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.

WE SUPPORT
UN GLOBAL COMPACT

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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.

Contents

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)

History:

56 years

Since we introduced the new financial service of leasing to Japan in 1964, we have been providing a wide variety of innovative services.
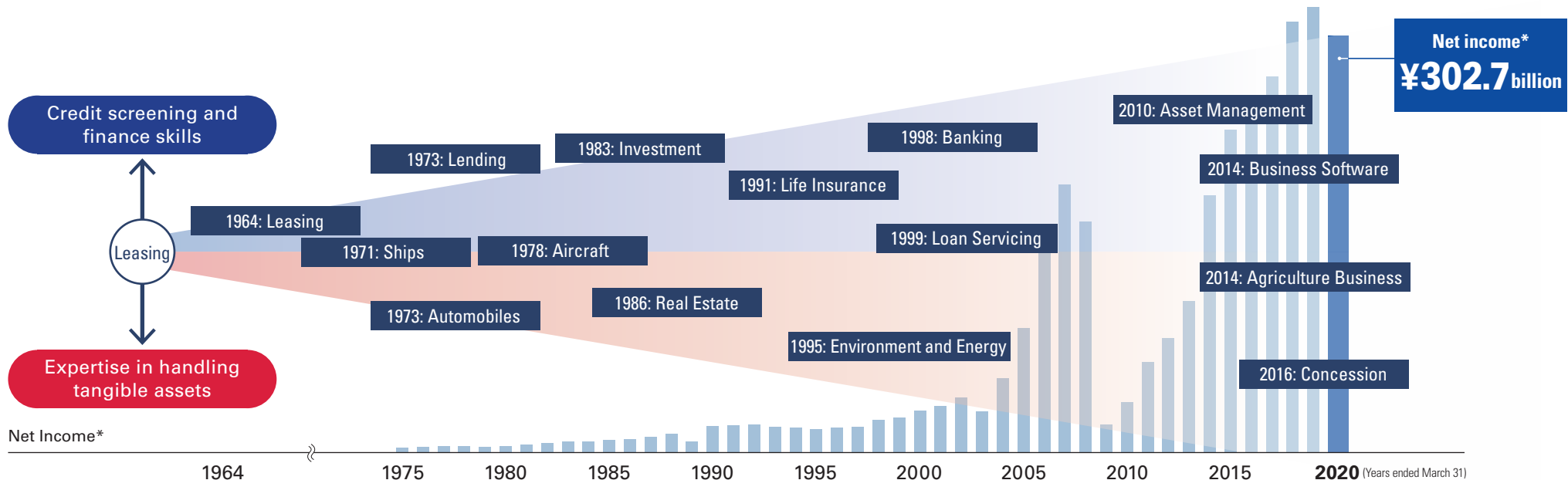
Global Network:

37 countries and regions

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

Number of Employees:

31,233

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

Diversified Portfolio:

10 business segments

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

Net Income:

55 years of sustained, profitable growth

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.

Segment Assets:

10 trillion yen

Without overstretching 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*
¥302.7 billion

Credit screening and finance skills

Leasing

Expertise in handling tangible assets

1964: Leasing
1971: Ships
1973: Lending
1973: Automobiles
1978: Aircraft
1983: Investment
1986: Real Estate
1991: Life Insurance
1995: Environment and Energy
1998: Banking
1999: Loan Servicing
2010: Asset Management
2014: Business Software
2014: Agriculture Business
2016: Concession

Net Income*

1964 1975 1980 1985 1990 1995 2000 2005 2010 2015 **2020** (Years ended March 31)

*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
- Geothermal power
- Biomass power
- Hydropower
- Wind power

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_2 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,[1] 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*2 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.*3 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