



# SUSTAINABILITY REPORT 2020



# Sustainability at ORIX

Since our founding, contributing to society by creating new value through our business activities has been fundamental to ORIX. We believe that it is important for a company to make a profit, but making a profit is not everything. Providing new value to society and being a company that is needed by society are also important, and the profit that results makes ORIX's sustainable growth possible.

In addition, operating with an awareness of sustainability has become fundamental to the survival of companies amid constantly shifting economic, social and environmental conditions. These shifting conditions include dramatic changes in the natural environment due to climate change along with their related economic impacts as well as changes in society's expectations regarding the relationship between companies and society.

Based on this thinking, ORIX strives to accurately assess and identify the opportunities and risks arising from economic, social and environmental changes in order to work with our stakeholders and community to contribute to the economic development and sustainable growth of the larger global community, and to incorporate those opportunities and risks into our corporate management.

## 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.

## 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
- Task Force on Climate-related Financial Disclosures (TCFD)

### 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 strives to proactively tackle social issues and needs and provide its own unique value based on our commitment to contributing to society through our business activities. In keeping with this commitment, we began publishing our Sustainability Report in 2019 to present our sustainability initiatives. This year's report, the second issue of the report, provides an explanation of our sustainability activities, information on the progress of our sustainability initiatives since the previous fiscal year and our thinking on future initiatives. Through this report, we hope that a wide range of stakeholders will gain a deeper understanding of ORIX, which aims to realize a sustainable society and sustainable growth.

### <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.

▶▶▶ [ORIX Group Sustainability Website](#)

Presents information on ORIX's sustainability initiatives.

▶▶▶ [Integrated Report](#)

Presents financial information and non-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.

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# About ORIX

ORIX was founded in 1964. From our starting point in leasing, ORIX has continued to enhance our expertise in finance and tangible assets as we synergistically expand our businesses.

(Data for FY2020.3)

<b>History:</b> <b>56 years</b> 	<b>Global Network:</b> <b>37 countries and regions</b> 	<b>Number of Employees:</b> <b>31,233</b> 	<b>Diversified Portfolio:</b> <b>10 business segments</b> 	<b>Net Income:</b> <b>55 years of sustained, profitable growth</b> 	<b>Segment Assets:</b> <b>10 trillion yen</b> 
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Since we introduced the new financial service of leasing to Japan in 1964, we have been providing a wide variety of innovative services.

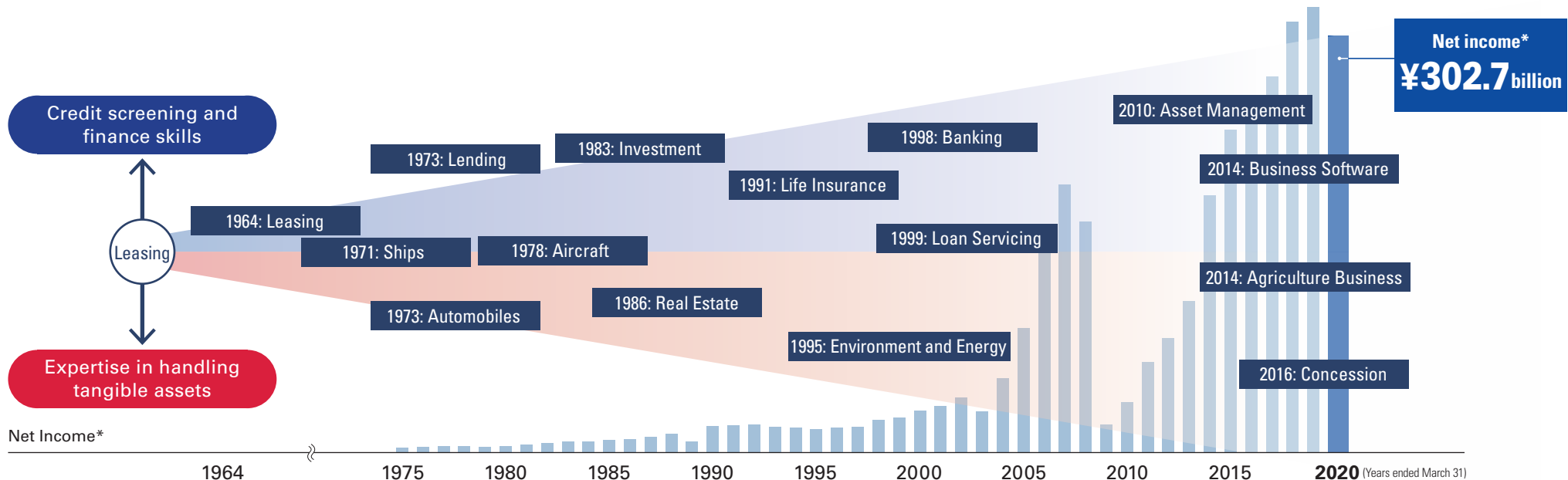
Since launching operations in Hong Kong in 1971, we have expanded our global network.

ORIX has grown from a 13-person venture into a company that currently employs approximately 31,000 people around the world.

Each segment has the ability to achieve high profitability and growth and all segments are able to provide each other with products and services.

We are proud of more than 50 years of continuous profitability, which we believe is a reflection of the value the market places on our innovative solutions.

Without overstressing our asset size, we have been focusing on improving profitability and strengthening financial soundness. Furthermore, we adjust our asset mix flexibly for different times and environments.



\*Net income attributable to ORIX Corporation shareholders

## Business Portfolio

ORIX is currently organized in ten independent business segments and has a diversified portfolio ranging from finance to service-related businesses.

▶▶▶ [Segment Information](#)



Corporate Financial Services and Maintenance Leasing



Real Estate



PE Investment and Concession



Environment and Energy



Insurance



Banking and Credit



Aircraft and Ships



ORIX USA



ORIX Europe



Asia and Australia

## Contributing to Society through Our Businesses

ORIX proactively tackles social issues and needs and provides unique value based on our commitment to contributing to society through our business activities.



### Environment

#### Transition to a Carbon-free Society



ORIX is committed to spreading renewable energy in countries worldwide.

- Solar power
- Biomass power
- Wind power
- Geothermal power
- Hydropower

#### Efficient Use and Supply of Energy



ORIX is a power producer and also provides energy management services to support energy savings.

- Supply electricity as a power producer and supplier
- Supply environment friendly electric power (electric power with low CO<sub>2</sub> emissions)
- Energy-saving services

#### Creation of a Society That Reuses and Recycles



ORIX promotes the effective use of resources, waste reduction, and reduction of environmental impact, and contributes to the creation of a society that reuses and recycles.

- Build a Japan-wide network that supports the collection of unwanted goods
- Reuse and recycling of unwanted goods and wastes
- Operation of landfills



ORIX promotes the provision of products and services with high environmental performance and the creation of a sharing economy. This leads to the accumulation of environmentally valuable things in society over the long term.

- Auto business (Car rental and car sharing businesses offer electric vehicles and hybrid vehicles, Telematics service “e-Telematics”)
- Real estate business (Real estate development with high environmental performance, creation of environmentally friendly homes)

▶▶▶ P. 10 Environment: Contributing to Society through Our Business Activities



### Social

#### Tackling Issues in Aging Societies / Promoting Safe and Healthy Lifestyles



In addressing Japan’s declining birthrate and aging population, ORIX provides services that create a society where elderly people can live without worry and contributes to the promotion of safe and healthy lifestyles.

- Monitoring service for senior drivers
- Mail-order will substitute, support for the establishment of family trusts
- Insurance products tailored to meet our customers’ needs
- Preventive medicine support service

#### Realizing a Smart and Resilient Society



- A smart society**
- Rental business (Corporate R&D support, Support for the introduction of robots)
  - Auto business (Support companies’ appropriate management of employees and prevention of accidents)
- A resilient society**
- Auto business (Development and sale of special vehicles that respond to customer needs such as disaster response and operational efficiency)
  - Real estate business (Development of properties with BCP measures)

#### Regional Revitalization



Through initiatives to increase business and tourism demand, ORIX is contributing to the revitalization of local communities.

- Concession business (Operation of airports, Operation of public wastewater treatment plant)
- Agriculture business (Development of highly competitive and high-value-added agriculture business)
- Japanese inn management business (ryokan) (Renovation of historic ryokan, Operation of hot springs resorts)

#### Vitalizing Small and Medium-Size Enterprises (SMEs)



ORIX provides a variety of services in addition to finance to meet the management issues and needs of SMEs and supports their revitalization and growth.

- Business succession support for SMEs
- Business software service for SMEs

▶▶▶ P. 20 Social: Contributing to Society through Our Business Activities

# A Message from the CEO

## Adoption of Our Sustainability Policy

The top priority of ORIX since its establishment has been to contribute to society by providing new value through its business activities. It is important that we continue to provide new value to all stakeholders and become a company that is needed by society. If profits can be generated through such businesses and activities, we will be able to provide further value, which will lead to growth of the Group over the long term.

In September 2019, we adopted the ORIX Corporate Sustainability Policy and in October 2019 issued our first Sustainability Report in order to promote the above-mentioned top priorities in a concrete manner.

In order to promote sustainability and in order to meet the expectations and demands of all of our stakeholders, including society at large, we must set

sustainability-related goals and create a timetable for their realization.

## Environmental Issues We Should Address as a Group

The task of the Group is to prepare environment-related data for each segment and to conduct simulations based on that data. We plan to analyze environment-related risks and costs and enact sustainability promotion action plans and mid- and long-term targets for each segment. Individual investing and lending projects are subject to a decision as to whether or not they are feasible in a process that takes into account the analysis and assessment of ESG-related risks.

In October 2020, we became a supporter of TCFD (Task Force on Climate-related Financial Disclosures). We aim

to appropriately disclose ESG-related information, including climate-related financial data, to our stakeholders. TCFD itself is an initiative aimed at addressing climate change, but we believe that the information disclosure process developed based on the recommendations of TCFD can be applied to addressing social issues other than climate change.

We believe the reduction of GHG emissions,\*<sup>1</sup> the efficient use of energy in our own operated assets, and support for the construction of environmentally friendly smart cities are themes to be considered by the Group.

We will focus on building infrastructure that is resilient to disasters, and will operate facilities in a manner that incorporates safety and well-being into the equation, taking into account the increase in natural disasters caused by climate change. Promoting and spreading

renewable energy is also positioned as a business that contributes to sustainability and decarbonization, and we will focus our power generation business on the spread of renewable energy.

We will search for investment and business opportunities on the premise that we will not deal with developments that will have an adverse impact on the ecosystem and lead to destruction of the natural environment.

### Establishing a Global Standard Level Sustainability Governance System

We aim to establish a governance system that complies with a wide range of ESG-related principles and disclose information on a regular basis on the premise that accurate data is collected. Our goal is to be selected as a DJSI World & DJSI Asia Pacific\*<sup>2</sup> constituent stock, and

as the first step we aim to reach a global standard level. We will promote sustainability education within the Group, collect and organize environment-related and non-financial data, and disclose accurate ESG-related data.

We would also like to advance ORIX's participation in the international initiative RE100.\*<sup>3</sup> ORIX will shift its electricity use to renewable energy and contribute to the conversion of customers to renewable energy. There is no change in ORIX's policy of accelerating our renewable energy business into the future.

### Responding to Various Societal Changes and Expectations of Our Stakeholders

The impact of COVID-19 has marked a major, historical turning point for the world. ORIX is not an exception to this change, but as a group that promotes diverse

businesses, we believe we have the resiliency and flexibility to adapt to various societal changes. We believe that ORIX can fully respond to the expectations and demands of our stakeholders.



**Makoto Inoue**

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

\*1 Greenhouse gas emissions. Greenhouse gases are gases that have the ability to absorb infrared rays and, when present in the atmosphere, have a greenhouse effect. The main greenhouse gases are carbon dioxide, methane, nitrous oxide and chlorofluorocarbons.

\*2 Dow Jones Sustainability Indices (DJSI) is a global ESG investment index. DJSI measures the sustainability of a company from the aspects of environment, society, and governance (ESG), and selects companies that are comprehensively superior, taking into account market capitalization. Excellent companies are selected from the world's major companies for DJSI World and from companies in the Asia-Pacific region for DJSI Asia Pacific.

\*3 An initiative of a global group of companies. Members aim to procure 100% of their electricity from renewable sources.



# A Message from the Senior Managing Executive Officer Responsible for Sustainability

For ORIX to continue to grow, it is essential that we provide new value to society and become an entity needed by society. Society is constantly changing, and the pace of change and the type of change that attracts society's attention varies over time. Recently, for example, the spread of COVID-19 has led to an increased focus on Japan's working styles and vulnerabilities in healthcare in non-urban areas. In such a constantly changing environment, there is no foolproof way of dealing with sustainability or reaching 100% agreement on specific methodology. Governments, companies, or organizations around the world need to think about the unique nature of their own organization, make their own priorities, and adopt methods that suit their own specific needs. Unlike the legal and compliance world, where there are laws and regulations that all must follow, sustainability by its nature leads to this kind of tailored, individualized approach. For this reason, I imagine the leadership of various corporations, like the leadership of ORIX, have a lot to think about when it comes to their approach to sustainability.

That said, in today's society, climate change is a common global issue that is nearly universally recognized. While there are a variety of methods for addressing climate change, the goals are clear, and data provides a clear picture of progress toward the goals. In view of these circumstances, it is now essential for companies to tackle climate change. ORIX believes that TCFD (Task Force on Climate-related Financial Disclosures) is the

most established methodology to combat climate change. For this reason, we have become a supporter of TCFD.

For a company to achieve sustainable growth, it is essential to integrate sustainability concerns into its corporate decision-making process. ORIX has an established track record of developing and promoting sustainable businesses, such as becoming a major player in renewable energy in Japan. However, we have not necessarily implemented sustainability promotion measures that span the entire ORIX Group. Nonetheless, management recognizes that what society demands of ORIX is not a collection of individual initiatives, but a systematic corporate approach. To this end, we formulated the ORIX Sustainable Investing and Lending Policy in September 2019 as the first step toward the integration of sustainability into the corporate decision-making process. Based on this policy, business matters that are authorized at the ORIX Corporation Investment and Credit Committee are screened from a sustainability perspective. In July 2019, we established a dedicated team to promote corporate sustainability within ORIX. The past year was a period in which we promoted and signaled within ORIX Group as a whole that we have established a team to promote sustainability and will be actively engaging in sustainability as a group. We also felt that this was a period in which we signaled to our employees that sustainability is something they each need to be aware of and consider as every individual employee's mandate.

After this preparatory period, I am confident that we will be able to move on to the next phase of our sustainability initiatives. In terms of sustainability, the risk management aspect is of course important; therefore screening our investing and lending projects so that ORIX does not make business decisions that will damage ORIX's reputation is important. However, the opportunity sourcing aspect of sustainability is also very important and I believe our sustainability work will enable ORIX to make investments and loans that bring positive benefits to society. I believe such positive impact investments and loans provide employees with a sense of satisfaction and pride, and are also consistent with ORIX's corporate culture of being sensitive to and responding quickly to societal needs. We will continue to work proactively toward sustainability by both contributing to the realization of a sustainable society and establishing a path for sustainable growth for ORIX.

**Shoji Taniguchi**

Member of the Board of Directors  
Senior Managing Executive Officer  
Responsible for Treasury and Accounting Headquarters  
Responsible for Enterprise Risk Management Headquarters  
Responsible for Corporate Planning Department  
Responsible for Corporate Communications Department  
Assistant to CEO



# Sustainability Initiatives

ORIX has been working on the following sustainability initiatives.

- Since our establishment, our approach to sustainability has been to tackle social issues and needs through our business activities. We clarified and reiterated this approach in our Sustainability Policy. Based on this policy, we have established a system to institutionalize our approach to sustainability and are working to raise awareness among all levels of employees.
- Through the publication of our Sustainability Report and the dissemination of information on the ORIX Group sustainability website, we aim to explain our initiatives and deepen our communication with our stakeholders.

October 2018	Established Sustainability Task Force.
July 2019	Established Sustainability Team in Corporate Planning Department.
September 2019	Adopted the ORIX Corporate Sustainability Policy, ORIX Human Rights Policy, and ORIX Sustainable Investing and Lending Policy. Released Modern Slavery Act Statement.
October 2019	Issued Sustainability Report (English edition issued in November). Began sustainable investing and lending screening (began screening the ESG elements of investment and lending proposals pursuant to the Sustainable Investing and Lending Policy).
November 2019	Began formulating and establishing sustainability action plans and targets of business units (aiming for finalization during the fiscal year ended March 2021).
January 2020	Issued green bonds.
June 2020	Launched the Sustainability Library to raise sustainability awareness in the Company (introduces basic information about sustainability and ORIX's sustainability initiatives).
July 2020	Began sustainability training for employees.
October 2020	Announced support for TCFD (Task Force on Climate-related Financial Disclosures).

▶▶▶ [ORIX Corporate Sustainability Policy](#)

▶▶▶ [ORIX Human Rights Policy](#)

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

▶▶▶ [Modern Slavery Act Statement](#)

▶▶▶ [Sustainability Report](#)



# Environment

## Core Principles of Our Sustainability “Care for the natural environment”

The ORIX Corporate Sustainability Policy states “Care for the natural environment” as one of our core principles that should be implemented 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.

## 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 changes brought on 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 the nature of our business.
4. Provide and disclose information on matters required by environmental laws and regulations.

### Responding to Climate Change and Supporting TCFD

Responding to climate change is a key issue that needs to be addressed globally. ORIX recognizes that climate change is an issue that we should tackle and expressed our support for TCFD (Task Force on Climate-related Financial Disclosures) in October 2020.

TCFD has been established by the Financial Stability Board (FSB)\* at the request of G20 to examine how climate-related information should be disclosed, and how financial

institutions should respond. TCFD published its final report in June 2017, and recommends companies to disclose items related to climate change-related risks and opportunities.

ORIX believes that responding to TCFD recommendations will contribute to improving our corporate value over the medium to long term, and that working on actions to achieve TCFD recommendations will also be effective in establishing a solid methodology and governance for

promoting our sustainability more generally.

ORIX recognizes climate change as an important risk and at the same time as an opportunity for our global operations. We will work to determine the financial impact of climate change risks and opportunities and enhance our disclosure while also working proactively to respond to climate change issues through our business activities.

\* An international body comprised by finance ministries and central banks, which monitors the global financial system.

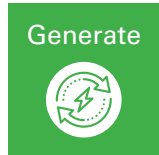
## Contributing to Society through Our Business Activities

### Transition to a Carbon-free Society, Efficient Use and Supply of Energy –Energy Business

ORIX is committed to popularizing renewable energy including solar, biomass, geothermal and wind to support the transition to a carbon-free society now in progress in countries worldwide. For efficient use and supply of energy, ORIX provides a stable supply of electricity including environment friendly electrical power (low emissions factor services) through our power supply service. Our energy management service supports customers to realize energy savings.


#### <ORIX's Energy Business>

ORIX has built a value chain of generating, delivering, and managing energy, and provides one-stop services tailored to respond to customer needs.


### Renewable Energy Business

ORIX promotes development and operation of power plants that utilize not only solar power but also wind and geothermal power. We contribute to the spread of a well-balanced use of renewable energy.  
(All figures are as of March 31, 2020)



### Solar power generation business (Japan)

- Mega-solar and roof solar power generation business  
ORIX is one of the largest solar power producers in Japan. Our solar power generation business has projects with a capacity of about 1GW of which 910MW of capacity is online.
- Corporate PPA (Power Purchase Agreement)  
Through our Corporate PPA service, ORIX installs solar power generation systems and storage battery systems at customer-owned facilities, and supplies the electricity generated through these systems to the customers.




### Biomass power generation business (Japan)

- ORIX operates three power plants.
- One power plant is fueled by 100% wood chip biomass and has a total generation capacity of 13.6MW.
- Two power plants are fueled by coal and wood chip biomass and have a total generation capacity of 224MW. These power plants use environment friendly, world-class facilities. Biomass accounts for approximately 30% or more of the total amount of fuel. This results in lower CO<sub>2</sub> emissions compared to coal-fired power plants in the same class.


For detailed information

▶▶▶ [Transition to a Carbon-free Society](#)




### Wind power generation business (Japan and overseas)

- In Japan, we are considering the feasibility of offshore wind power generation business.
- In India, we operate a total of 23 wind power plants in southwestern Indian states. The total generating capacity is 873.5MW.




### Geothermal power generation business (Japan and overseas)

- In Japan, we plan to commence commercial operations of three geothermal power plants in 2022 or after. Total generation capacity will be 12.9MW. We are also investigating and considering projects in other locations.
- In the United States, we are an investor in Ormat Technologies, Inc. ("Ormat"). Ormat runs a geothermal power generation business with operations in the U.S., Central America and Africa. Ormat has a total generating capacity of 914MW.



### Hydropower generation business (Overseas)

- ORIX has a stake in Bitexco Power Corporation ("BPC"), a hydropower generation company in Vietnam. BPC has a total generating capacity of 895MW.



### Operation, management, and maintenance of renewable energy power plants (Japan)

- ORIX established a company tasked with the operation, management, and maintenance of power plants that use renewable energy. We operate and manage power plants at 84 sites nationwide, with a combined power generation capacity of approximately 446MW. In addition to carrying out maintenance and checks, ORIX provides immediate recovery support to minimize downtime and power generation losses in the event of malfunctions and maximizes power generation capacity by using remote monitoring and data analysis.





# Environment

## Contributing to Society through Our Business Activities

### (Transition to a Carbon-free Society, Efficient Use and Supply of Energy – Energy Business)

Deliver



#### Power Supply Service

In addition to our stable power supply service, we provide various power supply menus to support our customers' management of their carbon footprint.



#### Electric power retailing

- As a power producer and supplier, ORIX supplies generated power primarily to privately owned buildings and facilities requiring high-voltage power.
- Annual electricity sales volume is 1,995,390,000 kWh (FY 2020.3). The number of electric power supply destinations is approximately 10,000 facilities (as of March 31, 2020).
- ORIX operates three power plants (biomass power plants shown in the previous page) for stable power supply.



#### Environment friendly power supply services

- ORIX provides environment friendly electrical power supply services (low emissions factor services). ORIX supports customers both in achieving RE100 and in reducing their CO<sub>2</sub> emissions by increasing the proportion of electrical power generated from renewable energy and purchasing non-fossil certificates and J-Credits.

Manage



#### Energy Management Service

We contribute to reduced energy usage by making tailored energy saving proposals according to the energy usage status of our customers.



#### Energy-saving services

- Energy-saving services are services aimed at helping customers realize energy savings and reductions in CO<sub>2</sub> emissions through increased productivity of factories and production equipment. The services are offered when our customers update or establish new production facilities in factories and buildings.



#### Sale and lease/rental of solar panels, electricity storage systems

- We conduct 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 own use, sale of surplus electricity, and as preparation for power outages.

Other

#### Joint research into a power tracking system

- ORIX has started joint research into a tracking system that leverages blockchain technology to verify the production site and history of renewable energy-based electric power, from supply to consumption. This research is an effort to solve the problem of certifying the origin of renewable energy.

#### Participating in a demonstration project to build a virtual power plant (VPP)

- Virtual power plants (VPP) control the charge and discharge of storage batteries installed at the homes of private customers, commercial facilities and factories to make them function like a single power plant. VPPs make efficient use of small distributed energy resources and provide the economic benefit of being cheaper to establish than traditional power plants.

For detailed information

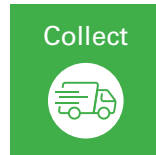
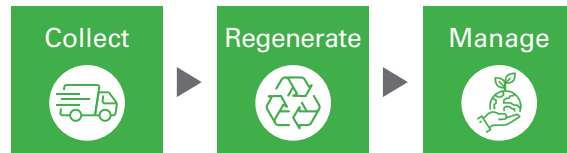
▶▶▶ [Efficient Use and Supply of Energy](#)

## Creation of a Society That Reuses and Recycles – Environment Business

ORIX conducts business activities such as collecting resources and waste, regenerating resources and waste by reusing and recycling, and managing resources and waste properly. Through these activities, ORIX promotes effective use of resources, control of waste generation, and reduction of environmental impact, and contributes to the creation of a society that reuses and recycles.

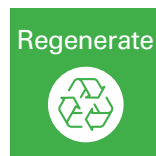
### <ORIX's Environment Business>

ORIX has built a value chain of collecting, regenerating, and managing resources and waste, and provides one-stop services tailored to respond to customer needs.



### Collecting resources and waste

- ORIX has built a Japan-wide network to support collecting unwanted goods. In addition to collecting waste and unwanted goods, we also respond to diverse customer needs including reuse, recycling, and proper disposal of unwanted goods with a network for proper disposal that includes companies involved in collection and transportation, sale of used products, intermediate disposal and recycling.



### Regenerating resources and waste by reusing and recycling

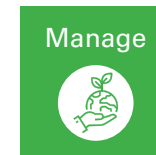
- The collected waste items are sorted and those that can be reused are sold to second-hand sales companies. Items that cannot be reused are disassembled and recycled as materials.
- ORIX operates a zero waste facility\*<sup>1</sup> that uses cutting-edge thermal decomposition, gasification and reforming methods. A 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.

\*1 A facility that achieves zero waste by breaking down waste into raw materials and effectively using them.

## Contributing to Society through Our Business Activities

- ORIX is constructing a dry-type biogas power generation facility, the largest in Japan,\*<sup>2</sup> that utilizes municipal waste. The plant is scheduled to be completed and put into operation in the fall of 2021. A dry biogas power generation facility can be used to recycle food without separating food waste and other waste. The operation of this facility will contribute to the improvement of the food recycling rate, which is low due to the difficulty of separating food waste and other non-food wastes.

\*2 Researched by ORIX.



### Managing resources and waste properly

- ORIX operates one of the largest controlled landfills in Japan. We provide final disposal of non-recyclable items as waste.
- ORIX offers a nationwide disposal service for used solar panels. Currently, shredding and landfill treatment is the mainstream. In the future, we will work to address the recycling of solar panels.
- ORIX provides a service to destroy data on storage equipment. In this service, we have installed a shredding machine in a special vehicle that we have developed and dispatch the vehicle to designated locations to destroy the data on the storage device in the presence of the customer.

For detailed information

▶▶▶ [Creation of a Society That Reuses and Recycles](#)



# Environment

## Contributing to Society through Our Business Activities

### Creation of a Society That Reuses and Recycles —Auto Business / Real Estate Business

ORIX contributes to the creation of a society that emphasizes the extended use of products and reduces environmental loading. Providing products and services with high environmental performance and promoting a sharing economy in our auto business and real estate business ultimately helps to promote long-term rather than short-term use of assets by society.



#### Auto Business (All figures are as of March 31, 2020)

##### • Car rental and car sharing businesses

Our car rental and car sharing businesses offers electric vehicles (EV), hybrid vehicles (HV) and fuel cell vehicles (FCV). We have about 3,000 locations nationwide. Of the approximately 75,000 vehicles under management, approximately 11,000 are EV, HV or FCV.

##### • Telematics service “e-Telematics”

In ORIX’s e-Telematics service, an onboard device with communication and GPS functions is installed in customer vehicles to visualize their operating status. The service analyzes driving data and notifies a designated recipient

upon the occurrence of erratic or unusual driving behavior. Such notifications lead to safe, environmentally sound driving that reduces fuel costs, improves fuel economy and reduces CO<sub>2</sub> emissions.

Number of vehicles with e-Telematics and e-Telematics PRO: 159,000.

##### • Car sharing business

ORIX is developing a car sharing business with more than 2,000 car sharing stations centered around urban areas operating more than 3,400 vehicles. We are responding to the call for reducing environmental loading including CO<sub>2</sub> emissions by promoting the combined use of car sharing and public transportation.

Approximately 270,000 member users.



#### Real Estate Business

##### • Real estate development 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\*<sup>1</sup> and CASBEE.\*<sup>2</sup>

\*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.

\*2 Comprehensive Assessment System for Built Environment Efficiency: An evaluation system in Japan that evaluates and ranks the environmental performance of buildings.

##### • Creation of environmentally friendly homes

In its Strategic Energy Plan, the Government of Japan has set a policy goal of achieving ZEH\*<sup>3</sup> for houses by 2030. Ahead of this plan, we completed Japan’s first “Nearly ZEH-M\*<sup>4</sup>” condominium in 2019. We are promoting ZEH-M condominiums as a standard for our future developments.

\*3 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.

\*4 Nearly Zero Energy Mansion. A condominium 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.

##### • Residential renovation business

ORIX is promoting real estate renovation of both communal and detached housing to lengthen the life span of real estate in Japan. In these businesses, we purchase a second-hand condominium and carry out large-scale repair work not only in the interior of exclusively owned areas but also in common areas such as the entrance and exterior to increase the building’s value. ORIX is actively receiving orders for repair work to protect the value of buildings and allow residents to live long-term in their housing with peace of mind.

For detailed information

▶▶▶ [Creation of a Society That Reuses and Recycles](#)





# Environment

## Contributing to Society through Our Business Activities

### Initiatives for the Environment Reduction of Environmental Impact in Business Processes

ORIX is working to reduce the environmental impact of its business processes.



#### Powering recycling plants with 100% renewable energy

- There is growing societal demand for environment friendly initiatives such as reductions in CO<sub>2</sub>. As such, ORIX Eco Services (OES) has decided to convert its two recycling plants—Funabashi Plant and Kasukabe Plant—to use electrical power generated from 100% renewable energy (including the use of non-fossil certified renewable energy sources); these plants are therefore now powered by CO<sub>2</sub>-free electricity. In the future, OES plans to source the electrical power used by these recycling plants from Agatsuma Biomass Power Plant and other renewable energy power plants owned by ORIX Group.



#### Reduction of CO<sub>2</sub> emissions in aquariums

##### • Artificial seawater

The Kyoto and Sumida Aquariums have created the first Japanese\*<sup>1</sup> artificial seawater production system\*<sup>2</sup> and replaced the water in their aquariums with water from this system. This system solves many problems faced by inland aquariums, such as suppressing the CO<sub>2</sub> generated when transporting sea water in large vehicles. Additionally, the system also maintains a constant water quality throughout the year. Because of this, it is now possible to provide a comfortable environment for organisms in aquariums.

\*1 Kyoto Aquarium was the first in Japan, followed by the Sumida Aquarium.

\*2 Excludes freshwater.

##### • Installation of solar electrical panels

The Kyoto Aquarium controls CO<sub>2</sub> emissions through the use of solar power generation systems, advanced ventilation systems, and LED lighting.



#### Utilization of geothermal heat from hot springs at hot spring inns

- Beppu SUGINOI HOTEL operates the Suginoi Geothermal Power Station, which utilizes the largest geothermal resource in Japan for private use. The total generating capacity is 1,900kW (1.9MW), and the generated electricity is used in electric facilities throughout the hotel and covers about 30% of its peak electricity consumption.



#### Abolition of use of plastic straws and plastic bags

- ORIX Real Estate is actively promoting measures to prevent marine pollution by reducing plastic waste. To this end, ORIX Real Estate has abolished the use of plastic straws at 25 accommodations, aquariums, and restaurants and replaced them with paper straws. ORIX Real Estate also abolished the use of free plastic bags in aquarium gift shops (still offered for a fee) and is shifting to the use of free paper bags.

For detailed information

▶▶▶ [Reduction of Environmental Impact in Business Processes](#)

## Sustainable Business Activities

### Helping Achieve a Sustainable Society through Our Environment and Energy Business

ORIX launched its environment and energy business in 1995. It has now expanded into a wide range of markets, with energy businesses including renewable energy, electric power retailing and energy-saving services, and environmental businesses including waste recycling and processing. Notably, ORIX is a leader in Japan in solar power, with generation capacity of approximately 1,000MW, including plants in operation and planned for construction, and in geothermal power, with plants planned for construction having a potential generation capacity of 13MW. Outside Japan, ORIX participates in businesses with wind power generation capacity of approximately 870MW, geothermal power generation

capacity of approximately 910MW, and hydroelectric power generation capacity of approximately 900MW.

The trend toward a sustainable society is in full force worldwide. It involves initiatives to use renewable energy and create a society that reuses and recycles, which is giving rise to numerous related technologies and services. We are using the expertise we have cultivated in these businesses to proactively conduct new initiatives that include expanding our renewable energy business in Japan and internationally, providing services that help customers reduce carbon emissions, developing technologies for managing renewable energy supply and demand using IT, and constructing new

municipal waste processing facilities.

We intend to expand our environment and energy business globally, therefore advancing the overall business, and will continue to contribute to ORIX's goal of creating a sustainable society through our business activities.

#### Hidetake Takahashi

Executive Officer

Head of Energy and Eco Services Business Headquarters

### Resolving Social Issues through Diverse Real Estate Businesses

ORIX launched its real estate business in 1986. We now have a comprehensive portfolio of diversified real estate businesses that encompass: i) development and investment in properties such as office buildings, commercial facilities and logistics centers; ii) the operation of facilities including inns, hotels and aquariums; iii) real estate asset management; iv) mixed-use urban development projects; and v) real estate development, distribution, maintenance and management with a focus on condominiums through DAIKYO, which became a wholly owned subsidiary in 2019.

Our real estate businesses are able to contribute to various social issues such as reducing the environmental impact of real estate and regional revitalization. Addressing these issues helps to create new business opportunities and increase the value of our business. By resolving social issues through our business, we aim to create a business portfolio that has both high market value while also helping to realize a sustainable society.

Specific initiatives include developing environmentally friendly real estate, conserving energy at the facilities we operate, and revitalizing regional areas through community

development and local inn management. Another focus is making the customers who use our properties feel safe, secure and comfortable.

#### Toshinari Fukaya

Group Managing Executive

President, ORIX Real Estate Corporation



# Social

## Core Principles of Our Sustainability “Promote diversity and care for the well-being of our employees”

The ORIX Corporate Sustainability Policy states “Promote diversity and care for the well-being of our employees” as one of our core principles that should be implemented in our daily work.

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

We respect the diversity of our employees and provide opportunities and environments that maximize 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.

## 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**

#### Challenge:

**Taking on new challenges and acquiring a high level of expertise**

#### Teamwork:

**Respecting diversity and actively driving collaboration**





## 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

With the changing social environment, the need for a wider array of working styles is increasing. We are promoting diversity and inclusion to create workplaces that are optimal for the performance of individuals with different capabilities and expertise, as well as to offer diverse working styles to accommodate different life events.

#### ■ Promoting the participation and advancement of women in the workplace

ORIX was one of the earliest promoters in Japan of women’s participation in the workplace. We started recruiting female university graduates for comprehensive work positions\*<sup>1</sup> 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 human resources system but also in strategically raising awareness about gender equality. The ratio of female employees in managerial positions at ORIX

Corporation increased from 18% as of March 31, 2014 to 25.3% as of March 31, 2020. We will continue to promote the advancement of women by improving career support programs that help female employees to develop their careers, expand their roles and make full use of their abilities.

#### ■ 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, 2020, 69 people with disabilities and nine supervisors handle outsourced clerical services including

contract printing and mailing, digitalization of stored documents and preparation of direct mailing enclosures, as well as other services such as washing and inspecting sales vehicles, office cleaning and operation of a cafe for employees.

#### ■ Mid-career employees and hiring new graduates overseas

We also focus on recruiting mid-career employees and hiring new graduates overseas 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 not only finance, but also manufacturing, consulting, trading, real estate and services. 66% of employees who joined ORIX in the fiscal year ended March 2020 were mid-career hires.\*<sup>2</sup> Since 2016, ORIX has been focusing on recruiting students with diverse values, including the hiring of new graduates from overseas universities in China, Taiwan and South Korea as well as foreign students in Japan.

\*<sup>1</sup> 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.

\*<sup>2</sup> 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.

### Workplaces That Offer Value

ORIX defines a “workplace that offers value” as a dynamic, fulfilling working environment in which employees can perform to their full potential in good health and with peace of mind. We are implementing a variety of initiatives to foster workplaces that offer value for all employees.

#### ■ Work Style Reform Project

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.

#### ■ Employee morale survey

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. 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.

#### <New human resources systems established from the Work Style Reform Project>

<b>Super flextime system</b>	We eliminated the core working hours of the preceding flextime system and enhanced working hour flexibility.
<b>System allowing paid leave to be taken in hourly units instead of whole days</b>	This system allows employees to take paid leave in hourly units instead of whole days so that they can take paid leave more efficiently.
<b>System to incentivize employees to take their vacation days</b>	This system offers incentives when employees take annual paid leave for five consecutive business days.
<b>Internal intern system</b>	This system allows employees to work at their desired department for a certain period. The purpose of this system is to promote autonomous career formation.
<b>System of financial support for self-improvement</b>	This system provides financial support for self-improvement so that employees can effectively use the free time created through the promotion of work style reforms.

▶▶▶ [Personnel System](#)

▶▶▶ [Human Resource Development System](#)

### Employee Health and Safety

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 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 education and training, management of safe driving and creation of a disaster response manual.

▶▶▶ [Employee Health and Safety](#)

## Core Principles of Our Sustainability “Respect human and labor rights”

The ORIX Corporate Sustainability Policy states “Respect human and labor rights” as one of our core principles that should be implemented in our daily work.

## 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. We adopted the ORIX Human Rights Policy in September 2019. The policy details our commitment to respect basic human rights, including the human rights laid out in the Universal Declaration of Human Rights and the Guiding Principles for Business and Human Rights and to promote respect for human rights both within ORIX and vis-à-vis clients and suppliers of ORIX.

▶▶▶ [ORIX Human Rights Policy](#)

### Our Response to the UK Modern Slavery Act 2015 (“MSA”)

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

### 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.

its subsidiary, ORIX Corporation UK Limited. ORIX Corporation annually issues its Modern Slavery Act Statement pursuant to the MSA.

▶▶▶ [Modern Slavery Act Statement](#)

### Our Efforts to Achieve Respect for Human Rights

#### Analysis and Assessment of Human Rights Risk

ORIX has worked with third-party experts to analyze the specific risk profiles of its various businesses in order to understand our overall human rights risk profile. Based on these analysis results, we have identified regions and business areas and practices where human rights risks are particularly high. In addition, based on the ORIX Sustainable Investing and Lending Policy formulated in September 2019, we perform an ESG risk assessment of new investment and lending projects, including human rights risks such as forced labor, child labor

and matters in regions with an elevated human rights risk. This ESG risk assessment also utilizes information from databases provided by third-party organizations. Through analysis and evaluation of human rights risks, we are striving to incorporate human rights considerations into our business activities, and are also making efforts to prevent human rights violations.

#### Compliance Hotline for Consultation and Reporting on Human Rights Issues

ORIX accepts human rights consultations and reports through our internal and external whistleblower system. The internal whistleblower system is available to ORIX Group employees and the external whistleblower system is available to our clients and suppliers. We accept consultations on human rights violations such as harassment and opinions on human rights considerations.

▶▶▶ [Internal Whistleblower System](#)

▶▶▶ [External Whistleblower System](#)

## Contributing to Society through Our Business Activities

### Tackling Issues in Aging Societies / Promoting Safe and Healthy Lifestyles

To create a society where elderly people can live without worry, ORIX provides services that contribute to solving various problems faced by Japan's aging society. Further, with the declining birthrate and aging population, the reliability of the social security system for the future is under scrutiny. We provide products and services that are prepared to cope with financial and health concerns, contributing to the promotion of safe and healthy lifestyles.



#### Tackling Issues in Aging Societies

- ORIX Auto provides a monitoring service for the families of senior drivers. The service reduces the risk of accidents using telematics technology. The number of seniors involved in fatal accidents has been rising year by year, and the objective of this service is to visualize driving to quickly identify the signs of dangerous behavior.
- ORIX Bank offers mail-order will substitutes that respond to a growing need for assistance with inheritance issues. ORIX Bank also provides support for establishing family trusts, in preparation for a decline in competency and decision-making abilities due to dementia or other conditions.



#### Promoting Safe and Healthy Lifestyles

- ORIX Life Insurance strives to research and develop new and varied products in order to provide optimal insurance according to customers' needs. ORIX Life Insurance is improving operations and aiming to create new services in order to realize customer-oriented business operations. The number of insurance policies in force is 4.52 million as of March 31, 2020.
- As the first medical mobile service company in Japan, FREEILL provides preventive medicine support service and contributes to a wide range of regional medical services by offering rental services for vehicles equipped with advanced diagnostic imaging systems including MRI and CT scanners.

For detailed information

▶▶▶ [Tackling Issues in Aging Societies / Promoting Safe and Healthy Lifestyles](#)

### Realizing a Smart and Resilient Society

We contribute to the realization of a smart and resilient society through the products and services of businesses such as our auto, rental, and real estate businesses. Our auto business supports employee management and prevention of accidents and is working on the development of special vehicles that address needs such as disaster response and optimizing operational efficiency. Our rental business provides services that support corporate R&D. In the real estate business, we are developing properties with sound BCPs (business continuity plans) in place.



#### Auto Business (All figures are as of March 31, 2020)

- ORIX Auto telematics service analyzes driving data and identifies compliance, safety and environmental issues in the operation of client company vehicles and provides consulting services on appropriate employee management and accident prevention. 159,000 vehicles have e-Telematics or e-Telematics PRO installed.
- ORIX Auto plans and develops mobile bank branch vehicles and mobile office vehicles. Mobile bank branch vehicles enable financial institutions to provide financial services in disaster situations and also in areas where they no longer have a permanent presence due to branch consolidation. Mobile office vehicles enable companies to improve labor efficiency and lessen employee fatigue. Mobile bank branch vehicle sales: 137 units. Mobile office vehicle rental units in inventory: 273 units nationwide.

For detailed information ▶▶▶ [Smart and Resilient Society](#)



## Regional Revitalization

ORIX contributes to the revitalization of local communities through its businesses such as the concessions business, agriculture business, and Japanese inn (*ryokan*) management business.



### Concession Business

- Japan's overall population decline and the shift of populations away from rural areas to urban areas are leading to lower local municipal revenue causing an inability to update infrastructure, which in turn dampens local economic activity. To address these social issues, the Japanese government is promoting concessions to revitalize local economies and enhance fiscal soundness through infrastructure improvement, and ORIX is energetically answering this call. We operate three airports, Kansai International Airport, Osaka International Airport and Kobe Airport, and collaborate with local businesses and governments to increase business and tourism demand.



### Agriculture Business

- In the agriculture business, we are contributing to the development of agriculture in Japan by designing business models that incorporate new operation systems such as large hydroponic cultivation facilities and plant factories with artificial light.



### Operation of Japanese Inns

- In managing our inns, especially regarding the renovation of historic ryokan, we are focusing on continuously employing local employees. The increased number of guests drawn by investment in new facilities and improved service levels has also helped to increase the number of tourists.

For detailed information

▶▶▶ [Regional Revitalization](#)

## Contributing to Society through Our Business Activities

## Vitalizing Small and Medium-Size Enterprises

Small and medium-size enterprises (SMEs) play an important role in the Japanese economy and are a large and central customer base for ORIX. In addition to finance, ORIX provides a variety of services to meet the management issues and needs of SMEs to support their revitalization and growth.



### Business Succession Support for SMEs

- Business succession support is an initiative to meet the business succession needs of SMEs. While maintaining the company name and employment of the company we support, we will work with the company to improve its internal control system and strengthen successor training. Through business succession support, ORIX aims not only to help the company to continue to exist and thrive, but also to develop the local economy and create employment.



### Business Software Service for SMEs

- Our business software service supports SMEs, sole proprietors, and entrepreneurs. We develop and sell a range of business software and provide after-sales support and services. We support a significant improvement in the efficiency of accounting operations. We also provide sales management and payroll services.

For detailed information

▶▶▶ [Vitalizing Small and Medium-Size Enterprises](#)

## Sustainable Business Activities

### Services for the Mobility Society of the Future

ORIX Auto strives to offer automobile-related services that contribute to the creation of a sustainable society. We endeavor to provide optimal transportation solutions for our customers while also delivering products and services that help reduce environmental impact and traffic accidents and strengthen our customers' compliance with various health and safety laws.

Innovations in automotive technology and changes in market needs are accelerating, which we believe is an outstanding business opportunity for ORIX Auto. Our strength is our ability

to provide automotive services nationwide. We deploy the large volume of data we obtain from our services along with customer feedback to envision the mobility needs of the future and offer relevant services that increase safety and security while helping to reduce environmental impact. In addition, we aim to deepen the cooperative relationship we have with business partners including dealers, garages and rental car franchises to provide more tailored and sustainability-oriented services.

#### Yuji Kamiyauchi

Group Executive  
President, ORIX Auto Corporation

### Optimal Solutions for Companies

Corporate Financial Services was ORIX's first line of business and has remained the core platform for ORIX Group sales. It is involved in equipment leasing and loans, provides a wide range of products and services to small and medium-sized enterprises (SMEs), a core customer base, and proposes optimal solutions for customer needs and management issues.

The population of Japan is aging, which is causing many SMEs to shut down their businesses for lack of a successor. This is an important issue for Corporate Financial Services because it serves a customer base of SMEs, so in 2018 we

launched a specialized team to meet the business succession needs of SMEs. Our business succession initiatives focus on business continuation by solving SME succession problems instead of focusing on short-term earnings and growth. Thus we are contributing to the continuity and development of SMEs, which are essential for communities, and helping to create local jobs and revitalize local economies. We would like the companies we have supported to number in the hundreds ten years from now. We also expect this business to generate new business collaboration opportunities and create markets.

#### Satoru Matsuzaki

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

## Social Contribution Activities

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

### Environmental Conservation Activities

ORIX launched an Okinawa coral revival project called SANGO ORIX in 2008 with the goal of planting a total of 10,000 coral seedlings. The seedlings were planted in 2016. Today, SANGO ORIX continues to support the transplanting of coral seedlings through the ORIX Miyauchi Foundation.

Since 2012, ORIX METRO Leasing and Finance Corporation (Philippines) has been planting mangrove trees along San Miguel Bay, Cagsao District, Luzon Island.



Preparing coral seedlings

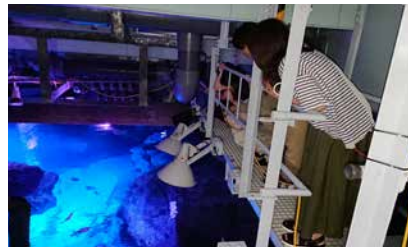


Planting mangrove trees

### Activities for Children

ORIX has been accepting elementary and junior high school teachers as trainees under a program to provide teachers with training on corporate activities. Japan Institute for Social and Economic Affairs (Keizai Koho Center), an organization related to the Japan Business Federation (Keidanren), serves as secretariat to the program.

The Sumida Aquarium participates in the School Support Network Project organized by the Sumida Ward Board of Education Secretariat and holds classes at elementary schools in Sumida Ward. The Kyoto Aquarium also offers lectures to elementary schools in Kyoto City. One of the class topics was the giant salamander, which is symbolic of rivers in Kyoto.



Training for teachers (tour of the Sumida Aquarium)



Lecture held by the Kyoto Aquarium

### Community Contribution Activities

ORIX converted Makurazaki Airport into a mega-solar power plant and installed an astronomical observatory at the site to provide a place for local residents to gather.

ORIX Australia Corporation Limited (OACL) supports Foodbank, an organization that works to prevent hunger, and Cure Cancer Australia, an organization that supports young cancer researchers. OACL also donates money through the charity United Way to support educational programs for children and help young people find employment.

For other Social Contribution Activities

▶▶▶ [Social Contribution Activities](#)

Social contribution activities by ORIX Miyauchi Foundation and ORIX Foundation

▶▶▶ [ORIX Miyauchi Foundation](#)

▶▶▶ [ORIX Foundation](#)



Inside the astronomical observatory on the site of the former Makurazaki Airport No. 1 and No. 2 Power Plants



OACL staff participating as United Way volunteers



# Governance

## Corporate Governance at ORIX

ORIX's approach to corporate governance and its corporate governance framework are explained in detail on the ORIX Group website or in the Integrated Report. This report describes our sustainability governance structure regarding the promotion of sustainability.

▶▶▶ [Corporate Governance](#)

▶▶▶ [Integrated Report](#)

## Approach to Promoting Sustainability

At ORIX, we are focusing on the following in promoting sustainability.

- **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 the Sustainability Policy.

- **Develop employee awareness:**  
Develop employees' awareness of the Sustainability Policy, and, when necessary, provide guidance on how to implement it; develop employee awareness and knowledge of priority sustainability issues.

## Approach to Sustainability Issues

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, our analysis and the responses to our priority sustainability issues take a layered approach consisting of a corporate level and a business unit level.

### <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 respective business unit
Key Terms	Unifying culture, minimum standards, zero tolerance, transparency	Tailored approach and ownership



## Sustainability Governance Structure

### Core Principles of Our Sustainability

#### Care for the natural environment:

We measure and minimize our environmental impacts and look to provide solutions to society's environmental issues through our business.

#### Respect human and labor rights:

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

#### 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 contributing 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.

For details of our core principles

▶▶▶ [ORIX Corporate Sustainability Policy](#)

### Sustainability Governance Structure

The Sustainability Team, which is part of the Corporate Planning Department, reports to and seeks approvals, instructions and advice from the Board of Directors, CEO, the Executive Committee, and Executive Officer in charge of Corporate Planning Department on sustainability initiatives. The team coordinates with the various departments within ORIX and promotes sustainability group-wide.



(As of October 31, 2020)

### Promotion of Sustainability

ORIX has addressed social issues and needs through its businesses since its founding. We conduct an array of businesses with the objective of contributing to society as one of our driving motivations. However, we can do more to fully clarify this mindset in order to raise the awareness of officers and employees and share our vision with our stakeholders. Therefore, we established the ORIX Corporate Sustainability Policy in September 2019 to promote sustainability and further increase the transparency of our initiatives. This policy is the basis for our approach to sustainability, with specific initiatives over the past year as follows:

#### Investing and Lending Screening (Screening investment and lending from the perspective of environment, social, and governance)

ORIX established its ORIX Sustainable Investing and Lending Policy in September 2019 to promote sustainable investing and lending. This policy is the basis for screening investment and lending projects submitted to the Investment and Credit Committee (“ICC”)\*<sup>1</sup> from an ESG perspective. The department raising the project for approval evaluates the project using the Sustainable Investing and Lending Checklist\*<sup>2</sup> and includes this checklist in its application materials to the ICC. The ICC decides on the project after fully considering the environmental and social impact of the project in question and may disallow a matter if it judges that the target company poses environmental or social risks.

\*1 The Investment and Credit Committee is an executive body composed of senior managers and Executive Officers responsible for investment and lending; the committee discusses proposals that exceed specified amounts.

\*2 A proprietary ORIX checklist based on international sustainability guidelines.

#### Business Unit Sustainability Programs Now under Consideration

In formulating the business plan for the fiscal year ended March 31, 2021, each business unit considered climate and social change to identify events that could affect it over the medium and long term. We then identified potential business opportunities and risks in drafting an action plan and goals for sustainability. Business units and the Sustainability Team will collaborate in evaluating action plans and aims to finalize them during the fiscal year.

#### First Green Bond\*<sup>3</sup> Issued

In January 2020, ORIX issued its first green bond, an unsecured straight bond totaling ¥10 billion. We will use all the proceeds for our solar power generation business. ORIX received a second-party opinion\*<sup>4</sup> of its green bond eligibility from Sustainalytics, a global third-party ESG assessment company.

ESG requirements are increasing among investors, so interest in our green bond issue was strong. We will consider future green bond issues, which help to diversify our funding base.

\*3 Bonds issued by companies and other parties to fund green projects, which are projects that have a positive effect on the environment such as renewable energy, construction and repair of energy-saving structures, and prevention and management of environmental pollution.

\*4 ▶▶▶ [Second-party opinion from Sustainalytics](#)

### Embedding Sustainability into ORIX Group

#### ■ Messages from the CEO

We have consistently shared the following messages from the CEO to Group officers and employees through New Year’s greetings and online internal communication.

“Sustainability for ORIX Group involves accurately identifying changes in society over the medium and long term and deciding how to address them.”

“Our Sustainability Policy sets the direction for medium-term management and is a guide for ORIX to continue growing.”

#### ■ Sustainability Training

We conducted sustainability training geared towards business units. We also plan to hold SDG-themed training.

#### ■ Sustainability Library for Internal Use

We have created a sustainability library on our intranet to improve basic understanding of sustainability among Group officers and employees. It provides fundamental knowledge about sustainability and ORIX’s sustainability initiatives.

### Dialogue with Shareholders and Investors

ORIX engages in energetic dialogue with its shareholders and investors. This dialogue has provided additional opportunities for investors and shareholders to ask questions and express opinions regarding ORIX’s sustainability. Interest in this area has steadily increased and we take this dialogue seriously and use lessons learned from such dialogue in promoting sustainability internally and in shaping our sustainability disclosure.

We are considering the following initiatives to complement the sustainability programs above.

### **Enhanced Sustainability Disclosure**

Although ORIX already discloses sustainability information, we recognize a need to enhance our disclosure and set Group-wide and business unit level sustainability goals and monitor progress towards such goals. We are considering governance enhancements to collect sustainability information accurately and speedily in order to further enhance our sustainability disclosure.

### **Initiatives by ORIX Corporation USA**

Founded in 1981 as the investment arm of ORIX Corporation in the Americas, ORIX Corporation USA (“ORIX USA”) has been successfully serving the middle market segment with innovative and customized capital solutions that have helped clients transform their businesses.

Focused on sectors that may be underserved by traditional capital providers, ORIX USA and our subsidiaries have collectively become a leading senior lender to small-to-medium sized U.S. companies and one of the largest underwriters of affordable housing mortgages in the U.S.

As a corporate credit, real estate, and private equity investor and manager, rigorous underwriting and due diligence are the foundation of ORIX USA’s investment and portfolio management processes, and we are committed to integrating environmental, social, and governance (“ESG”) factors into our investment and portfolio management processes.

We believe that corporate management teams that can demonstrate strong ESG and sustainability credentials are more likely to reduce risks and boost economic development and financial performance over time. By focusing on a broader group of stakeholders, ESG

analysis can capture remote, less quantifiable risks and opportunities that may not be immediately material to a company’s value or creditworthiness at that time, but can be material in the future.

At ORIX USA, we believe that a sustainable investment approach not only benefits society and our communities but also help us identify value during our investment diligence process and allows us to build a deeper level of trust and respect with our investors, clients, employees, and business partners.

In my view, actively managing ESG risks and pursuing related sustainable opportunities helps us make smarter financial decisions and become better stewards of the capital we manage for our shareholders and investors.

We believe that incorporating ESG considerations into our investment processes will be profitable and beneficial for society and our stakeholders.

### **Terry Suzuki**

Member of the Board of Directors  
Senior Managing Executive Officer  
President and Chief Executive Officer, ORIX Corporation USA

## Business Continuity Planning (Disaster Risk Management System)

ORIX's Basic Disaster Risk Management Rules stipulate our response in the case of unforeseen incidents, including disasters or accidents, including basic tenets, specific responses and systematic risk management. We define disasters largely as damage from: i) natural phenomena such as earthquakes and typhoons; ii) terrorism; iii) accidents; iv) fires and (v) infectious diseases, and have laid out our fundamental responses in a disaster response manual and a manual for countering new influenza strains.

We have established systems for confirming the safety and status of employees if our offices are closed due to an event such as a disaster or the spread of an infectious disease. We have also prepared for situations in which working from our offices is impossible or inadvisable by introducing systems that enable employees to work remotely so that our business operations are not disrupted.

As a general matter, we confirm the safety of employees in Japanese prefectures affected by an earthquake with a seismic intensity of 5 or higher, and conduct safety confirmation training several times per year. We have also set up disaster response headquarters at the Osaka head office in case damage in the greater Tokyo area incapacitates the Tokyo head office, and we are conducting training in collecting appropriate information in such a scenario. In addition, each office has a stockpile of food and drinking water for three days per employee.

## Response to the COVID-19 Pandemic

Japan's first confirmed case of infection in January 2020 prompted ORIX to position COVID-19 as a crisis that requires a Group-wide response and initiated countermeasures Group-wide. When the Japanese government declared a state of emergency in April 2020, we established the COVID-19 Headquarters. Since the state of emergency was lifted in May 2020, we have been putting the health and safety of our employees first and foremost and are aiming to operate responsibly to prevent the spread of COVID-19 by referring to the policies of the local governments of the areas in which we operate and incorporating the necessary "new normal" lifestyle changes.

### Measures for Employees

#### ■ Remote work

During February 2020, we recommended remote work and from April we required remote work as a rule. The majority of employees at locations both inside and outside Japan worked remotely, and helped prevent the spread of the virus in various ways such as setting up shifts and rotation schedules for employees who had to be on-site for business purposes. Since May, we continue to work remotely as much as practicable.

In response to the expansion of remote work, we improved the remote work environment by distributing various IT resources including personal computers, smartphones, and communication devices, and swiftly expanded virtual private networks (VPN) so that employees can access the company intranet from home.

#### ■ Daily confirmation of employee health and attendance

We use a daily safety confirmation system covering about 29,000 full-time, temporary and part-time employees (as of September 30, 2020) at ORIX Group companies in Japan to understand their work situation and identify people who have developed symptoms and missed consecutive days of work.

#### ■ Additional measures

We provide special disaster leave for people with health issues or who are forced to be on call at home, encourage staggered schedules for on-site work, prohibit business trips, discourage face-to-face meetings and instead recommend the use of video conferencing.

### Measures for Customers

- Accommodations and aquariums operated by ORIX Hotel Management and ORIX Aquarium, both wholly owned by ORIX Real Estate, were closed temporarily due to the COVID-19 pandemic. Operations have resumed on a rolling basis since June 2020 following the formulation of our own hygiene guidelines.
- ORIX Auto is operating its rental car and car sharing businesses with hygiene measures put in place to prevent the spread of infection.
- ORIX Life Insurance is prioritizing payment of hospitalization benefit claims, among other measures.
- ORIX participates in operating Kansai International Airport, Osaka International Airport and Kobe Airport, which are implementing an array of counter-infection measures.



### Business Activities during COVID-19

We are committed to contributing to society through our businesses, even during the COVID-19 pandemic. The following are examples from ORIX Hotel Management (within our real estate business), which is implementing measures designed to prevent infection and allow our staff to continue to provide their services in a safe manner, and from ORIX Rentec (within the rental business), which has launched new services to address the increased use of telecommuting.

#### ORIX Hotel Management

ORIX Hotel Management manages accommodations totaling approximately 5,400 rooms throughout Japan, including 13 hotels and inns under the direct management of the ORIX Hotels & Resorts brand.

ORIX implemented its own policies for operations and services in the “new normal” associated with COVID-19, which are based on new lifestyle guidelines issued by the Ministry of Health, Labour and Welfare and other relevant industry organizations. As of September 2020, these policies have been renamed the Cleanliness Policy, setting forth the priority items of (1) hygiene management, (2) avoidance of the “three Cs” (closed spaces, crowded places and close-contact settings) and (3) employee health management. An operation manual has been established at each facility based on the Cleanliness Policy. At the same time, we established the position of hygiene promotion manager. The manager works to promote understanding and dissemination of the manual among employees and confirms that hygiene management is being conducted regularly and according to the manual at all

times. Through these activities, we strive to operate facilities that maintain good hygiene so that guests can spend their time safely and with peace of mind.

#### ORIX Rentec

Founded in 1976 as the first measuring instrument rental company in Japan, ORIX Rentec is an industry leader and one of the largest companies of its kind in Japan, with 32,000 types of rental equipment and 2.0 million units (as of March 31, 2020).

The increased use of telecommuting due to the COVID-19

pandemic has created challenges for companies such as implementing security countermeasures for information leaks from lost personal computers and unauthorized access to the network, creating a smooth remote communication environment and structuring systems to manage employees. In August 2020, ORIX Rentec launched “Secure Telework Package,” which reduces initial investment by being a rented, not purchased, service, which pre-installs various functional and service solutions on personal computers. This service helps customers ranging from large companies to SMEs create optimal telecommuting environments.

A sticker will be attached to the door to indicate that the room has been cleaned and sanitized.

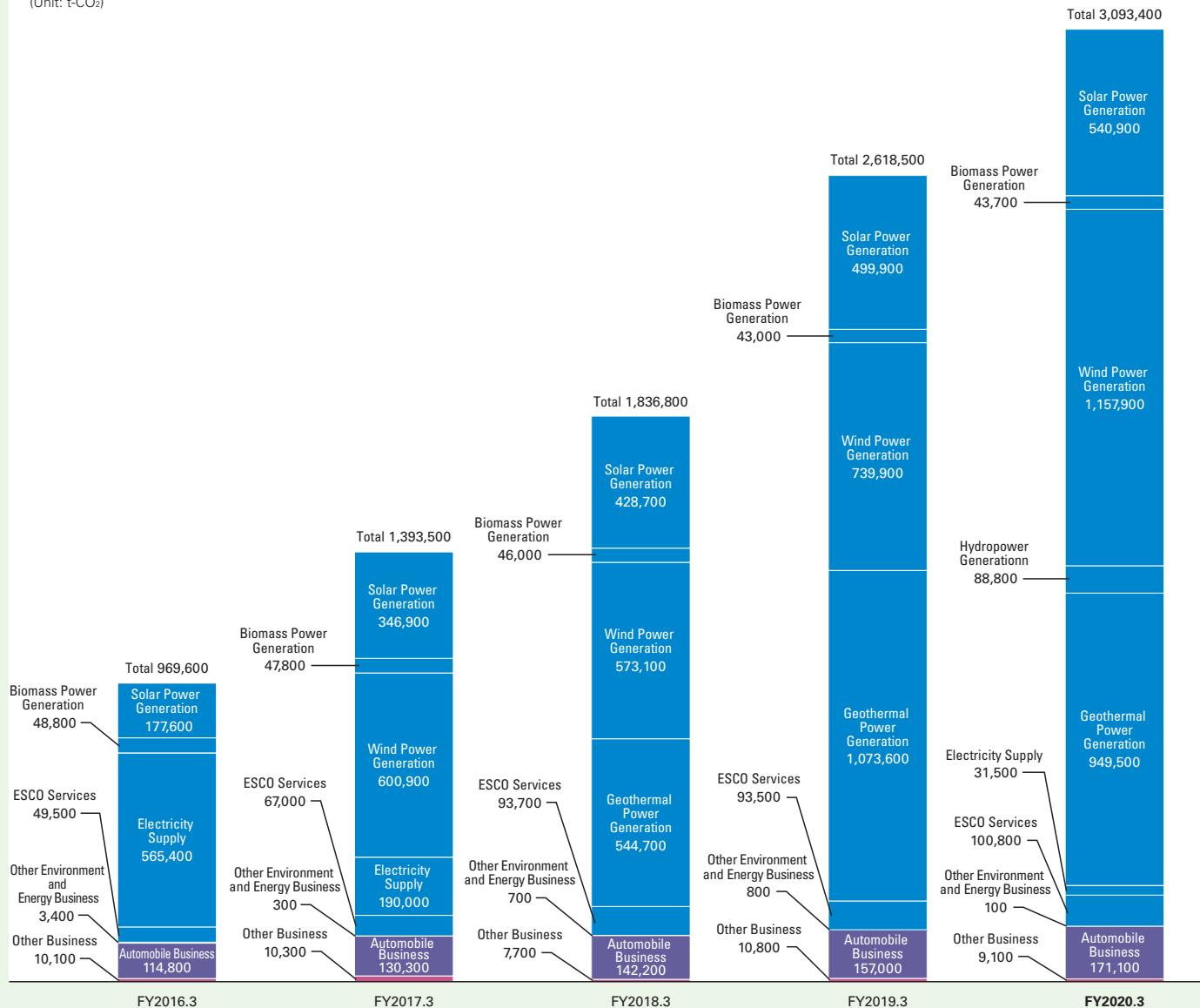


Measures undertaken by ORIX Hotel Management

# Environmental Performance Data

## ► ORIX Group CO<sub>2</sub> Emission Reduction Contribution

(Unit: t-CO<sub>2</sub>)



### ■ 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
- Hydropower Generation  
Reduction calculated from sales of power generated from hydropower plants
- Geothermal Power Generation  
Reduction calculated from sales of power generated from geothermal power plants
- Electricity Supply  
CO<sub>2</sub> emissions reductions through acquisition of rights to CO<sub>2</sub> emission reductions from overseas or other companies
- ESCO\* Services  
Providing ESCO Services reduces CO<sub>2</sub> in conjunction with customers' reduced energy use

- 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)

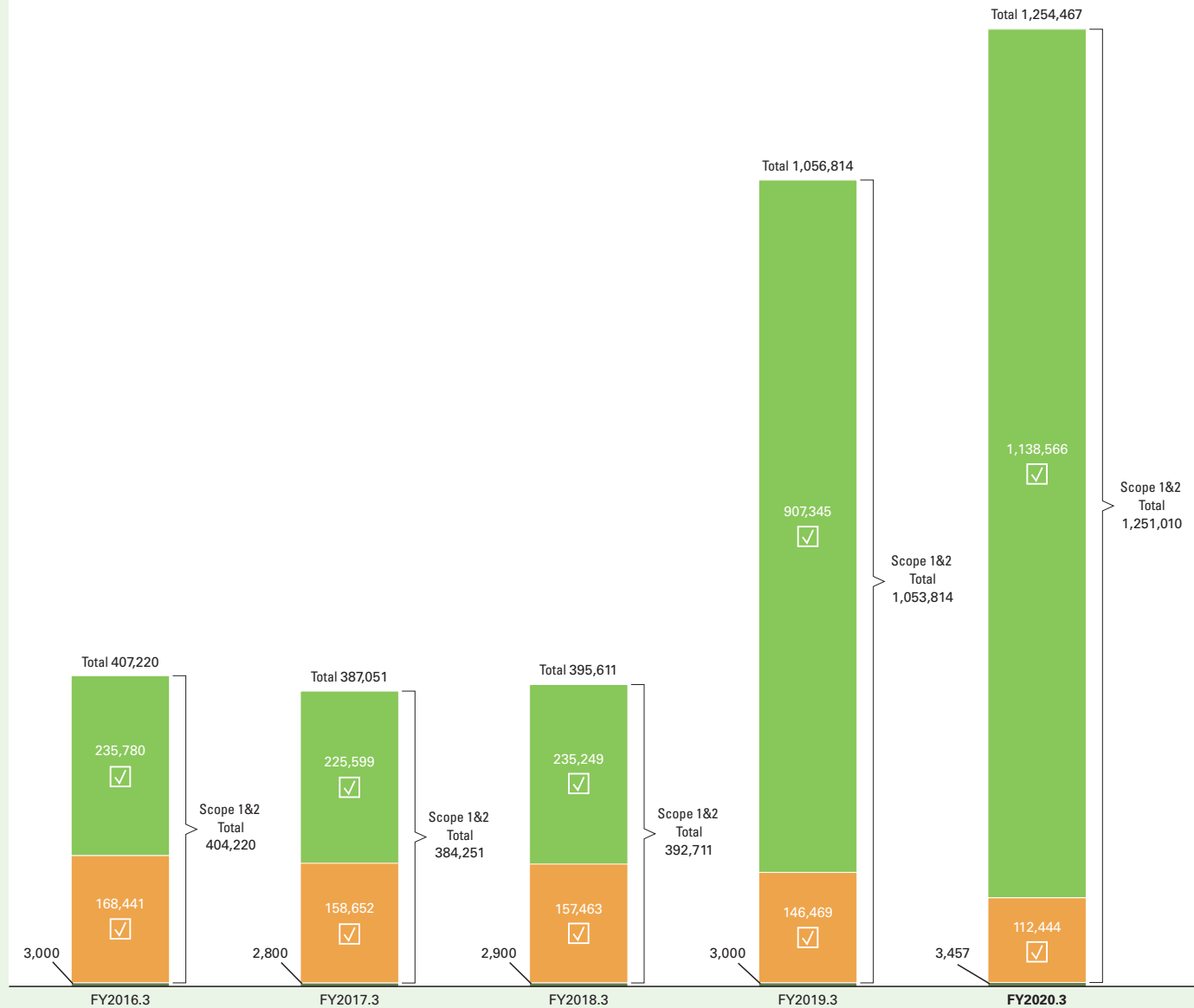
#### [Basic Concept]

- 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 CO<sub>2</sub> 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)  
Emission factor  
FY2016.3: 0.000579t-CO<sub>2</sub>/kWh    FY2019.3: 0.000500t-CO<sub>2</sub>/kWh  
FY2017.3: 0.000587t-CO<sub>2</sub>/kWh    FY2020.3: 0.000488t-CO<sub>2</sub>/kWh  
FY2018.3: 0.000512t-CO<sub>2</sub>/kWh

- For calculation of overseas business activities, in principle we use the emission factors from each country.
- Calculations also include CO<sub>2</sub> reduction credits redeemed during the calculation period after being acquired by ORIX Group.
- We calculate CO<sub>2</sub> reduction from affiliated companies according to our shareholding.

## ORIX Group CO<sub>2</sub> Emissions

(Unit: t-CO<sub>2</sub>)



- **Scope 1 (Volume of direct emissions)** 
    - Combustion of fuels including crude oil, diesel, gasoline, city gas, coal, biomass and waste
  - **Scope 2 (Volume of indirect emissions from energy use)** 
    - Use of electricity and heat (steam, cold water, hot water)
  - **Scope 3 (Volume of other indirect emissions)**
    - Downstream transportation and distribution (Emissions related to transportation by ORIX Rentec's rental equipment)
- Items subject to third-party assurance

### 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]

- CO<sub>2</sub> emissions are calculated based on the "Ministerial Ordinance Concerning Calculation of Greenhouse Gas Emissions Associated with Business Activities of Specified Emitters."
- CO<sub>2</sub> emissions, including CO<sub>2</sub> from non-energy sources, methane (CH<sub>4</sub>), and dinitrogen monoxide (N<sub>2</sub>O), are calculated based on company rules concerning the management of environmental information.
- 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.

\* Emissions from coal-biomass co-fired power plants  
 ORIX operates two coal-biomass co-fired power plants in Japan. One is Soma Coal and Biomass Power Plant in Soma City, Fukushima Prefecture, which started operations in April 2018. The other is Hibikinada Coal and Biomass Power Plant in Kitakyushu City, Fukuoka Prefecture, which started operations in December 2018. Total generating capacity of each power plant is 112MW. Emissions from these two plants for the fiscal year ended March 2020 was 939,163t-CO<sub>2</sub>. At these two plants, biomass is mixed with coal to account for more than 30% of the total amount of fuel. This helps reduce CO<sub>2</sub> emissions compared with emissions from coal-fired power plants in the same class and contributes to lessening the burden on the environment.

### 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.

▶▶▶ [Third-Party Assurance](#)

## Personnel-related Data

### ► Employee Composition (Number of Employees)

	March 2016	March 2017	March 2018	March 2019	March 2020
Total Number of Employees	33,333	34,835	31,890	32,411	31,233
By Segment					
Corporate Financial Services and Maintenance Leasing	4,861	4,980	5,104	5,384	5,637
Real Estate	9,525	9,911	10,559	9,894	8,599
PE Investment and Concession	5,768	6,516	2,884	3,291	3,081
Environment and Energy	726	569	557	620	592
Insurance	1,549	1,795	2,016	2,336	2,363
Banking and Credit	908	947	1,031	1,066	1,103
Aircraft and Ships	76	89	114	127	149
ORIX USA	1,264	1,202	1,023	1,181	1,433
ORIX Europe	1,275	1,290	1,329	1,357	1,301
Asia and Australia	5,550	5,701	5,347	5,107	4,892
Corporate	1,831	1,835	1,926	2,048	2,083
By Region					
Japan	25,168	26,553	24,077	24,639	23,458
Outside of Japan*	8,165	8,282	7,813	7,772	7,775
By Gender					
Male	23,160	23,731	20,443	20,491	19,630
Female	10,173	11,104	11,447	11,920	11,603

\* Total of four segments (Aircraft and Ships, ORIX USA, ORIX Europe and Asia and Australia)

### ► Composition of Executives and Employees

(Fiscal year ended March 2020)

#### Average age

Overall	43.4 years old
Men	44.9 years old
Women	41.3 years old

#### Average years of service

Overall	15.3 years
Men	15.5 years
Women	15.0 years

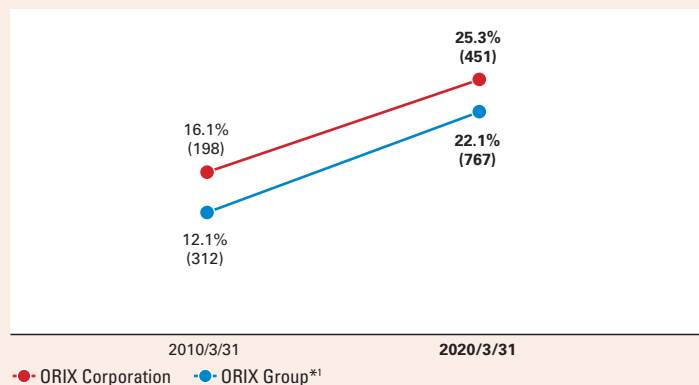
#### Annual paid leave taken

Average days of paid leave taken	15.1 days
Average percentage of days taken out of days earned	80.6%

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



\*1 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, 2020 was 10,717, which was 34% of all employees.  
 \*2 The percentages in "Female Employees in Managerial Positions" represent the ratio of female managers to the total number of managers.  
 \*3 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).

## External Recognition

### Certified as a "New Diversity Management Selection 100" Company by the Ministry of Economy, Trade and Industry

On March 16, 2020, ORIX Corporation was certified as a "New Diversity Management Selection 100" company for 2020. This certification recognizes enterprises that engage in diversity management to empower diverse human resources and show successful business results.



### Certified as a "Health & Productivity Management Organization 2020" by the Ministry of Economy, Trade and Industry

On March 2, 2020, ORIX Corporation was named in the "Large Enterprise Category" of the "Certified Health & Productivity Management Organization Recognition Program" for 2020. This certification recognizes corporations that value their employees' health and strategically work to promote health from a management perspective. ORIX has been certified in the "Large Enterprise Category" of the "Certified Health & Productivity Management Organization Recognition Program" for four consecutive years since the certification's start in 2017.



## Number and Percentages of New Employees (ORIX Group Companies\*)

	FY2018.3	FY2019.3	FY2020.3
New Employees Total	710 employees	783 employees	741 employees
Male new graduate recruits	91 employees	107 employees	123 employees
Female new graduate recruits	123 employees	144 employees	130 employees
Male mid-career recruits	248 employees	246 employees	276 employees
Female mid-career recruits	248 employees	286 employees	212 employees
Percentage of female recruits	52%	55%	46%
Percentage of mid-career recruits	70%	68%	66%

Note: 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.

### Certified as a "Semi-Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange

ORIX Corporation was selected as a "Semi-Nadeshiko Brand" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange on March 3, 2020. 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. ORIX has been selected as a "Semi-Nadeshiko Brand" for two consecutive years.

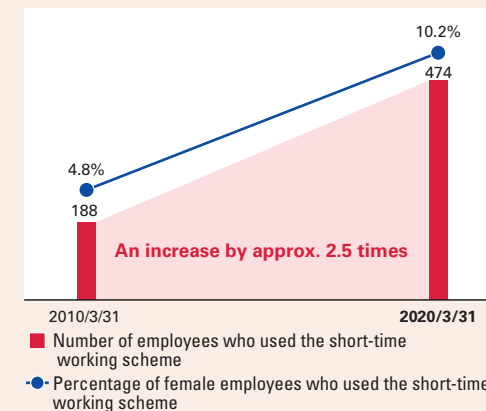
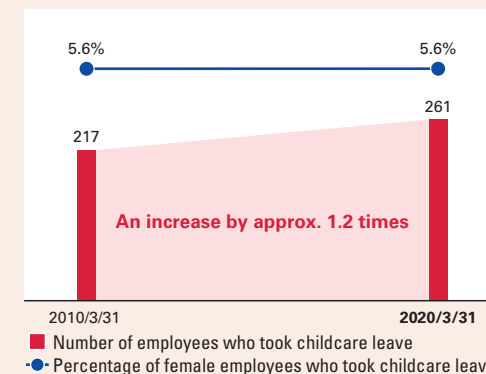
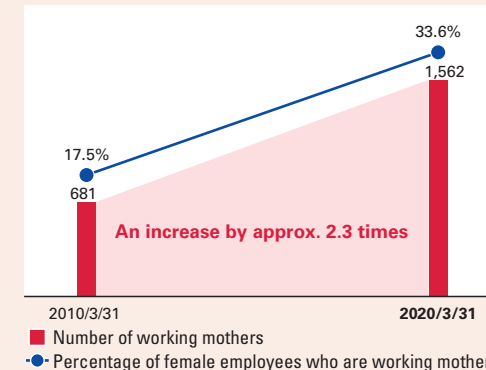


### Highest-Level "Eruboshi" Certification from the Ministry of Health, Labour and Welfare

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.



## 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.

## Governance-related Data

### ▶ Number of Meetings, Attendance Rate and Composition of Board of Directors

	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3
Number of Meetings	8	8	8	8	9
Attendance Rate	97%	98%	98%	97%	96%
Number of Directors	13	12	12	12	12
Number of Outside Directors	6	6	6	6	6
Percentage of Outside Directors	46%	50%	50%	50%	50%
Female Directors	1	1	1	2	2
Percentage of Female Directors	8%	8%	8%	17%	17%

### ▶ Number of Meetings, Attendance Rate of Committee Meetings

	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3
Nominating Committee: Number of Meetings	3	3	3	3	5
Nominating Committee: Attendance Rate	89%	94%	94%	94%	95%
Audit Committee: Number of Meetings	10	8	9	8	8
Audit Committee: Attendance Rate	98%	100%	94%	100%	96%
Compensation Committee: Number of Meetings	5	3	5	4	6
Compensation Committee: Attendance Rate	92%	93%	100%	100%	100%

### ▶ Compensation of Directors, Executive Officers and Group Executives

(FY2020.3)

	Fixed Compensation		Performance-linked Compensation		Share Component of Compensation		Total Amount Paid (Millions of yen)
	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	
Directors (Outside Directors)	8 (8)	94 (94)	—	—	8 (8)	14 (14)	109 (109)
Executive Officers and Group Executives	34	655	34	280	34	465	1,401
Total	42	750	34	280	42	479	1,510

\*1 Number of recipients and amounts paid in the table above include two Directors, five Executive Officers (including those serving concurrently as Directors and Executive Officers) and four Group Executives, who retired during FY2020.3. There were a total of 12 Directors (including six Outside Directors), 20 Executive Officers (including those serving concurrently as Directors and Executive Officers) and five Group Executives as of March 31, 2020.

\*2 At ORIX, no Directors serving concurrently as Executive Officers received compensation as Directors. Total compensation for the eight people serving concurrently as Directors and Executive Officers is shown in the Executive Officers and Group Executives line.

\*3 The targets and results with regard to the KPIs of the performance-linked compensation listed in the table above are as follows:

- Company-wide performance indicator: We targeted the milestone rate with regard to the consolidated net income growth set by the Compensation Committee towards the achievement of the Company's mid-term strategic directions, and achieved 90%.
- Division performance indicator: We set the target growth rate for each division based on the company-wide performance target, and achieved 0% to 135% (median: 90%) by 25 Executive Officers (based on the total evaluation including qualitative assessment).

\*4 The amount of share component of compensation paid in the table above is calculated by multiplying the number of points confirmed to be provided as the portion for FY2020.3 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,594.7 per share). The total amount of share component of compensation actually paid in FY2020.3 is ¥572 million for two Directors and four Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during FY2020.3, and two Executive Officers who retired before the end of FY2019.3.

\*5 ORIX did not provide stock options in the form of stock acquisition rights in FY2020.3.

\*6 Figures shown are rounded down by truncating figures of less than ¥1 million.

## Initiatives We Support

ORIX Group or individual Group companies support the initiatives below. (As of October 2020)

Name	Participating/Member/Supporting Companies (Initial year of participation/membership/support)
UN Global Compact	ORIX Group (2014)
PRI (Principles for Responsible Investment)	Robeco (2011)
UNEP FI (UN Environment Programme Finance Initiative)	Robeco, ORIX Asset Management (2020)
TCFD (Task Force on Climate-related Financial Disclosures)	Robeco, ORIX Asset Management (2019), ORIX Group (2020)
Principles for Financial Action for the 21st Century	ORIX, ORIX Bank (2011), ORIX Asset Management (2019)
Japan Climate Leaders' Partnership (JCLP)	ORIX Group (2014)
Kansai SDGs Platform	ORIX Facilities (2015), ORIX Baseball Club, ORIX, ORIX Bank (2019)
SDGs for Regional Revitalization Public-Private Partnership Platform	ORIX Facilities (2015)

## Inclusion in ESG Indices

As of October 2020, ORIX is included in the ESG indices below.

- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index



**ORIX Corporation**

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