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RISK FACTORS

Investing in our securities involves risks. You should carefully consider the risks described below as well as all the other information in this annual report, including, but not limited to, our consolidated financial statements and related notes and "Item 11. Quantitative and Qualitative Disclosures about Market Risk." Our business activities, financial condition and results of operations and the trading prices of our securities could be adversely affected by any of the factors discussed below or other factors. Even if we do not incur direct financial loss as a result of these risks, our reputation may be adversely affected. This annual report also contains forward-looking statements that involve uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, the risks faced by us described below and elsewhere in this annual report. See "Forward-Looking Statements." Forward-looking statements in this section are made only as of the filing date of this annual report.

For information about our management of the principal risks we face, see "Item 5. Operating and Financial Review and Prospects—Risk Management—Management of Principal Risks."

1. Risks Related to our External Environment

(1) Global economic weakness and instability or political turmoil could adversely affect our business activities, financial condition and results of operations.

We conduct business operations in Japan and other areas of Asia, as well as in the Americas, Europe, Oceania and the Middle East. Our business is affected by general geopolitical, economic and financial conditions in these countries and regions. These conditions are affected by changes in various factors including, for example, wars and riots, changes in fiscal and monetary policies and trade and technology frictions among major trading partners, including the United States and China. Fluctuations or shifts in commodity market prices and consumer demand, trade disputes, political, social or economic instability in these countries and regions could also adversely affect our business activities, financial condition and results of operations. As for the Russia-Ukraine and Israel-Hamas conflicts, we do not expect a significant impact on our financial performance at this stage; though any resolution is uncertain and any long-term or indirect impact is difficult to predict.

Despite our attempts to minimize the adverse effects of such factors through, for example, improving our risk management procedures, global economic weakness and instability, or political turmoil could adversely affect our business activities, financial condition and results of operations.

(2) Competition could affect our business

We compete on the basis of pricing, transaction structure, service quality and other terms. It is possible that our competitors may seek to compete aggressively on the basis of pricing and other terms through their low funding costs or without regard to their profitability. In addition, technological advances and innovation may result in the emergence of new competitors and as a result, we may be forced to adapt our business to compete more effectively. As a result of such aggressive competition by our competitors, our market share or our profitability may decline.

(3) Negative publicity could affect our business activities, financial condition, results of operations and share price

Our business is built upon the confidence of our customers and market participants. Whether based on facts or not, negative publicity about our activities, our industries or the parties with whom we do business could harm our reputation and diminish confidence in our business. In such an event, we may lose customers or business opportunities, which could adversely affect our business activities, financial condition and results of operations, as well as our share price.

(4) Climate change could impact our business

The physical risks and transition risks associated with climate change are subject to increasing political, societal and regulatory focus in Japan and globally, and could have a negative impact on the earnings, business activities, financial condition and results of operation of ORIX Group.

Major physical risks of climate change may arise from a number of factors and relate to specific weather events or the gradual deterioration of environmental conditions. Consequences may include the possibility of a halt to, or reduction in, business operations owing to damage at our facilities and offices as well as an increase in operating or construction costs caused by rising temperatures. In addition, climate change could impact the value of our assets pledged as collateral, resulting in an increase in our credit costs.

Major transition risks may arise due to changes in climate change policies, tightening of environmental regulations or technological innovation, and, as a result, the financial condition and results of operation of our businesses and partners in sectors that are deemed to contribute to climate change may be adversely affected. For example, strengthened decarbonization policies may impact our coal-biomass co-fired power plants, or increase costs in certain businesses owing to carbon taxes.

ORIX announced its support for the Task Force on Climate-related Financial Disclosures (“TCFD”) in October 2020, with the aim of enhancing corporate value through the assessment and disclosure of the risks and opportunities posed by climate change. ORIX is working to expand its information disclosure in line with the TCFD framework’s four themes involving governance, strategy, risk management, and metrics and goals. With regards to its ESG-related material issues and focus areas and key goals, ORIX has announced that it will actively promote its renewable energy business, reduce GHG (CO_2) emissions, and reduce our investment and credit balance in GHG (CO_2) emitting industries. While ORIX Group intends to maintain its commitment to ESG-related material issues and focus areas, developments in political, economic, technological, social and market environments or other factors, much of which are outside of its control and subject to significant uncertainties, may affect its strategies or capability to achieve its ESG-related goals as planned, and there is no assurance that ORIX will achieve its key goals in the specified time frames or otherwise. Moreover, these risks or a failure to achieve these goals, could adversely affect ORIX’s business and operating results and significantly impact ORIX’s mid- and long-term initiatives.

For further information, see “Item 4. Information on the Company—Sustainability at ORIX and Our Initiatives.”

(5) Risk related to natural disasters and other calamities could impact our business

Unpredictable events such as earthquakes, storms, floods, tsunamis and other natural phenomena, extreme weather conditions, fires, pandemics, etc. may, among other things, cause unexpectedly large market changes or unanticipated deterioration of economic conditions in a country or a region, or cause major injuries to our personnel or damages to our facilities, equipment and other properties. As a result of such events, our business activities, financial condition and results of operations could be adversely affected.

In addition, the global COVID-19 pandemic has had a serious impact on domestic and international economies since the beginning of 2020. In the event the pandemic reoccurs in the future or the world experiences another pandemic similar to or worse than the COVID-19 pandemic, our business activities, financial condition and results of operations could be adversely affected in a manner that we cannot currently anticipate.

2. Credit Risk

We maintain an allowance mainly for credit losses on finance leases and probable loan losses. However, we cannot be sure that the allowance will be adequate to cover future credit losses. This allowance may be inadequate due to unexpected adverse changes in the Japanese and overseas economies in which we operate, or deterioration of specific industries, markets or customers' business performance. While we constantly strive to diversify risk through portfolio management, we may be required to make additional provisions in the future depending on economic trends and other factors.

Furthermore, if adverse economic or market conditions affect the value of underlying collateral, secondhand equipment, or other collateral measures, our credit-related costs other than the allowance might increase. If any such event occurs, our business activities, financial condition and results of operations could be adversely affected.

3. Business Risk

(1) We are exposed to risks from expansion of our businesses, acquisitions of companies and assets, entry into joint ventures and alliances with other companies and similar activities with uncertain outcomes

We are engaged in a broad range of businesses in Japan and overseas and continue to expand such range, including through acquisitions of companies and businesses. The breadth of our business and continued expansion may expose us to new and complex risks that we may be unable to fully control or foresee, and, as a result, we may incur unexpected and potentially substantial costs or losses. Such unexpected costs and losses, which may result from regulatory, technological or other factors, may be particularly acute when we expand our business through acquisitions. In addition, we may not achieve targeted results if our business or business opportunities do not develop as expected or if competitive pressures undermine profitability. Furthermore, when we acquire companies or businesses to expand our business, we could be required to make large write-downs of goodwill or other assets if the results of operations of an acquired company or business are lower than what we expected at the time we made such acquisition, or if they encounter other financial or operational difficulties.

We have a wide range of investments in business operations, including operations that are very different from our financial services business. If we fail to manage our investee companies effectively, we may experience financial losses as well as losses of future business opportunities. In addition, we may not be able to sell or otherwise dispose of investments at the times or prices we initially expected or at all. We may also need to provide financial support, including credit support or equity investments, to some investee companies if their financial condition deteriorates.

From time to time we also enter into joint ventures and other alliances, and the success of these alliances is often dependent upon the operational capabilities, the financial stability and the legal environment of our counterparties. If an alliance suffers a decline in its financial condition or is subject to operational instability because of a change in applicable laws or regulations, we may be required to pay in additional capital, reduce our investment at a loss, or terminate the alliance.

If any such events occur, our business activities, financial condition results of operations and reputation may be adversely affected.

(2) We are exposed to risks related to asset value volatility

In the management of our businesses, we hold various classes of assets and investments, including real estate, aircraft, ships and other assets in Japan and overseas, which we may hold for our own use or lease to our customers. The market values of these assets and investments may be volatile and may decline substantially in the future.

Asset valuation losses are recorded based on the fair market values at the time when revaluation is conducted in accordance with applicable accounting principles. However, losses from the sale of these assets, including as a result of a sudden need for liquidity or to mitigate an adverse credit event at one of our customers, may exceed the amount of recorded valuation losses.

We estimate the residual value for certain operating leases at the time of contract. Our estimates of the residual value of equipment are based on current market values of used equipment and assumptions about when and to what extent the equipment will become obsolete; however, we may need to recognize additional valuation losses if our estimates differ from actual trends in equipment valuation and the secondhand market, and we may incur losses if we are unable to collect such estimated residual amounts.

In addition, due to our operation of asset management businesses, if there are changes in the market value of asset such as shares and other securities, it could affect the results of our asset management services, which could lead to reductions in our assets under management and related fees and negatively impact our revenue.

If any event described above occurs, our business activities, financial condition and results of operations may be adversely affected.

(3) Risks related to our other businesses

We operate a wide range of businesses in Japan and overseas, including financial services businesses.

Entry into new businesses, and the results of operations following such entry, are accompanied by various uncertainties, and if any unanticipated risk does occur, it may adversely affect our business activities, financial condition and results of operations.

4. Market Risk

(1) Changes in market interest rates and currency exchange rates could adversely affect our assets and our business activities, financial condition and results of operations

Our business activities are subject to risks relating to changes in market interest rates and currency exchange rates in Japan and overseas. Although we conduct asset-liability management (“ALM”), changes in the yield curve and currency exchange rates could adversely affect our results of operations.

When funding costs increase due to actual or perceived increases in market interest rates, financing lease terms and loan interest rates for new transactions may diverge from the trend in market interest rates.

Changes in market interest rates could have an adverse effect on the credit quality of our assets and our asset structure. For example, with respect to floating-rate loan assets, if market interest rates increase, the repayment burdens of our customers may also increase, which could adversely affect the financial condition of such customers and their ability to repay their obligations to us. Alternatively, a decline in interest rates could result in an increase in early repayment of loans and a corresponding decrease in our assets, which could adversely impact our revenue generation capabilities.

Although we enter into derivative investments to hedge our market interest and currency risks, we may not be able to perfectly hedge against all risks arising from our business operations in foreign currencies and overseas investments. As a result, a significant change in interest rates or currency exchange rates could have an adverse impact on our business activities, financial condition and results of operations.

(2) Our risk management strategy of using derivatives for hedging purposes may not be effective

We may use derivative instruments to reduce fluctuations in the value of our investments and to hedge against interest rate and currency risks. However, it is possible that this risk management strategy may not be fully effective in all circumstances due to our failure to appraise the value of assets being hedged or execute such derivative instruments properly or at all, or our failure to achieve the intended results of such hedging due to the unavailability of offsetting or roll-over transactions in the event of sudden turbulence in the market or otherwise. Furthermore, our derivatives counterparties could fail to honor the terms of their contracts with us. Our existing derivative contracts and new derivative transactions may also be adversely affected if our credit ratings are downgraded.

In such instances, our business activities, financial condition and results of operations could be adversely affected.

(3) Fluctuations in market prices of stocks and bonds may adversely affect our business activities, financial condition and results of operations

We hold investments in shares of private and public company stock and corporate and government bonds in Japan and overseas. The market values of our investment assets are volatile and may fluctuate substantially in the future. A significant decline in the value of our investment assets could adversely affect our business activities, financial condition and results of operations.

5. Liquidity Risk

Our primary sources of financing include: borrowings from banks and other institutional lenders, funding from capital markets (such as through issuances of bonds, medium-term notes or commercial paper ("CP"), loans receivables and other assets) and deposits. Such sources include a significant amount of short-term debt, such as CP and other short-term borrowings from various institutional lenders and the portion of our long-term debt maturing in the current fiscal year. Some of our committed credit lines require us to comply with financial covenants.

For the ORIX Group, an increase in liquidity risk means an increase in the likelihood that it will be difficult to raise new funds and renew existing funding, and/or that funding costs will increase. If our access to liquidity is restricted, or if we are unable to obtain our required funding at acceptable costs, our business activities, financial condition and results of operations may be significantly and adversely affected.

We obtain credit ratings from ratings agencies. Downgrades of our credit ratings due to reasons such as market turmoil or the worsening of our financial condition could result in increases in our interest expenses and could have an adverse effect on our fund-raising ability by increasing costs of issuing CP and corporate debt securities and borrowing from banks and other financial institutions, reducing the amount of bank credit available to us or decreasing the attractiveness of our equity securities to investors. As a result, our business activities, financial condition and results of operations may be significantly and adversely affected.

6. Compliance Risk

Our efforts to implement and maintain thorough internal controls for appropriate compliance and legal risk management, as well as compliance education programs for our directors, officers and other employees across the ORIX Group, in order to prevent violations of applicable laws, regulations and internal rules may not be fully effective in preventing all violations. In addition, we engage in a wide range of businesses, and our expansion into new businesses through acquisitions may cause our current internal controls to not be fully effective. If we are unable to implement and maintain robust internal controls to prevent any such violations and adjust such controls in response to expansion of our business, we may be subject to sanctions, which could also apply to our officers or employees. Such events could adversely affect our business activities, financial condition, results of operations and reputation.

In addition, we are also indirectly exposed to compliance risk through our joint venture and alliance partners, investee companies and other business partners or counterparties, whom we may not be able to control. If any of those parties engage in violations of applicable laws or regulations, our business activities, financial condition, results of operations and reputation may be adversely affected.

7. Legal Risk

(1) We are subject to various laws and regulations in Japan and overseas that may affect our business

Our businesses and employees are subject to domestic and international laws, as well as regulatory oversight by government authorities that implement those laws, relating to the various sectors in which we operate and to our business operations generally. These include laws and regulations applicable to specific businesses and industries, such as moneylending, financial instruments exchange, construction, real estate transactions, hotels, insurance, banking and trust services, as well as laws applicable more generally, such as laws and regulations on antitrust, personal data protection, anti-money laundering and anti-bribery and those applicable due to our public listing in Japan and the United States.

Regardless of whether we have violated any laws, if we become the subject of a governmental investigation, litigation or other proceeding in connection with our businesses, our business activities, financial condition and results of operations may be adversely affected.

For information on the regulations that apply to our businesses, see “Item 4. Information on the Company—Business Regulation.”

(2) Enactment of, or changes in, laws, regulations and accounting standards may affect our business activities, financial condition and results of operations

Enactment of, or changes in, laws and regulations may adversely affect the way that we conduct our business and the products or services that we may offer, as well as limit our investing and funding activities. Such enactment or changes may increase our compliance costs. In recent years, foreign laws and regulations on subject matters such as personal data protection, anti-money laundering, anti-bribery and antitrust have been enacted and strengthened such that they may directly apply to the activities of our businesses, even if conducted outside the relevant jurisdiction. If such pattern continues and it becomes necessary for us to comply with different countries’ regulations, in addition to significantly increasing the number of laws and regulations that we need to comply with, it may also significantly increase our compliance costs.

If accounting standards are changed, even if such changes do not directly affect our profitability or financial soundness, industries related to our businesses, our clients or the financial market may be negatively affected. As a result of such enactments or changes, our business activities, financial condition and results of operations could be adversely affected.

(3) Contractual deficiencies may affect our business and other initiatives

When engaging in business and other transactions, deficiencies, including our failure to execute legally required or binding agreements or our execution of agreements that do not reflect our intentions regarding parties’ contractual obligations, may lead to adverse events such as our being the target of infringement, breach of contract and other legal claims by contractual counterparties and third parties or disruption of our ability to obtain rights we expected as part of such transactions. Such events may adversely affect our business activities, financial condition and results of operations.

8. Information / Cybersecurity Risk and IT Risk

(1) Risks relating to loss, theft, damage or leakage of information

We maintain various information such as customer information including information on individuals, accounting information and personnel information. If information is lost, stolen, damaged, or leaked due to cyber attacks or other unauthorized acts, the ORIX Group may be subject to governmental investigation, litigation or other proceedings in connection with potential violations of applicable data protection laws and regulations, such as the Act on the Protection of Personal Information of Japan and the General Data Protection Regulation adopted in the EU, and may be sued for damages.

(2) The impact of cybersecurity attacks or breaches on our information systems and our business generally

We utilize information systems for managing customer information and financial transactions and for business operations, and in using these diverse information systems, the Company is connected via external networks to organizations within the Group, as well as to employees working remotely from home and subcontractors. Cyber attacks on these information systems or information networks, or other forms of cyber-terrorism could have adverse effects on our operations, by causing, for example, the suspension of certain products or services we provide to our customers or other interruptions of our business activities. In addition to direct impacts of an attack on a given information system, an attack may also result in widespread impacts throughout the network, which could have a negative impact on the ORIX Group’s business activities and reputation.

Cybersecurity risks and the frequency and sophistication of cyber attacks have significantly increased in recent years. In particular, geopolitical tensions, including those resulting from the Russia-Ukraine and Israel-Hamas conflicts, may also increase the risk of cyber attacks, including cyber attacks by state actors or others in retaliation against the sanctions imposed by the international community, as well as cyber attacks by other actors seeking to take advantage of the ongoing conflict. In addition, we also face indirect cybersecurity risks relating to our customers and other third parties, including counterparties in the financial services industry. For example, vulnerabilities in third-party technology systems may increase the risk that our information systems are exposed to cyber attacks. This may result in significant costs to restore business operations, or regulatory sanctions for violations of relevant laws and regulations, or the potential for damages judgments, which may have a negative impact on our reputation.

As a result of the above, our business activities and reputation may be adversely affected.

(3) Impact of system failures

System shutdowns, malfunctions or failures, the mishandling of data or fraudulent acts by employees, vendors or other third parties, could have adverse effects on our operations, by causing, for example, delays in the receipt and payment of funds, disruptions to our financial transactions, the generation of errors in information used by our management for business decision-making and risk management evaluation and planning, the suspension of certain products or services we provide to our customers or other interruptions of our business activities. In such event, our liquidity could be adversely affected.

We may also incur substantial costs to recover our business functionality and our business activities, financial condition, results of operations and reputation may be adversely affected.

9. Operational Risk and Other Risks

(1) Operational Risk

Our business entails many types of operational risks. Examples include inappropriate sales practices; inadequate handling of client and customer complaints; inadequate internal communication of necessary information; misconduct of officers, employees, agents, franchisees, trading associates, vendors or other third parties; errors in the settlement of accounts and conflicts with employees concerning labor and workplace management.

When we offer new products or services, we must ensure that we have the capacity to properly undertake and perform such operations. If we lack such capacity or fail to perform such operations successfully, we may lose the confidence of the market and our customers, which may cause us to suffer decreased profitability or force us to withdraw from such operations.

Our management attempts to manage operational risk and maintain it at a level that we believe is appropriate. However, operational risk is part of the business environment in which we operate, and despite our control measures, our business activities, financial condition results of operations and reputation may be adversely affected at any time due to this risk.

(2) Our risk management may not be effective

We continuously seek to improve our risk management function. However, due to the rapid expansion of our business or significant changes in the business environment, our risk management may not always be effective. As a result, our business activities, financial condition and results of operations may be adversely affected. For a detailed discussion of our risk management system, see “Item 5. Operating and Financial Review and Prospects—Risk Management.”

(3) We may not be able to hire or retain qualified personnel

Our businesses require a considerable investment in human resources and the retention of qualified personnel in order to successfully compete in markets in Japan and overseas. If we cannot develop, hire or retain the necessary qualified personnel, we may incur additional costs to hire specialists or the quality of our products and services may decline, which could prevent us from continuing our business operation in a stable manner and adversely affect our business activities, financial condition and results of operations.

For further information about our initiatives related to human resources strategy, see “Item 4. Information on the Company—Sustainability at ORIX and Our Initiatives.”

(4) Our internal control over financial reporting in future periods may be found insufficient

We have established and assessed our internal control over financial reporting in a manner intended to ensure compliance with the requirements of various laws and regulations. However, in such cases as unpredictable problems should occur, the evaluation process of our internal control over financial reporting may be partially unfulfilled, or such problems may cause us to report the presence of material deficiencies in our internal control, which could cause a loss of investor confidence in the reliability of our financial statements and cause our share price to fall. As a result, our business activities, financial condition, results of operations and reputation may be adversely affected.

10. Risks Related to Holding or Trading our Shares and ADRs

(1) Rights of shareholders under Japanese law may be different from those under the laws of other jurisdictions

Our Articles of Incorporation, the regulations of our board of directors and the Companies Act govern our corporate affairs. Legal principles relating to matters such as the validity of corporate procedures, directors’ and officers’ fiduciary duties and shareholders’ rights are different from those that would apply if we were incorporated elsewhere. Shareholders’ rights under Japanese law are different in some respects from shareholders’ rights under the laws of jurisdictions within the United States and other countries. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a corporation organized in a jurisdiction outside Japan. For a detailed discussion of the relevant provisions of the Companies Act and our Articles of Incorporation, see “Item 10. Additional Information—Memorandum and Articles of Incorporation.”

(2) It may not be possible for investors to effect service of process within the United States upon ORIX or ORIX’s directors or executive officers, or to enforce against ORIX or those persons judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States

ORIX is a joint stock corporation formed in Japan. Almost all of ORIX’s directors and executive officers are residents of countries other than the United States. Although some of ORIX’s subsidiaries have substantial assets in the United States, substantially all of ORIX’s assets and the assets of ORIX’s directors and executive officers are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon ORIX or ORIX’s directors and executive officers or to enforce against ORIX or those persons, in U.S. courts, judgments of U.S. courts predicated upon the civil liability provisions of U.S. securities laws. ORIX has been advised by its Japanese counsel that there is doubt, in original actions or in actions to enforce judgments of U.S. courts, as to the enforceability in Japan of civil liabilities based solely on U.S. securities laws. A Japanese court may refuse to allow an original action based on U.S. securities laws.

The United States and Japan do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil or commercial matters. Therefore, if you obtain a civil judgment by a U.S. court, you will not necessarily be able to enforce such judgment directly in Japan.

(3) We may be a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. investors

We believe that we may have been a passive foreign investment company (a “PFIC”) under the U.S. Internal Revenue Code of 1986, as amended, for the year to which this report relates because of the composition of our assets and the nature of our income. In addition, we may be a PFIC in the foreseeable future. Assuming this is the case, U.S. investors in our Shares or ADSs will be subject to special rules of taxation in respect of certain dividends or gains on such Shares or ADSs, including the treatment of gains realized on the disposition of, and certain dividends received on, the Shares or ADSs as ordinary income earned pro rata over a U.S. investor’s holding period for such Shares or ADSs, taxed at the maximum rate applicable during the years in which such income is treated as earned, with the resulting tax liability subject to interest charges for a deemed deferral benefit. In addition, in the case of any dividends that are not subject to the foregoing rule, the favorable rates of tax applicable to certain dividends received by certain non-corporate U.S. investors would not be available. See “Item 10. Additional Information—Taxation—United States Taxation.” Investors are urged to consult their own tax advisors regarding all aspects of the income tax consequences of investing in our Shares or ADSs.

(4) If you hold fewer than 100 Shares, you will not have all the rights of shareholders with 100 or more Shares

One “unit” of our Shares is comprised of one hundred Shares. Each unit of the Shares has one vote. A holder who owns Shares other than in multiples of one hundred will own less than a whole unit (i.e., for the portion constituting of fewer than one hundred Shares.) The Companies Act imposes significant restrictions on the rights of holders of shares constituting less than a whole unit, which include restrictions on the right to vote. Under the unit share system, a holder of Shares constituting less than a unit has the right to require ORIX to purchase its Shares and the right to require ORIX to sell it additional Shares to create a whole unit. However, a holder of ADRs is not permitted to withdraw underlying Shares representing less than one unit, which is equivalent to 20 ADSs, and, as a practical matter, is unable to require ORIX to purchase those underlying Shares. The unit share system, however, does not affect the transferability of ADSs, which may be transferred in lots of any number of whole ADSs.

(5) Foreign exchange fluctuations may affect the value of our securities and dividends

Market prices for our ADSs may decline if the value of the yen declines against the dollar. In addition, the dollar amount of cash dividends or other cash payments made to holders of ADSs will decline if the value of the yen declines against the dollar.

(6) A holder of ADRs has fewer rights than a shareholder and must act through the depositary to exercise those rights

The rights of shareholders under Japanese law to take various actions, including voting shares, receiving dividends and distributions, bringing derivative actions, examining a company’s accounting books and records and exercising dissenters’ rights, are available only to holders of record on a company’s register of shareholders. The Shares represented by our ADSs are registered in the name of a nominee of the depositary, through its custodian agent. Only the depositary is able to exercise those rights in connection with the deposited Shares. The depositary will make efforts to vote the Shares represented by our ADSs as instructed by the holders of the ADRs representing such ADSs and will pay to those holders the dividends and distributions collected from us. However, a holder of ADRs will not be able to directly bring a derivative action, examine our accounting books and exercise dissenters’ rights through the depositary unless the depositary specifically undertakes to exercise those rights and is indemnified to its satisfaction by the holder for doing so.

Item4. Information on the Company

GENERAL

ORIX is a joint stock corporation *(kabushiki kaisha)* formed under Japanese law. Our principal place of business is at World Trade Center Building, SOUTH TOWER, 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-5135, Japan, and our phone number is: +81 3 3435 3000. Our general contact URL is https://www.orix.co.jp/grp/en/contact/inquiry-eng.html and our corporate website URL is: https://www.orix.co.jp/grp/en. The information on our website is not incorporated by reference into this annual report. ORIX Corporation USA is ORIX's agent in the United States, and its principal place of business is at 2001 Ross Avenue, Suite 1900, Dallas, Texas 75201, USA.

CORPORATE HISTORY

ORIX was established in April 1964 in Osaka, Japan as Orient Leasing Co., Ltd. by three trading companies and five banks that included Nichimen Corporation, Nissho Corporation and Iwai Corporation (presently Sojitz Corporation), the Sanwa Bank (presently The Bank of Mitsubishi UFJ, Ltd.), Toyo Trust & Banking (presently Mitsubishi UFJ Trust and Banking Corporation), the Industrial Bank of Japan and Nippon Kangyo Bank (presently Mizuho Bank, Ltd.), and the Bank of Kobe (presently Sumitomo Mitsui Banking Corporation).

Our initial development occurred during the period of sustained economic growth in Japan during the 1960s and the early 1970s. We capitalized on the growing demand in this period by expanding our portfolio of leasing assets.

During this time, our marketing strategy shifted from a focus on using the established networks of the trading companies and other initial shareholders to one that concentrated on independent marketing as the number of our branches expanded. In April 1970, we listed our Shares on the second section of the Osaka Securities Exchange. Since February 1973, our Shares had been listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange (which was integrated into the Tokyo Stock Exchange in 2013). Since April 2022, we have transitioned from the First Section to the Prime Market under the restructure of the Tokyo Stock Exchange's market segments. ORIX was also listed on the first section of the Nagoya Stock Exchange from February 1973 to October 2004.

ORIX set up a number of specialized leasing companies to tap new market potential, starting with the establishment of Orient Auto Leasing Corporation (presently ORIX Auto Corporation) in 1973 and Orient Instrument Rentals Corporation (presently ORIX Rentec Corporation), Japan's first electric measuring equipment rental company, in 1976. With the establishment of the credit company Family Consumer Credit Corporation (presently ORIX Credit Corporation ("ORIX Credit"), concentrating on card loans) in 1979, ORIX began to move into the retail market by offering financing services to individuals.

It was also during this time that ORIX began expanding overseas, commencing with the establishment of its first overseas office in Hong Kong in 1971, followed by Singapore (1972), Malaysia (1973), Indonesia (1975), the Philippines (1977) and Thailand (1978).

In the 1980s and early 1990s, ORIX established offices in the United States (1981), Australia (1986), Pakistan (1986) and Taiwan (1991). The Japanese company Budget Rent-a-Car (presently ORIX Auto Corporation) was also established in 1985.

In 1989, we introduced a corporate identity program and changed our name to ORIX Corporation from Orient Leasing Co., Ltd. to reflect our increasingly international profile and diversification into financial services other than leasing.