

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

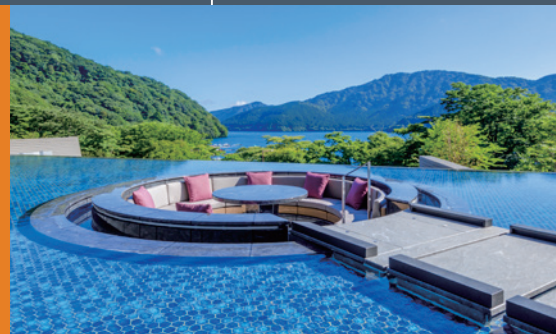
Promoting innovation and technological change

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.

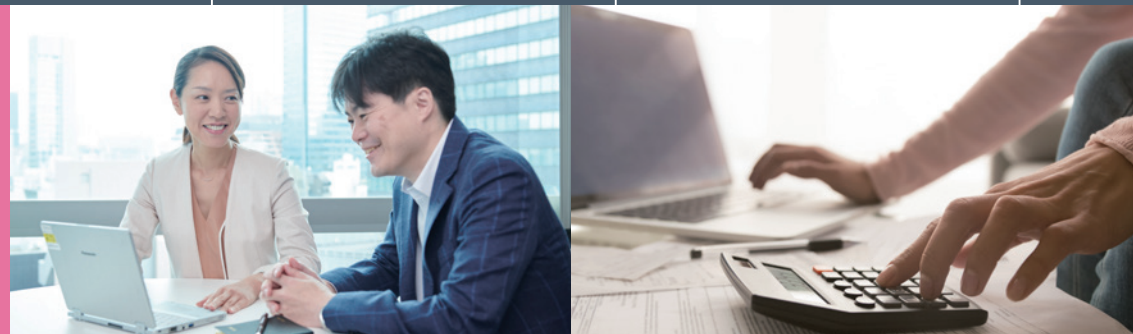
In 2022, ORIX Life Insurance became a signatory to the Principles for Responsible Investment (PRI). ORIX Life Insurance's asset management complies with the PRI, which requires the incorporation of ESG factors in all assets under management.

▶▶▶ 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.

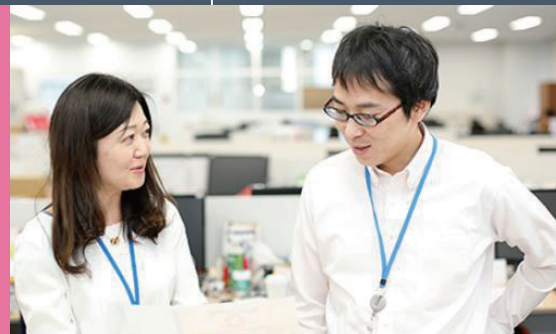
ORIX Bank finances the development of projects involving the construction of condominiums built with ZEH specifications for investment purposes. ORIX Bank offers preferential loan rates to property developers if the financed property meets ZEH criteria, while also offering preferential loan rates for 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.