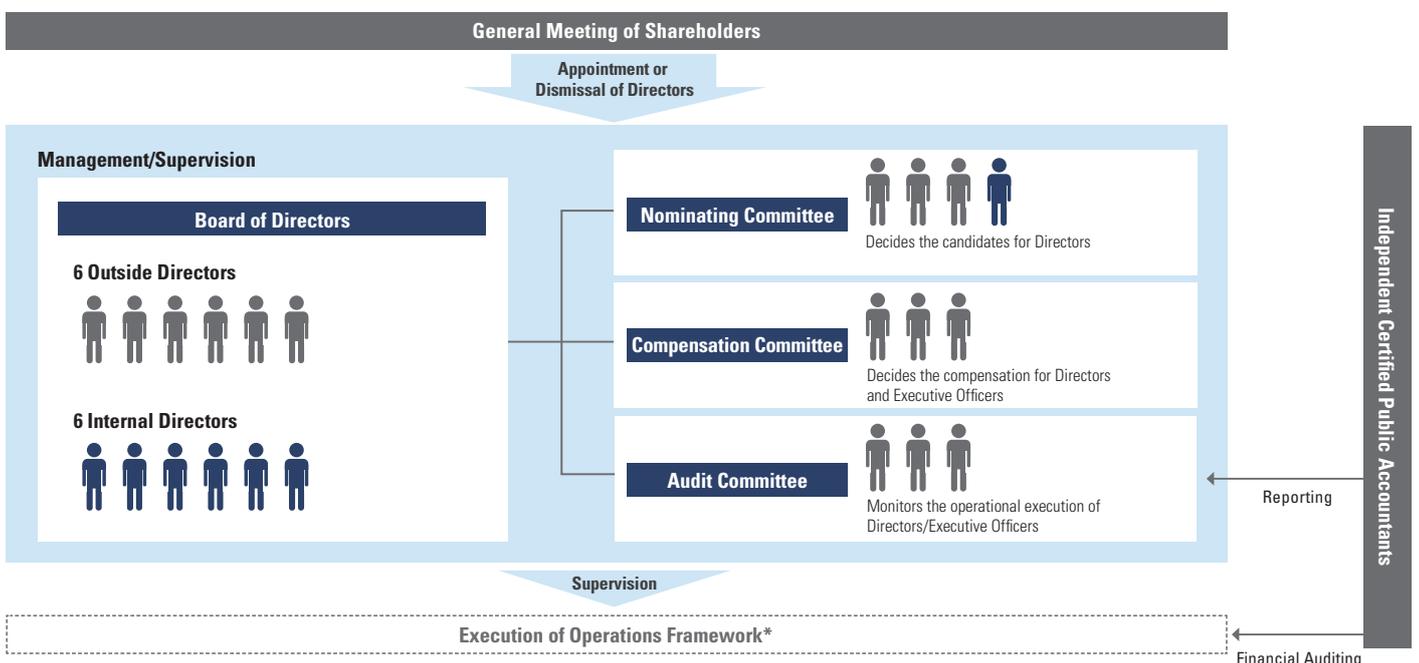
- ORIX believes that a robust corporate governance system is essential for ensuring objective management and carrying out appropriate business activities in line with our core policies. We have therefore aimed to establish a sound and transparent corporate governance system.
- Corporate governance is a system for exercising oversight over management. It involves setting objectives, performance analysis and evaluation, and supervision over management in order to ensure that management strives to attain outstanding results. The tension inherent in corporate governance encourages management to perform to the best of its ability and facilitates innovation in pursuit of corporate objectives. Such an approach is conducive to the achievement of consistently high return on equity.
- Outside directors have a crucial role to play in corporate governance. Based on their varied perspectives reflecting their diverse professional backgrounds, outside directors are more capable of objectively evaluating management’s performance in ways that transcend the industry’s conventional wisdom and the company’s ingrained practices. Moreover, by virtue of their outside perspectives, outside directors are in a position to more objectively evaluate and guide management when they are not taking on appropriate, intelligent risks.

Corporate Governance System

ORIX’s corporate governance system is characterized by:

- Separation of operation and oversight through a “Company with Nominating Committee, etc.” board model;
- The Nomination Committee being comprised of a majority of outside directors and the Audit and Compensation Committees being fully comprised of outside directors,
- with an outside director acting as chairperson for all aforementioned committees;
- All outside directors satisfying our strict conditions for independence; and
- All outside directors being highly qualified in their respective fields.

Corporate Governance Framework (As of July 1, 2019)



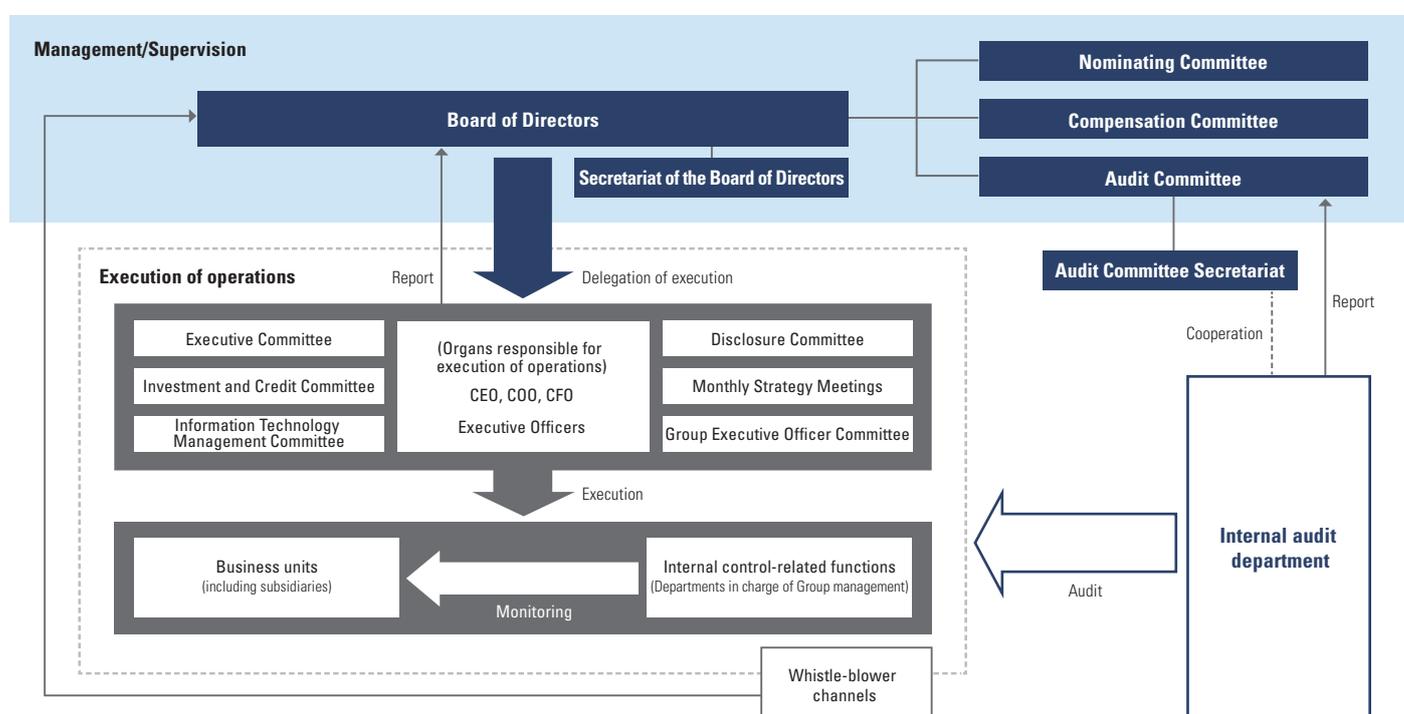
*Please refer to page 40 for Execution of Operations Framework.

■ Execution of Operation System

ORIX's internal control system aims to build an efficient business execution model that responds quickly and flexibly to changes in the business environment through the effective execution of ORIX's business operations such as risk management, compliance, group company management, and

auditing functions. Furthermore, we are actively working to continuously improve our internal control system in response to changes in the business environment as well as expansion and diversification of our business.

Execution of Operations Framework (As of July 1, 2019)



For more detailed information on our corporate governance, please refer to the following:

Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/index.html>

Corporate Governance ▶▶▶ <https://www.orix.co.jp/grp/en/ir/governance>

Our Sustainability Governance Structure

Background

Because of our business principle to address societal issues and needs through our business activities, sustainability has always been in ORIX's DNA. However, institutionalizing and documenting our approach to sustainability and then sharing that approach with the world has been an area in which we have been lacking.

In order to improve our organizational structure and transparency regarding sustainability, in fall 2018, the CEO

created a sustainability task force which included members from corporate planning, investor relations, and legal departments. This team engaged expert outside consultants to help guide ORIX's approach to institutionalizing and documenting its approach to sustainability. The task force was then formalized into the ORIX Sustainability Team, which was officially formed in July 2019.

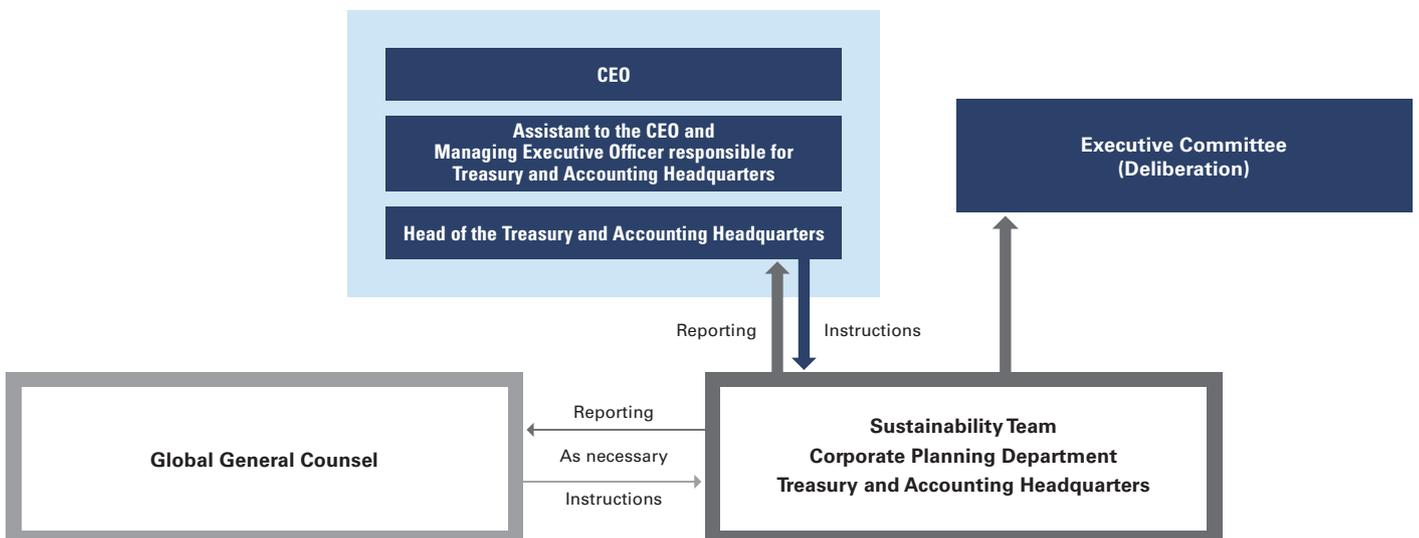
Introduction of the ORIX Sustainability Team

The ORIX Sustainability Team is located within the Corporate Planning Department, which in turn is part of the Treasury and Accounting Headquarters. The team reports to and works closely with top management, including the CEO, the Assistant to the CEO, Global General Counsel and the head of the Treasury and Accounting Headquarters. The Sustainability Team also reports to the Executive Committee, and will also present at the Board Audit Committee to both educate and prompt discussion and decision-making among the top executives and directors at ORIX.

The team is comprised of members with experience and

expertise both at ORIX Corporation and at previous jobs in corporate sustainability advisory matters, energy use matters, ESG investment and finance, investor relations, corporate planning, and environmental and general corporate law. Some members have built their careers at ORIX, making them knowledgeable about the intricacies of the complex organization that is ORIX, while some members have recently joined ORIX from various workplaces, bringing a fresh and global perspective to the team. We believe that this blend of backgrounds and areas of expertise gives the team a solid base from which to engage in new challenges.

Sustainability Governance Structure (As of July 1, 2019)



■ Purpose of the Sustainability Team

The purpose of the ORIX Sustainability Team is three-fold:

1. Oversee ORIX’s overall approach to sustainability.

This approach will set the tone from the top and aim to create a culture of corporate sustainability that permeates across ORIX.

This approach will emphasize minimum standards that must be met by all ORIX Group companies and employees and will work together with the more specific approach that will be set out by individual subsidiaries and business units.

The Sustainability Team will also be responsible for determining Group-wide sustainability initiatives, such as signing onto public commitments.

2. Encourage and assist subsidiaries and business units in setting specific sustainability goals tailored to that particular subsidiary or business unit’s business.

Recognizing that ORIX is a highly diversified and global enterprise that is impacted by sustainability issues in various industries and geographic regions, individual

subsidiaries and business units will be tasked with setting their own, tailored approach to sustainability.

The ORIX Sustainability Team will guide and assist subsidiaries and business units in formulating their approach and will monitor whether such approaches are in line with ORIX’s overall sustainability goals.

3. Report ORIX’s approach to sustainability to its stakeholders.

The ORIX Sustainability Team will be responsible for issuing an annual sustainability report.

The ORIX Sustainability Team will maintain ORIX’s sustainability website, which will serve as a repository for all matters related to ORIX’s approach to sustainability, including underlying data.

The ORIX Sustainability Team will help create a culture of corporate sustainability at ORIX through messaging and education, using diverse avenues such as ORIX’s internal news bulletin, sponsoring seminars open to all employees, and presentations to management.

[Sustainability Approach]

	Corporate Level	Business Unit Level
Applicability	Group-wide	Specific to each business unit
Governance	Executive Committee	Executive Committee and respective business unit heads
Administration	Sustainability Team Corporate Planning Department	Sustainability Team Corporate Planning Department Sustainability contact at each respective business unit
Key Terms	Unifying culture, minimum standards, zero tolerance, transparency	Tailored approach and ownership

Sustainable Investing and Lending

■ Establishment of Sustainable Investing and Lending Policy

ORIX recognizes that sustainability issues related to the environment, society, and governance (“ESG”) may have a significant impact on long-term risks and opportunities, and that consideration of sustainability in ORIX’s decision-making is an extremely important prerequisite for conducting business. We also believe that incorporating sustainability requirements into investment and financing considerations provides a better

understanding of the risks and opportunities associated with our businesses and activities and benefits our customers and shareholders as a result.

Based on the above ideas and the ORIX Corporate Sustainability Policy, ORIX adopted its Sustainable Investing and Lending Policy in September 2019.

■ Scope of the Policy

As a general rule, this policy shall apply to applications submitted to ORIX Corporation’s Investment and Credit Committee (“ICC”), which is one of the executive bodies of ORIX. Top management and the Executive Officers involved

in the relevant matter attend the ICC and deliberate on investment and financing matters which exceed certain specified investment or credit amount thresholds.

■ Operation of the Policy

Role of each department

- The relevant business team identifies sustainability related risks in a proposed project before submitting the proposal to the ICC.
- As the department in charge of reviewing all proposals submitted to the ICC, the Credit and Investment Management Headquarters collects sustainability related information related to the proposed project and relays that information to the Sustainability Team of the Corporate Planning Department.
- The Sustainability Team submits comments and recommendations to the ICC if it determines that a proposed project poses high sustainability related risks, taking into account potential mitigation measures including further due diligence conducted by expert outside advisors.

Assessment method

We holistically evaluate investing and lending projects based on criteria such as screening, integration and knowledge and analyze and identify sustainability related risks and opportunities in the proposed activities as part of our investing or lending decision.

Screening

ORIX’s investing and lending projects are assessed and decided after giving due consideration to the environmental and social impacts of the proposed project. We may decide to not invest or lend in businesses that are deemed to have insufficient management of environmental and social issues.

Integration

In order to holistically and comprehensively assess a proposed project, ORIX conducts risk assessments of projects that includes sustainability aspects, including corporate governance, environmental impact, and human rights, instead of limiting our assessment to the economic aspects of the proposed project.

Knowledge

ORIX shall use its Sustainable Investing and Lending Checklist to evaluate the sustainability aspect of the proposed project. The Sustainable Investing and Lending Checklist is filled out by the business team as part of its ICC application and is relayed to the Sustainability Team of the Corporate Planning Department through the Credit and Investment Management Headquarters. If, based on such process, a project is deemed to have significant sustainability risks, ORIX may conduct additional investigations using external experts with expertise in sustainability and ESG investment.

Active Ownership Activities

ORIX also actively engages to improve sustainability and ESG aspects in existing investing and lending projects. If necessary,

we will continue to monitor important ESG risks identified during the project assessment stage.

Compliance

ORIX’s Approach to Compliance

ORIX has positioned compliance as one of our most important management issues, striving to build an effective compliance structure alongside a corporate culture that values high ethical

standards, and good faith, fairness and transparency in all corporate activities.

Compliance Structure

ORIX reports important compliance matters to the Executive Committee, the Group Executive Officer Committee and the Board Audit Committee. The Group Compliance Department, under the jurisdiction of the Head of ERM Headquarters,

cooperates with the compliance officers appointed at subsidiaries and business units, and promotes compliance activities across ORIX.



Annual Compliance Plan

In order to prevent and control compliance risks, ORIX establishes an annual a Group-wide action policy for compliance (“Annual Compliance Policy”) each fiscal year.

Each ORIX Group subsidiary and business unit conducts risk assessments pursuant to this policy, and formulates an annual compliance plan for its own business in accordance with such risk assessments. The Group Compliance Department

reviews the appropriateness and effectiveness of the individual annual compliance plans. Following such review, each annual compliance plan is then put into practice at each respective subsidiary or business unit. At the end of the relevant period, a completion report is filed and the content of this report is reviewed by the Group Compliance Department.

■ Compliance Awareness Activities

Top management, including the CEO and Executive Officers responsible for compliance at ORIX, sends messages with the objective of improving compliance awareness for all ORIX Group officers and employees, and the Group Compliance Department also regularly sends information on specific points of caution and to generally spread awareness.

In addition, in order to promote a strong understanding of the importance of compliance in ORIX officers and employees that translates into day-to-day practice, compliance training is

conducted on an on-going basis. Specifically, training is conducted through the use of e-learning, group training, and onsite courses. In addition to training applicable to all employees, tailored training is conducted for new hires and officers.

In addition to such training, measures are taken to maintain and increase the awareness and sophistication of each officer and employee of ORIX, including the implementation of awareness surveys and workplace environment interviews on topics such as workplace harassment or work-life balance.

■ Compliance Training

ORIX regularly holds Compliance Officer Liaison Meetings, which are attended by compliance officers (persons appointed to promote compliance at each ORIX Group subsidiary and business unit) and aims to promote the understanding of ongoing compliance promotion measures and improve overall sophistication regarding compliance.

In addition, personnel at the Group Compliance Department endeavor to build a library of the latest market practices and information related to compliance and acquire skills for implementing compliance by liaising with external organizations and undergoing external training courses.

■ Surveys and Monitoring

The Group Compliance Department conducts surveys on workplace environment and compliance awareness, and reflects the results of such surveys in compliance measures.

In addition, in the event of a potential compliance violation,

the department conducts an investigation, provides instructions on corrective actions, and provides recommendations to the Human Resources Department on disciplinary action to take against violators.

■ Compliance Related Policies (As of October 31, 2019)

Compliance

ORIX has established Group-wide regulations on compliance, and has prescribed rules and codes of conduct that will keep officers and employees of ORIX in strict adherence with the legal requirements and company regulations.

ORIX has adopted its Group-wide Compliance Policy, which sets out ORIX's compliance requirements and compliance risk management systems. ORIX has also adopted a Compliance Manual which explains ORIX's Compliance Policy and Code of Conduct and Ethics in an easy to understand manner and aims to deepen employee awareness of compliance matters and improve compliance readiness.

Corruption

ORIX maintains the highest ethical standards, adheres to all applicable laws, and endeavors to ensure that its officers, employees, representatives and agents do not perform any acts over the course of business that are or may appear to be inappropriate. ORIX has adopted a Group-wide Anti-Corruption Policy which prohibits any inappropriate transfer of money regardless of circumstances or whether the other party to the transaction is a government employee, employee of a private company, or any other individual.



Entertainment and gifts

ORIX prescribes rules governing entertainment and gifts (whether given or received) in relation to public officials or ORIX's business partners in our Rules on Entertainment and Gift Giving and Receiving. ORIX prohibits the provision of entertainment or gifts as a means to obtain any unfair gain, and endeavors to conduct all transactions with public officials or business partners in a fair and transparent manner.

Money-laundering

ORIX endeavors to detect and appropriately manage money laundering risks. In the ORIX Group Money Laundering Prevention Policy, ORIX prescribes that in all business transactions of the Group, it will not participate in transactions related to revenue arising from an unlawful act, transactions that provide funds to terrorists, or transactions that do not adhere to sanctions or money laundering regulations of relevant jurisdictions. In addition, each ORIX Group company that is involved in business that is subject to the Japanese Act on Prevention of Transfer of Criminal Proceeds verifies the identity of the other parties to a transaction at the beginning of such transaction and notifies the relevant authorities of any suspicious transactions, as prescribed by the act.

Antisocial forces

ORIX's Detailed Rules on the Prevention of Harm by Antisocial Forces and other related rules prescribes ORIX's rules for the

prevention of harm by antisocial forces, including adherence to laws and regulations relating to freezing the assets of international terrorists and to the prevention of money laundering. ORIX's rules related to antisocial forces aim to minimize any damage or loss caused to ORIX's business in addition to fulfilling our basic responsibility to society to minimize the influence of antisocial forces.

Conflicts of interest

The ORIX Group Conflict of Interest Prevention Policy prescribes ORIX's standards for avoiding conflicts of interest and sets out appropriate management of an actual or potential conflict of interest for an officer or employee of ORIX Group.

Insider trading

The ORIX Insider Trading Policy prescribes the management of insider information obtained by officers and employees of ORIX Group over the course of their business, the regulation of the trading of shares, as well as other matters to prevent insider trading and other unfair business transactions.

Unfair transactions

ORIX endeavors to always engage in fair and free competition. The ORIX Compliance Rules Relating to the Prevention of Unfair Transactions are designed to prevent ORIX from conducting business transactions involving any unfair business practices.

Internal Whistle-Blower System

ORIX has established whistle-blower and consultation channels for fraud and legal violations (an outside law firm) and for accounting, internal control of accounting and audits (ORIX Audit Committee Secretariat) and whistle-blower hotlines for inappropriate business execution, harassment and other matters (both internal and external channels are available). These channels accept consultations from executives, employees, temp staff, part-time workers and retirees as well as members of their families by mail, direct visit, telephone and email, the last of which is available 24 hours a day, 365 days a year. We also use posters and the company intranet as a means of informing officers and employees about these consultation channels. In this way, we aim to improve the

soundness of Group management by detecting violations of laws, regulations and internal rules at an early stage in order to prevent scandals and make the necessary improvements.

Whistle-blower hotlines have been established both internally and externally. The external channel employs lawyers and specialists from outside ORIX, and we have also set up a channel for reporting to the Audit Committee, which is independent from management. We work to ensure that the system functions properly by facilitating anonymous reporting and reporting on systemic problems. These hotlines are also equipped to handle consultations from persons who are unsure how to deal with problems related to ethical conduct, legal conduct or organizational integrity.

In addition, the Rules on the Compliance Hotline, which set forth the structure and operation of the system, prohibit any disadvantageous treatment of whistle-blowers and those who cooperate with the investigation. These rules also impose an obligation on all officers and employees, including temp staff, upon learning of an actual or potential violation of laws, regulations or internal rules, to first, as a general rule, report it to

■ External Whistle-Blower System

As an aspect of promoting compliance, ORIX has established a whistle-blower channel for reports from business partners and other external parties. The Group Compliance Department at

their supervisor and in the event there is an obstacle to notifying their supervisor, to promptly contact the compliance hotline.

After receiving a report, access to the information is strictly controlled and limited to the persons involved, under the management of the hotline manager (the officer responsible for compliance). Appropriate investigations and corrective actions are then conducted.

ORIX Corporation accepts reports on actions by Group officers and employees that violate or may violate compliance policies.

Risk Management

■ Risk Management System Upgrades

ORIX believes effective risk management is vital to the continuity of its business activities and manages risks relating to Group businesses through its risk management system. To adequately assess risk on a global basis, we have established the Enterprise Risk Management (“ERM”) Headquarters to control and manage risk throughout ORIX and facilitate centralized risk management. Risk analysis and management are conducted

in coordination with internal control departments including the Credit Department, which monitors risks related to individual transactions. Results are reported to the Executive Committee, Investment and Credit Committee, Audit Committee, and Board of Directors, which use these reports to assess risk. Relevant executive bodies then implement measures deemed appropriate to address identified risks.

■ Risk Control

ORIX allocates management resources by taking into account Group-wide risk preferences based on management strategies as well as the strategies of individual business units. Our Board of Directors and Executive Officers evaluate the performance and profitability of each business unit, and the Executive Officers take responsive measures they deem necessary to control risk. This process enables us to control our balance sheet and allocate more management resources to business units viewed as having greater growth potential.

ORIX monitors each business unit, and also monitors risks on an individual transaction and total portfolio basis.

For individual transactions relating to business transactions, the Credit Department evaluates the operating environment, strategies, and potential risks and profitability of each transaction prior to execution, and the Investment and Credit

Committee reviews such individual transactions. Changes to the operating environment and cash flow are monitored after transaction execution, and transactions for which there has been a major change in circumstances or strategy are then reported to the appropriate Executive Officers. In addition, individual business units conduct their own risk analysis by analyzing trends in relevant industries to control risks for individual transactions.

In analyzing ORIX’s portfolio, the Credit Department monitors the following characteristics from a Group-wide perspective: business type, region, transaction type, risk type, asset quality and concentration of risk among major debtors. The Corporate Planning Department monitors risks at the corporate level, including market risk and liquidity risk, in cooperation with the Treasury Department and the Credit Department.

Management of Principal Risks

ORIX has established a system to appropriately identify and manage the characteristics of various risks related to Group

businesses. The following are our eight primary risks, and we manage each of them according to their features.

[Main Risks and Examples of Risk Management Methodologies]

Main Risks	Risk Definition	Examples of Risk Management Methodologies
Credit risk	Uncertainty regarding future recovery of investments caused by fluctuations in cash flow from debtors and investees.	<ul style="list-style-type: none"> • Obtain adequate collateral and guarantees • Securitize receivables • Diversify debtors and their business types
Business risk	Uncertainties related to new business areas, potential obsolescence of the products or services we offer or a decline in their quality, and variability in market prices for the types of products or services we offer.	<ul style="list-style-type: none"> • Conduct scenario analyses and stress testing • Monitor business plans and operations
Market risk	The risk of changes in the fair value of assets and liabilities caused by changes in market variables, such as interest rates, exchange rates and stock prices.	<ul style="list-style-type: none"> • Set Group-wide rules for comprehensive asset and liability management (ALM) • Comprehensively understand and verify market risks
Liquidity risk (risk relating to fund procurement)	The risk that we will be unable to obtain required funds or that we will be forced to procure funds at an unusually high rate of interest due to market turmoil, a sharp decline in the financial condition of ORIX or other reasons.	<ul style="list-style-type: none"> • Diversify fund procurement methods and sources • Manage liquidity on hand • Analyze liquidity risk using hypothetical stress scenarios
Compliance risk	The risk of damages, losses, adverse effects or damage to our reputation resulting from a failure by ORIX to comply with applicable laws and regulations regarding ORIX's business activities or corporate philosophy, internal policies, rules and procedures which may also encompass legal risk when applicable laws and regulations are violated.	<ul style="list-style-type: none"> • Formulate and implement an annual compliance plan • Implement programs that support a corporate culture of compliance • Raise awareness for compliance matters among officers and employees by establishing and disseminating various regulations
Legal risk	The risk of legal liability and business disadvantages that may arise from the establishment and amendment of or changes in regulatory oversight regarding laws and regulations applicable to ORIX's business and corporate management.	<ul style="list-style-type: none"> • Involve the Credit Department, the Legal Department and the Compliance Department to avoid, reduce and conduct measures to prevent risks • Employ internal and outside legal counsel
Information asset risk	The risk of loss caused by destruction, damage or leakage of information or failure of our information systems.	<ul style="list-style-type: none"> • Establish policies for information management systems*¹ • Maintain and manage internal systems and build a system to respond to information security incidents when they occur
Operational risk	The risk of loss resulting from damages, losses, adverse effects or damage to our reputation caused by inadequate or failed internal processes for business execution or prevention of human error or by a failure in operations due to external events such as natural disasters.	<ul style="list-style-type: none"> • Establish internal rules to manage risks associated with natural disasters*² • Monitor based on an annual internal audit plan

***1 Information Security Risk Management**

ORIX has established its Information Security Policy as the basic Group policy for addressing information asset risks. The policy sets forth guidelines for the appropriate handling of information assets based on their level of importance, prescribes ongoing attention and response measures to threats to important information and information system vulnerabilities, and determines the response system and responsibilities in the event a risk materializes.

Details of our main information security management initiatives are as follows.

- **Setting criteria for the level of importance of information**
We establish Group-wide criteria for the level of importance of information in order to identify important information.
- **Multiple safety management measures**
We conduct safety management that combines physical, human, organizational, and technical checks and balances, without excessive reliance on any one specific method or technique.

***2 Disaster Risk Management**

ORIX has established Basic Disaster Risk Management Rules, which set forth its basic approach, details of activities, framework for systematic execution of risk management and other matters in the event unforeseen incidents occur, including natural disasters or accidents. In tandem with these rules, ORIX has also established a Disaster Risk Management Basic Policy. Through such policies and rules, during normal, non-emergency periods, we seek to establish methods to mitigate foreseeable losses of management resources due

- **Identification of individual officers or employees before use of information systems**

We identify individual officers or employees before using information systems, with the concept that each individual will handle such information responsibly.

- **Ongoing officer and employee training**

We provide officers and employees with ongoing training on information security, including through e-learning.

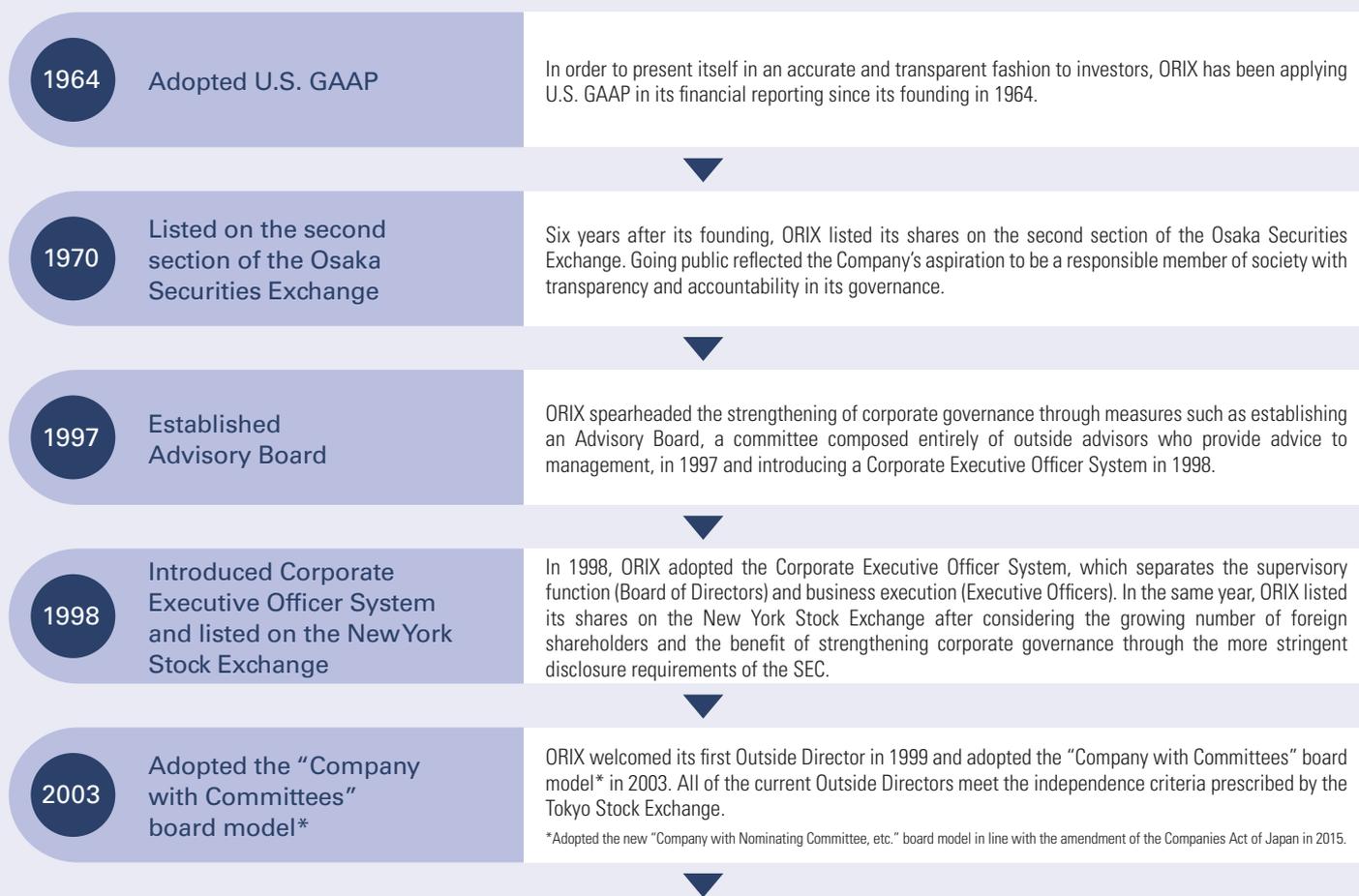
- **Preparation for the occurrence of information security incidents**

We prescribe responses in the event an information security incident occurs in the form of Group-wide internal regulations, and clearly identify the responding organizations and their responsibilities.

to disasters and establish remedial measures, and during emergency conditions, we aim to minimize damage by maintaining organizational functions and promptly recovering any lost functions. ORIX prioritizes guaranteeing the safety of its officers and employees and their families as it strives for the preservation or appropriate and prompt restoration of management resources. ORIX also responds to disaster-related societal demands.

Governance-Related Data

Evolution of Corporate Governance



This is how ORIX has been strengthening its management oversight since its founding. The current corporate governance framework requires a high level of discipline from the managers, but we believe this is how corporate governance is supposed to be.

Director Composition

	2015	2016	2017	2018	2019
Number of Directors	13	13	12	12	12
Number of Outside Directors	6	6	6	6	6
Percentage of Outside Directors	46%	46%	50%	50%	50%
Female Directors	1	1	1	1	2
Percentage of Female Directors	8%	8%	8%	8%	17%



ORIX Corporation

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