



SUSTAINABILITY REPORT 2022

Sustainability at ORIX

Since our founding, contributing to society by creating new value through our business activities has been fundamental to ORIX. While we believe it is essential for a company to be profitable, profitability is one of the many components that define a company's overall success. It is also crucial to provide new value to society while consistently being needed by society, and the profit that results enables companies to experience sustainable growth.

In addition, we believe operating with an awareness of sustainability is fundamental to corporate activities and to the survival of enterprises amid constant economic, social, and environmental change. This encompasses dramatic shifts in the natural environment due to climate change and correlated economic impacts. It also includes changes regarding the relationship between companies and society at large, such as shifts in expectations toward companies and the social responsibilities they must address.

Based on these views, ORIX endeavors to accurately assess and identify opportunities and risks arising from economic, social, and environmental shifts in order to work with our stakeholders and society at large to contribute to the economic development and sustainable growth of the global community, and to incorporate these 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 anticorruption, and we continue to promote initiatives in each of these fields.



Foreword

ORIX endeavors to actively address social themes and needs while providing its own unique value based on its commitment to contribute to society through business activities. Honoring this commitment, we began publishing our Sustainability Report in 2019 to present our environmental, social, and governance-related sustainability initiatives.

This year's report outlines the status of sustainability efforts, including initiatives for the material issues and key goals announced in November 2021. In the "Contributing to Social Themes Through Our Business Activities" section, we report on sustainability initiatives for each business unit and social themes which we address through our business activities. In the "Environment" section, we explain our efforts to reduce GHG emissions and promote renewable energy power generation business, in addition to disclosures in accordance with TCFD (Task Force on Climate-related Financial Disclosures) recommendations. We also report on the initiatives of various business units to promote a circular economy and reduce waste.

Through this report, we hope that our many stakeholders will gain a deeper understanding of ORIX, which aims to achieve sustainable growth and realize a sustainable society.

About ORIX Sustainability Report 2022

Applicable Scope

ORIX Corporation and its Group companies in Japan and around the world

Reporting Period

The fiscal year ended March 2022 (April 1, 2021 to March 31, 2022)
Note: Some activities and information contained in this report are from before or after the reporting period.

Inquiries

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Information Diagram

ORIX discloses information through multiple platforms and media so a wide range of stakeholders, including shareholders and investors, can acquire a multifaceted understanding of its sustainable growth.

Main Content	Annual Reports	Latest Information
Non-Financial	 Sustainability Report	 Group website Sustainability section
Financial	 Integrated Report	 Group website Investor Relations section
	 Securities Report (Japanese only) /Form 20-F	

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CEO Message

With the arrival of the seventh wave of COVID-19 in Japan, as well as the prolonged conflict between Russia and Ukraine, rising interest rates, soaring resource prices, and the onset of recession due to inflation, among other factors, the outlook for the future is becoming increasingly uncertain.

Even in a world of increasing uncertainty, we recognize the meaning of sustainability and the specific demands that society has of us do not change. We are therefore working to further improve the quality of ORIX Group's Sustainability Report.

We have positioned the "ESG-related material issues and key goals to be addressed by the Group," which were approved by the Board of Directors at the November 2021 meeting, as our medium-term mission. We will thoroughly reflect this mission in various corporate decisions we make, and also reflect that progress in our community and society at large. The status of our efforts is regularly reported to the Board of Directors through the Sustainability Committee, and improvement measures are discussed at each report.

In the "Medium-term Direction" for the fiscal year ending March 31, 2025 announced in May 2022, we have shown how to realize our basic stance of contributing to the economic development and sustainable growth of global society by accurately ascertaining the opportunities and risks brought on by economic,



A stylized, handwritten signature in black ink, consisting of several fluid, sweeping strokes.

Makoto Inoue

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

CEO Message

environmental, and social changes. We will promote our business in this direction, as well as steadily achieve our ESG-related key goals, and strive to achieve the sustainability that ORIX is aiming for.

In this Sustainability Report for the fiscal year ended March 31, 2022, we describe the ESG issues and approaches of each business segment. Contributing solutions to our customers' problems is an important common theme of ORIX's varied businesses. We have described our policies for sustainability initiatives tailored to each segment's business area, examples of specific business activities such as our response to customer needs, and social themes which we are addressing.

Regarding the "Environment" aspect of sustainability, we are updating our TCFD framework to align the assumptions used in our scenario analysis with the ongoing global discourse so that our analysis of climate related risks and opportunities, financial impact, countermeasures, and resulting overall assessment remain relevant. With regard to value chain GHG emissions (Scope 3 emissions), which is an important aspect in promoting the transition to a decarbonized society, we have conducted an approximated calculation of our emissions including all consolidated subsidiaries within the scope of our calculation. We will strive to disclose information appropriately while paying close attention to trends in disclosure regulations such as those of the Securities and Exchange Commission in the United States.

We will also explore ways to reduce emissions together with our stakeholders.

Regarding the "Social" aspect of sustainability, we describe our strategies and initiatives regarding our human capital, which is a crucial element for supporting ORIX's sustainable growth. The ORIX Group has employed diverse individuals since its founding, and we strive to increase the job satisfaction of our employees by respecting their diversity and promoting the creation of workplaces that encourage the growth and success of our employees. We have set a goal to increase the ratio of female Board of Director members and the ratio of female managers as one of our ESG-related key goals, and we are working to achieve both of them.

Regarding the "Governance" aspect of sustainability, at this year's General Meeting of Shareholders, we achieved one of our key goals of achieving a majority ratio of outside directors. The Nominating, Compensation, and Audit Committees are all comprised of and chaired by outside directors, allowing us to build a sound and transparent corporate governance system that earns the trust of all stakeholders.

Against a backdrop of increasing uncertainty and opacity, we hope that through this report, you will achieve a better understanding of the ORIX Group's commitment to contributing to sustainability, and to strengthening systems for sustainability.

About ORIX

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



Since introducing leasing as a new financing method to Japan in 1964, we have continued to provide a wide variety of innovative services.



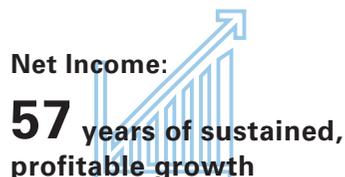
We have expanded our global network since establishing our first overseas operations in Hong Kong in 1971.



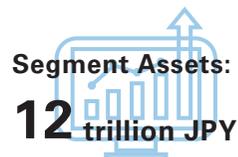
ORIX began as a 13 person enterprise, and has since grown into a company that currently employs approximately 32,000 people around the world.



ORIX's 10 segments have the ability to achieve high profitability and growth while the organizational structure allows intersegment product and service provision.



We are proud of our continuous profitability, which we believe to be reflective of the value placed on our innovative solutions by the market.



Without overstressing our asset size, we have continued to focus on improving profitability and strengthening financial soundness. Furthermore, we adjust our asset mix according to external factors and the surrounding environment.

Through 10 business segments, ORIX provides a wide array of products and services to corporate and individual customers, communities, and to social infrastructure.

Segments	Main Business
Corporate Financial Services and Maintenance Leasing	Finance and fee business; leasing and rental of automobiles, electronic measuring instruments, and ICT-related equipment
Real Estate	Real estate development, rental, and management; facility operations; real estate asset management
Private Equity Investment and Concession	Private equity investment, operation of airports and water business
Environment and Energy	Renewable energy in Japan and overseas, electric power retail, energy-saving services, sale of solar panels and electricity storage systems, waste management, and resource recycling
Insurance	Life insurance, including medical insurance and death insurance
Banking and Credit	Real estate investment loans, corporate loans, consumer finance, trust business, guarantees of unsecured loans handled by other financial institutions, and housing loans (Flat 35)
Aircraft and Ships	Aircraft and ship leasing and asset management services
ORIX USA	Finance, investment, and asset management in the Americas
ORIX Europe	Asset management focused on Europe and the United States
Asia and Australia	Finance and investment with a focus on Asia and Australia

(Data as of March 31, 2022)

Responding to Social Themes and SDGs

ORIX is aware of social themes and the related SDGs.
We are working to solve these social themes through our business activities and aim to realize a sustainable society.

Environmental themes

Climate change / Reducing GHG emissions	Conserving energy / resources
Promoting a circular economy	Waste treatment and reduction
Climate change / Spreading and promoting renewable energy generation	Biodiversity / Environmental conservation

Social themes

Aging society	Disaster recovery	Safe working environment
Promoting health / Extending healthy life expectancy	Investments and lending that take ESG into account	Improving labor productivity
Addressing aging public infrastructure	Vitalizing small and medium-size enterprises	Safe and secure mobility solutions
Stable energy supply	Regional vitalization	Promoting innovation and technological change
	Decreasing workforce	

ORIX's business units	Efforts of each unit
Corporate Financial Services and Maintenance Leasing	⇒ P.18-20
Real Estate	⇒ P.21
Private Equity Investment and Concession	⇒ P.22
Environment and Energy	⇒ P.23
Insurance	⇒ P.24
Banking and Credit	⇒ P.25-26
Aircraft and Ships	⇒ P.27
ORIX USA	⇒ P.28
ORIX Europe	⇒ P.29
Asia and Australia	⇒ P.30

Realizing a sustainable society



▶▶▶ [Contributing to Society through Our Business Activities](#)

ESG-related Material Issues and Key Goals (set in November 2021)

ESG-related Material Issues

1. Material issues and focus areas to reduce climate change-related risks.

- 1 Set GHG emissions reduction goals.
- 2 Continue to lead in renewable energy investment and production.
- 3 Quantify and reduce our climate change-related risks and continue to implement TCFD recommendations.
- 4 Continue to promote a circular economy and reduce and appropriately manage waste.
- 5 Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.
- 6 Work with our stakeholders to promote a healthier environment through goods and services that help mitigate adverse environmental impacts.

2. Material issues and focus areas to reduce social risks, including human rights risk.

- 1 Continue to strengthen our Sustainable Investing and Lending Policy, Code of Conduct, and risk management system to adequately cover new and emerging social risk areas.
- 2 Share a common and agreed respect for fundamental human rights with all of our stakeholders such as support for the UN Universal Declaration of Human Rights, worker health and safety, diversity, inclusion and non-discrimination.
- 3 Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive working environment that promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

3. Material issues and focus areas to strengthen governance based on transparency, compliance, and integrity.

- 1 Continue to strengthen the independence of the Board of Directors so that the Board may provide appropriate and effective oversight over the management's business execution from an independent and objective perspective.
- 2 The Group CEO will be responsible for all execution matters including responding to these material issues under the oversight of the Board of Directors.
- 3 Emphasis on client satisfaction and developing and offering sustainable products and services.
- 4 Endeavour to gain and keep the trust of our clients in all of our business areas.
- 5 Promote a strong culture of compliance with all applicable laws and regulations, including paying our fair share of taxes.

ESG-related Key Goals

- 1 Outside directors to account for over half of the composition of the ORIX Group Board of Directors by the General Meeting of Shareholders set to be held in June 2023.
- 2 Female directors to account for over 30% of the composition of the ORIX Group Board of Directors by the end of the fiscal year ending March 31, 2030.
- 3 Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 31, 2030.
- 4 Reduce ORIX Group GHG (CO₂) emissions by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030.
- 5 ORIX Group to achieve net zero GHG (CO₂) emissions by the end of the fiscal year ending March 31, 2050.
- 6 Reduce ORIX Group's investment and credit balance in GHG (CO₂) emitting industries* by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030.
- 7 ORIX Group to achieve a zero investment and credit balance in GHG (CO₂) emitting industries* by the end of the fiscal year ending March 31, 2040.

* Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Status of Initiatives to Address ESG-related Material Issues and Key Goals



Material Issues and Focus Areas to Reduce Climate Change-related Risks

- 1 Set GHG emissions reduction goals.
- 2 Continue to lead in renewable energy investment and production.
- 3 Quantify and reduce our climate change-related risks and continue to implement TCFD recommendations.
- 4 Continue to promote a circular economy and reduce and appropriately manage waste.
- 5 Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.
- 6 Work with our stakeholders to promote a healthier environment through goods and services that help mitigate adverse environmental impacts.

Key Goals

- Reduce ORIX Group GHG (CO₂) emissions by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030.
- ORIX Group to achieve net zero GHG (CO₂) emissions by the end of the fiscal year ending March 31, 2050.
- Reduce ORIX Group's investment and credit balance in GHG (CO₂) emitting industries*¹ by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030.
- ORIX Group to achieve a zero investment and credit balance in GHG (CO₂) emitting industries*¹ by the end of the fiscal year ending March 31, 2040.

*1 Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Status of Initiatives to Address Issues and Goals

- 1 With the aim of reaching our GHG (CO₂) emissions reduction goals, we will consider reducing emissions by switching fuels used at our two coal-biomass co-fired power plants, which accounted for more than 70% of our emissions in the fiscal year ended March 31, 2020. However, if it is deemed difficult to achieve a 50% reduction by the end of the fiscal year ending March 31, 2030, we are considering closing the facilities. As a result, we recorded an impairment of 19.6 billion JPY in the fiscal year ended March 31, 2022.

▶▶▶ P40 GHG (CO₂) Emissions Reduction

- 2 The generation capacity of our renewable energy business as of March 31, 2022 is 3.3 GW. We expect to expand it to 7.0 GW*² by March 31, 2025.

*2 1.0 GW of which is scheduled to be sold, so ORIX's holdings will be 6.0 GW.

▶▶▶ P42 Promoting the Renewable Energy Business

- 3 In November 2021, we began disclosing information in line with the TCFD information disclosure framework, and conducted scenario analysis of our Environment and Energy, Real Estate and Auto businesses, which are particularly relevant to climate change. In 2022, we conducted further scenario analyses for the Aircraft and Ships, Finance (Japan/United States), and Life Insurance (asset management) businesses. Regarding Scope 3 (GHG emissions in the value chain), in addition to the Auto, Aircraft and Ships, and Real Estate businesses

which we disclosed last year, in 2022 we also roughly estimated the scale of emissions from the power generation and electric power retail business in the Environment and Energy segment, as well as emissions from investees and borrowers (Category 15).

▶▶▶ P33 Information Disclosure Based on TCFD Recommendations

▶▶▶ P39 Scope 3 Value Chain GHG Emissions and ORIX's Businesses

- 4 We are promoting a business that supports waste recycling and processing, as well as a business that facilitates the reuse, recycling, and proper processing of unwanted goods.

▶▶▶ P44 Promoting the Circular Economy and Reducing Waste

- 5 Our local subsidiaries in the Asia and Australia segment are considering what standards to use when determining which industries to target for reducing their credit balance in industries that have a high environmental impact.

- 6 Each of our business units strives to provide environmentally friendly products and services.

▶▶▶ P17 Contributing to Social Themes Through Our Business Activities

▶▶▶ [Contributing to Society through Our Business Activities](#)

Status of Initiatives to Address ESG-related Material Issues and Key Goals



Material Issues and Focus Areas to Reduce Social Risks, Including Human Rights Risk

- 1** Continue to strengthen our Sustainable Investing and Lending Policy, Code of Conduct, and risk management system to adequately cover new and emerging social risk areas.
- 2** Share a common and agreed respect for fundamental human rights with all of our stakeholders such as support for the UN Universal Declaration of Human Rights, worker health and safety, diversity, inclusion and non-discrimination.
- 3** Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive working environment that promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

Key Goals

- Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 31, 2030.

Status of Initiatives to Address Issues and Goals

- 1** We prohibit investing and lending in projects related to organizations and sectors/business activities that are social risks. We have set a key goal of reducing the balance of investing and lending in business areas with high environmental risks.
 - ▶▶▶ P55 Sustainable Investing and Lending
- 2** Our Sustainable Investing and Lending Policy stipulates that human rights risk is a key factor in investment and credit-related decisions. We have also established a compliance hotline for consultation and reporting on human rights issues.
 - ▶▶▶ P54 Initiatives for Human Rights
- 3** We are working to promote the creation of comfortable workplaces where diverse human resources can play an active role, rewarding workplaces where they can demonstrate their abilities and expertise, and workplaces where they can continue to work for a long time in good physical and mental health. We will achieve this through the development of various systems that incorporate the opinions of employees.
 - ▶▶▶ P48 Human Resources Strategy to Support Sustainable Growth
 - As of March 31, 2022, the ratio of female managers in the ORIX Group is 28.6% for ORIX Corporation and 25.0% for our 10 domestic Group companies.

Status of Initiatives to Address ESG-related Material Issues and Key Goals



Material Issues and Focus Areas to Strengthen Governance Based on Transparency, Compliance, and Integrity

- 1 Continue to strengthen the independence of the Board of Directors so that the Board may provide appropriate and effective oversight over the management's business execution from an independent and objective perspective.
- 2 The Group CEO will be responsible for all execution matters including responding to these material issues under the oversight of the Board of Directors.
- 3 Emphasis on client satisfaction and developing and offering sustainable products and services.
- 4 Endeavour to gain and keep the trust of our clients in all of our business areas.
- 5 Promote a strong culture of compliance with all applicable laws and regulations, including paying our fair share of taxes.

Key Goals

- Outside directors to account for over half of the composition of the ORIX Group Board of Directors by the General Meeting of Shareholders set to be held in June 2023.
- Female directors to account for over 30% of the composition of the ORIX Group Board of Directors by the end of the fiscal year ending March 31, 2030.

Status of Initiatives to Address Issues and Goals

- 1 2 We have established a sound and highly transparent corporate governance system. We are also taking the following measures to strengthen our system:
 - Increase the diversity of directors
 - Evaluate the effectiveness of the Board of Directors and implement an action plan to improve its effectiveness based on the evaluation results
 - With regard to compensation of executive officers, we have introduced a compensation scheme that evaluates contributions to business performance as well as medium- to long-term results, and reflected evaluations of the status of ESG initiatives in annual bonuses from the fiscal year ended March 31, 2022
 - ▶▶▶ P.57 Corporate Governance
 - Since January 2022, the ratio of outside directors is 54.5% (of all 11 directors, 6 are outside directors)
 - As of June 2022, the ratio of female directors is 18.1% (of all 11 directors, 2 are female directors)
- 3 4 We carefully ascertain our customers' intentions, so that they can select the most suitable products and services, and we strive to propose products and services that meet their objectives. In order to provide and recommend products and services that are suitable for customers, we strive to acquire excellent work experience, specialized knowledge, and skills as professionals. Each business unit is committed to providing sustainable products and services.
 - ▶▶▶ [Proper Consideration of our Customers](#)
 - ▶▶▶ P.17 Contributing to Social Themes Through Our Business Activities
- 5 The Code of Conduct stipulates that ORIX employees must "comply at all times with all applicable laws, rules and regulations and ORIX Group policies and rules" and "understand and comply with tax laws, regulations and ORIX Group policies and rules."
 - ▶▶▶ P.66 Tax Policy

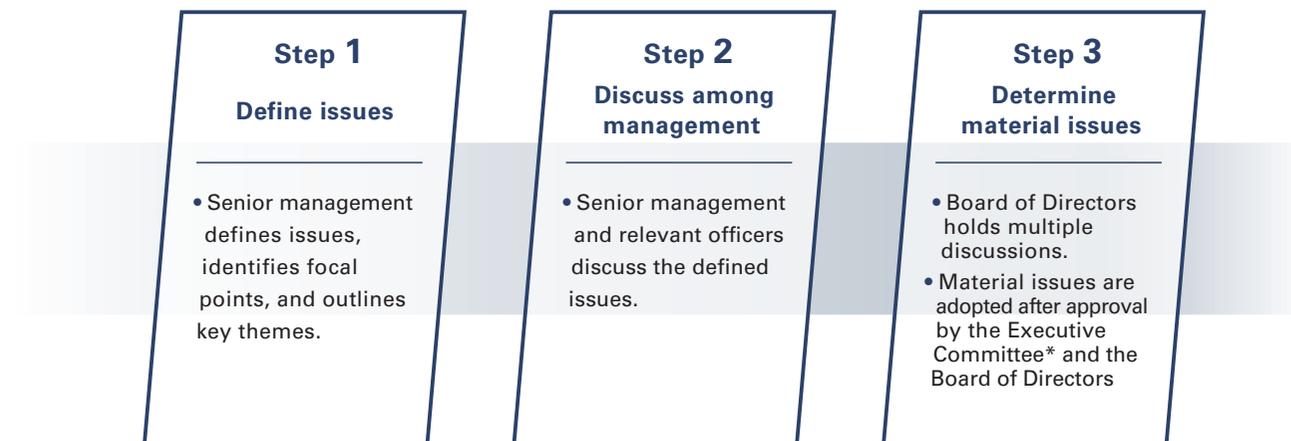
Review of Material Issues

ORIX has a diverse portfolio of businesses. In order to make our sustainability initiatives and contributions to society more meaningful, it is important that we focus our efforts on business areas with more pronounced social impact. To that end, we identified material issues in three business areas in 2019 and have been addressing social themes and needs through our business activities.

Given the increasing importance of incorporating sustainability into all aspects of the business, as well as changes in our operating environment, we reviewed our material issues in 2021. In this evaluation, we identified Group-wide ESG-related material issues that need to be addressed in order for ORIX to continue to grow sustainably. We also set ESG-related key goals to link clearly defined actions to the material issues.

We will analyze and evaluate material issues on an ongoing basis. As a result, material issues may change. In addition, material issues may change as a result of business growth or entry into new business areas.

Process for Reviewing Our Material Issues



* An executive body for senior management and executive officers to discuss important matters related to ORIX's management and strategy.

Sustainability Governance Structure

Since our founding, contributing to society by creating new value through our business activities has been fundamental to ORIX, and this is clearly stated in our corporate philosophy. We believe that by understanding social changes and demands from society and providing new value, we will be needed by society and enable sustainable corporate growth.

ORIX emphasizes sustainability in business decision-making, aiming to achieve long-term growth as a company and to contribute to society over the long term through its business activities.



Sustainability Governance Structure



The Board of Directors supervises and guides sustainability governance.

The Sustainability Committee implements ESG-related material issues and key goals Group-wide. It formulates strategic approaches, KPIs, and action protocols, and the results of its deliberations will then be reported to and approved by the Board of Directors.

Members: Group CEO (chair), people in charge of segments most directly related to ESG
Attended by other participants depending on the agenda

Role of the Sustainability Committee

1. Discussion of specific measures to achieve goals
2. Discussion of any conflicts arising between short-term earnings and long-term growth
3. Discussion of measures to reduce climate change risk following the Task Force on Climate-related Financial Disclosures (TCFD) framework
4. Sharing of information on Japanese and international developments in corporate sustainability
5. Discussion of matters to report to the Board of Directors

Sustainability Promotion and Implementation

At ORIX, we have clearly stated our Sustainability Policy to be our approach to addressing social issues and needs through our business activities. We have also set ESG-related material issues and key goals that the entire Group should address, and all officers and employees are working to provide value unique to ORIX, aimed at realizing a sustainable society. We are also working to deepen communication with our stakeholders by issuing Sustainability Reports and sharing information in the sustainability section of the ORIX Group website.

October 2018	<ul style="list-style-type: none"> Established Sustainability Task Force 	October 2020	<ul style="list-style-type: none"> Announced support for TCFD (Task Force on Climate-related Financial Disclosures)
July 2019	<ul style="list-style-type: none"> Established the Sustainability Team in the Corporate Planning Department (currently the Investor Relations and Sustainability Department) 	November 2020	<ul style="list-style-type: none"> Issued Sustainability Report 2020
September 2019	<ul style="list-style-type: none"> Adopted the ORIX Corporate Sustainability Policy, ORIX Human Rights Policy, and ORIX Sustainable Investing and Lending Policy 	June 2021	<ul style="list-style-type: none"> Issued Green Bonds (for individual investors and institutional investors)
October 2019	<ul style="list-style-type: none"> Issued Sustainability Report 2019 (English edition issued in November) Began sustainable investing and lending screening (began screening investment and lending transactions from an ESG perspective based on the Sustainable Investing and Lending Policy) Disclosed the Modern Slavery Act Statement based on the UK Modern Slavery Act 2015 (hereafter, updated and disclosed every year) 	November 2021	<ul style="list-style-type: none"> Determined ESG-related material issues and key goals Established the Sustainability Committee as an executive body Added initiatives for prohibited transactions to the Sustainable Investing and Lending Policy (initiatives with high human rights risks and new sectors/business activities in which transactions are prohibited) Issued Sustainability Report 2021
November 2019	<ul style="list-style-type: none"> Began formulating and establishing sustainability action plans and targets of business units 	April 2022	<ul style="list-style-type: none"> Issued Green Bonds (Eurobonds) ORIX Life Insurance, ORIX Asset Management, and ORIX Real Estate Investment Advisors signed the PRI (Principles for Responsible Investment)
January 2020	<ul style="list-style-type: none"> Issued green bonds 	October 2022	<ul style="list-style-type: none"> Calculated estimated Scope 3 emissions for all consolidated subsidiaries within the scope of our calculation Disclosed water usage and waste disposal volume
June 2020	<ul style="list-style-type: none"> Launched the Sustainability Library to raise sustainability awareness in the Company (introduces basic information about sustainability and ORIX's sustainability initiatives) 		
July 2020	<ul style="list-style-type: none"> Began sustainability training for employees 		

- ▶▶▶ [ORIX Corporate Sustainability Policy](#)
- ▶▶▶ [ORIX Human Rights Policy](#)
- ▶▶▶ [ORIX Sustainable Investing and Lending Policy](#)
- ▶▶▶ [Modern Slavery Act Statement](#)
- ▶▶▶ [Sustainability Report](#)

Sustainability Promotion and Implementation

Approach to Sustainability Issues

ORIX has diverse businesses, and each business has a wide range of sustainability issues that either affect society or are affected by society. For this reason, we divide our sustainability efforts into two categories: the corporate (Group-wide) level and the business unit level.

ORIX established the Sustainability Committee in November 2021. Among discussions of sustainability, Group-wide themes are mainly compiled by the Investor Relations and Sustainability Department and reported to top management and the Sustainability Committee. At the same time, at Business Unit Strategy Meetings attended by internal directors and heads of business units, including top management, discussions are held as appropriate regarding the promotion of sustainability in

each business unit, and these are also reported to the Sustainability Committee on a regular basis. Matters

reported to the Sustainability Committee are also reported to the Board of Directors.

Sustainability Approach

	Corporate Level	Business Unit Level
Applicability	Group-wide	Specific to each business unit
Governance	Sustainability Committee	Sustainability Committee and respective business unit heads
Administration	Investor Relations and Sustainability Department	Investor Relations and Sustainability Department Sustainability contact at respective business unit
Key Terms	Unifying culture Minimum standards Zero tolerance Transparency	Tailored approach and ownership

Status of Recent Initiatives

1. Group-wide themes

The Sustainability Committee has discussed and reported on the following Group-wide themes through September 2022:

- 1) Setting ESG-related material issues and key goals
- 2) Updating the Sustainable Investing and Lending Policy
- 3) Implementation of scenario analysis based on TCFD Recommendations
- 4) Calculation of GHG emissions in the value chain (Scope 3)
- 5) Improving disclosure and ESG ratings
- 6) External environment, especially the trend of tighter regulations worldwide and changes in requests from business partners

2. Sustainability promotion policy of each business unit

In parallel with the business planning process for the fiscal year ending March 31, 2023 and beyond, we set sustainability promotion policies for each business unit for the first time, as well as KPIs to implement them. Promotion policies and KPIs were determined by each business unit after discussions with ORIX Corporation's Investor Relations and Sustainability Department, approved by the Sustainability Committee, and reported to the Board of Directors. In the future, we will promote policies and KPI initiatives under the supervision of these bodies.

In the area of "environment," we formulated policies focused on the theme of reducing GHG emissions. Specifically, we have set policies according to the characteristics of each business, such as ascertaining and

considering reduction measures for GHG emissions at investees and borrowers, increasing the balance of assets under management related to impact investment, introducing green electricity at locations, and reducing food waste.

In the field of "society," we have set policies for increasing the ratio of female managers and supporting business succession for SMEs, among others.

- ▶▶▶ For scenario analysis based on TCFD Recommendations, please refer to pages 33 to 38.
- ▶▶▶ For Scope 3 Value Chain GHG Emissions, please refer to page 39.
- ▶▶▶ For sustainability policies and examples of initiatives in each business unit, please refer to Contributing to Social Themes Through Our Business Activities on page 17.

Stakeholders

ORIX has relationships with various stakeholders in the diverse business activities that it carries out globally. ORIX places great emphasis on dialogue with these stakeholders and strives to deepen their understanding of our company through timely and appropriate information

disclosure. At the same time, we contribute to the resolution of social themes and the realization of a sustainable society by taking seriously the expectations and needs of our stakeholders, engaging in business, and providing value unique to ORIX.



The Initiatives We Support

ORIX Group and/or individual Group companies support the initiatives below. (As of July 1, 2022)

Name	Participating/Member/Supporting Companies (Initial year of participation/membership/support)
UN Global Compact	ORIX Group (2014)
PRI (Principles for Responsible Investment)	Robeco (2006), Boston Partners Global Investors, Transtrend (2018), Gravis Capital Management (2019), ORIX Life Insurance, ORIX Asset Management, ORIX Real Estate Investment Advisors, ORIX Corporation USA (2022)
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 Corporation, 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 Corporation, ORIX Bank (2019)
SDGs for Regional Revitalization Public-Private Partnership Platform	ORIX Facilities (2015)

Inclusion in ESG Indices

As of September 2022, 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
- FTSE Blossom Japan Sector Relative Index

Initiatives we support

In April 2022, ORIX Life Insurance, ORIX Asset Management, and ORIX Real Estate Investment Advisors signed the PRI (Principles for Responsible Investment), followed by ORIX Corporation USA in June. As PRI signatories, the four companies incorporate ESG into their investment decision-making and report their results to the PRI annually.

Inclusion in ESG Indices

In March 2022, ORIX was newly selected as a constituent of the FTSE Blossom Japan Sector Relative Index.

Contributing to Social Themes Through Our Business Activities

ORIX endeavors to actively address social themes and needs while providing its own unique value based on the commitment to contribute to society through business activities.

In the following pages, we will introduce our approach to sustainability in each business unit and the social themes that we are addressing through our business activities.

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Corporate Financial Services and Maintenance Leasing

Corporate Financial Services

Business ▶ Leasing, financing, and various solutions (products and services) for small and medium-size enterprises



Approach to Sustainability

As the core of Group sales, we will create new ESG-related services that meet customer needs. We will also work to solve social issues by fully utilizing our domestic network.

- We will support business succession of small and medium-size enterprises (SMEs) as well as the development of regional economies and the maintenance and creation of employment. We will strengthen our organizational structure and promote M&A brokerage operations aimed at supporting business succession.
- We will support customers' decarbonization efforts by offering environmentally-friendly electricity supply services, typified by the third-party ownership model for solar power generation systems (PPA model)*¹.
- Through our preventive healthcare business, we will contribute to the extension of healthy life expectancy, reduction of medical expenses, and maintenance and continuation of the medical insurance system. In addition to operating the clinics that we support, we will also work on opening health checkup centers.

*1 The PPA (Power Purchase Agreement) model is a business model in which a third party leases the site or roof of an electricity consumer, installs a solar power generation system, and supplies the generated electricity to the customer. ORIX installs and operates the solar power generation system on the customer's facility (e.g., the roof of a factory) and supplies the customer with electricity generated by the solar power system. Customers will be able to reduce CO₂ emissions by switching part of their electricity use to renewable energy through this initiative.

Contributing to Social Themes Through Our Business Activities

■ Business succession support for SMEs

Vitalizing small and medium-size enterprises

Regional vitalization Aging society

In Japan, where the population is aging rapidly, many SMEs are often forced to close due to a lack of successors to continue the business, despite having stable earnings and being needed by the community and industry.

ORIX's Corporate Financial Services Department established a dedicated team in 2018 to address the business succession needs of SMEs. Closing businesses due to lack of successors is a major social dilemma, and the department sees this as an important challenge for its client base of SMEs.

ORIX's business succession support services are intended to ensure the survival of target companies. In addition to providing support by utilizing management and financial expertise cultivated through our financial business, we also provide sales support using the Group's sales network. We acquire shares of a target company and are granted management rights, but the target company remains at the core of operation. Company names remain unchanged and employees retain their positions while we work to develop internal control systems and train successors. Once business succession issues are resolved, we respect the wishes of the executives and employees of the target companies and transfer the acquired shares to successors and other stakeholders. In 2021, we also launched M&A brokerage services to further enhance our solution options for business succession.

ORIX's business succession support services are initiatives that not only enable and empower target companies to survive into the future, but also help develop local economies and create jobs.

■ Championing decarbonization

Climate change / Reducing GHG emissions

SMEs need to respond proactively to the global trend toward decarbonization. The Corporate Financial Services Department, in cooperation with the Environment and Energy Business Department within the Group, has so far supported the introduction of energy-saving equipment through subsidized leasing, supported investment in solar power generation, and sold solar panels for companies to generate their own power. Recently, we have also offered environmentally-friendly electricity supply services*², typified by the third-party ownership model for solar power generation systems (PPA model) to help customers promote decarbonization.

*2 This service supplies electricity with a low CO₂ emission coefficient to customers aiming to reduce CO₂ emissions as well as electricity derived from renewable energy sources to customers aiming to increase the adoption rate of renewable energy.

▶▶▶ See [here](#) for details about other business activities.



Corporate Financial Services and Maintenance Leasing Auto

Business ▶ Leasing and rental of automobiles, car sharing, purchase and sales of used automobiles



Approach to Sustainability

We will continue to provide services that lower our environmental impact, reduce traffic accidents, and ensure and enhance compliance. We will also promote and enhance decarbonization in our company facilities and operations.

- In the leasing business, we will resolve customers' concerns about the introduction of electric vehicles (EV) and fuel cell vehicles (FCV), and develop an environment in which customers can introduce these vehicles with peace of mind.
 - We will move forward with proposing and supporting the introduction of charging equipment that matches each customer's vehicle operation status.
 - We will work to develop services that can use data such as fueling amounts to calculate customers' CO₂ emissions, and provide them as data.
- In the car sharing business, we will expand the business by promoting car sharing as a more flexible means of transportation. In addition, we will promote the use of next-generation vehicles (increase the introduction rate of hybrid vehicles (HV), EVs, and FCVs).
- In the rental car business, we will introduce vehicles with excellent environmental performance. We will also work towards greening the electricity used at rental car stores to achieve CO₂ emissions reduction.

Contributing to Social Themes Through Our Business Activities

■ Supporting EV/FCV adoption in auto leasing business

Climate change / Reducing GHG emissions

In recent years, dramatic advances in automobile technology have put the spotlight on EVs and FCVs, which do not emit CO₂ while in operation. However, EVs and FCVs represent less than 1% of the approximately 80 million vehicles owned in Japan. Key reasons for this include lingering concerns about vehicle price, cruising range, and charging/filling infrastructure. A core mission for ORIX Auto is creating an environment that steadily resolves customer concerns surrounding the adoption of EVs and FCVs so people can adopt clean vehicles with confidence, and we will promote and strengthen our support of customers' environmental efforts.

■ Introduction of EVs, HVs, and FCVs in our car rental and car sharing businesses

Climate change / Reducing GHG emissions

ORIX Auto promotes the introduction and provision of vehicles that offer superior environmental performance through the operation of car rental and car sharing businesses. Of the approximately 66,000 vehicles under its management, roughly 12,000 are electric, hybrid, or fuel cell vehicles (as of March 31, 2022).

Our car sharing business is transitioning to zero emission vehicles (ZEVs) as recommended by the Tokyo Metropolitan Government, which aims to increase the proportion of ZEVs to 50% of new passenger vehicles sold by 2030. Together with the Tokyo Metropolitan Government, this business endeavors to create

opportunities where residents can utilize ZEVs at a reasonable price.

■ Telematics service

Climate change / Reducing GHG emissions

Safe and secure mobility solutions | Improving labor productivity

In ORIX Auto's "e-Telematics" service, an onboard device with communication and GPS functions is installed in customer vehicles to help clients visualize their operating status. The onboard device collects information in real time on driver behavior, including driving speed and rapid acceleration or deceleration. The service then analyzes this driving data. Specifically, an email is sent to a designated recipient upon the occurrence of unsafe driving behavior, such as excessive speed or rapid acceleration or deceleration. Drivers will therefore want to drive more carefully to avoid receiving such emails, leading to safe, environmentally sound driving that reduces fuel costs, improves fuel economy and reduces CO₂ emissions.

By analyzing this data, we identify compliance, safety and environmental issues in the operation and management of a company's fleet of vehicles and provide support through consulting services on appropriate labor management of drivers, accident prevention, methods to reduce the environmental impact of driving, and other matters.

▶▶▶ See [here](#) for details about other business activities.



Corporate Financial Services and Maintenance Leasing

Rentec

Business ▶ Rental and leasing of electronic measurement instruments and ICT-related equipment



Approach to Sustainability

We will contribute to the promotion of customers' sustainability by providing technical knowledge and rental functions.

- We will strengthen the provision of rental equipment and various services that are ESG-friendly.

E: We will examine services for measuring CO₂ emissions and look into proposals to customers for equipment that has a low environmental impact.

S: We will examine strength measurement services for social infrastructure as a measure for disaster prevention and mitigation, as well as products and services that support skilled engineers in passing on their skills.

G: We have acquired certification for [ISO 9001: Quality Management Systems](#) (in Japanese) and are working to maintain and improve the quality of our products and services.

- We will incorporate ESG perspectives into our selection criteria and evaluation system for rental equipment suppliers and delivery contractors.

Contributing to Social Themes Through Our Business Activities

■ Used equipment sales business

Promoting a circular economy

ORIX Rentec provides rental services for high-tech equipment and has a product lineup with 37,000 types and 2.5 million units (as of March 31, 2022). We do thorough quality control, such as performing the same operation checks and precision checks as for rental products, to maintain second-hand goods resulting from expiration or cancellation of rental contracts. In addition to selling these products directly to corporate and individual customers at reasonable prices, we also hold regular auctions and sell to second-hand sales companies on our website. We also provide asset purchase services for ICT equipment, including PCs and servers owned by customers. Purchased equipment that can be reused is resold to second-hand dealers. For equipment that is difficult to resell, we outsource processing to ORIX Eco Services, a Group company that recycles or properly disposes of said equipment.

■ Robot business

Decreasing workforce **Improving labor productivity**

A wide range of companies are moving to utilize robots in response to labor shortages caused by the declining birthrate and aging population, as well as due to intensifying corporate competition brought about by technological innovation. ORIX Rentec provides rental services for collaborative robots and similar products to support the smooth introduction of the latest robots. In order to support the introduction of robots in corporate

production lines and logistics facilities, we collaborate with robot system integrators to provide consulting on the introduction of robots, measure the effects of introduction, and contribute to realizing automation.

■ Drone business

Decreasing workforce **Improving labor productivity** **Disaster recovery**

Drones are used in a wide range of fields such as surveying, infrastructure inspection, security, checking the status of disaster sites, agriculture, and logistics. ORIX Rentec supports the smooth introduction of high-performance drones through drone rentals and various services (including a training school that supports the acquisition of drone piloting skills, and a service for contracted photography of infrastructure and equipment inspection points).

■ Rentals that support R&D at universities and companies

Promoting innovation and technological change

ORIX Rentec uses the know-how it has cultivated over many years in order to provide rental services that flexibly meet the budget plans of universities and companies conducting cutting-edge research and development. Rental fees are calculated by subtracting the residual value, which is based on the market value of the equipment at the end of the rental contract, from the property price, so that customers can use the latest equipment at a reasonable price. Through these efforts, we are contributing to the improvement of Japan's technological capabilities and industrial competitiveness.



Real Estate

Business ▶ Real estate development, rental, and management; facility operations; real estate asset management



Approach to Sustainability

Our policy in business promotion is to achieve decarbonization in consideration of the environment, and to coexist with the community, while giving top priority to safety, security, and comfort. We aim to realize a sustainable society by providing products and services that incorporate the perspective of sustainability.

- For newly developed properties, in principle, we will obtain external certification, which can clearly evidence environmental performance, safety, and security to third parties. We will also make plans to reduce CO₂ emissions from properties we own, and promote the transition to energy-saving equipment, as well as the introduction of renewable energy.
- We develop condominiums according to ZEH-M Oriented*¹ specifications in an effort to reduce the amount of energy used at our properties.
- In our facility management business, we provide environmentally conscious amenities and focus on reducing food waste loss. In addition to using locally sourced ingredients and hiring locally, we work with local companies to communicate regional features and appeal. Our hotels and inns put the safety and security of guests first and operate in a way that is mindful of hygiene management and maintenance.

*1 ZEH: An acronym for "net zero energy house." It refers to a house that aims to achieve an annual energy consumption of zero or less through "energy saving" by introducing equipment that has high thermal insulation performance or that uses energy efficiently, and through "energy creation" that creates electricity by solar power generation or the like. ZEH-M Oriented is multifamily housing that reduces primary energy consumption by 20% or more from the baseline.

▶▶▶ See [here](#) for details about other business activities.

Contributing to Social Themes Through Our Business Activities

■ Development of environmentally-friendly properties

Climate change / Reducing GHG emissions

Climate change / Spreading and promoting renewable energy generation

In principle, ORIX Real Estate acquires external certification including the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) for office buildings, logistics centers, apartments, and other buildings it newly develops. We are working to improve overall environmental performance, which includes reducing environmental impact.

In the development of logistics centers, we install solar panels to cover the power consumption of the centers as a basic practice, and the environmental value of surplus power will be supplied to other offices and operating facilities.

For condominiums developed by Group companies DAIKYO and ANABUKI CONSTRUCTION, in principle, we carry out development to specifications that meet ZEH-M Oriented standards. From July 2022, we have decided to procure electricity for condominium galleries using 100% renewable energy*². At the same time, we are likewise promoting the creation of eco-friendly homes by using renewable energy also at the construction sites of condominiums developed by both companies.

In anticipation of growing demand for electric vehicles (EVs), we are installing EV chargers in the logistics centers and condominiums we develop, and are gradually introducing EV charging services at the inns and hotels we operate. DAIKYO is accelerating efforts to install EV charging outlets as a standard feature in all parking lots (including cable ducting) in condominiums to be developed in the future.

*2 Procuring electricity with non-fossil fuel certificates. This excludes projects such as condominium galleries in buildings and JV businesses for which DAIKYO and ANABUKI CONSTRUCTION are not party to electricity supply and demand contracts. It also excludes projects with difficulty in switching electricity supply and demand contracts such as those with less than six months of remaining term at the time of switching.

■ Initiatives to decarbonize owned and operated properties

Climate change / Reducing GHG emissions **Conserving energy / resources**

In properties where we have the authority to update facilities, we will make facility updates ahead of schedule, work on energy conservation, and convert to renewable energy.

■ Initiatives to eliminate plastic and reduce waste

Promoting a circular economy **Waste treatment and reduction**

From April 2022, ORIX Hotel Management stopped placing single-use plastic amenities in guest rooms at inns and hotels (approximately 3,900 rooms in 18 facilities), and switched to distributing these amenities at the front desk or providing them at amenities bars. In the future, we will gradually switch to environmentally-friendly alternative material products.

In addition, at our 14 accommodation facilities with dining facilities such as restaurants, we put up posters and other signage to raise awareness of food loss reduction. In order to reduce food loss, we will procure ingredients without waste, provide food that matches the amount required when serving buffets, and recycle discarded food, with the aim of reaching a recycling rate of 50%*³ in the fiscal year ending March 31, 2024.

*3 "Basic Policy on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources" based on the Food Waste Recycling Act announced on July 12, 2019. Targets for implementation rate of recycling, etc. (Reference: Ministry of Agriculture, Forestry and Fisheries)



PE Investment and Concession

Business ▶ Private equity investment, operation of airports and water business



Approach to Sustainability

PE Investment

We require investees to conduct their management in a sustainable manner as a means to increase corporate value. We place importance on our investees' reducing their CO₂ emissions, and we work together with them on reduction initiatives such as replacing equipment and substituting conventional energy sources with renewable energy. Furthermore, industries that contribute to helping solve social challenges are an area of focus in our investment execution.

Concession

Kansai Airports has set specific goals and initiatives for reducing environmental load in its Kansai Airports Environmental Statement. It has set a goal to reduce CO₂ emissions by 40% in the fiscal year ending March 2031 compared to the fiscal year ended March 2017, and to virtually zero in the fiscal year ending March 2051.

Contributing to Social Themes Through Our Business Activities

PE investment in solving social issues

Climate change / Reducing GHG emissions	Investments and lending that take ESG into account	Improving labor productivity
Promoting health / Extending healthy life expectancy	Decreasing workforce	Promoting innovation and technological change

As of March 31, 2022, ORIX has invested in 17 companies.

In our PE investments, we make investment decisions based on the ORIX Sustainable Investing and Lending Policy. Post-investment, we prioritize hands-on management, and work to improve the investee's corporate value by partnering with company management and supporting marketing efforts. We require investees to conduct their management sustainably as a means to increase corporate value. We recognize that reducing CO₂ emissions at our investees is a material issue, so we have calculated the emissions of each consolidated investee and have begun considering reduction measures.

Our focus areas for investment include healthcare, business process outsourcing (BPO), IT & information services, and logistics and rental. These businesses are all in industries which contribute to solving social issues, such as health maintenance and disease prevention, improving productivity, reducing manpower, promoting digitalization, and utilizing information technology. We focus on uncovering promising investees, as we expect growth in these industries.

Concession business: Supporting regional infrastructure

Climate change / Reducing GHG emissions	
Regional revitalization	Addressing aging public infrastructure

ORIX participates in the following three concession businesses.

The first concession business is the operation of Kansai International Airport and Osaka International Airport (Itami Airport), the first full-scale private airport operation business in Japan. We began operating both of these airports on April 1, 2016, as well as Kobe Airport on April 1, 2018. We aim for the continuous development of these three airports and the Kansai region where they are located, by balancing our creativity and dynamism as a private company with the social responsibility as a provider of public infrastructure.

In Hamamatsu City, Shizuoka Prefecture, on April 1, 2018, we started operating the Hamamatsu City Public Wastewater Treatment Plant (Seien Area) as our first concession-type domestic project in the water supply and sewerage sector. We aim to provide citizens with safe and secure sewerage services. We are also promoting the reduction of environmental impact under our environmentally-friendly business operation policy.

In April 2022, Miyagi Prefecture launched the Miyagi Prefecture integrated water supply, industrial waterworks, and sewerage public-private partnership management project. We will connect to the future of the integrated operation of Miyagi Prefecture's three water businesses (water supply, industrial waterworks, and sewerage), cooperate with water-related companies in Miyagi Prefecture, and maintain the existing reliable water infrastructure of Miyagi Prefecture, so we can operate with the goal of realizing sustainable water supply, industrial waterworks, and sewerage services.

▶▶▶ See [here](#) for details about other business activities.



Environment and Energy

Business ▶ Renewable energy in Japan and overseas, electric power retail, energy-saving services, sale of solar panels and electricity storage systems, recycling and waste management, and resource recycling



Approach to Sustainability

We promote businesses that contribute to the creation of a decarbonized, recycling-oriented society in our efforts toward realizing a sustainable society.

- We are expanding our renewable energy business globally as part of our initiative to contribute to a decarbonized society.
 - Outside of Japan, we are utilizing Elawan Energy S.L. (Elawan) as a strategic platform to expand this business, as it has the expertise and capabilities to comprehensively handle the development and operation of renewable energy facilities worldwide.
 - In Japan, we are promoting and implementing the nationwide rollout of the third-party owned, corporate power purchase agreement (PPA) model for solar power generation systems.
- We are expanding our waste recycling and treatment business in order to contribute to creating a recycling-oriented society. We are focusing our efforts on initiatives such as supporting municipal waste treatment operations and the construction of power plants fueled by food scraps and other waste.
- By March 2030, we will consider and implement CO₂ reduction measures such as pure biomass combustion for our two coal-biomass co-firing power plants. In the case that we determine reduction is difficult, we will consider closing the facilities.

▶▶▶ See [here](#) for details about other business activities.

Contributing to Social Themes Through Our Business Activities

■ Renewable energy power generation business

Climate change / Spreading and promoting renewable energy generation

ORIX operates power generation businesses around the world as a global renewable energy company. Our generation capacity at power plants in operation around the world, including Japan, is 3.3 GW*¹.

Elawan (80% share), based in Spain, develops and operates wind and solar power plants in 11 countries in Europe, mainly in Spain, North America, and South America. In addition to operating renewable energy power generation facilities with a total generation capacity of 1,120 MW*², it has a total of approximately 8 GW*² of projects under construction or under development.

The Indian company Greenko Energy Holdings (Greenko; 20% share), owns major renewable energy companies in India, and has a total generation capacity of 7,180 MW*² of solar, wind, hydroelectric power, and other types of generation in India. In addition, it has a total of approximately 11 GW*² of projects under construction or under development.

In Japan, we are working to popularize renewable energy such as solar, biomass, geothermal, and wind power. The total generation capacity of power plants in operation is 1 GW*², making us a top-class renewable energy company. We are also introducing the PPA model nationwide, in order to expand demand for in-house production of renewable energy power by corporations. ORIX Renewable Energy Management contributes to the spread of renewable energy by rolling out a comprehensive power plant operation, management, and maintenance service that makes use of high-level expertise.

With Elawan and Greenko driving the growth, the generation capacity of power plants in operation as of March 2025 is expected to expand to 6 GW*¹ (7 GW*¹ before consideration of sale).

*¹ As of March 31, 2022 unless otherwise noted. Net figures that take into account the Company's ownership ratio. If the individual project is a joint venture, we also consider the investment ratio.

*² As of March 31, 2022. Gross figures before taking into account the Company's ownership ratio.

▶▶▶ P.42 Promoting the Renewable Energy Business

■ Waste recycling and waste disposal support business; waste reuse, recycling, proper disposal support business/metal recycling business

Promoting a circular economy | Waste treatment and reduction

ORIX Environmental Resources Management's Yorii Plant is capable of processing 450 tons of waste per day, making it the largest scale in Japan among private-sector processing facilities (incineration and melting). The most unique feature is that the waste can be gasified and melted at approximately 2,000°C and completely recycled. In addition to accepting industrial waste, it also accepts general waste from local governments. From April 2022, we operate the new largest dry biogas power generation facility in Japan. The facility uses general waste to generate biogas, which is used as fuel for power generation.

ORIX Eco Services has built a comprehensive nationwide support network for the collection, reuse, recycling, and proper disposal of unwanted goods. In addition, it operates an intermediate processing facility that mainly handles metal-based waste such as machinery and OA equipment, and also recycles metals.

▶▶▶ P.44 Promoting the Circular Economy and Reducing Waste



Insurance

Business ▶ Life insurance, including medical insurance and death insurance



Approach to Sustainability

We will develop and provide products and services that fit the diversifying lifestyles and values of our customers. In asset management, we will incorporate the perspective of ESG investment and aim to both secure medium- to long-term earnings and realize a sustainable society.

- We will set ORIX Life Insurance's sustainability policy and material issues.
- For products and services, we will work to expand our product lineup and develop products that meet the needs of customers living in the age of 100-year lifespans. We will also improve our communication methods with customers to achieve stress-free and smooth responses.
- In asset management, we will work to formulate screening standards that take ESG into consideration. We will also examine divesting assets with high stranded asset risk.
- We will examine calculating GHG emissions of our investment portfolio and joining initiatives aimed at reducing GHG emissions.

Contributing to Social Themes Through Our Business Activities

■ Customer-oriented products and services in an age where more and more people will live to be 100

Aging society

Based on the philosophy "Giving heartfelt shape to kind thoughts," ORIX Life Insurance sympathizes with our customers and aspires to be comfortably present in peoples' lives, providing a portfolio of insurance products and services attuned to customer sensibilities. Customer lifestyles and values are becoming ever more diverse in an age where more and more people will live to be 100, and customer attitudes toward risk also vary. ORIX Life Insurance embraces change—we consistently consider what a life insurance company should do for customers to develop and deliver products and services that accommodate diverse lifestyles.

We research and develop new products in order to provide optimal insurance according to customer needs. Featuring a broad variety of products, we serve customers through these four sales channels.

- Agency sales
- Sales by financial institutions
- Mail order
- Face to face sales by employees

We are working toward customer-oriented business operations so all employees prioritize a customer-first approach above all else. We conduct the following initiatives as part of our customer-first business operations.

- Refining client communication and continual development
- Continual improvement in our methods of customer communication
- Creating and providing client-centered services

■ ESG investing in asset management

Investments and lending that take ESG into account

Life insurance companies must prudently manage their assets for stability, profitability, and liquidity to ensure future policyholder benefits from insurance premiums. Also, as policyholder assets are the assets that are to be managed and invested, insurance companies have a public obligation to ensure they contribute to the economy and improve the quality of peoples' lives. Cognizant of our responsibilities as an insurance company in managing our assets, we draw on the ORIX Corporate Sustainability Policy to make ESG investments. Our objectives are to secure profitability over the mid- to long-term and to help achieve a sustainable society.

In 2022, ORIX Life Insurance became a signatory to the Principles for Responsible Investment (PRI). ORIX Life Insurance's asset management complies with the PRI, which requires the incorporation of ESG factors in all assets under management.

▶▶▶ See [here](#) for details about other business activities.



Banking and Credit Banking

Business ▶ Real estate investment loans, corporate loans, consumer finance, and trust business



Approach to Sustainability

Sustainability is the cornerstone of management. We will provide products and services that contribute to solving social issues in accordance with material issues identified in ORIX Bank's Sustainability Policy and accompanying material issues.

ORIX Bank's Material Issues

1. Creating a sustainable economy and society
 - Responding to an aging society
 - Regional revitalization
 - Realizing a smart and resilient society
 2. Building safe and secure homes and lifestyles
 - Creating sustainable cities and communities
 - Resolving urban issues
 3. Realizing a society in harmony with nature
 - Responding to climate change
 - Creating a recycling-oriented society
 4. Creating work environments in which everyone can work comfortably
 - Diversity and inclusion
 - Human resource development and self-realization
- ORIX Bank's financial transactions are mainly in industries that are foundational to a sustainable society, including businesses related to renewable energy, environment and recycling, disaster prevention and infrastructure, and housing development and supply.
 - We provide investment products that support the long-term asset formation of individual customers.
 - ORIX Bank itself is also working to achieve further growth as a sustainable company by promoting workplace reform and digitalization initiatives.

Contributing to Social Themes Through Our Business Activities

■ ORIX Bank Sustainable Investing and Lending Policy

Investments and lending that take ESG into account

In February 2022, ORIX Bank established the ORIX Bank Sustainable Investing and Lending Policy. This policy is based on the Sustainability Policy ORIX Bank formulated, which serves to help appropriately evaluate investing and lending transactions from two perspectives: creating positive impacts for society and the environment and controlling negative impact. The policy will be applied to all transactions henceforth and will help contribute to the creation of a more sustainable society.

Creation of positive impact: We conduct investment and lending centered on the following themes and priority issues, focusing on making a positive impact on the environment and society.

- (1) Creating a sustainable economy and society
- (2) Building safe and secure homes and lifestyles
- (3) Realizing a society in harmony with nature

Controlling negative impact: We classify areas that could have a negative impact on the environment or society into the following two categories for making business decisions.

- (1) Those that are prohibited from receiving investment and lending regardless of businesses and sectors
- (2) Policies pertaining to specific businesses and sectors
 - ▶▶▶ [ORIX Bank Sustainability Policy](#) (in Japanese)
 - ▶▶▶ [ORIX Bank Sustainable Investing and Lending Policy](#) (in Japanese)

▶▶▶ See [here](#) for details about other business activities.

■ Green lending

Climate change / Reducing GHG emissions

Climate change / Spreading and promoting renewable energy generation

ORIX Bank provided a third-party certified green loan to a large-scale solar power plant project (45 MW installed capacity) in Niigata prefecture. This green loan received the highest possible rating—GA1—from Rating and Investment Information, Inc. (R&I). In addition, we are also accommodating the ESG investment needs of institutional investors by securitizing a portion of the loan receivables to regional financial institutions through our trust function.

■ Investing in the development of environment-friendly condominiums

Conserving energy / resources

Climate change / Reducing GHG emissions

The Japanese government has indicated a policy to mandate ZEH* level energy saving performance for houses and buildings constructed by 2030.

ORIX Bank finances the development of projects involving the construction of condominiums built with ZEH specifications for investment purposes. ORIX Bank offers preferential loan rates to property developers if the financed property meets ZEH criteria, while also offering preferential loan rates for investment condominium loans to individual investors who purchase the properties. Our aim is to increase the number of properties that meet ZEH specifications in the market by providing financial support for the costs associated with converting real estate to ZEH.

* ZEH is an abbreviation for "Net Zero Energy House" Houses that meet ZEH standards aim to reduce annual energy consumption to zero or less through energy conservation by introducing equipment with high insulation performance and efficient energy use and energy creation by generating electricity through solar power generation and other means.



Banking and Credit

Credit

Business ▶ Consumer finance, guarantees of unsecured loans handled by other financial institutions, and housing loans (Flat 35)



Approach to Sustainability

We aim to be a financial services company that consistently proposes products and services from the perspective of individual customers.

- We will develop products that can be used by customers whose needs are not met by existing financial services (for example, freelancers, foreign nationals, seniors, full-time housewives, etc.).
- We will contribute to the prevention of multiple debts and personal bankruptcy by such means as deterring excessive lending and providing financial education to young people.

Contributing to Social Themes Through Our Business Activities

■ Loan business with a focus on the customer's perspective

Investments and lending that take ESG into account

ORIX Credit mainly provides unsecured and unguaranteed loans to individual customers. We offer loans that meet the needs of our customers, including VIP Loan Card, a card loan that can be used anytime and anywhere when it is necessary at affiliated CD/ATMs nationwide (approximately 166,060 locations as of April 30, 2022). We also offer ORIX MONEY smartphone loans which feature a smartphone ATM function that can be used for borrowing and repayment. For this loan, customers can complete loan paperwork from application to contract without mailing documents, and can borrow funds on the same day as their application in some cases.

We have also set up a counseling desk for customers who use loans, in which dedicated staff provide consultation on the balance of income and expenditure and money.

In the mortgage bank business, we handle a wide range of products that meet various financial needs related to housing, with a focus on [Flat 35], a joint housing loan with the Japan Housing Finance Agency. In addition, by handling housing loans that utilize the [Flat 35]S system, which lowers interest rates for a certain period of time when purchasing high-quality and energy-saving housing, we also contribute to realizing policies related to housing, including promotion of environmentally-friendly housing.

■ Credit guarantee business in partnership with financial institutions nationwide

Regional vitalization

We guarantee unsecured loan receivables handled by financial institutions such as banks and credit unions. As of March 31, 2022, we have partnered with 225 financial institutions nationwide. In addition to supporting the financial institutions that support regional areas in Japan, we also contribute to revitalizing these areas by improving the creditworthiness of customers who use loans, making borrowing a smoother process for them.



Aircraft and Ships

Business ▶ Leasing and asset management services for aircraft and ships



Approach to Sustainability

Aircraft

Aware of strong societal demands on the aviation industry to reduce CO₂ emissions, we believe it is imperative to increase the number of new fuel-efficient models in our portfolio to dovetail with airline emissions reduction targets.

Ships

The ships ORIX owns are built based on specifications that allow for fuel efficiency improvement and environmental load reduction.

- Future shipbuilding orders will, in principle, be for vessels that comply with international regulations effective from 2025 requiring vessels manufactured from 2025 onward to emit 30% less CO₂ than the baseline.
- Vessels built before the enforcement of international regulations (before 2013) are excluded from investment targets.
- Of vessels owned, non-environmentally friendly vessels are subject to sale.

Contributing to Social Themes Through Our Business Activities

■ Environmental considerations in our aircraft operating leases

Climate change / Reducing GHG emissions

ORIX Aviation Systems Limited—a wholly owned subsidiary of ORIX—manages 150 aircraft through asset management services, in addition to its own fleet of 66 aircraft. Avolon Holdings Limited (Avolon), a company in which ORIX has a 30% ownership stake, has ordered 232 aircraft in addition to its own 538 strong fleet (data as of December 31, 2021).

Serving as an operating lease company, ORIX believes it is essential to increase the percentage of its fleet of new fuel-efficient aircraft models to complement airlines' emissions reduction targets. In addition, we recognize accelerating the use of alternative fuel SAF (Sustainable Aviation Fuel: aviation fuel made from raw materials other than fossil fuels) is a crucial theme for reducing emissions.

As of December 2021, 50% of Avolon's fleet was comprised of new models, and one of its goals is to increase this to 75% by 2025, while all 232 aircraft in the order book are new models. In June 2021, Avolon placed an order for up to 500 electric vertical takeoff and landing aircraft (eVTOL)*¹ for a total investment valued at 2 billion USD. Avolon is aiming to reduce CO₂ emissions from its own operations (such as in offices or from business travel) with the goal of achieving net zero emissions by 2025.

*1 A motorized aircraft that takes off and lands vertically and has the characteristics of a helicopter, drone, and small airplane. It does not require a runway and is characterized by low noise. It does not emit greenhouse gases when driven, and its maintenance costs are lower than those of helicopters. It is expected to have a variety of uses, including logistics, short-distance passenger transport, medium- to long-distance travel, and emergency transportation.

■ Environmental considerations in ship investment (ownership and operation)

Climate change / Reducing GHG emissions

Biodiversity / Environmental conservation

As of March 2022, ORIX owns 21 bulkers in its fleet.

There are concerns about the environmental impact of ship operations, such as CO₂ emissions from fuel use and the impact of ballast water*² on marine ecosystems. All of the ships ORIX owns or has ordered were built in Japan to specifications for low fuel consumption. Our basic policy is to use low-friction resistance paint on ship bottoms, and to add on equipment to improve propulsion efficiency of propellers in an effort to improve fuel efficiency and reduce environmental impact.

The vessels owned and on order are equipped with ballast water treatment systems, and state-of-the-art eco-ships make up the bulk of the fleet. From 2025, new international regulations will come into force that will require ships manufactured from 2025 and onward to emit 30% less CO₂ than the baseline. In principle, all owned ships to which these regulations apply must comply with these regulations (including two newly built vessels that have already been ordered).

*2 Ballast water is water that is loaded as weight to stabilize an empty vessel. Since ballast water is loaded after cargo is unloaded and then discharged when cargo is loaded at another port, there is concern that ballast water may bring in invasive species and affect the marine ecosystem. For this reason, the International Maritime Organization (IMO) has adopted and put into effect the Ballast Water Management Convention, which stipulates the proper treatment of ballast water, making it mandatory for ocean-going vessels covered by the Convention to be equipped with ballast water treatment equipment.

▶▶▶ See [here](#) for details about other business activities.



ORIX USA

Business ► Finance, investment, and asset management in the Americas



Approach to Sustainability

ORIX Corporation USA (OCU) believes that ESG-based investment decisions are integral to its ability to contribute to society, generate sustainable growth, manage risks, and maintain the trust and respect of its stakeholders. Having developed the tools and processes to integrate ESG criteria in its investment process, OCU further formalized its approach to sustainable investing by committing to the UN Principles for Responsible Investment*¹ in June 2022.

OCU's objective in defining its sustainability process is to identify and prioritize sustainability issues, identify ESG risks ahead of each transaction, pursue attractive sustainability opportunities, encourage best ESG practices with investee companies and suppliers, and foster ESG awareness among its employees.

OCU's approach is to embed an ESG risk assessment into its investment evaluation and monitoring processes. A proprietary ESG scorecard requires investment teams to systematically assess the risk of each new investment and identify, analyze, measure, and document ESG-related

risks. The OCU Investment Committee considers these ESG scores and other ESG-related information before making its decision. OCU anticipates all investments intended to be held on its balance sheet will be assigned an ESG score by the end of the fiscal year ending March 31, 2023. The scorecard takes into account the SASB*² framework and adjusts weightings for risks according to industry sectors.

OCU has a five-member ESG Advisory Group which reviews and advises on matters proposed by investment teams and supports OCU's ongoing commitment to integrating sustainability into its investment and operational activities.

Building upon this foundation of ESG risk assessment, OCU is also developing a framework to identify the positive impact of both current holdings and future transactions.

*1 [The UN Principles for Responsible Investment](#)

*2 Sustainability Accounting Standards Board

Contributing to Social Themes Through Our Business Activities

Affordable housing

Investments and lending that take ESG into account

Boston Financial is the largest Low Income Housing Tax Credit*³ syndicator in the U.S. and manages approximately 15.9 billion USD of funds invested in 2,000 affordable housing properties with 176,000 homes across the U.S.

Lument is the #1 FHA Multifamily Affordable Housing Lender and has also been a leader in Rental Assistance Demonstration executions since Congress authorized the program in 2012.

*3 A U.S. federal tax credit program designed to promote the supply of affordable housing.

Climate change

Climate change / Spreading and promoting renewable energy generation

In 2022, OCU invested in three anaerobic digestion projects that are expected to convert more than 194 million gallons of dairy manure annually into renewable natural gas. This follows OCU's 2021 investment in a biorefinery that is expected to remove 650,000 MMBtu of methane from the environment per year.

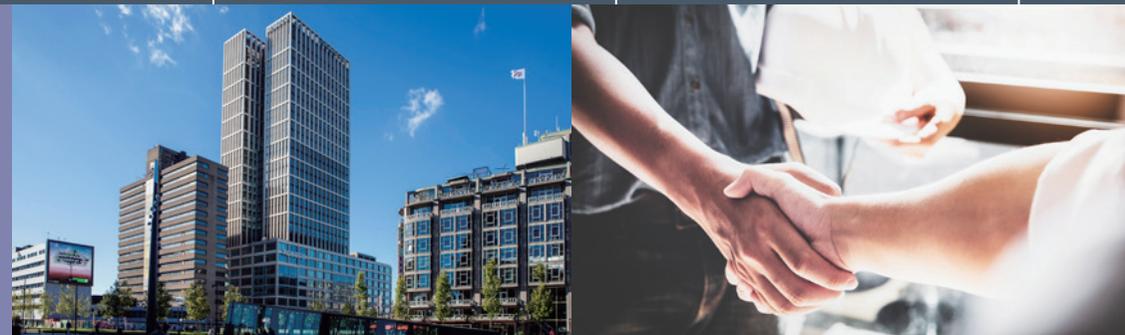
Since 2021, OCU has also owned solar power generation facilities at 63 properties with a projected generating capacity of 80MW. The facilities comprise a mix of facilities supplying base load to utilities and installations providing power on-site to users.

►►► See [here](#) for details about other business activities.



ORIX Europe

Business ► Asset management with a focus on Europe and the United States



Approach to Sustainability

Robeco

- Robeco integrates ESG elements into its asset management strategies (1. Sustainability inside strategies, 2. Sustainability focused strategies, 3. Impact investing strategies) and is focused on expanding its impact investing strategy assets under management (AUM).
- Robeco actively uses its ownership rights to engage with its investee companies, leading to improvements in sustainable corporate behavior and increasing the value of its investments.
- In accordance with its Net Zero Road Map, Robeco will reduce the carbon emissions from both its own operations and investment portfolio by 7% each year and achieve net zero in 2050.
- Robeco has entered into a partnership with WWF to formulate a portfolio-wide biodiversity investment framework.

Boston Partners Global Investors

Boston Partners incorporates sustainability considerations into its investment scoring models, with an emphasis on climate change, corporate governance, and supply chain management. For companies with adverse sustainability metrics, Boston Partners' Sustainability and Engagement Team provides an in-depth review of the company. This review forms the basis of engagement, which includes both dialogue with the company and use of proxy decisions.

Harbor Capital Advisors

Harbor Capital is committed to providing additional transparency of ESG metrics for its equity mutual funds to investors, which it believes will afford investors an additional layer of due diligence when making investment decisions.

Transtrend

Transtrend aims to contribute to well-functioning, well-organized and reliable markets. Transtrend established an ESG Committee in 2021 to coordinate and enhance its progress on beliefs, policies, and initiatives in the areas of responsible investing and corporate responsibility.

Gravis Capital Management

Gravis invests in long-term projects that offer a human dimension, including renewable, social, and economic infrastructure. Its approach to responsible investment includes exclusions, ESG due diligence, monitoring and engagement, and reporting, overseen by its Responsible Investment Committee. Gravis is currently working towards running its operations on a carbon-neutral basis by 2023. Gravis is also working on quantifying its portfolio emissions.

►►► See [here](#) for details about other business activities.

Contributing to Social Themes Through Our Business Activities

■ Sustainable investing

Investments and lending that take ESG into account

Robeco

As of December 31, 2021, total AUM at Robeco was 201 billion EUR, of which total AUM integrating ESG elements was 195 billion EUR (97% of total AUM). This can be further broken down into three categories:

- 1) **Sustainability inside strategies:** These incorporate the use of proprietary research, exclusions, and voting and engagement. (AUM 153.7 billion EUR.)
- 2) **Sustainability focused strategies:** These strategies have more specific sustainability targets for ESG profiles. (AUM 19.7 billion EUR.)
- 3) **Impact investing strategies:** These strategies aim to make a discernible impact by investing in measurable sustainable themes. (AUM 21.8 billion EUR.)

►►► For details, [Robeco Sustainability Report 2021](#)

Boston Partners Global Investors

Boston Partners manages over 19.5 billion USD in assets with sustainable and socially screened investments (as of March 31, 2022). Boston Partners also emphasizes engagement in order to improve the sustainability of its investee companies, and publishes a monthly engagement report.

►►► For further details, please refer to [Boston Partners' Engagement and Sustainability page](#).



Asia and Australia

Business ► Finance and investment with a focus on Asia and Australia



Approach to Sustainability

At local subsidiaries in the following countries, we will reduce credit balances in industries with high environmental impact, such as fossil fuel mining, palm oil plantations, and forestry including timber processing and sales.

- Our policy in Indonesia is to reduce our credit balance in the coal, plantation, and forestry industries to zero by 2040.
- In Malaysia, we have capped total credit to companies involved in coal-fired power generation, fossil fuels, palm oil, and clear-cut logging. We will also consider limiting our relationships with palm oil plantation companies to those certified by the Malaysian government (Malaysian Sustainable Palm Oil (MSPO) Certification Scheme).
- In Australia, we have clearly stated our policy of keeping credit balances to the coal and oil industries within a certain percentage of operating assets. Our policy is to reduce our credit balance to zero in thermal coal companies by 2030.

In our private equity investments in Greater China (Mainland China, Hong Kong, and Taiwan), we will support the promotion of ESG in our existing investees.

Contributing to Social Themes Through Our Business Activities

■ Reduction of credit balances with high environmental impact

Investments and lending that take ESG into account

Climate change / Reducing GHG emissions

In the Asia and Australia segment, as we proceed with the reduction of credit balances in industries with high environmental impact, we are considering what criteria will be used to determine whether industries are subject to reduction.

Few of our customers in Asia are listed companies, so we make credit decisions based on financial statements we receive from customers. Therefore, we believe it is necessary for both ORIX and its customers to make appropriate decisions by using qualitative data rather than relying solely on quantitative data. For example, we are considering how to incorporate third-party standards such as government certification into the selection of credit balances, based on the ratio of customers' sales to industries subject to reduction.

First, we are making standards that incorporate the situation and opinions on the ground in Asian countries.

■ Private equity investment that contributes to solving social issues

Investments and lending that take ESG into account

Climate change / Reducing GHG emissions

When making new investments, we make decisions based on the ORIX Sustainable Investing and Lending

Policy, while considering environmental and social impacts.

In our private equity investments in Greater China (Mainland China, Hong Kong, and Taiwan), we invest in companies engaged in businesses that contribute to solving social issues, such as Beijing Energy International Holdings Co., Ltd. (solar power generation business) and China Water Affairs Group Limited (wastewater treatment business, etc.). Also, in order to develop environment-related technologies owned by our business-partner Japanese companies in China, we are expanding the scope of activities unique to ORIX, such as supporting the establishment of joint ventures with local companies (e.g., establishment of a joint venture for manufacturing and sales of drinking water treatment facilities in China by Toray Industries, Inc., China Water Affairs Group, and ORIX Group).

ESG initiatives conducted by existing investee companies will also lead to improvements in corporate value, and ORIX intends to be actively involved as an investor in a position to support the growth of these investees. First, we will collect information on the environmental initiatives of investees, then provide ORIX's knowledge, such as by calculating CO₂ emissions data and formulating emissions reduction measures, then proceed with concrete details.



Policies and Principles

Core Principle 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 all aspects of our business.

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

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 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, comply 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 each business.
4. Provide and disclose information on matters required by environmental laws and regulations.

Addressing Climate Change

Confronting climate change is a key theme that must be addressed on a global scale. Ongoing global warming in the absence of effective countermeasures will cause drastic climate change that will significantly impact the global environment. Against this backdrop, carbon neutral initiatives to reduce GHG emissions to virtually zero have swiftly been gaining traction worldwide. ORIX is contributing to this effort by actively implementing initiatives to mitigate climate change-related risks and help transition to a decarbonized society, and has announced its support for the Task Force on Climate-related Financial Disclosures (TCFD)* in October 2020.

*The Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD) at the request of the G20. The task force considers how to manage climate-related information disclosure, as well as matters concerning financial institutions. TCFD published its final report in June 2017, encouraging companies and other entities to disclose climate change-related risks and opportunities.

Environment

Goals and Progress

Material Issues

- 1 Set GHG emissions reduction goals.
- 2 Continue to lead in renewable energy investment and production.
- 3 Quantify and reduce our climate change-related risks and continue to implement TCFD recommendations.
- 4 Continue to promote a circular economy and reduce and appropriately manage waste.
- 5 Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.
- 6 Work with our stakeholders to promote a healthier environment through goods and services that help mitigate adverse environmental impacts.

Key Goals

- For ORIX Group GHG (CO₂) emissions, (1) reduce emissions by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030, and (2) achieve net zero emissions by the end of the fiscal year ending March 31, 2050.
- For investment and credit balance in GHG (CO₂) emitting industries*, (1) reduce the balance by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030, and (2) achieve a zero balance by the end of the fiscal year ending March 31, 2040.

* Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Initiatives

- 1 With the aim of reaching our GHG (CO₂) emissions reduction goals, we will consider reducing emissions by switching fuels used at our two coal-biomass co-fired power plants, which accounted for more than 70% of our emissions in the fiscal year ended March 31, 2020. However, if it is deemed difficult to achieve a 50% reduction by the end of the fiscal year ending March 31, 2030, we are considering closing the facilities. As a result, we recorded an impairment of 19.6 billion JPY in the fiscal year ended March 31, 2022.
 - ▶▶▶ P. 40 GHG (CO₂) Emissions Reduction
- 2 The generation capacity of our renewable energy business as of March 31, 2022 is 3.3 GW. We expect to expand it to 7.0 GW* by March 31, 2025.
 - *1.0 GW of which is scheduled to be sold, so ORIX's holdings will be 6.0 GW.
 - ▶▶▶ P. 42 Promoting the Renewable Energy Business
- 3 In November 2021, we began disclosing information in line with the TCFD information disclosure framework, and conducted scenario analysis of our Environment and Energy, Real Estate and Auto businesses, which are particularly relevant to climate change. In 2022, we conducted further scenario analyses for the Aircraft and Ships, Finance (Japan/United States), and Life Insurance (asset management) businesses. Regarding Scope 3 (GHG emissions in the value chain), in addition to the Auto, Aircraft and Ships, and Real Estate

businesses which we disclosed last year, in 2022 we also roughly estimated the scale of emissions from the power generation and electric power retail business in the Environment and Energy segment, as well as emissions from investees and borrowers (Category 15).

- ▶▶▶ P. 33 Information Disclosure Based on TCFD Recommendations
- ▶▶▶ P. 39 Scope 3 Value Chain GHG Emissions and ORIX's Businesses

- 4 We are promoting a business that supports waste recycling and processing, as well as a business that facilitates the reuse, recycling, and proper processing of unwanted goods.
 - ▶▶▶ P. 44 Promoting the Circular Economy and Reducing Waste
- 5 Our local subsidiaries in the Asia and Australia segment are considering what standards to use when determining which industries to target for reducing their credit balance in industries that have a high environmental impact.
- 6 Each of our business segments strives to provide environmentally friendly products and services.
 - ▶▶▶ P. 17 Contributing to Social Themes Through Our Business Activities
 - ▶▶▶ [Contributing to Society through Our Business Activities](#)

Note: The content of "Goals and Progress" is the same as that on P. 8.

Information Disclosure Based on TCFD Recommendations

Information Disclosure Framework / Governance, Strategy, Risk Management, and Metrics and Goals

We disclose climate change-related information in line with the four TCFD pillars, as follows:

Governance

Board Oversight of Climate-related Risks and Opportunities

The Board of Directors provides leadership and guidance for ORIX Group's sustainability. It oversees climate-related risks and opportunities and determines ESG-related material issues and key goals.

At the Board of Directors meeting in 2022, we reported on the implementation of TCFD scenario analysis and calculation of Scope 3 emissions as Group-wide themes. In addition, we reported on the sustainability promotion policies of each business unit, the global trend towards more stringent regulations, and requests from business partners.

Execution Framework for Assessing and Managing Climate-related Risks and Opportunities

The Group CEO will chair the Sustainability Committee. Committee members include people in charge of segments most directly related to ESG, and other participants will attend as needed so the committee can flexibly accommodate an evolving agenda.

The committee will also call on external experts as necessary.

The Sustainability Committee will discuss specific measures to achieve goals as well as conflicts arising between short-term earnings and long-term growth. It will also hold discussions on measures to reduce climate change risk based on TCFD recommendations, share information on developments in Japan and internationally that are relevant to sustainability, and discuss matters to report to the Board of Directors.

Please refer to page 14 for the status of initiatives by the Sustainability Committee in 2022, and to pages 17 to 30 for the status of initiatives in each business unit.

Strategy

Climate-related Risks and Opportunities the Organization Has Identified

Climate-related risks and opportunities include physical risks and opportunities brought about by the increase in natural disasters associated with climate change. They also include transition risks and opportunities associated with the transition to a decarbonized society resulting from more stringent climate-related regulations and changes in corporate and consumer preferences.

We expect the following will materially impact ORIX Group:

- **Physical Risks and Opportunities**

ORIX is exposed to physical risks including higher costs due to business suspension and preventive measures or repairs for damage to operating facilities and offices, higher operating and construction expenses resulting from higher temperatures, higher credit costs from damage to customers, and loss of asset value from damage to investees.

- **Transition Risks and Opportunities**

ORIX is exposed to transition risks including business suspension, loss of asset value, stranded assets due to more stringent regulations, higher costs associated with carbon emissions, higher credit costs due to deterioration in customer performance, and decreased corporate value of high GHG-emission investees. Associated opportunities include increasing demand for renewable energy.

Scenario Analysis

In addition to the Environment and Energy, Real Estate, and Auto businesses, which we disclosed last year, we also conducted scenario analyses for the Aircraft and Ships, Finance (Japan/United States), and Life Insurance (asset management) businesses. Also, we replaced the assumptions in the transition risk analysis from a scenario of 2°C or lower to a scenario of 1.5°C.

Please refer to page 34 for scenario analysis assumptions and pages 35 to 38 for analysis results.

Risk Management

The Investor Relations and Sustainability Department has started discussions with the Credit and Investment Management Headquarters on establishing a climate-related risk management framework.

Metrics and Goals

Metrics and Goals Used to Assess and Manage Relevant Climate-related Risks and Opportunities

ORIX identified the following four key goals related to climate:

- Reduce ORIX Group GHG (CO₂) emissions by 50% by the fiscal year ending March 31, 2030 compared to the fiscal year ended March 31, 2020.
- Reduce ORIX Group GHG (CO₂) emissions to net zero by the fiscal year ending March 31, 2050.
- Reduce investment in and lending to industries* that emit GHG (CO₂) by 50% by the fiscal year ending March 31, 2030 compared to the fiscal year ended March 31, 2020.
- Reduce investment in and lending to industries* that emit GHG (CO₂) to zero by the fiscal year ending March 31, 2040.

* Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Please refer to pages 40–41 for GHG (CO₂) Emissions Reduction.

Scope 1, 2 and 3 GHG Emissions

Please refer to page 46 for Scope 1 and 2 GHG emissions.

Please refer to page 39 for Scope 3 GHG emissions.

ORIX Group companies Robeco and ORIX Asset Management also disclose information as per TCFD recommendations. Please refer to their respective reports for further details:

▶▶▶ [Robeco](#)

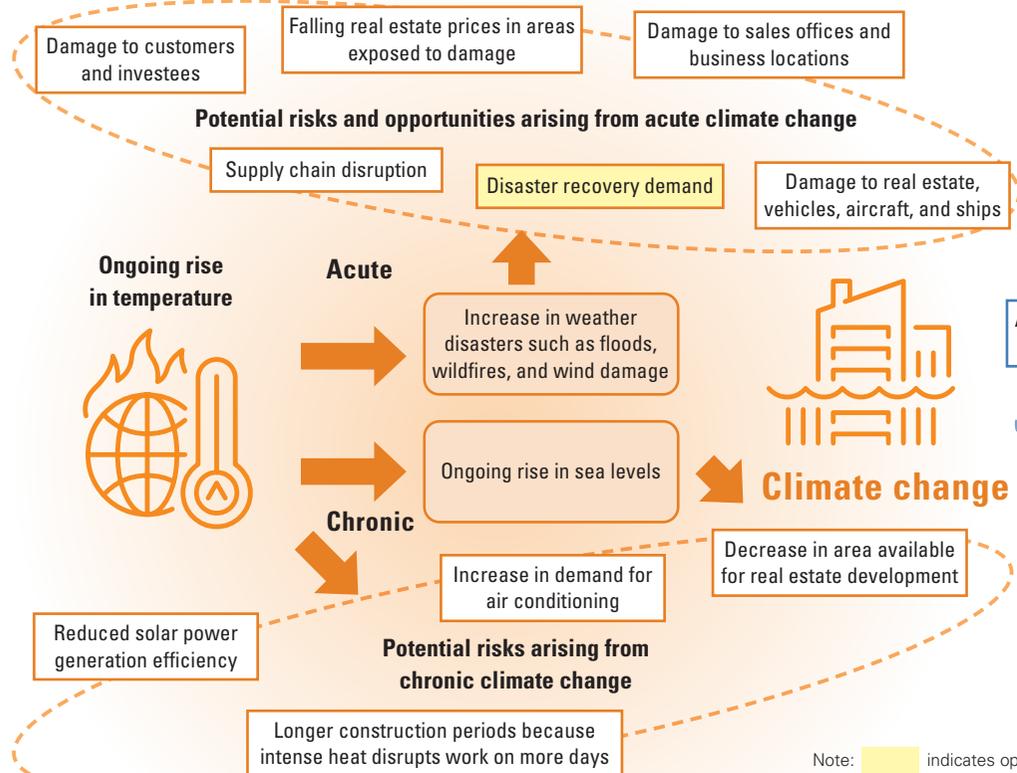
▶▶▶ [ORIX Asset Management](#)

Information Disclosure Based on TCFD Recommendations

Strategy and Scenario Analysis—Assumptions

4°C Scenario

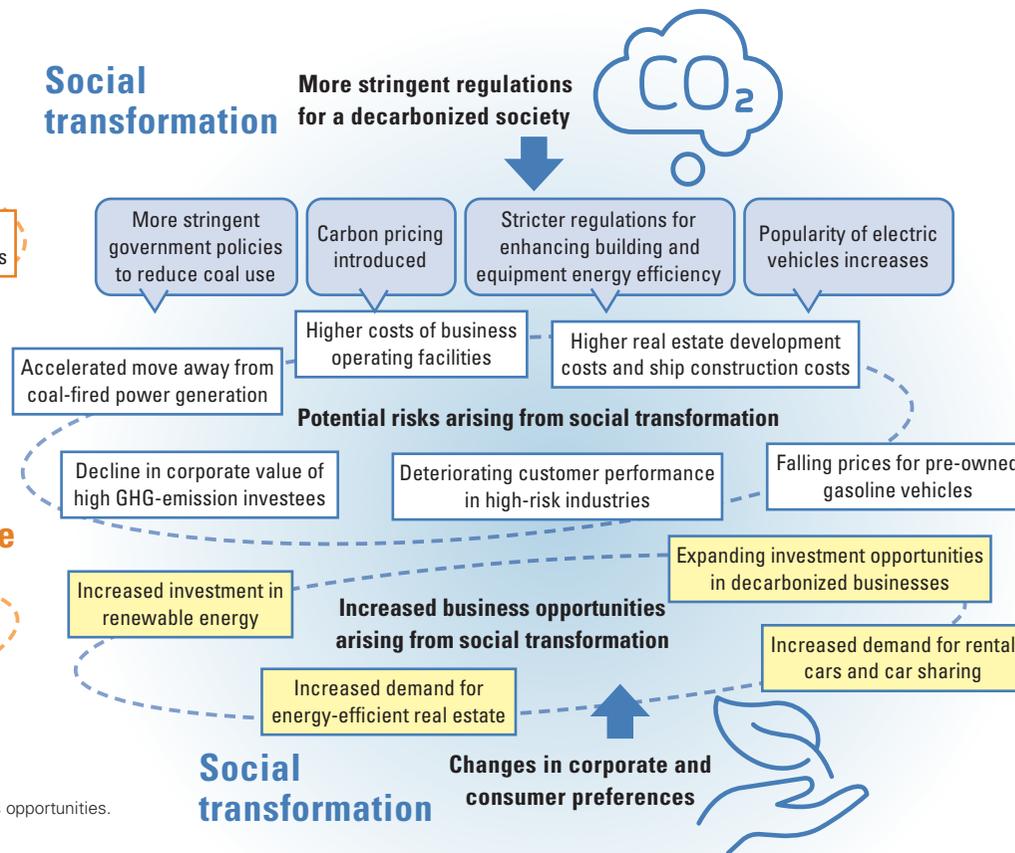
The average global temperature at the end of the 21st century is about 4°C higher than pre-industrial levels. Government policies of each country in addition to corporate and consumer preferences remain the same. For example, coal use continues, renewable power generation gains limited traction, carbon pricing is not introduced, demand for energy-saving real estate remains limited, electric vehicles do not become widespread, and the shift away from ownership-based vehicle usage stalls. The physical effects of climate change become apparent and can be felt directly.



Reference scenarios: Transitional: Stated Policies Scenario (STEPS)*1 (IEA WEO 2021), Physical: RCP*28.5 (IPCC AR5)

1.5°C Scenario

The average global temperature increase at the end of this century can be kept at 1.5°C compared to pre-industrial levels. Aggressive government decarbonization policies move forward, corporate and consumer tastes change, and society shifts. There will be no significant change from the current physical impact of climate change.



Reference scenarios: Transitional: Net Zero Emissions by 2050 (NZE)*1, (IEA WEO 2020), Physical: RCP*22.6 (IPCC AR5)

*1 A scenario presented in World Energy Outlook 2021 published by the International Energy Agency (IEA) in 2021.

*2 Representative concentration pathways. Models for estimating temperature rise presented in the Intergovernmental Panel on Climate Change Fifth Assessment Report (IPCC AR5). The models suggests that a larger RCP value will result in a greater rise in temperature.

Information Disclosure Based on TCFD Recommendations

Strategy and Scenario Analysis

Environment and Energy Business: We expect the 4°C scenario to reduce sales and incur recovery costs due to flood damage at power plants. Meanwhile, we expect the 1.5°C scenario to increase business opportunities from the expansion of the renewable energy market, although there is substantial risk of an accelerated move away from our coal-fired power plant assets and higher costs from the introduction of carbon pricing.

	Society	Risks and Opportunities	Financial Impact	Countermeasures and Assessment	
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency	Acute Flooding increases	Risk Flood damage to operating facilities such as power plants	Coal-biomass co-fired power plants and solar power plants Repair costs and loss of power sales opportunities	ORIX expects a relatively large impact, but can proactively mitigate that impact through rapid recovery measures based on in-house operation and maintenance* ¹
		Chronic Temperature increases	Risk Decrease in power generation efficiency due to higher temperatures	Solar power plants Lower sales due to reduced power generation	Minor impact
1.5°C Scenario	More stringent regulations in Japan and internationally to decarbonize society	More stringent government policies to reduce coal use	Risk Accelerated move away from coal-fired power generation	Coal-biomass co-fired power plants Incur costs for closure or facility renovation due to fuel conversion	ORIX is considering fuel conversion; such measures and other issues may incur commensurate costs
		Introduction of carbon pricing	Risk Higher costs due to carbon pricing	Coal-biomass co-fired power plants, waste processing facilities, and final disposal sites Rising costs	Impact depends on ability to pass on higher costs into the selling price
	Corporations increasingly invest in and adopt renewable energy in response to investor and consumer pressure	Expansion of the renewable energy market and renewable power generation	Opportunity Increased business prospects resulting from the expansion of the renewable energy market	Expansion of renewable energy business (PPA* ² , biogas, geothermal, and wind power generation, storage batteries, etc.)	—
	Risk Increased output constraints* ³ resulting from system capacity limitations		Solar power plants Reduced revenue from electric power sales due to output constraints* ³	Online power control* ³ to reduce opportunity loss can mitigate impact	
	Risk Increased use of inherently unstable renewable power generation could result in temporary tighter supply and demand		Electric power retailing Unstable wholesale market prices	Power plant ownership potentially mitigates impact	

*1 Power plant-related operation, inspection, and maintenance to avert damage.

*2 PPA (Power Purchase Agreement): a third-party service delivery model in which ORIX installs solar power generation infrastructure and storage batteries in facilities such as stores owned by customers, and supplies the power generated by the facilities to those customers.

*3 Electric power companies temporarily restrict the connection from the power generation facility to the power grid to avoid oversupply when power demand is low - power sales are not possible during controlled output suppression.

The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.

Information Disclosure Based on TCFD Recommendations / Strategy and Scenario Analysis

Real Estate Business: We expect the 4°C scenario to expose some hotels and inns to flooding risk. Meanwhile, although costs may increase as a result of carbon pricing, we expect the 1.5°C scenario to increase the value of energy-efficient real estate.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency	Acute Flooding increases	Risk Flood damage to operating facilities	Hotel and inn operation Repair costs and loss of sales opportunities	Business continuity planning (BCP) can mitigate impact by minimizing damage
		Chronic Temperature increases	Risk Increased demand for air conditioning at operating facilities	Hotel and inn operation Real estate investment and development Increased air conditioning costs	Minor impact due to renovation with highly efficient air conditioning and rent increases
			Risk Longer construction periods due to work interruptions resulting from intense heat on a larger number of days	Condominiums Real estate investment and development Higher construction costs due to longer construction periods	Minor impact due to the use of low-heat concrete that can be poured on days of intense heat
1.5°C Scenario	More stringent regulations in Japan and internationally to decarbonize society	Introduction of carbon pricing	Risk Higher costs due to carbon pricing	Condominiums Real estate investment and development Higher construction material costs	Minor impact due to higher sales prices and rent
	Demand for environmentally responsible real estate will increase, and companies will respond accordingly	Increased demand for energy- and CO ₂ -efficient real estate	Opportunity The value of real estate certified as energy-efficient and decarbonized housing will increase	Hotel and inn operation Higher utility costs	Minor impact due to replacement with highly efficient air conditioning equipment during renovation
				Condominiums Real estate investment and development Increased unit rent, higher sales prices, and increased property sales	Develop environmentally certified properties and make other investments to decarbonize

Auto Business: We expect the 4°C scenario to increase earnings by increasing disaster recovery demand. Meanwhile, we expect a limited impact from the 1.5°C scenario, although our conventional businesses are exposed to the risk of contraction due to the growing popularity of electric vehicles. We expect the rental car and car sharing businesses to present opportunities for expansion.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency	Acute Flooding increases	Risk Damage to ORIX offices	Damage to large auction venues; water damage to vehicles owned by ORIX	Minor impact because auction venues are decentralized
			Opportunity Disaster recovery demand	Higher earnings due to increased demand for vehicles resulting from reconstruction	Meet supply obligations by ensuring sufficient inventory
1.5°C Scenario	More stringent regulations and government policies in Japan and internationally to decarbonize society	Electric vehicle adoption accelerates	Risk Reduced opportunities for maintenance and fueling due to the popularity of electric vehicles	Reduced maintenance revenue and AMS Card* demand	Adding an electric vehicle charging function to the existing AMS Card will largely mitigate impact
			Risk Falling prices for pre-owned gasoline vehicles	Reduced auto sales revenue	Specifying appropriate residual values will largely mitigate impact
	Consumer preferences change due to heightened environmental awareness	Accelerated shift away from ownership-based vehicle usage	Opportunity Increased demand for car rentals and sharing	Expansion of the car rental and sharing businesses due to the rise of the sharing economy	—

* A fuel card that offers the same price at ENEOS, cosmo, Shell, and apollostation service stations.

The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.

Information Disclosure Based on TCFD Recommendations / Strategy and Scenario Analysis

Aircraft Business: We expect the 4°C scenario to have an impact on leased aircraft due to weather disasters, although the impact is expected to be limited. Meanwhile, although customer costs are expected to increase due to factors such as carbon pricing in the 1.5°C scenario, the impact is expected to be minor. Demand for high-efficiency aircraft is likely to increase.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		Risks Aircraft damage from weather disasters	Customer repair costs and loss of sales opportunities	Aircraft can be moved, so the risk of damage is limited
1.5°C Scenario	More stringent regulations in Japan and internationally to decarbonize society	Introduction of carbon pricing and increased use of SAF* ¹	Risk Increased fuel costs due to carbon pricing/SAF	Increased customer fuel costs	Minimal impact on customers because fuel costs can be added to passenger fares
			Opportunity Increase in aircraft value of high-efficiency aircraft	Expansion of new business	—

Ships Business: We expect the 4°C scenario to have an impact on ships due to weather disasters, although the impact is expected to be minor. Also, construction costs are anticipated to increase in the 1.5°C scenario due to stricter environmental regulations, but the impact is expected to be limited.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		Risk Ships getting damaged by weather disasters	Repair costs and loss of opportunities for charter fees	Minor impact because it is expected to remain within the range of market price fluctuations
1.5°C Scenario	More stringent regulations in Japan and internationally to decarbonize society	More stringent environmental regulations	Risk Rise in ship purchase price to comply with regulations	Increased construction costs	Limited impact as it can be passed on to charter fees
			Opportunity Increased demand for ships compatible with new fuels* ²	Expansion of investment opportunities	Not clear which new fuel will become mainstream at the current stage

*1 SAF: Sustainable aviation fuel. Aviation fuel that does not use fossil-derived raw materials and has a lower environmental impact than conventional aviation fuel.

*2 New fuels: Ships are being converted to LNG-fueled ships and zero-emission ships that use hydrogen, ammonia, etc. Zero-emission ships have not yet been put into practical use.

The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.

Information Disclosure Based on TCFD Recommendations / Strategy and Scenario Analysis

Finance Business (Japan/United States): We expect the 4°C scenario to expose properties used as collateral, customer offices, and others to risk of damage due to weather disasters, but the impact is expected to be minor. Although customer costs are anticipated to increase in the 1.5°C scenario due to factors such as carbon pricing, the impact is expected to be minor.

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		Risk Damage to real estate used as collateral and assets owned by the Group (offices, leased assets, etc.)	Increased credit costs due to damage to real estate used as collateral and owned assets	As a result of trial calculations, the anticipated amount of losses to real estate with disaster risk used as collateral and the anticipated amount of damage to customers are minor, and the increase in credit costs is negligible
			Risk Damage to customers' offices	Increased credit costs due to business suspension of customers and increased repair costs	
1.5°C Scenario	More stringent regulations in Japan and internationally to decarbonize society	Introduction of carbon pricing and shift to environmentally friendly products and services	Risk Increased customer operating costs due to carbon pricing	Increased credit costs due to deterioration in customer performance	Investing in and lending to carbon-related industries are limited, and the impact is minor
			Opportunity Expanded investing and lending opportunities for renewable energy businesses	Increase in new investing and lending transactions	

Life Insurance Business (Asset Management Division): We expect the 4°C scenario to reduce the corporate value of investees and borrowers that are vulnerable to natural disasters, but the impact is expected to be minor. As the corporate value of investees and borrowers with high GHG emissions is expected to decline in the 1.5°C scenario, we will promote reductions in Scope 3 (emissions from investees and borrowers).

	Society		Risks and Opportunities	Financial Impact	Countermeasures and Assessment
4°C Scenario	Climate change accelerates; disasters increase in scale and frequency		Risk Decline in corporate value of investees and borrowers vulnerable to natural disasters	Loss of investment income	Investees and borrowers are diversified, so the impact is minor
1.5°C Scenario	More stringent regulations in Japan and internationally to decarbonize society	Introduction of carbon pricing and shift to environmentally friendly products and services	Risk Decline in corporate value of investees and borrowers with high GHG emissions	Loss of investment income	Promote reduction of Scope 3 (emissions from investees and borrowers) <ul style="list-style-type: none"> Promote investing in and lending to businesses and companies that contribute to the transition to a decarbonized society Engagement with existing investees and borrowers, and replacement of investees and borrowers
			Opportunity Expanded investing and lending opportunities for renewable energy businesses	Expansion of investment income	

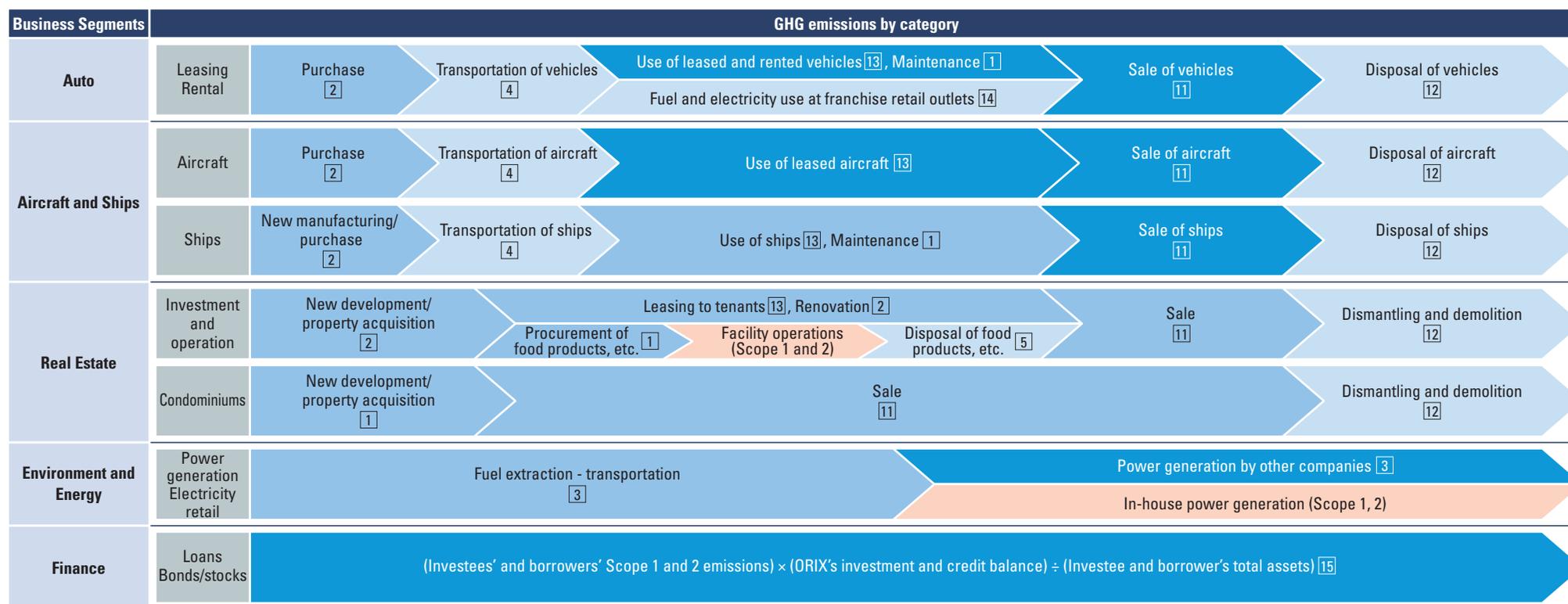
The assessment of each risk and opportunity is premised on implementing the above measures. ORIX has not yet decided to implement any countermeasures.

Information Disclosure Based on TCFD Recommendations

Scope 3 Value Chain GHG Emissions and ORIX’s Businesses

Companies must identify and reduce their GHG emissions to support the transition to a decarbonized society; however, corporate value chains include SMEs that have trouble identifying their GHG emissions. Therefore, SMEs must often rely on large corporations and government agencies for information; yet, methods of engagement and communication can be limited. The concept of the Scope 3 Standard is to fill this information gap and create a pathway to facilitate engagement and dialogue. ORIX is a global, publicly listed company and we recognize that we are in a position to fill this information gap and also encourage and aid companies in our sphere of influence to meet societal expectations for reduced emissions.

In this Sustainability Report, in addition to our Auto, Aircraft and Ships, and Real Estate businesses disclosed last year, we also cover GHG emissions from the power generation and electricity retail business in the Environment and Energy segment as well as from investees and borrowers (Category 15) by applying the GHG Protocol’s Scope 3 Standard* in estimating such emissions.



(Note 1) Emissions: ▶ Large: 500,000 to 3,000,000 tons ▶ Medium: 10,000 to 500,000 tons ▶ Small: Less than 10,000 tons

(Note 2) Calculation period: Emissions from business activities for the fiscal year ended March 31, 2022 are estimated in accordance with the GHG Protocol.

(Note 3) Numbers in the table indicate Scope 3 categories.

*The ORIX Group’s GHG emissions associated with the use of fuel and electricity are direct Scope 1 emissions and indirect Scope 2 emissions. Indirect emissions not included in Scope 1 and Scope 2 emissions are Scope 3 emissions that occur in the value chain of the reporting company. The GHG Protocol is an organization co-sponsored by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Issued by the GHG Protocol in November 2011, the Scope 3 Standard outlines requirements and guidance for companies to prepare and publicly report a GHG emissions inventory that includes indirect emissions resulting from value chain activities. Scope 3 emissions are classified into 15 activity-based categories.

GHG (CO₂) Emissions Reduction

GHG (CO₂) Emissions Reduction Goals

ORIX has set GHG (CO₂) emissions reduction goals as follows:

- (1) Reduce GHG (CO₂) emissions by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030.
- (2) Achieve net zero GHG (CO₂) emissions by the end of the fiscal year ending March 31, 2050.

ORIX Group GHG (CO₂) Emissions (Baseline Emissions) in the Fiscal Year Ended March 31, 2020*1

(Unit: Thousand tons CO₂e)

	Emissions	(Scope 1)	(Scope 2)
Environment and Energy Segment	1,089	1,069	20
- Two coal-biomass co-fired power plants	941	939	1
- Waste processing facilities	93	85	8
Real Estate Segment	85	19	66
- Operating facilities	60	16	44
Total of other segments	93	18	74
- PE Investment segment	52	14	38
Total	1,266	1,107	158

*1 From the calculation of ORIX Group GHG emissions for the fiscal year ended March 31, 2021. The calculation includes emissions from overseas subsidiaries and investees. We also reviewed the method for calculating GHG emissions from treatment of waste plastics at our waste incineration facility in Yorii Town, Saitama Prefecture. The resulting figures represent ORIX Group GHG baseline emissions for the fiscal year ended March 31, 2020.

ORIX Group GHG baseline emissions: 1,266 thousand tons CO₂e
(Scope 1 emissions: 1,107 thousand tons CO₂e; Scope 2 emissions: 158 thousand tons CO₂e)

GHG (CO₂) emissions in the fiscal year ended March 31, 2020 were 1,266 thousand tons. The largest part of emissions were from the two coal-biomass co-fired power plants operated by the Environment and Energy Segment

accounting for 941 thousand tons, followed by 93 thousand tons from our waste processing facilities. The Real Estate Segment emitted 85 thousand tons, mainly from operating facilities. Of the emissions from the PE Investment Segment, 51 thousand tons were from consolidated investees in our PE investment business.

GHG (CO₂) Emissions

The total Scope 1 and Scope 2 emissions in the fiscal year ended March 31, 2022 were 1,197 thousand tons. Compared to the baseline emissions, this was a decrease of 69 thousand tons. Emissions from the two coal-biomass co-fired power plants amounted to 844 thousand tons, accounting for 70.5% of the total.

ORIX Group GHG (CO₂) Emissions

(Unit: Thousand tons CO₂e)

	FY ended March 31, 2020 (Baseline Emissions)	FY ended March 31, 2022
Scope 1	1,107	1,045
Scope 2	158	152
Total	1,266	1,197

▶▶▶ P.46 ORIX Group's GHG Emissions

Initiatives to Reduce Emissions

• Environment and Energy Segment: Coal-biomass co-fired power plants*2

Our Environment and Energy Segment operates two coal-biomass co-fired power plants as in-house power sources to provide power to corporate customers as a power producer and supplier. Currently, we are working to reduce CO₂ emissions compared to coal-fired power plants of the same class by using approximately 35% biomass fuel for co-firing.

In the future, we will consider ways to reduce emissions including refitting equipment to move to pure biomass combustion and switching to next-generation fuels such as hydrogen and ammonia. However, if it is deemed difficult to achieve a 50% reduction by the end of the fiscal year ending March 31, 2030, we are considering closing the facilities. As a result, we recorded an impairment of 19.6 billion JPY in the fiscal year ended March 31, 2022.

*2 Soma Coal-Biomass Power Plant (Soma City, Fukushima Prefecture, started operation in April 2018, with generation capacity of 112 MW), Hibikinada Coal-Biomass Power Plant (Kitakyushu City, Fukuoka Prefecture, started operation in December 2018, with generation capacity of 112 MW).

GHG (CO₂) Emissions Reduction

• Environment and Energy Segment / Waste Processing Facility*

The Environment and Energy Segment's waste processing facility gasifies and melts municipal waste and industrial waste that it receives under contract from waste producers, achieving a high recycling rate. Also, they operate under strict environmental regulations for exhaust gas volume.

ORIX properly disposes of waste as a third-party waste treatment provider. As such, we report GHG (CO₂) emissions from incineration in our own emissions inventory according to the GHG Protocol, an international set of rules for calculating and reporting GHG (CO₂) emissions. We will consider the use of CO₂ capture equipment and other technologies, while paying close attention to discussions about the revision of international GHG calculation and reporting rules, as well as to discussions and trends relevant to the formulation of the carbon pricing rules being advocated by the Japanese government.

* ORIX Environmental Resources Management, Yorii Waste Incineration Facility (Yorii Town, Saitama Prefecture, started operations in June 2006, capable of processing 450 tons of waste per day)

• Real Estate Segment

We have formulated a plan to make gradual reductions toward a 50% emissions reduction goal by the fiscal year ending March 31, 2030.

Our main reduction initiatives are as follows:

- (1) Make equipment upgrades ahead of schedule at properties we own or operate, and introduce energy-saving equipment, etc. (for properties where we have the authority to renovate facilities)
- (2) Adopt renewable energy at properties we own or operate (install solar panels in logistics facilities developed by ORIX Real Estate, and use renewable energy in those facilities, but if surplus power is generated, supply the environmental value of surplus power to other properties such as office buildings and lodging facilities)
- (3) Use non-fossil certified renewable energy (appropriate for emissions based on electricity usage, which is difficult to reduce in (1) and (2) above) and purchase J-credits (appropriate for emissions based on usage other than electricity)

• PE Investment Segment /

Consolidated Investees in our PE Investment Business

In the PE Investment business, we have calculated the CO₂ emissions of 17 consolidated investees, and have started considering measures to reduce emissions. Among these, we are considering specific reduction plans for the three companies that account for the majority of emissions. The main initiatives under consideration are as follows:

- Purchase of electricity derived from renewable energy
- Installing solar panels on the roofs of our facilities
- Transitioning to energy-saving equipment, etc.
- Change to LED lighting
- Replace sales vehicles with hybrid electric vehicles

Promoting the Renewable Energy Business

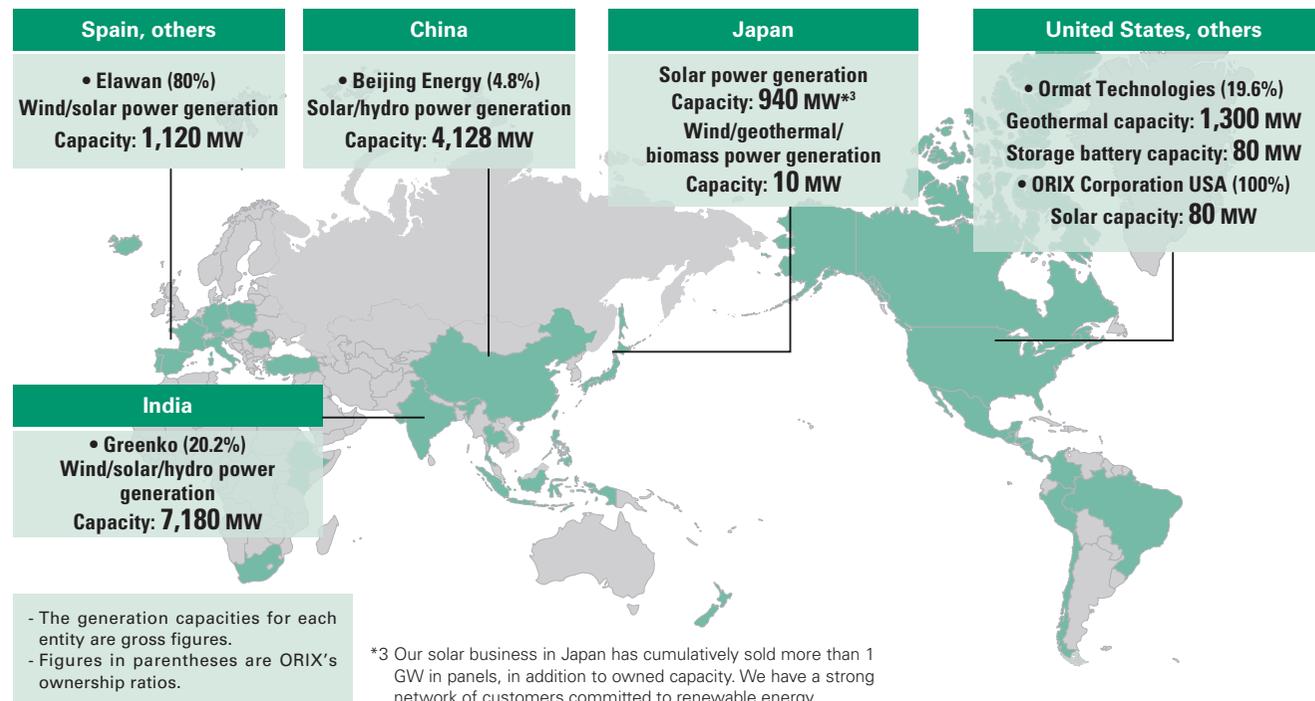
Initiatives for Renewable Energy through our Power Generation Business

ORIX operates power generation businesses around the world as a global renewable energy company. As of March 31, 2022, our generation capacity of power plants in operation around the world, including Japan, was 3.3 GW*1. Elawan and Greenko lead business growth, with Elawan having 9 GW*2 (80% share) and Greenko having 18 GW*2 (20% share) of generation capacity, including pipeline. As of March 2025, we expect to expand our generation capacity of power plants in operation to 6 GW*1 (7 GW*1 before considering sale).

Also, in Japan, we are promoting broader adoption of renewable energy through our business of operation, management, and maintenance of power plants that use renewable energy, the energy storage plant business, and the introduction of a third-party ownership model for solar power generation systems.

*1 Net figures that take into account the Company's ownership ratio. If the individual project is a joint venture, we also consider the investment ratio.
 *2 Gross figures before taking into account the Company's ownership ratio.

Global Expansion of Renewable Energy Business (as of March 31, 2022)



• Renewable Energy Business

▶ Elawan Energy S.L. (Elawan)

Elawan, our global renewable energy company headquartered in Spain, develops and operates wind and solar power plants in 11 countries, including Spain and elsewhere in Europe, North America, and South America. Elawan's strengths are in its expertise and functions for integrated handling of development to operation in countries around the world, and we have positioned it as a strategic platform to expand ORIX's renewable energy business globally in the future.

▶ Greenko Energy Holdings (Greenko)

Greenko is one of India's major renewable energy companies, and it operates solar, wind, and hydro power facilities in the country. Greenko is distinguished by its IREP*4 business, which combines renewable energy sources such as solar and wind power with pumped storage hydropower generation, in order to supply power derived from renewable energy at the same cost as thermal power plants without being affected by the weather.

*4 Acronym for "Integrated Renewable Energy Project": A business in which renewable energy sources such as solar power and wind power are combined with energy storage equipment, so power can be supplied according to demand, in the same way as thermal power generation. Specifically, a portion of the power generated by solar or wind power is stored, then the stored power is discharged to cover for shortages when the output fluctuates or when power is not generated due to weather or other factors.

Promoting the Renewable Energy Business

• Business of Operation, Management, and Maintenance of Power Plants that Use Renewable Energy

ORIX Renewable Energy Management (OREM) operates and manages 84 power plants nationwide with a total power generation capacity of 432 MW (as of March 31, 2022).

OREM uses knowledge cultivated by ORIX in the renewable energy power generation business to carry out maintenance and inspection work that prevents risks at power plants and ensures that normal operation continues. In the event of a failure, OREM reduces power generation loss and minimizes downtime by quickly responding for recovery. We are also working to maximize the amount of power generated through visualization of our power generation status through remote monitoring and data analysis.

• Energy Storage Plant Business

We are promoting the development of energy storage plants*¹ where large storage batteries are installed on the scale of a power plant. Rather than doing conventional installation of batteries in individual homes, commercial facilities, factories, or the like, these batteries can be connected directly to the power grid. They contribute to stabilizing the power grid by charging up when there is a surplus of electricity and discharging when there is a shortage of electricity. In order to further expand the adoption of renewable energy, it is necessary to secure this “flexibility” that stabilizes the power grid, so energy storage plants are expected to become more important in

the future.

In July 2022, we established Kinokawa Energy Storage LLC jointly with Kansai Electric Power Co., Ltd. Construction of the energy storage plant began in August 2022 on the premises of Kansai Transmission and Distribution, Inc.'s Kinokawa Substation (Kinokawa City, Wakayama Prefecture). The goal is to build a large grid storage battery with a rated output of 48 MW and a rated capacity of 113 MWh*², and start operations in 2024.

*1 Invested jointly with Kansai Electric Power Co., Ltd. in the Ministry of Economy, Trade and Industry's (METI) “FY2021 Project to Support the Introduction of Grid Storage Batteries for Accelerating the Introduction of Supplementary Renewable Energy (Executive body: Sustainable Open Innovation Initiative)”.

*2 Rated output refers to the size of instantaneous output, and rated capacity refers to the duration power is discharged. The rated capacity in this case is equivalent to the daily usage of about 13,000 ordinary households when charging and discharging one cycle per day.

• Third-party Ownership Model for Solar Power Generation Systems (PPA*³ model)

To meet increasing demand from corporations for captive consumption of renewable energy, we are promoting the nationwide rollout of the third-party ownership model for solar power generation systems. Under this business model, a third party is loaned the site or rooftop of the power user, installs a solar power generation system, and supplies the generated power directly to the customer (user). ORIX installs solar power generating equipment and storage batteries on customer-owned facilities, and supplies the energy generated by this equipment to the customer. Customers pay ORIX fees according to the amount of electricity they consume. For customers, this

initiative enables them to reduce CO₂ emissions and curb electricity costs without the burden of initial investment.

*3 Acronym for “Power Purchase Agreement”

CO₂ Avoided Emissions

CO₂ avoided emissions at our renewable energy businesses totaled approximately 4.3 million t-CO₂ for the fiscal year ended March 31, 2022. The year-on-year increase was more than 1.0 million t-CO₂. The reason for the year-on-year increase was the contribution of Greenko, of which we acquired shares in the fiscal year ended March 31, 2021, and Elawan, which we acquired in the fiscal year ended March 31, 2022.

Breakdown by country, region, and generation type is as follows.

CO₂ Avoided Emissions through the Renewable Energy Business

(Unit: Thousand tons CO₂)

	Wind Power	Solar Power	Geothermal Power	Hydro Power	Biomass	Total
India	1,289	641	0	364	0	2,294
Japan	0	424	0	0	254	678
U.S.A.	176	42	381	0	0	599
China	5	142	0	0	0	147
Others	200	48	259	64	0	571
Total	1,670	1,297	640	428	254	4,289

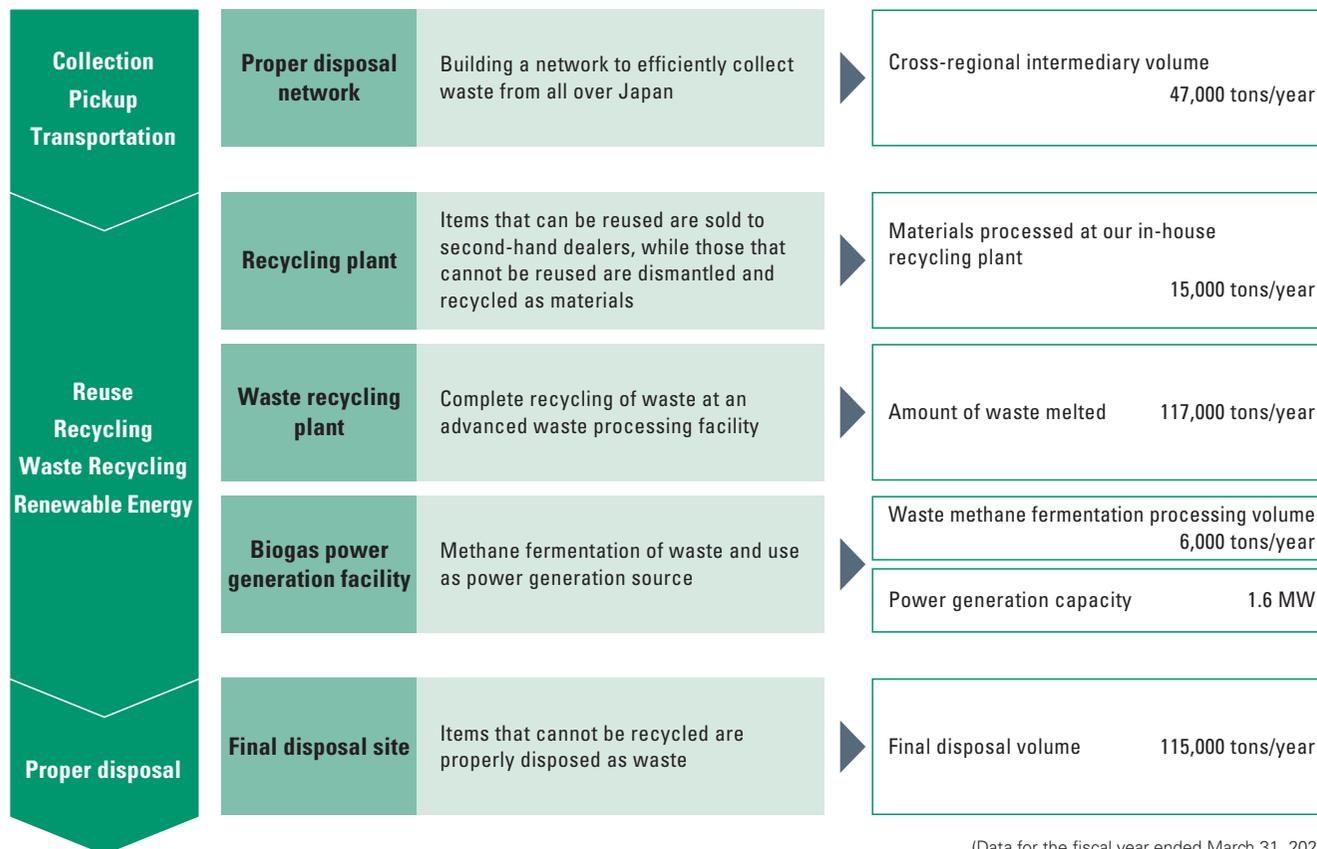
▶▶▶ P. 47 CO₂ Avoided Emissions through the Renewable Energy Business

Promoting the Circular Economy and Reducing Waste

ORIX is working to promote the circular economy and reduce waste through various businesses.

Environment and Energy Business

We are promoting a business that supports waste recycling and processing, as well as a business that facilitates the reuse, recycling, and proper disposal of unwanted goods.



(Data for the fiscal year ended March 31, 2022)



Waste Recycling Plant (ORIX Environmental Resources Management, Yorii Waste Incineration Facility)



Biogas Power Generation Facility (ORIX Environmental Resources Management, Yorii Biogas Plant)

▶▶▶ Please refer to [Environment and Energy's Contributing to Society through Our Business Activities page](#) for details on each business.

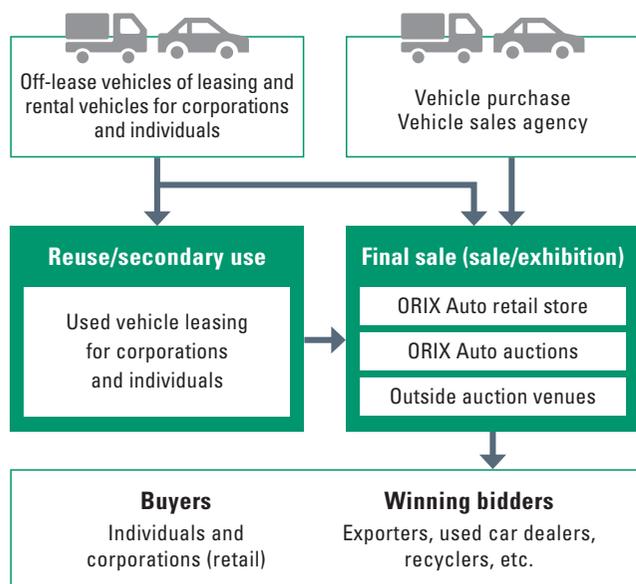
Promoting the Circular Economy and Reducing Waste

Auto Business

ORIX Auto leverages its expertise in vehicles in businesses that utilize second-hand vehicles.

We are also involved in the distribution of used vehicles through the purchase of vehicles from corporate and individual customers and through vehicle sales agency services, in addition to the vehicles that we have provided through the leasing and rental car businesses. Among them, our lease and rental vehicles are high-quality used vehicles which we maintain and inspect regularly. All used vehicles undergo rigorous inspections, and only the vehicles that meet our standards are offered for lease or sale at retail stores.

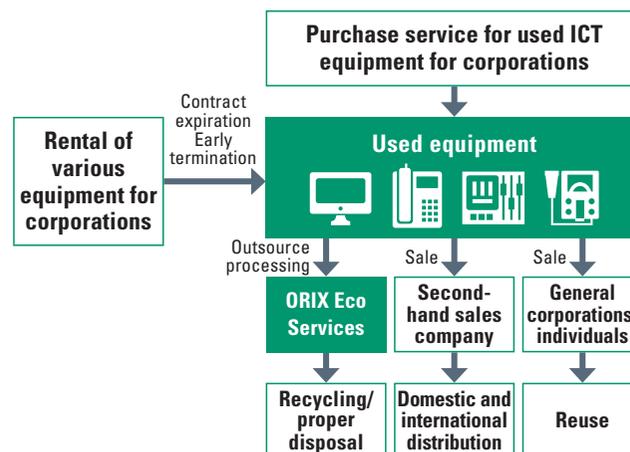
We hold auctions for other used vehicles at our own bidding venues nationwide and sell them to other companies. Vehicles that we cannot resell are dismantled and recycled as parts.



Rental Business

ORIX Rentec does thorough quality control, such as performing the same operation checks and precision checks as for rental products, to maintain second-hand goods resulting from expiration or cancellation of rental contracts, including PCs, servers, measuring instruments, and analytical instruments. In addition to selling these products directly to corporate and individual customers at reasonable prices, we also hold regular auctions and sell to second-hand sales companies through our website.

We also provide asset purchase services for ICT equipment, including PCs and servers owned by customers. Using the know-how that we have acquired through our rental business, we appraise and purchase idle assets that arise such as when replacing equipment or relocating offices, in order to help customers reduce the time and cost involved in disposing of such products. Purchased equipment that can be reused is resold to second-hand dealers. For equipment that is difficult to resell, we outsource processing to Group company ORIX Eco Services and recycle or properly dispose of said equipment.



Real Estate Business

ORIX Hotel Management has put up posters and other signage aimed at raising awareness of food waste reduction at 14 of its lodging facilities that have restaurants and other dining facilities. In order to reduce food loss, we procure ingredients without waste, provide a volume of food matching the amount required when serving buffets, and promote the recycling of discarded food with the aim of achieving a recycling rate of 50%* by the fiscal year ending March 31, 2025.

Since 2019, ORIX Aquarium has stopped using plastic straws in its café on its premises and uses paper straws instead. We are gradually adopting environmentally friendly materials, such as switching from plastic bags to paper bags at our shops and from plastic cups to paper cups at our cafés. Furthermore, in order to reduce food waste at our cafés, we are striving to realize lean ingredient procurement and cooking methods.

* Targets for implementation rate of recycling, etc. from “Basic Policy on Promoting Recycling, etc. of Recyclable Food Resources” based on the Food Waste Recycling Act announced on July 12, 2019. (Reference: Ministry of Agriculture, Forestry and Fisheries)



Food waste reduction education signage (image)

Environmental Performance Data

▶ ORIX Group's GHG Emissions

(Unit: t-CO₂e)

	FY ended March 31, 2018	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2021	FY ended March 31, 2022
Scope 1	235,249	907,345	1,138,566	987,771	★ 1,044,892
Scope 2	157,463	146,469	112,444	151,055	★ 151,980
Scope 1 & 2 Total	392,711	1,053,814	1,251,010	1,138,826	★ 1,196,872

■ Scope 1 (Direct GHG emissions occurring from sources that are owned or controlled by the company (fuel consumption, industrial processes))

Combustion of fuels including fuel oil, diesel, gasoline, city gas, coal, biomass, and waste, use of limestone for desulfurization treatment

■ Scope 2 (Indirect GHG emissions from purchased energy consumed by the company (electricity use, heat, and steam))

Electricity use and heat (steam, cold water, warm water)

Scope and Method

[Calculation Period]

From April 1 to March 31 each fiscal year

[Calculation Scope]

Through FY ended March 31, 2020: Consolidated ORIX Group companies in Japan (excluding investees in our PE Investment business)
FY ended March 31, 2021 onwards: Consolidated ORIX Group companies (Japan and overseas, excluding a limited number of overseas offices)

[Target Activities]

GHG Protocol direct emissions (Scope 1) and indirect emissions (Scope 2)

[Calculation Method]

- GHG emissions (converted to CO₂) are calculated based on the GHG protocol and the "Ministerial Ordinance Concerning Calculation of Greenhouse Gas Emissions Associated with Business Activities of Specified Emitters" (calculated based on Group GHG calculation guidelines).
- GHG emissions, including CO₂ from non-energy sources, methane (CH₄), and dinitrogen monoxide (N₂O), are calculated based on company rules concerning the management of environmental information.
- We use the emissions factors under Japan's Mandatory Greenhouse Gas Accounting and Reporting System in principle.
- Scope 2 emissions are market-based emissions, and post-adjustment emissions factors are used as emissions factors related to electricity consumption at offices in Japan. For emissions factors related to electricity consumption at overseas offices, power company-specific emission factors are used when available, and otherwise the International Energy Agency's CO₂ emissions factors from electricity generation by country are used.
- Scope 2 emissions include emissions (10 thousand t-CO₂e) related to power purchases from ORIX Group power generation companies (intra-Group transactions).

Notes: • Change in emissions factors: Beginning from data for the fiscal year ended March 31, 2022, we have changed the calculation for emissions related to electricity consumption to the market-based method.

- 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. Each of these power plants has a total generating capacity of 112MW. Emissions from these two plants for the fiscal year ended March 31, 2022 were 844 thousand t-CO₂e.

Third-Party Assurance

- ◆ Since the fiscal year ended March 31, 2017, we have continuously received independent assurance for our GHG emissions disclosure.
- ◆ For fiscal year ended March 31, 2022, KPMG AZSA Sustainability Co., Ltd. has provided independent assurance for our GHG emissions. (★Items subject to third party assurance)

Third-Party Assurance

Independent Assurance Report

To the Representative Executive Officer, President and Chief Executive Officer of ORIX Corporation

We were engaged by ORIX Corporation (the "Company") to undertake a limited assurance engagement of the environmental performance indicators marked with ★ (the "Indicators") for the period from April 1, 2021 to March 31, 2022 included in its Sustainability Report 2022 (the "Report") for the fiscal year ended March 31, 2022.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting Agatsuma Bio Power Co., Ltd. and Soma Energy Park LLC selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Kazuhiko Saito

Kazuhiko Saito, Partner, Representative Director

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

October 19, 2022

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

► CO₂ Avoided Emissions through the Renewable Energy Business

(Unit: t-CO₂)

	FY ended March 31, 2022	Scope and Concept
Wind Power Generation	1,670,000	<p>[Calculation Period] From April 1 to March 31 each fiscal year</p> <p>[Calculation Scope] ORIX Group Companies in Japan and overseas (including affiliated companies)</p> <p>[Basic Concept]</p> <ul style="list-style-type: none"> Calculations are performed by multiplying the reduced amount of activity among customers or society as a whole due to ORIX Group's renewable energy business activities by CO₂ emissions factors. Operating Margin Grid Emission Factors by country and region from "The IFI Dataset of Default Grid Factors v3.2" are used for emissions factors. We calculated CO₂ avoided emissions based on our ownership ratio.
Solar Power Generation	1,297,000	
Geothermal Power Generation	640,000	
Hydropower Generation	428,000	
Biomass Power Generation	254,000	
Total	4,289,000	

ORIX Group's CO₂ Avoided Emissions for Past Years

(Unit: t-CO₂)

		FY ended March 31, 2018	FY ended March 31, 2019	FY ended March 31, 2020	FY ended March 31, 2021
Environment and Energy Business	Wind Power Generation	573,100	739,900	1,157,900	1,324,000
	Solar Power Generation	428,700	499,900	540,900	720,000
	Geothermal Power Generation	544,700	1,073,600	949,500	845,400
	Hydropower Generation	0	0	88,800	112,500
	Biomass Power Generation	46,000	43,000	43,700	241,400
	Electricity Supply	0	0	31,500	49,500
	ESCO Services	93,700	93,500	100,800	118,800
	Other Environment and Energy Business	700	800	100	22,300
Auto Business	142,200	157,000	171,100	188,100	
Other businesses	7,700	10,800	9,100	5,500	
Total	1,836,800	2,618,500	3,093,400	3,627,500	

Notes: Calculation scope includes only the renewable energy business from the fiscal year ended March 31, 2022 onwards. Also, emissions factors have been reviewed. Please refer to Sustainability Report 2021 for the scope and concept of calculation for past years.

► ORIX Corporation Water Usage and Waste Disposal Volume

Water Usage **Water withdrawal** **Approx. 249,000 m³**
Water discharge **Approx. 248,000 m³**

Scope and Method

[Calculation Period]

Fiscal year ended March 31, 2022

[Calculation Scope]

ORIX Corporation

[Calculation Method]

- Most of the water withdrawal is purchased from utilities. However, approx. 2,000 m³ of rainwater use is reflected in the water withdrawal figure because some buildings where ORIX Corporation is a tenant collect and use rainwater. No other sources such as surface water or groundwater are used for water withdrawal.
- Wastewater is discharged into the sewage system at all locations, and the amount is essentially the same as the amount of water withdrawal.
- For locations where actual water usage could not be ascertained, it was estimated using a basic unit average calculated by a green building industry association based on water usage and floor space of locations. In this calculation, the water intake and wastewater amounts are assumed to be the same.

Notes:

- The scope of data calculation for water usage encompasses, in principle, locations for which disclosure is required under the Act on the Rational Use of Energy. All locations owned and managed by ORIX Corporation are covered. 111 locations use water.
- The water usage for the fiscal year ended March 31, 2021 was as follows.
Water withdrawal: approx. 197,000 m³, Water discharge: approx. 197,000 m³, Rainwater use: approx. 7,000 m³ (107 locations)

Waste Disposal Volume 661 tons

Scope and Method

[Calculation Period]

Fiscal year ended March 31, 2022

Calculation Scope

[ORIX Corporation's industrial waste*¹

*¹ The waste subject to calculation is the industrial waste generated from business activities as defined in the Japanese law "The Waste Management and Public Cleaning Act," such as cinder, sludge, waste oil, waste acid, waste alkali, waste plastics and other specified waste.

[Calculation Method]

- Emissions are calculated using the industrial waste manifests*² issued by ORIX Corporation.

*² A document describing the type and quantity of industrial waste that, under the Waste Management and Public Cleaning Act, must be issued by a business that generates industrial waste and entrusts the disposal of such waste to another company.

Notes:

- ORIX Corporation moved its headquarters in May 2021. Therefore, the amount of waste temporarily increased for the fiscal year ended March 31, 2022.
- The amount of industrial waste generated in the fiscal year ended March 31, 2021 was 173 tons.



Human Resources Strategy to Support Sustainable Growth

Policies and Principles

Core Principle of Our Sustainability: “Promote diversity and inclusion, and care for the well-being of our employees”

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

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

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

Human Resources Strategy

People are ORIX’s most valuable asset. The concept Keep Mixed—the idea that diverse talent creates synergy—is the foundation on which our pool of talent is based. It is our belief that hiring talent of varying nationalities, ages, genders, and work experience is the key to blending diverse values and skills in addition to creating new value, which is the backbone of ORIX’s growth. ORIX’s human resources strategy centers around building a rewarding work environment where diverse talent can maximize their individual knowledge and expertise.

Goals and Progress

Material Issues

- Continue to improve employee satisfaction by respecting the diversity of our employees and creating an inclusive working environment that promotes flexible working styles and provides career development support, fair performance review and compensation schemes, and employee health support systems.

Key Goals

- Female employees to account for over 30% of management positions at ORIX Group by the end of the fiscal year ending March 31, 2030.

As of March 31, 2022, the ratio of female managers at ORIX Group is 28.6% for ORIX Corporation and 25.0% for the 10 Group companies in Japan.

Initiatives

- Promoting diversity, equity & inclusion

By respecting the diversity of our employees and promoting flexible working styles, we create comfortable, fulfilling, and valuable workplaces where diverse human resources can play an active role. We also support the independent career design of each employee so that they can draw a clear career path for themselves. We thus connect employee growth through self realization to growth of the company as a whole.

▶▶▶ P.49 Promoting Diversity, Equity & Inclusion

- Talent development

We create fulfilling and valuable workplaces where employees develop their abilities and expertise to play an active role. In addition to various training systems and self-development support systems, we have established a fair performance review and compensation scheme to increase employee motivation. By working to develop employee growth with responsibility and enhancing dialogue with employees, we invest in the future of our employees.

▶▶▶ P.50 Talent Development

- Employee health and safety

We create workplaces where employees can work consistently in good physical and mental health while exhibiting their full potential.

▶▶▶ P.51 Employee Health and Safety

Promoting Diversity, Equity & Inclusion

Creating a Comfortable Workplace Where All Employees Can Perform an Active Role By Respecting Diversity

The need for various flexible ways of working is constantly increasing, coinciding with the changes in external environments. ORIX is supporting the enhancement of work environments to enable employees to work in ways that accommodate life events while maximizing their abilities and expertise, thereby encouraging a balance between work and personal life.

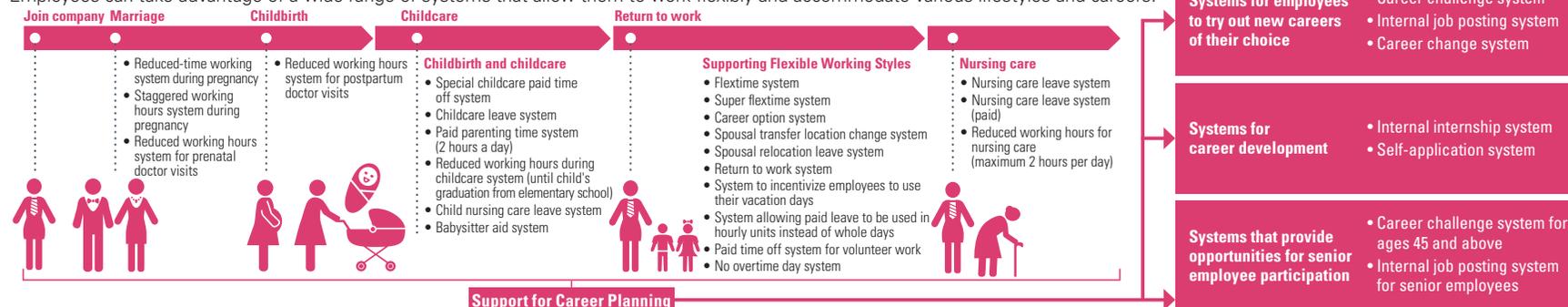
For childcare support, we have established systems that go beyond legal requirements and encourage the balance between work and personal life. The ratio of working mothers has increased from 27.6% as of March 31, 2013 to 39.6% in the fiscal year ended March 31, 2022. The ratio of female employees who took childcare leave was 100% and the ratio of male employees who took childcare leave and special childcare paid time off was 36.6% for the fiscal year ended March 31, 2022.

From 2012 onward, we established a system where employees can select workstyles (occupation and location) according to life events, as well as a system where retirees can apply for reemployment regardless of the reason at the time of their retirement. In this way, we support employees continuing the careers they built up at ORIX. Users of ORIX Corporation systems through March 31, 2022 were as follows: career option system (introduced in 2012) 118 persons, spousal transfer location change system (introduced in 2015) 43 persons, spousal

Note: Unless stated in the text, 10 Group companies in Japan refers to the following: 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.

A Human Resources System that Accommodates Different Stages in both Life and Career

Employees can take advantage of a wide range of systems that allow them to work flexibly and accommodate various lifestyles and careers.



relocation leave system (introduced in 2015) 28 persons.

We endeavor to reduce excessive working hours of any kind, not limited to the boundaries enforced by laws and regulations in Japan and overseas. In April 2017, we prescribed workdays to end at 5 pm from the previous 5:20 pm. Also, we newly established a system to incentivize employees to use their vacation days in an effort to increase employees' annual paid leave acquisition rate* to 80% or higher. (The acquisition rate for the fiscal year ended March 31, 2022 was 80.0%)

* Annual paid leave acquisition rate = number of days of annual paid leave acquired per year / total number of new annual paid leave days granted in the fiscal year

Building a Human Resources System that Can Realize Various Career Paths

Each diverse business within ORIX requires the appropriate set of skills and expertise in order to grow. By providing opportunities and an environment in which employees can make their own career decisions for the future, we support employee growth, which leads to the growth of ORIX.

The career challenge system, which we introduced in 2005, allows employees to directly request a transfer to the department of their choosing. By March 31, 2022, 1,664 employees had utilized for this system and opened their own career paths. This system allows employees to change jobs within the Group, and as a result, has been effective in helping retain human resources within the company.

In 2017, we introduced the internal internship system that

allows employees to work in a department of their choosing for a week. Regardless of the age of the employee, by experiencing the work of another department they are interested in, it will lead to increasing motivation and supporting autonomous career development. During the six years since the launch of the system through 2022, 1,048 employees have used this system and applicants are increasing each year.

We have been enhancing career support so various employees can advance their careers, expand their roles, and maximize their abilities, and we are actively conducting initiatives such as training to encourage employees to change their mindsets. The ratio of female managers is 25.0% as of March 31, 2022, up from 12.2% as of March 31, 2012.

We believe that the continued challenge and participation of senior employees with extensive experience and expertise will enhance the company's organizational strength and increase its overall vitality. In 2014, a retirement age of 65 was introduced, and employees continue to play an active role by making contributions using skills, experience, and networks they have cultivated thus far, as well as pass on their assets to the next generation. By March 31, 2022, 109 people had applied for the career challenge system for ages 45 and above, which we introduced in 2018 with the aim of supporting autonomous career development.

See the following for details about each system and training.

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

Training

- Training for female employees**
- Women's forum for employees
 - Selective career design training
 - Study group for female managers from other industries
 - Mentoring program

- Training for senior employees**
- Career interview
 - Career transition training

Talent Development

Self-Development Support System

Selective training program	This program enables employees to take outside courses on topics such as global responsiveness, new business creation, interpersonal skills, and business execution skills. Through March 31, 2022, 381 people have taken courses.
Self-development support program	This program provides financial support for commuting to university at the graduate level, or lump-sum payments when having acquired qualifications recognized by the company. There were 94 recipients in the fiscal year ended March 31, 2022.
Wednesday seminars	These seminars about work efficiency, management skill reinforcement, and reinforcement of various skills are held by the Human Resources Department. There were 1,853 applicants in the fiscal year ended March 31, 2022.
System of financial support for self-improvement	This system gives 60,000 JPY worth of annual benefit points to employees, which can be used for various activities such as self-development, promoting health, and childcare and nursing-related services (employees are free to choose any option). The usage rate was 82% for the fiscal year ended March 31, 2022.

ORIX Corporation places great importance on knowledge and growth gained through business activities, and considers them to be pillars of development. In addition to this way of thinking, in order for each employee to respond to changes and diversification in the business environment in a timely manner, we have introduced a new online learning platform that allows employees to learn from a large library of content, regardless of time and place. This supports them in improving individual skills through self-guided learning, as well as supports their careers over the mid- to long-term. We will continue to implement various measures that contribute to the growth of our employees in anticipation of changes in the times.

ORIX Corporation's training results for the fiscal year ended March 31, 2022 are as follows. (Development training organized by the Human Resources Department and each business unit)

Annual training hours	45,548 hours
Training time per person	12.55 hours
Training cost per person*	67,285 JPY

* Figures include development training organized by the Human Resources Department and each business unit, and the use of self-development activities in the system of financial support for self-improvement.

Enhancing Management Skills

• **Selective:** Global talent/Next-generation development training
In the fiscal year ended March 31, 2012, we established a

global human resource development system to strategically develop employees who can succeed on a global stage. Initiatives for new recruits and mid-career employees include secondment to overseas subsidiaries and educational programs for acquiring global communication skills. Through March 31, 2022, we have dispatched 470 people as part of the global human resource development program.

Managers and above	Selective training for managers	
Development stages	6+ years	Cross-sector training, global human resource development program, global trainee system
	4-5 years	3rd year overseas subsidiary secondment program
	1-3 years	

• **For all employees: Human resource management training and organizational development skills training**

The Human Resources Department and business units hold training according to the employee's age and job responsibilities. For employees in their first to third years, we provide training to strengthen their basic knowledge of finance and legal affairs and to strengthen thinking skills. For employees at the section leader level or above, we provide training on basic knowledge required of the parties responsible, such as labor management and compensation systems. Through training, employees learn the process of bringing their self-recognized management style closer to what they should aim for, and how to create leadership and a strong organization.

Managers and above	Training for newly-appointed senior professional staff, training for new section leaders (Training for new managers, management skills reinforcement training)		Division-specific training, TOEIC exam
Development stages	6+ years	Training for new assistant managers	
	1-3 years	3rd year training, training for new recruits	

Performance Review and Compensation Scheme

The performance review and compensation scheme has three purposes: human resource development, achievement of organizational goals, and reflection in employee treatment. In the performance review and compensation scheme, we emphasize regular interviews and dialogue between superiors and subordinates. Superiors present the basis for the roles and expectations they have for their subordinates in line with their work, and provide feedback on performance review results. In addition, they understand the mid- to long-term career aspirations of subordinates and support them in achieving those aspirations. In order to ensure that the scheme functions fairly and equally, we require supervisors to undergo training as evaluators. We also conduct surveys on the behavior of superiors as seen by subordinates, so that the Human Resources Department can understand the actual conditions of superiors.

Performance Review and Compensation Scheme Chart



Note: Unless otherwise mentioned in the text, figures are for the 10 Group companies in Japan.

Performance Review and Compensation / Career Support System Cycle



Employee Health and Safety

Health Promotion System

With the motto of “ensuring the health and safety of Group employees and their families,” the company and health insurance association work together to develop a Group health promotion business (collaborative health*1).

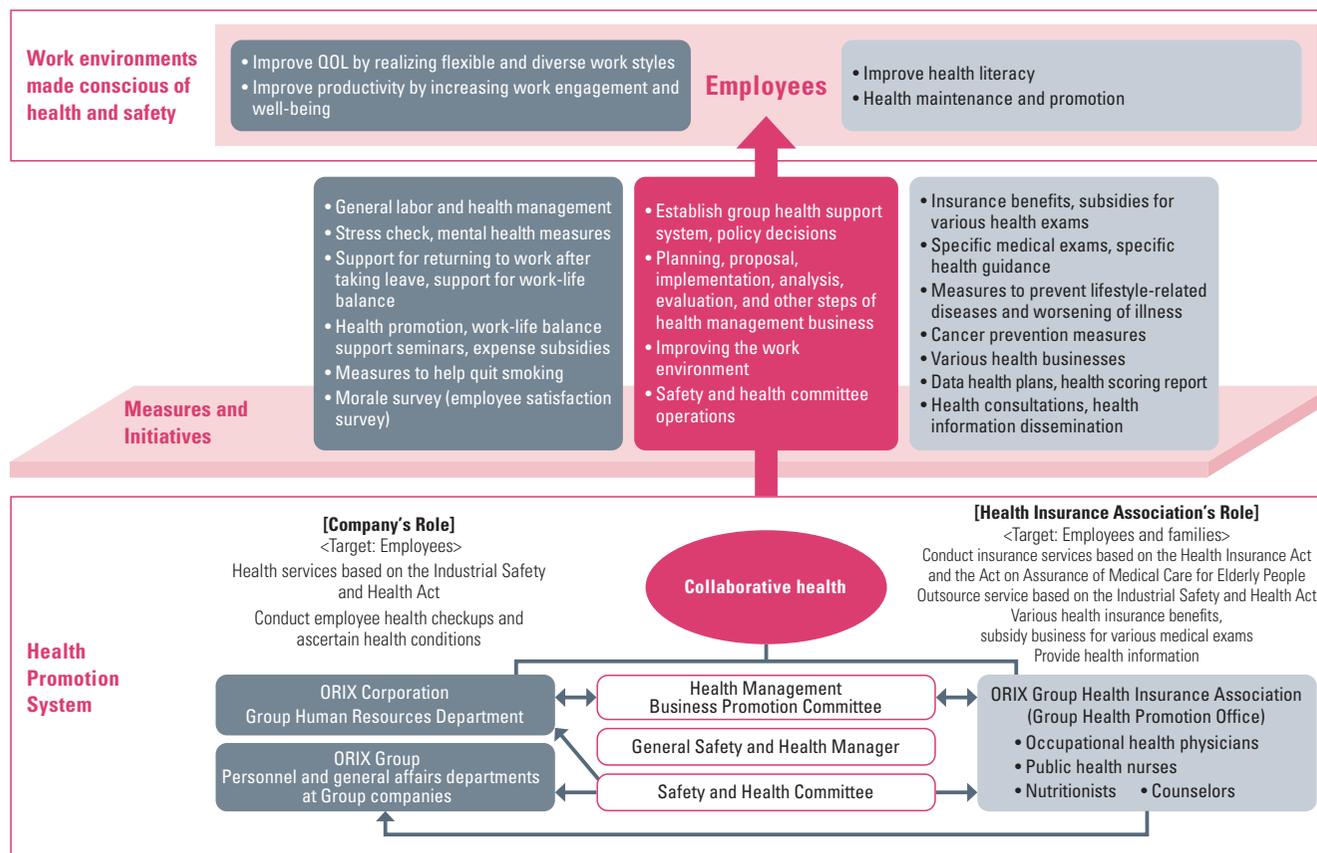
[Company’s Role]

Promote the creation of workplaces where employees can work consistently in good physical and mental health while exhibiting their full potential

[Health Insurance Association’s Role]

Build a complete support system for “peace of mind” and “preventive health,” and promote the health business in cooperation with the company

*1 Collaborative health: Through collaboration between insurers and the company, efficiently and effectively implement preventive health and health promotion for policyholders, based on a clear division of roles and a favorable working environment.



Establishing the Working Environment

At the new Tokyo head office and other locations, we are making renovations to the office that support diverse work styles. We have based these renovations on concepts of “communication,” “relaxation,” and “concentration,” and aim to create an environment that promotes paperless work processes and digitalization as well as a work style that is not bound by location.

The new Tokyo head office has realized the following office environment by reflecting opinions of employees.

- 1) Office layout that allows employees to work at desks anywhere in the office: Have areas where it is easy to exchange information and areas where it is easy to focus on work, so employees can choose their seats according to the work content
- 2) Space where employees can hold meetings in a variety of styles: Adopt movable meeting seats that can be combined with tables and sofas according to the number of people, as well as high tables that can be used for small meetings
- 3) Floor-wide green lounge: Set up a large lounge as a place for employees to communicate, and arrange plants from all over the world to express the diversity of the Group’s human resources and businesses

After relocating to consolidate operations at the new Tokyo head office, floor area has increased by about 30%. However, through improvements to energy-saving performance such as low-e glass*2 as well as individual air conditioner units, we have reduced energy consumption by about 60% compared to the previous location and energy consumption per unit of floor area has decreased by about 70%. (Energy consumption after relocation is an annual estimate based on actual results from August 2022 onward. Energy consumption before relocation is annual actual value for the fiscal year ended March 31, 2021.)

*2 Glass with improved functionality to reduce solar radiant heat. A thin metal film is coated on the normal glass surface to enhance heat shielding or heat insulation.

▶▶▶ See [here](#) for details of the initiative.

Human Resources Data

Employee Composition (ORIX Group consolidated)

		2018	2019	2020	2021	2022
Number of employees		31,890	32,411	31,233	33,153	32,235
By region	Japan	24,077	24,639	23,458	25,718	24,738
	Outside Japan*1	7,813	7,772	7,775	7,435	7,497
By gender	Male	20,443	20,491	19,630	20,876	20,330
	Female	11,447	11,920	11,603	12,277	11,905
Average number of temporary staff		21,507	20,768	19,816	19,194	19,024

Data Concerning Employees*2 (ORIX Corporation*3)

		2018	2019	2020	2021	2022
Average age	Overall	42.7	42.9	43.4	43.8	44.2
	Male	44.5	44.6	44.9	45.2	45.4
	Female	40.2	40.7	41.3	41.9	42.7
Average years of service	Overall	15.1	15.6	16.1	17.3	17.8
	Male	15.4	15.9	16.3	17.6	17.9
	Female	14.5	15.1	15.8	17.0	17.7
Turnover rate*5	Overall	3.9	4.4	4.1	3.3	4.6
	Male	5.5	5.7	5.2	4.4	6.7
	Female	1.6	2.6	2.7	1.9	2.1
Percentage of female employees		41.7	42.6	43.0	43.3	44.1
Percentage of mid-career employees		42.0	40.9	40.3	40.1	39.8
Percentage of foreign national employees		1.3	1.6	2.0	2.0	1.9

Working Hours and Leave Taken (ORIX Corporation)

Annual Paid Leave Taken	Days taken	14.8	15.6	15.1	13.3	14.1
	Percentage taken	79.3	83.2	80.6	71.3	75.0
Average monthly working hours		157.5	156.4	150.8	151.7	154.1
Average monthly non-statutory working hours		4.8	3.9	3.6	6.0	6.1

Compensation (ORIX Corporation)

Average annual salary (JPY)	8,560,519	8,800,192	8,711,932	8,583,327	8,852,516
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Training (ORIX Corporation)

Annual total training hours	32,504	30,369	30,931	42,022	45,548
Annual average training hours per employee	8.6	8.1	8.3	11.3	12.5
Annual average training cost per employee (JPY)	82,765	96,674	90,810	55,520	67,285

*1 Outside Japan: Total number of employees in four segments: Aircraft and Ships, ORIX USA, ORIX Europe, and Asia and Australia.

*2 Data Concerning Employees: Excluding executives.

*3 ORIX Corporation (non-consolidated): 2,968 employees, or 9% of consolidated group employees, as of the end of March 2022.

*4 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. The total number of employees in these 10 companies is 10,289, or 32% of consolidated group employees, as of the end of March 2022.

*5 Turnover rate: Includes retirees and employees transferred within the ORIX Group.

Data Concerning Employees*2 (10 ORIX Group companies*4)

		2018	2019	2020	2021	2022
Average age	Overall	41.4	41.2	41.1	41.4	41.8
	Male	43.7	43.5	43.2	43.3	43.6
	Female	38.4	38.5	38.6	39.1	39.7
Average years of service	Overall	12.3	12.3	12.4	13.2	13.7
	Male	13.1	13.2	13.2	13.9	14.3
	Female	11.3	11.3	11.5	12.4	13.0
Turnover rate*5	Overall	4.2	4.3	4.6	4.5	5.6
	Male	5.4	5.4	5.5	5.4	7.3
	Female	2.7	3.0	3.6	3.5	3.5
Percentage of female employees		43.3	44.9	45.6	45.8	46.6
Percentage of mid-career employees		55.8	55.8	55.8	58.7	58.0
Percentage of foreign national employees		0.7	0.8	0.9	0.9	0.9

Working Hours and Leave Taken (10 ORIX Group companies)

Annual Paid Leave Taken	Days taken	14.4	14.8	14.6	13.3	14.2
	Percentage taken	81.7	85.0	83.8	76.0	80.0
Average monthly working hours		158.5	157.3	154.3	155.3	156.4
Average monthly non-statutory working hours		6.2	5.6	4.9	6.2	6.5

Training (10 ORIX Group companies)

Annual total training hours	172,392	199,162	189,531	204,018	166,257
Annual average training hours per employee	18.0	20.0	18.5	19.6	16.1
Annual average training cost per employee (JPY)	65,846	81,475	84,986	67,325	73,808

Female Managers*6 (ORIX Corporation)

		2018	2019	2020	2021	2022
Female managers	Number of persons	394	418	451	474	512
	Percentage	22.6	23.8	25.3	26.2	28.6
Percentage of newly appointed female managers		35.5	32.0	35.3	35.4	54.2

Childbirth and Childcare (ORIX Corporation)

Working mothers	Number of persons	622	634	637	723	749
	Percentage*7	39.6	39.9	40.2	45.1	46.8
Female employees who took childcare leave*8	Number of persons	85	79	73	50	65
	Percentage	100.0	100.0	100.0	100.0	100.0
Male employees who took childcare leave or special childcare paid time off*9	Number of persons	49	70	46	42	52
	Percentage	28.9	41.4	30.3	30.3	49.3
Percentage of employees returning after childcare leave*10	Male	100.0	100.0	—	100.0	100.0
	Female	95.6	95.0	92.1	97.0	94.4
Retention rate after return*11	Male	100.0	100.0	100.0	—	100.0
	Female	97.0	97.7	97.2	96.6	100.0

Nursing Care (ORIX Corporation)

Number of employees who took nursing care paid time off	Male	12	18	25	14	14
	Female	33	37	47	35	40
Number of employees who took nursing care leave	Male	0	0	0	0	0
	Female	2	0	1	1	1

Recruiting (ORIX Corporation)

Total number of employees recruited		138	126	127	127	101
New graduates	Male	37	31	42	35	21
	Female	38	42	31	33	19
Mid-career employees	Male	49	44	40	47	51
	Female	14	9	14	12	10
Percentage of female recruits		37.7	40.5	35.4	35.4	28.7
Percentage of mid-career employees		45.7	42.1	42.5	46.5	60.4

Health and Safety (ORIX Corporation)

Percentage of employees who went through stress checks	84.0	86.6	87.7	88.7	89.1
Number of occupational accidents	na	na	3	1	2
Number of fatal accidents	na	na	0	0	0

▶▶▶ See [here](#) for external evaluations and awards related to human resources.

*6 Managers: Persons in the same office, in addition to section managers, who are equivalent to section managers in terms of job content and degree of responsibility, regardless of their title or membership (however, this excludes the lowest ranks).

*7 Percentage of working mothers: Ratio of working mothers to total number of female employees.

*8 Employees who took childcare leave by the end of the last fiscal year, among employees who gave birth or whose spouse gave birth in the fiscal year before last.

*9 Male employees who took childcare leave or special childcare paid time off: Total number and percentage of male employees who take childcare leave or special childcare paid time off.

Special childcare paid time off: A system that gives special paid leave days to employees who are raising infants under 12 months who have not acquired childcare leave. This system was introduced with the purpose of creating a workplace where all employees can work comfortably. It aims to do this by

Female Managers*6 (10 ORIX Group companies)

		2018	2019	2020	2021	2022
Female managers	Number of persons	650	707	767	812	908
	Percentage	19.3	20.6	22.1	23.5	25.0
Percentage of newly appointed female managers		34.2	30.9	31.8	38.8	29.1

Childbirth and Childcare (10 ORIX Group companies)

Working mothers	Number of persons	1,390	1,492	1,562	1,800	1,897
	Percentage*7	33.5	33.4	33.6	38.0	39.6
Female employees who took childcare leave*8	Number of persons	190	170	195	160	198
	Percentage	100.0	100.0	100.0	99.0	100.0
Male employees who took childcare leave or special childcare paid time off*9	Number of persons	101	139	120	104	120
	Percentage	23.4	32.0	29.6	26.9	36.6
Percentage of employees returning after childcare leave*10	Male	100.0	100.0	100.0	100.0	100.0
	Female	95.8	94.8	94.2	95.9	96.0
Retention rate after return*11	Male	100.0	75.0	100.0	100.0	94.4
	Female	97.5	96.1	94.5	93.1	93.8

Nursing Care (10 ORIX Group companies)

Number of employees who took nursing care paid time off	Male	44	76	78	49	56
	Female	91	120	145	114	138
Number of employees who took nursing care leave	Male	0	2	0	0	0
	Female	4	4	6	4	3

Recruiting (10 ORIX Group companies)

Total number of employees recruited		713	811	764	605	503
New graduates	Male	92	112	137	117	92
	Female	126	169	140	136	107
Mid-career employees	Male	247	244	275	236	192
	Female	248	286	212	116	112
Percentage of female recruits		52.5	56.1	46.1	41.7	43.5
Percentage of mid-career employees		69.4	65.4	63.7	58.2	60.4

Health and Safety (10 ORIX Group companies)

Percentage of employees who went through stress checks	88.6	90.6	91.7	92.4	92.2
Number of occupational accidents	na	na	28	20	29
Number of fatal accidents	na	na	0	0	0

expanding opportunities for male employees to participate in childcare and helping to raise awareness surrounding balance between work and family.

Number of male employees who took special childcare paid time off: (For the fiscal year ended March 31, 2022) Among employees whose spouse gave birth between April 2020 and March 2021, those who took special paid leave days by the end of March 2022.

*10 Percentage of employees returning after childcare leave: (For the fiscal year ended March 31, 2022) The percentage of employees who returned to work among employees who reached the end of childcare leave in the fiscal year ended March 31, 2022.

*11 Retention rate after return: (For the fiscal year ended March 31, 2022) Percentage of employees still working as of March 31, 2022 to the number of employees who returned to work during the fiscal year ended March 31, 2021.

Initiatives for Human Rights

Policies and Principles

Core Principle of Our Sustainability: “Respect human and labor rights”

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

Our Approach to Human Rights

We believe 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. The policy also intends to promote respect for human rights both within ORIX and vis-à-vis clients, as well as suppliers of ORIX.

▶▶▶ [ORIX Human Rights Policy](#)

Our Response to the UK Modern Slavery Act 2015

ORIX has disclosed the Modern Slavery Act Statement based on the UK Modern Slavery Act 2015.

▶▶▶ [Response to the United Kingdom’s Modern Slavery Act 2015](#)

Goals and Progress

Material Issues

- Share a common and agreed respect for fundamental human rights with all of our stakeholders such as support for the UN Universal Declaration of Human Rights, worker health and safety, diversity, inclusion, and non-discrimination.

Initiatives

- **Human rights risk analysis/evaluation and investment and lending-related decisions (establishment of prohibited transactions)**

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 analyses’ results, we have identified regions, business areas, and practices where human rights risks are particularly high.

We evaluate projects using the Sustainable Investing and Lending Checklist*, based on the ORIX Sustainable Investing and Lending Policy. We also use information from databases provided by third parties in this process. Human rights risk is an important factor in our investment and lending-related decisions. We strictly prohibit transactions with organizations that have elevated or suspected human rights risks, as well as sovereign initiatives in which human rights issues exist or are a concern, as described below.

- Organizations that carry out forced labor, child labor, human trafficking, or any other practices defined as human rights offenses by the UK Modern Slavery Act 2015

- Organizations that are operating in countries/regions determined as high risk in relation to human rights violations and have participated in human rights violations

* A proprietary ORIX checklist based on international sustainability guidelines.

- **Compliance hotline for consultation and reporting on human rights issues**

ORIX accepts human rights consultations and reports through our internal and external whistleblower systems. 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](#)

Sustainable Investing and Lending

Policies and Principles

ORIX recognizes that sustainability matters, which involve environmental, social, and governance themes, may have material impacts on the organization's long-term risks and opportunities, and that considering sustainability in decision-making is an extremely important and essential requirement for doing business. We believe that incorporating sustainability requirements into the consideration of investing and lending initiatives helps us better understand the risks and opportunities associated with our businesses and initiatives, resulting in benefits for our customers and shareholders.

ORIX formulated its ORIX Sustainable Investing and Lending Policy in September 2019 with the mission of implementing sustainable investing and lending. Based on this policy, potential investing and lending transactions submitted to the Investment and Credit Committee ("ICC")^{*1} go through screening from an ESG perspective using the Sustainable Investing and Lending Checklist. The ICC decides whether to green light the project after thorough consideration regarding the environmental and social effects of each individual transaction, and may disallow a matter if it determines that the involved counterparty 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 transaction proposals that exceed specified amounts.

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

Goals and Progress

Material Issues

- Continue to strengthen our Sustainable Investing and Lending Policy, Code of Conduct, and risk management system to adequately cover new and emerging social risk areas.
- Formulate an exit strategy for existing exposure to high environmental risk business areas and create bright-line exclusion criteria in any new investing or lending.

Key Goals

- For investment and credit balance in GHG (CO₂) emitting industries^{*2}, (1) reduce the balance by 50% compared to the fiscal year ended March 31, 2020 by the end of the fiscal year ending March 31, 2030, and (2) achieve a zero balance by the end of the fiscal year ending March 31, 2040.

^{*2} Refers to fossil fuel mining, palm oil plantations, and forestry financed by ORIX Group overseas subsidiaries.

Initiatives

- Establishment of investing and lending prohibited transactions

Investing and lending are prohibited for projects related to the following organizations and sectors/business practices.

1. Organizations that carry out forced labor, child labor, human trafficking, or any other practices defined as human rights offenses by the UK Modern Slavery Act 2015

2. Organizations that are operating in countries/regions determined as high risk in relation to human rights violations and have participated in human rights violations
3. Sectors/business practices in which new transactions are prohibited
 - 1) Manufacturing, using, storing, and importing/exporting controversial weapons, including cluster munitions, anti-personnel landmines (violation of the Oslo/Ottawa Treaties), chemical weapons, biological weapons, depleted uranium ammunition, nuclear weapons, and firearms
 - 2) Manufacturing, using, supplying, and importing/exporting asbestos and other prohibited hazardous chemicals (violation of the Japanese Industrial Safety and Health Act)
 - 3) Manufacturing, using, and importing/exporting internationally prohibited agricultural chemicals, pesticides, and herbicides (violation of the Stockholm Convention on Persistent Organic Pollutants)
 - 4) Engaging in dynamite fishing, otherwise known as blast fishing (violation of the Act on the Protection of Fishery Resources)
 - 5) Handling specific prohibited wildlife (violation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, otherwise known as the Washington Convention)
 - 6) Engaging in business practices involving pornography or the sex trade
 - 7) Engaging in business practices involving illegal casinos

Social Contribution Initiatives

In addition to contributing to social themes through our business activities, ORIX is also making various efforts to address social and environmental themes that cannot be covered by these activities alone.

We also donate to organizations working in fields including disaster relief, humanitarian assistance, social welfare, culture, and the arts. We donated a total of 660 million JPY in the fiscal year ended March 31, 2022.

Initiatives to Benefit Children

• Lessons by visiting teachers

The Sumida Aquarium participates in the School Support Network Project organized by the Sumida Ward Board of Education Secretariat and holds lessons at elementary schools in Sumida Ward. In addition to learning about living creatures, students received an integrated study session which incorporated elements of environmental and career education. Since 2020, as visiting classrooms in person has been difficult, the Sumida Aquarium engaged with the local public elementary school online in an effort to create opportunities for students to develop curiosity about living things.



Online lessons (Kyoto Aquarium)

Together with the Kyoto City Board of Education, the Kyoto Aquarium also offers lessons for elementary schools in Kyoto City. One of the themes of the lessons is the giant salamander – an animal that is symbolic of the rivers of Kyoto. We conduct lessons allowing children to learn about the giant salamander by fully experiencing it, using tools such as worksheets and images. Since 2020, Kyoto Aquarium has connected online with elementary schools, with aquarium staff hosting seminars. Going forward, we plan to reach out to many children to help them learn about Kyoto's living things, environmental issues, and other topics.

Environmental Conservation Initiatives

• Donated to tree-planting program supporting shift from physical to paperless documents

ORIX Bank donates 30 JPY to tree planting for every customer that accepts paperless instead of physical documents. The results as of the end of March 2022 are as follows:

Total number of trees planted: 177 (Total amount donated: 989,790 JPY)

- First installment (January 4, 2021 - June 30, 2021)
78 saplings (392,160 JPY) in Ashigawa-cho, Fuefuki, Yamanashi



ORIX Bank employees who planted the trees

- Second installment (January 4, 2021 - March 31, 2022)
99 saplings (597,630 JPY) in Ozawa District, Hinoharamura, Nishitama-gun, Tokyo

Community Contribution Initiatives

• Support for Foodbank

Foodbank is the largest hunger relief organization in Australia, providing support to over 2,900 charities across the country and helping to provide food to 238,000 people in need each day. ORIX Australia Corporation Limited (OACL) has been involved with the organization since 2013. Each quarter, we provide volunteers to assist in the picking and packing of food items to be transported to various charity groups. We also run a food drive once a year prior to Christmas in the New South Wales and Victoria offices by asking staff to donate canned food or dry goods.



OACL Staff participating as Foodbank volunteers

For other Social Contribution Initiatives:

▶▶▶ [Social Contribution Initiatives](#)

For Social Contribution Initiatives by the following organizations:

- ▶▶▶ [ORIX Miyauchi Foundation \(Japan\)](#) (in Japanese)
- ▶▶▶ [Robeco Foundation \(Netherlands\)](#)



Corporate Governance

Policies and Principles

- ORIX believes that a robust corporate governance system is essential for ensuring fair management and carrying out appropriate business initiatives in line with its core policies. We have therefore established a sound and transparent corporate governance system.
- Corporate governance is a system for management oversight. It involves setting management objectives for managers, performance analysis and evaluation, and supervision in order to ensure that management strives to attain outstanding results. The sensitivity required toward corporate governance encourages management to perform to the best of its ability and facilitates innovation in pursuit of corporate objectives. Such an approach is conducive to the achievement of consistently high ROE.
- Outside directors play a crucial role in corporate governance at ORIX. From various perspectives reflecting their diverse professional backgrounds, outside directors are able to objectively evaluate management's performance in ways that transcend the industry's conventional protocols and the Company's ingrained practices. Moreover, by virtue of their external perspectives, outside directors are in the position to objectively evaluate the risks of management not taking adequate levels of good risk.

Goals and Progress

Material Issues

- Continue to strengthen the independence of the Board of Directors so that the Board may provide appropriate and effective oversight over the management's business execution from an independent and objective perspective.
- The Group CEO will be responsible for all execution matters including responding to these material issues under the oversight of the Board of Directors.

Key Goals

- Outside directors to account for over half of the composition of the ORIX Group Board of Directors by the General Meeting of Shareholders set to be held in June 2023.

From January 2022, the ratio of outside directors is 54.5%. (6 out of 11 directors are outside directors)

- Female directors to account for over 30% of the composition of the ORIX Group Board of Directors by the end of the fiscal year ending March 31, 2030.

As of June 2022, the ratio of female directors is 18.1%. (2 out of 11 directors are female directors)

Initiatives

- We are increasing the diversity of our directors. This will:
 - Strengthen the supervisory function
 - Facilitate objective risk judgment by human resources with diverse backgrounds
 - Enable operations centered on outside directors
- We evaluate the effectiveness of the Board of Directors and implement an action plan to improve effectiveness based on the evaluation results.
- We have introduced a compensation scheme for executive officers that evaluates their contributions to performance and medium to long-term results. From the fiscal year ended March 31, 2022, the evaluation of the status of ESG initiatives is reflected in annual bonuses.

For more information on ORIX's corporate governance, please refer to the ORIX Group website or read our integrated report.

▶▶▶ [Corporate Governance](#) ▶▶▶ [Integrated Report](#)

Corporate Governance

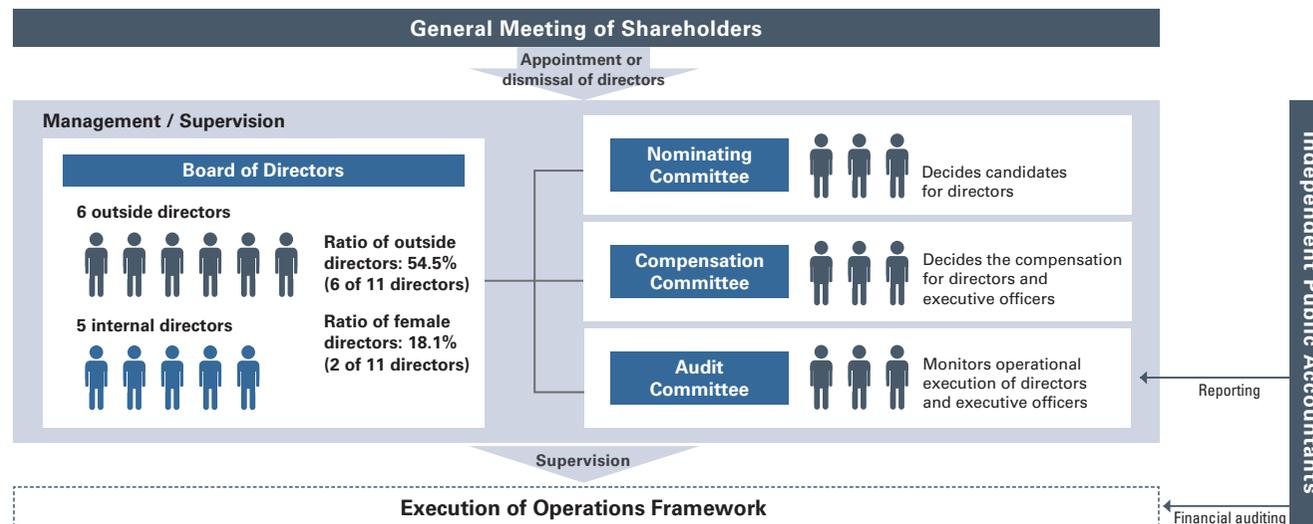
Corporate Governance System

- We have separated the supervisory function of the Board of Directors and the executive function that controls execution of operations through a “Company with Nominating Committee, etc.” board model.
- The Nominating Committee, Compensation Committee, and Audit Committee are all constituted entirely of outside directors, with an outside director chairing each of these committees.
- All outside directors satisfy ORIX’s strict conditions for independence.
- All outside directors are highly qualified in their respective fields with an eye to board membership balance and diversity.

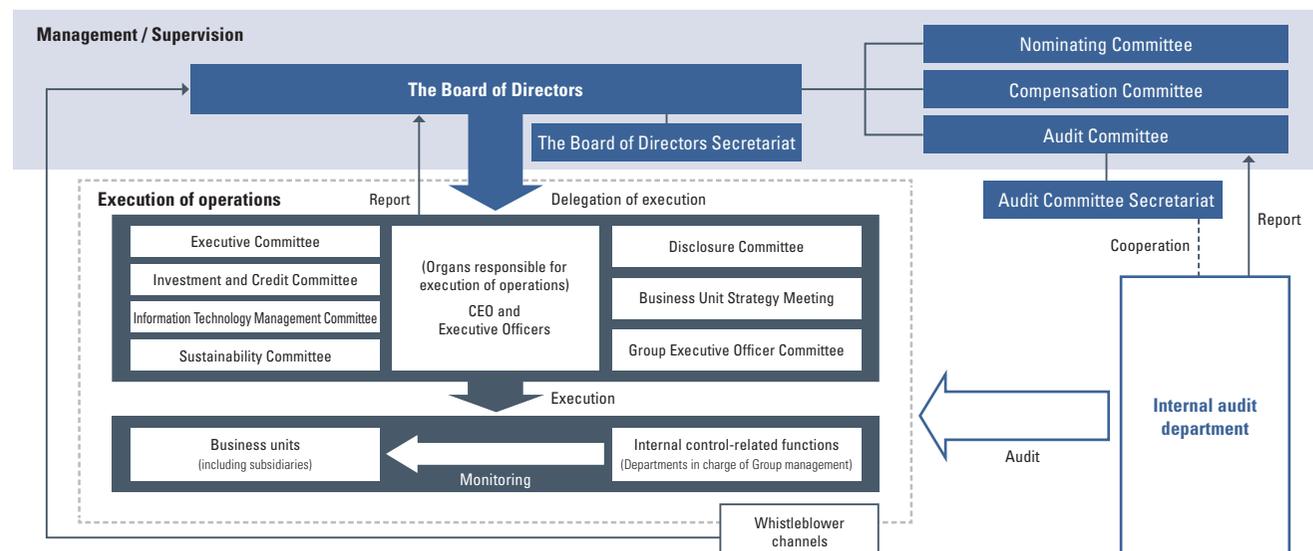
Execution of Operations Framework

- Decisions on execution of operations are delegated to the Representative Executive Officer by resolution of the Board of Directors, to the extent permitted by laws and regulations, with the aim of improving the efficiency and speed of execution of operations.
- The Representative Executive Officer makes important decisions on execution of operations according to our various internal regulations, following deliberation by the Executive Committee or the Investment and Credit Committee.
- Executive officers execute operations according to decisions by the Board of Directors, decisions on execution of operations by the Representative Executive Officer, and our various internal regulations.

Corporate Governance Framework (As of June 30, 2022)



Execution of Operations Framework (As of June 30, 2022)



Risk Management

Approach to Risk Management

ORIX allocates resources in line with Group-wide risk preferences based on management strategies and the strategies of individual business units. We also allocate more resources to business units with growth potential while controlling our balance sheet. We optimize the risk-adjusted allocation of resources by precisely profiling the characteristics of various risks relevant to Group business initiatives worldwide and managing them intelligently according to type and degree of impact.

Risk Management System

The Board of Directors makes decisions about the risk management system as part of the overarching internal control system. ORIX has the requisite risk management systems and techniques in place to address a wide array of risks both comprehensively and individually. These include executive bodies and departments in charge of risk management, comprehensive rules and regulations, investment standards, and limits on value at risk for deals along with relevant reporting and monitoring systems. The Board of Directors receives an annual report on the operational status of the internal control system and its component risk management system.

Group-wide Risk Management System (As of June 30, 2022)



Executive bodies manage risk under the supervision of the Board of Directors. These bodies and their responsibilities are as follows.

1	Deliberates on capital policy, asset and liability management, accounting and taxation, compliance, personnel, and other important management matters. Reports to the Board of Directors as necessary.
2	Deliberates on important matters related to sustainability. Reports to the Board of Directors as necessary.
3	Deliberates on specific investment and lending transactions. Reports to the Board of Directors as necessary.
4	Deliberates on important matters concerning fundamental IT strategies and the introduction and maintenance of IT systems.
5	Aggregates important information, considers needs and methods for timely disclosure, and coordinates disclosure.
6	A forum for all executive officers to share important information related to Group business administration.
7	A forum for business unit managers to discuss the status of strategy implementation and changes in the business environment with top management.

Internal control-related functions laterally identify, analyze, and manage Group risks under their control. They also help business units manage risk.

Business units autonomously manage risk in line with business strategies and plans. They regularly verify risks and returns according to the progress of projects and changes in the external environment.

Risk Management

Risk Factors and Risk Management

Risk Factors	Risk Management	Departments Handling Risks	Executive Bodies Related to Risk Management
External environment-related risk	<ul style="list-style-type: none"> Establishment of a system that enables sound financial operation to continue by diversifying our profit structure with diversified business development and by securing sufficient liquidity Establishment of a disaster risk management system ▶ P.62 Crisis Management System Establishment of a system to respond to climate change risks <ul style="list-style-type: none"> ▶ P.12 Sustainability Governance Structure ▶ P.33 Information Disclosure Based on TCFD Recommendations 	Corporate planning, Credit, Public relations, Public affairs, Investor relations, Sustainability, Treasury, ERM	Executive Committee, Sustainability Committee
Credit risk	<ul style="list-style-type: none"> When appraising individual projects, comprehensively evaluate the credit recipient's financial condition, cash flow, underlying security interests, profitability, etc. Strengthen credit risk management methods for individual projects and portfolios (obtaining sufficient collateral and guarantees, diversifying industries and credit recipients, controlling exposure to potentially high-risk markets) <ul style="list-style-type: none"> ▶ P.61 Risk Management System for Investing and Lending 	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Business risk	<ul style="list-style-type: none"> Thoroughly analyze risk (scenario analysis and stress testing) before executing a business or investment Improvement of the quality of products and services through regular monitoring as well as evaluation and verification of withdrawal costs, after execution of businesses and investments ▶ P.61 Risk Management System for Investing and Lending 	Credit, Corporate planning, Accounting, ERM	Investment and Credit Committee
Market risk	<ul style="list-style-type: none"> Establishment of an integrated management system for assets and liabilities (comprehensive understanding and verification system for market risks, using derivative transactions as a means of hedging) 	Credit, Treasury, Corporate planning, Accounting, ERM	Executive Committee
Liquidity risk (risk related to funding)	<ul style="list-style-type: none"> Promotion of diversification of procurement methods Strengthen management of liquidity on hand (implementing stress tests of liquidity risk and developing countermeasures, understanding liquidity risks for each country as well as subsidiary and developing countermeasures) 	Treasury, ERM	Executive Committee
Compliance risk	<ul style="list-style-type: none"> Establishment of an effective compliance structure alongside a corporate culture that values high ethical standards (formulating and implementing a compliance program, establishing internal regulations and promoting compliance awareness through activities to disseminate information, establishing internal and external compliance hotlines) ▶ P.64 Compliance 	Compliance, Public relations, Public affairs	Executive Committee, Sustainability Committee
Legal risk	<ul style="list-style-type: none"> Establishment of a legal compliance and legal risk management system (establishing internal regulations for legal compliance, understanding laws and regulations applicable to each business, and implementing appropriate responses to revisions to the law) 	Legal, Accounting, Investor relations, Sustainability	Executive Committee, Sustainability Committee
Information and cybersecurity risk	<ul style="list-style-type: none"> Establishment of an information risk management system (establishing internal regulations, implementing technical measures such as vulnerability management measures for information systems and network protection, establishing systems for response in the event of information security incidents, and implementing measures to reduce the risk of system failures) ▶ P.63 Information Security 	Information Security	Information Technology Management Committee
Operational risk	<ul style="list-style-type: none"> Establishing, disseminating, and training about internal regulations Establishment of systems related to execution of operations <ul style="list-style-type: none"> – Building an internal control system for financial reporting – Establishment of a personnel system and a work environment to stably secure diverse human resources <ul style="list-style-type: none"> ▶ P.48 Human Resources Strategy to Support Sustainable Growth – Continuously strengthen the overall risk management system through monitoring of operational risks by the audit department Establishing system for responding to and preventing recurrence of operational risk incidents, and risk control self-assessment 	ERM, Human resources, Corporate administration, Accounting, Public relations, Public affairs	Executive Committee, Sustainability Committee

Risk Management System for Investing and Lending

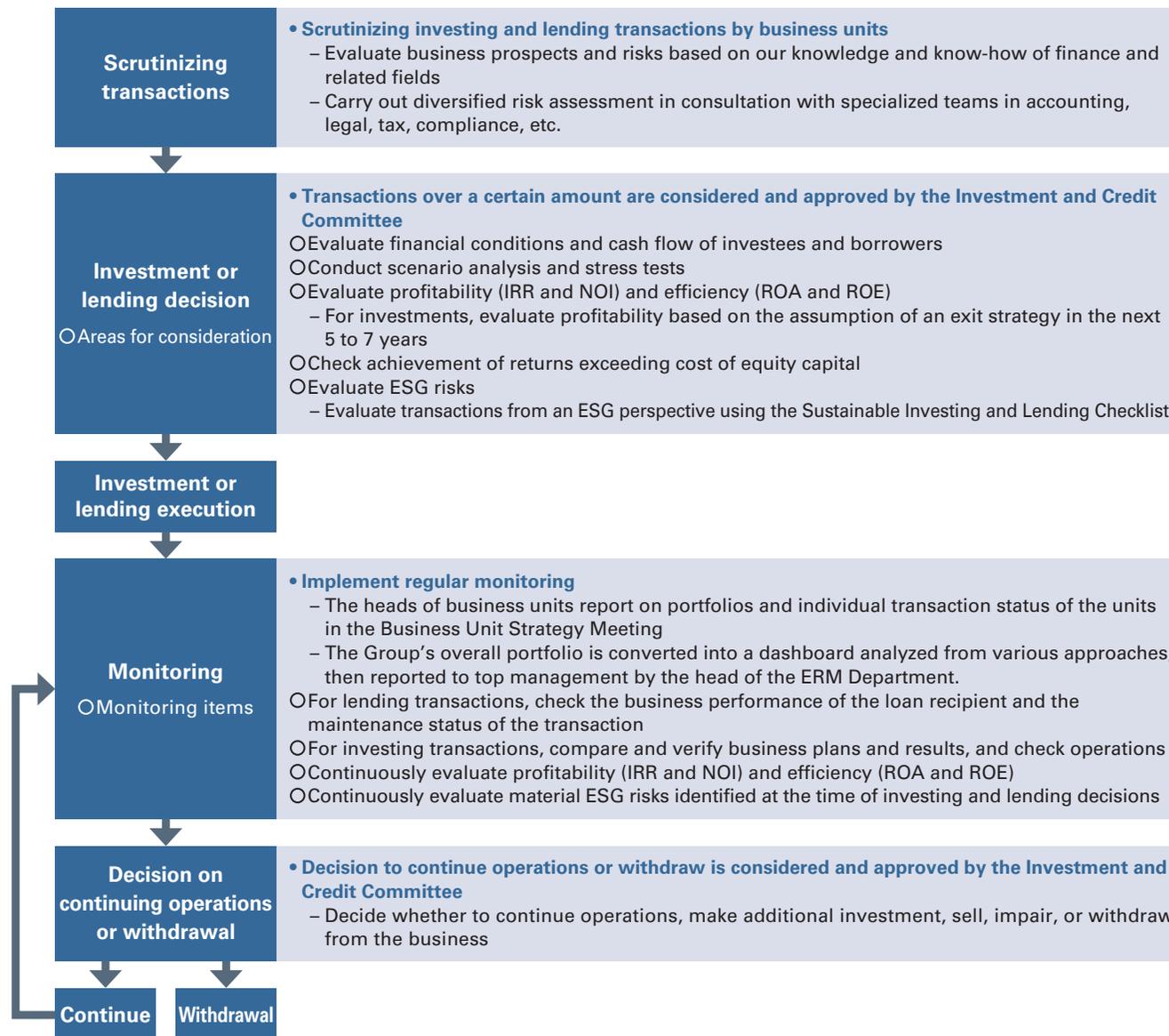
Approach to Investing and Lending Risk Management

In managing the risks of investing and lending transactions, ORIX not only judges and controls risks appropriately, but also places importance on taking the risks that it should take and using them to achieve growth.

Projects discovered by front-line sales are scrutinized and selected using our financial knowledge and know-how. Then, a decision is made by top management, and the transaction is executed. After that, we conduct regular monitoring to determine whether to continue the business or sell it.

Through this process of investing and lending risk management, we execute transactions under conditions having correctly evaluated risk and business feasibility, and replace assets when the opportunity arises, achieving growth in our business portfolio and securing stable earnings.

Risk Management Process for Investing and Lending



Crisis Management System

Systems for Addressing Crises and Complaints

ORIX has rules in place for addressing crises and complaints, as well as responding to and managing crises according to the degree of impact.

As a general rule, each department of ORIX Corporation and all consolidated companies promptly report crises and complaints to the relevant designated department*¹ in accordance with the Group’s common reporting standards. We then follow the basic policies for action prescribed by the regulations in taking responsibility for appropriate resolution.

The ERM Department is in charge of the secretariat for reporting and managing crises and complaints. This department collaborates with relevant departments and people*² responsible for managing specific risks to provide support to the affected departments and companies in accordance with the facts and degree of impact of each case and remains involved until resolution.

The CEO considers the situation based on facts and makes the final decision about establishing a crisis response headquarters, policies, and initiatives to address crises and complaints that are or may become material. The CEO then leads the crisis response headquarters if established.

We investigate the causes of incidents, implement measures to prevent recurrence, and use this experience to develop products and improve businesses with the goal of further enhancing customer satisfaction.

*1 ORIX designates the relevant department to receive reports when an incident occurs according to the facts and degree of impact.

*2 ORIX designates persons in charge of addressing incidents according to the facts and degree of impact.

Systems for Addressing Crises and Complaints



Business Continuity Planning (Disaster Risk Management System)

ORIX’s Basic Disaster Risk Management Rules stipulate our basic stance in the case of unforeseen incidents, including natural disasters or accidents, along with specific responses and the framework for organizationally managing risk. Defining disasters largely as damage from natural phenomena such as earthquakes and typhoons, terrorism, accidents, fires, and infectious diseases, we have laid out our fundamental responses in a disaster response manual and a manual for countering new influenza strains or similar diseases.

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 our business operations can continue as usual without any significant change.

As a rule, in Japan, we confirm the safety of employees in prefectures affected by an earthquake with a seismic intensity of 5 or higher, and conduct safety confirmation training several times annually. We have also set up a disaster response headquarters at the Osaka head office in case damage in greater Tokyo makes the Tokyo head office unable to function, and we are conducting relevant information gathering training as well. In addition, each location has enough stockpiled food and drinking water for three days per employee.

Information Security

Information Security at ORIX

ORIX recognizes that risks related to information security are an important management issue, and strives to ensure appropriate protection of information and safe management of information assets. These ideas and policies on information security are stipulated in the Information Security Policy. We established information security management rules as internal regulations, which stipulate appropriate handling of information and information systems by officers and employees, as well as information security management systems, basic policies, and management standards.

▶▶▶ [Information Security Policy](#)

Information Security Governance Structure



* CSIRT (Computer Security Incident Response Team): computer and networking security incident response team.

Compliance with International Standards and Security Rating Services

ORIX’s information security controls conform to the following international standards: ISO31000, ISO27001, COBIT, NIST. We continuously evaluate the level of information security, using an independent external security rating service.

Information Security Standard and Minimum Security Standards

ORIX has established an information security standard and minimum security standards, which stipulate control areas and measures for information security risks. The information security standard sets 16 information security control domains and establishes risk control measures for each area. Each company and department makes a risk-based decision regarding what control measures are implemented. The nature of the business, information possessed, threats, and regulatory expectations are the key inputs considered when determining a risk-based decision. Minimum security standards are 14 risk control measures that must be achieved by each company and department within the information security standard. They are set at risk countermeasure levels in accordance with social conditions and the risks that ORIX faces.

The Information Security Control Department provides security programs to each company and department that are necessary for achieving minimum security standards through global shared services.

Response to Information Security Incidents

The CSIRT of each company and department establishes a reporting system and procedures for responding to information security incidents in advance, and conducts drills in accordance with the reporting procedures. In the event of an incident, the CSIRT of each company and department shall respond to the incident with the support or instructions of the Information Security Control Department. The director in charge of the Information Security Control Department shall report the status of response, measures to prevent recurrence, and measures to improve the incident according to the seriousness of the incident to the CEO and the Executive Committee.

Cyber Security Training

Cyber security training is available to all Group officers and employees throughout the year. In the fiscal year ended March 31, 2022, approximately 30,000 people received training.

Compliance

Policies and Principles

Compliance Basic Policy

ORIX has positioned compliance as one of its most important management issues, striving to build an effective compliance structure alongside a corporate culture that values high ethical standards, good faith, fairness, and transparency in all corporate activities.

Compliance Structure

ORIX reports important compliance matters to the Executive Committee, the Audit Committee of the Board of Directors, and the Group Executive Officer Committee. The Group Compliance Department, under the oversight of the Head of Legal and Compliance Headquarters, coordinates with compliance officers appointed at subsidiaries and business units, promoting compliance initiatives across the Group.

Compliance Structure



Goals and Progress

Material Issues

- Promote a strong culture of compliance with all applicable laws and regulations, including paying our fair share of taxes.

Initiatives

• Formulation of compliance-related policies

ORIX Group has established Group-wide regulations on compliance and has prescribed and promoted rules and codes of conduct designed to keep officers and employees of ORIX Group in strict adherence to legal requirements, internal rules, and generally accepted standards of business conduct. The main compliance related policies are as follows. Please refer to our website for details on other compliance-related policies including Policy on Prevention of Insider Trading.

Main compliance-related policies

ORIX Group Principles of Conduct

ORIX Group Code of Conduct

Shows ethical and compliance principles and specific explanations that all ORIX officers and employees should comply with.

ORIX Group Compliance Policy

Sets out compliance requirements and compliance risk management systems.

ORIX Group Anti-Corruption Policy

Sets out basic policy for preventing corruption such as bribery and conducting fair and transparent transactions.

ORIX Group Anti-Money Laundering Policy

Sets out basic policy for preventing transactions related to profits generated from illegal activities and transactions that fund terrorist-related activities.

ORIX Group Conflicts of Interest Policy

Sets out standards for avoiding conflicts of interest between ORIX and its officers, employees, and customers.

▶▶▶ [Compliance-related Policies](#)

• Formulation of compliance program

In order to prevent and mitigate compliance risks, ORIX establishes annual Group-wide compliance initiatives each fiscal year.

Following this policy, each Group company formulates a compliance program according to its own risk assessment. The Compliance Department checks the adequacy and effectiveness of compliance programs at each Group company. Next, each Group company implements its own compliance program and reports on its progress. The Compliance Department checks the details of implementation.

Compliance

Internal and external whistleblower systems

Internal whistleblower system

ORIX has established an internal whistleblower system (the "Compliance Hotline") with the aim of improving the governance of our Group through prevention, early detection, and timely responses to violations of laws, regulations, ORIX internal policies and rules, and infringement of human rights. Our Rules on the Compliance Hotline define the structure and operation of the internal whistleblower system.

The Compliance Hotline is available through three channels: an external channel retaining outside lawyers and specialists, a channel for reporting outside of the internal management structure straight to the ORIX Corporation Board Audit Committee, and an internal channel. These channels allow reporting by email, telephone, personal interview, and letter. Reporting by email is available 24 hours a day, 365 days a year.

We use posters and the company intranet as a means of informing officers and employees about the Compliance Hotline. For overseas Group companies, in addition to the local hotline established at each company, we set up the

Compliance Hotline at ORIX Corporation Headquarters in Tokyo where information can be reported anonymously from our overseas Group companies. Through these initiatives, ORIX is aiming to comprehensively enhance its compliance on a global scale.

After receiving a report, under the management of the Compliance Hotline manager (the Executive Officer responsible for compliance), access to the information is strictly controlled and limited to the persons concerned, and investigations and corrective actions are conducted as appropriate. The Rules on the Compliance Hotline prohibit any retaliation against employees who report in good faith and those who cooperate with the investigation.

External whistleblower system

As part of its efforts to promote compliance, ORIX has established a hotline channel for reports from business partners and other external parties. If you become aware of any conduct by officers and employees of ORIX Group that you believe is or may be in violation of our compliance policies, the Group Compliance Department is the point of contact that accepts these reports.

Efforts to raise compliance awareness

At ORIX Group, members of senior management— including the CEO and Executive Officer responsible for compliance— regularly distribute messages to all Group officers and employees with the objective of enhancing and reinforcing compliance awareness. Additionally, the compliance department regularly distributes compliance related information to comprehensively raise awareness among employees.

In order to promote understanding of the importance of compliance among ORIX employees and translate that awareness into day-to-day practices, compliance training is conducted periodically by way of e-learning, group training, and on-site courses. Additionally, multi-level and customized training courses are available for all employees, including new hires and managers.

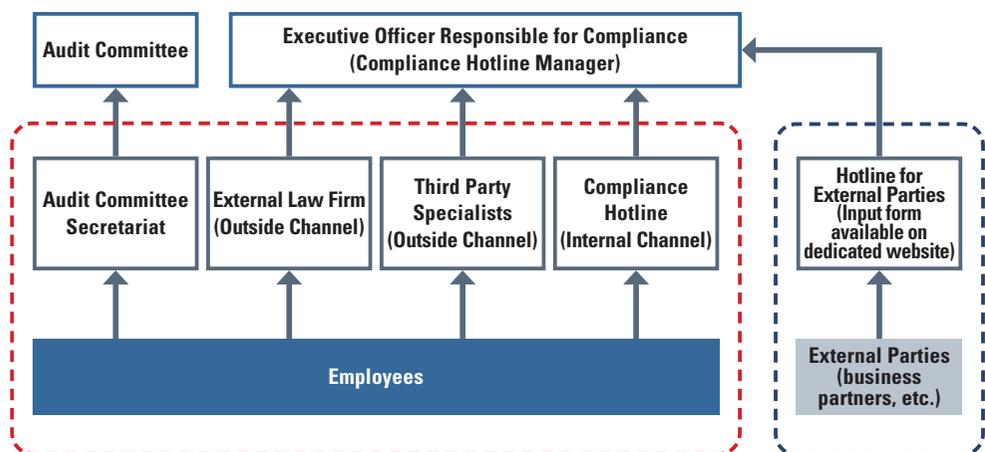
The e-learning courses provided annually to the officers and employees of ORIX Corporation and its subsidiaries in Japan are based on the ORIX Group Principles of Conduct, which are applicable to all Group employees and focus on risks, laws, and regulations that require special attention, as well as the Employee Core Principles—a set of values summing up the qualities and standards that should go into all behavior. Specifically, the courses focus on anti-bribery and corruption, anti-money laundering and combating the financing of terrorism (including international sanctions compliance), insider trading, and conflicts of interest. Over the fiscal year ended March 31, 2022, approximately 29,000 employees completed the e-learning courses.

As for ORIX's overseas subsidiaries, training courses on the ORIX Group Code of Conduct and Ethics are provided annually, and compliance training courses encompassing anti-bribery and corruption, anti-money laundering and combating the financing of terrorism (including international sanctions compliance), and other risks that require assessment and attention are also provided regularly.

In addition to training, employee surveys and workplace environment interviews on topics such as workplace harassment and work-life balance are in place as measures intended to help raise compliance awareness among employees of ORIX.

▶▶▶ See [here](#) for details on our compliance initiatives.

Reporting Routes

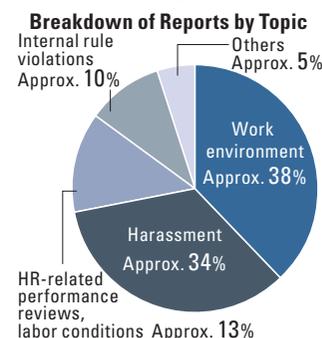


Note: Reports can be made anonymously.

Internal Whistleblower System External Whistleblower System

Number of Reports

In the fiscal year ended March 31, 2022, approximately 110 reports were received through the internal whistleblower system and approximately 15 reports were received through the external whistleblower system (the number of reports provided on a global basis).



Tax Policy

ORIX stipulates in the Code of Conduct that employees must “comply at all times with all applicable laws, rules and regulations and ORIX Group policies and rules.”

In addition, it stipulates that employees must “understand and comply with tax laws, regulations and ORIX Group policies and rules.”

▶▶▶ [Code of Conduct](#)

Amount of Tax Paid by Country (FY Ended March 2022)

Country	Amount of tax paid (Millions of yen)	Percentage by country
Japan	42,929	51.7%
United States	22,725	27.4%
Netherlands	9,644	11.6%
Switzerland	1,476	1.8%
Others	6,255	7.5%
Total	83,030	100%

Note: The amount of tax paid is based on reports by country submitted to the tax authorities.

Policy of “Accurate and Transparent Tax Reporting”

ORIX strives for accuracy, transparency, and fairness in all our records and reports. No funds or assets may be maintained or used for illegal or improper purposes. ORIX does not facilitate activities that do not reflect economic realities and that are conducted to evade taxes or solely to transfer income in violation of the spirit of tax laws.

Any report, document, or statement submitted to a government or communicated publicly must be accurate, complete, understandable, and timely. It is critical that no false statements, misleading or artificial entries, material omissions, or misrepresentations are contained in any of ORIX’s tax books, records, or other documents or communications. ORIX employees should take all steps in the course of their duties to maintain ORIX’s internal control standards and to ensure the accuracy of records and reports, including tax records, to properly reflect all transactions and assets, and to report potential violations.

ORIX also thoroughly complies with related laws, regulations, directives, guidelines, and tax treaties, including tax laws of Japan and foreign countries and regions, in order to make the appropriate amount of tax payment at the appropriate time and in the appropriate place, and enjoy applicable tax benefits based on the use of tax treaties, while striving to optimize tax expenses.

Governance-related Data

Number of Meetings Held, Attendance Rate and Composition of the Board of Directors

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Number of Board of Directors meetings held	8	8	9	8	9
Board of Directors meeting attendance rate	98%	97%	96%	100%	99%
Number of directors	12	12	12	12	11
Of which, number of outside directors	6	6	6	6	6
Ratio of outside directors	50.0%	50.0%	50.0%	50.0%	54.5%
Number of female directors	1	2	2	2	2
Ratio of female directors	8.3%	16.6%	16.6%	16.6%	18.1%

Number of Meetings Held and Attendance Rates of Committees

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Number of Nominating Committee meetings held	3	3	5	5	7
Nominating Committee attendance rate	94%	94%	95%	100%	100%
Number of Audit Committee meetings held	9	8	8	11	12
Audit Committee attendance rate	94%	100%	96%	97%	97%
Number of Compensation Committee meetings held	5	4	6	4	4
Compensation Committee attendance rate	100%	100%	100%	100%	100%

Governance-related Data

Composition of Committees as of June 30, 2022, Number of Times Attended and Attendance Rate of the Board of Directors and Committee Meetings in the Fiscal Year Ended March 31, 2022

Name	Directors			Nominating Committee	Audit Committee	Compensation Committee	Board of Directors		Nominating Committee		Audit Committee		Compensation Committee	
	Time of appointment	Years in office	Position				Times attended	Attendance rate	Times attended	Attendance rate	Times attended	Attendance rate	Times attended	Attendance rate
Makoto Inoue	June 2010	12 years	Director				9/9 times	100%						
Shuji Irie	June 2018	4 years	Director				9/9 times	100%						
Satoru Matsuzaki	June 2019	3 years	Director				9/9 times	100%						
Yoshiteru Suzuki	June 2020	2 years	Director				9/9 times	100%						
Stan Koyanagi	June 2017	5 years	Director				9/9 times	100%						
Michael Cusumano	June 2019	3 years	Outside Director			○	9/9 times	100%					4/4 times	100%
Sakie Akiyama	June 2019	3 years	Outside Director	○ Chair			9/9 times	100%	7/7 times	100%				
Hiroshi Watanabe	June 2020	2 years	Outside Director	○		○ Chair	9/9 times	100%	7/7 times	100%	12/12 times	100%		
Aiko Sekine	June 2020	2 years	Outside Director	○	○ Chair		9/9 times	100%	6/6 times* ¹	100%	12/12 times	100%	1/1 times* ²	100%
Chikatomo Hodo	June 2021	1 year	Outside Director		○	○	7/7 times* ³	100%			9/ 9 times* ⁴	100%	3/3 times* ⁵	100%
Noriyuki Yanagawa	June 2022	—	Outside Director		○		—	—						

*1 Attendance at Nominating Committee meetings held after being appointed as a Nominating Committee member. *2 Attendance at Compensation Committee meetings held while serving as a Compensation Committee member.

*3 Attendance at Board of Directors meetings held after being appointed as a director.

*4 Attendance at Audit Committee meetings held after being appointed as an Audit Committee member.

*5 Attendance at Compensation Committee meetings held after being appointed as a Compensation Committee member.

Compensation for Directors, Executive Officers and Group Executives (FY Ended March 2022)

Category	Fixed Compensation		Performance-linked Compensation (Annual Bonus)		Share Component of Compensation		Total Compensation (Millions of yen)
	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	
Directors (Outside Directors)	7 (7)	93 (93)	—	—	7 (7)	13 (13)	106 (106)
Executive Officers and Group Executives	27	669	27	686	27	615	1,970
Total	34	762	27	686	34	628	2,076

For details on ORIX's compensation for directors and executive officers, please refer to the following:

▶▶▶ [Form 20-F filed with the U.S. Securities and Exchange Commission](#)

- Number of recipients and amounts paid include one director and two executive officers (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2022. As of March 31, 2022, ORIX had 11 directors (6 outside directors), 20 executive officers (including directors serving concurrently as executive officers), and 5 Group executives.
- At ORIX, no directors serving concurrently as executive officers received compensation as directors. Total compensation for the six people serving concurrently as directors and executive officers is shown in the executive officers and Group executives line.
- The amount of share component of compensation paid is calculated by multiplying the number of points confirmed to be provided as the portion for the fiscal year ended March 2022 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,479.87 per share). Therefore, the total amount of share component of compensation actually paid in the fiscal year ended March 2022 is not presented. The total amount of share component of compensation actually paid in the fiscal year ended March 2022 was ¥282 million for one director and two executive officers (including those serving concurrently as directors and executive officers) who retired during the fiscal year ended March 2022.
- ORIX did not provide stock options in the form of stock acquisition rights in the fiscal year ended March 2022.
- Figures shown are rounded down by truncating figures of less than ¥1 million.

