

A large, thick circular graphic is centered on the page. It is composed of two main segments: a red segment on the right side and a blue segment on the left side. The text "INTEGRATED REPORT 2016" is centered within the white space of the circle.

INTEGRATED REPORT 2016



Answers, Custom Fit.

Editorial Policy

In addition to financial information, ORIX Integrated Report 2016 contains other important information on subjects such as ESG (environment, society and governance). This report is intended to help our diverse stakeholders including shareholders and investors to understand ORIX's sustainable growth from a multifaceted perspective. We hope this report provides valuable insight into ORIX's fundamental belief in contributing to the economy and society through its business activities as well as its strategies for continuing to create value over the medium and long term.

Corporate Philosophy

ORIX is constantly anticipating market needs and working to contribute to society by developing leading financial services on a global scale and striving to offer innovative products that create new value for customers.

Management Policy

1. ORIX strives to meet the diverse needs of its customers and to deepen trust by constantly providing superior services.
2. ORIX aims to strengthen its base of operations and achieve sustained growth by integrating its resources to promote synergies amongst different units.
3. ORIX makes efforts to develop a corporate culture that shares a sense of fulfillment and pride by developing personnel resources through corporate programs and promoting professional development.
4. ORIX aims to attain stable medium- and long-term growth in shareholder value by implementing these initiatives.

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Action Guidelines

Creativity

Develop the flexibility and foresight to constantly take actions that are creative and innovative.

Integration

Enhance ORIX Group strength by actively exchanging knowledge, ideas, and experiences.

EC21

At ORIX, we have defined "EC21" which clarifies "ORIX's Corporate Vision" as "an Excellent Company in the 21st Century."



<https://www.orix.co.jp/grp/en/company/philosophy/ec21/>

Participation in the United Nations Global Compact

ORIX became a participant in the United Nations Global Compact in July 2014. We support the ten principles in the four fields of human rights, labor, the environment and anti-corruption, and we are promoting initiatives in each of these fields.



ORIX by the Numbers

Net Income

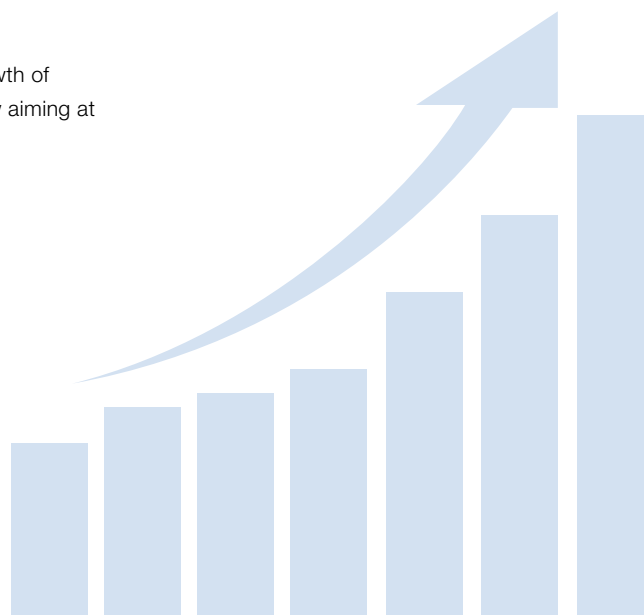
¥260.2 billion

We had another record year in FY2016.3 with solid year-on-year growth of 11%. Following seven consecutive years of profit growth, we are now aiming at ¥300 billion by FY2018.3 as our mid-term target.

Segment Assets

¥9 trillion

Without overstressing our asset size, we have been focusing on improving profitability and strengthening financial soundness. Furthermore, we adjust our asset mix flexibly for different times and environments. For instance, Real Estate segment assets, which accounted for 22% of total segment assets in 2007, have been downsized to 8% of total segment assets in 2016.



History

52 years

Since we introduced “leasing” to Japan in 1964, we have been providing a wide variety of innovative solutions highly valued by the market. In return, we have been rewarded with more than 50 years of continuous profitability and a longstanding reputation.

Global Network

37 countries and regions

We first set foot abroad in Hong Kong in 1971, and since then we have built a genuine global network that is based on local partners, local management, local clients, and local staff.



Number of Employees

33,333

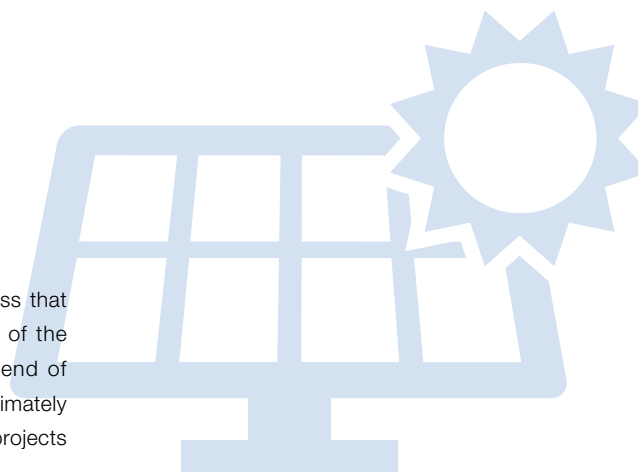
The company has growth from a 13-person venture into one of Japan’s largest non-*keiretsu* affiliated multinational corporations, which is home to a large and diverse organization of dedicated professionals.

Solar Power Generation Business

Approximately

900 MW
of capacity secured

Renewable energy is an important non-finance business that we have been shifting toward. We are currently one of the largest solar power generators in Japan. As of the end of FY2016.3, we have secured a total capacity of approximately 900MW in solar power projects, and we expect these projects to be completed and to start operation in succession.



Auto Leasing Business

No. **3** in the world

With approximately 1.54 million vehicles under management in our auto-leasing operations, which span 20 countries and regions including Japan, we are the world's third-largest auto-leasing company.



Aircraft under Management

Approximately

130 (including about 50 self-owned aircraft)

We have been in the aircraft leasing business for almost 40 years. Our competitive strengths stem from our expertise including market insight, access to the lessee airlines and investors, and strong aircraft management capability.



Number of Shareholders

Almost **Doubled** in one year

Through various efforts towards retail investors in Japan to present ORIX as an ideal investment, the number of shareholders has grown from approximately 94,000 in FY2015.3 to approximately 179,000 in FY2016.3.



Top Management Approval Threshold

¥ **5** million
(Equity Investment)

As a pillar of our robust risk management framework, any equity investment of more than ¥5 million must be thoroughly reviewed and approved by the CEO and other top management.



Peers

None

Our dynamic and seamlessly integrated business model is unique and unparalleled. To this day, we have not identified another company that resembles ORIX.



A Message from the CEO



Rejecting complacency, we will constantly think of new ideas to take on the challenge of businesses with potential.

ORIX has a diverse portfolio of businesses worldwide, and some people have trouble understanding what ORIX does. ORIX has its own business model. It transcends simplistic business labels and has no peers. Our standout feature is that we can do whatever we set our minds to because we are not constrained by preconceived notions or limits. We act on what interests us and change course if it does not work out. We are a large company with the maneuverability of a small company.

ORIX is able to do whatever it sets its mind to because we execute fundamentals effectively. External observers may ask why ORIX is involved in operating aquariums and airports at all. The answer is retrospective: We have moved outward from leasing into a broad array of related markets, and operating aquariums or airports is an extension of our existing facilities operations in our real estate business. Yet ORIX understands that our ability to do what we set our mind to differs from actual execution. We decide to execute only after we cautiously identify risks and proactively consider whether we can reduce and manage them. Our competency in doing so is a function of the expertise we gain from our diverse business portfolio. We do not have this competency because the Group has many skilled professionals. We have it because as a matter of course we collaborate to create new ideas and solutions that individuals are unable to create alone. Unfortunately, however, the businesses we so carefully consider do not all necessarily

succeed. Market changes that exceeded our forecasts have in the past adversely impacted some of our businesses. Yet rather than simply give up, we commit to doing what we must to increase value. We also deploy the knowledge and expertise we gain through this process in other businesses. Turning failure to our advantage is an ORIX fundamental.

Since ORIX can do whatever it sets its mind to, its future is difficult to delineate. The fact is, our businesses have changed every five years or so. I can say that we will remain an unconventional company that takes on challenges. This will change our businesses, and I daresay ORIX will be completely different five years from now.

I reject complacency. I want ORIX to constantly think of new ideas to take on the challenge of businesses with potential. The ability to do what we set our minds to means that our growth potential is unlimited. Growth is a function of challenges, so we will become just another simplistic company if we lose sight of the ORIX Way. I want ORIX to build its presence as a complex company with the goal of being an industry in and of itself, and will lead the Group in taking on the challenges that will drive its growth.



Makoto Inoue

Director
Representative Executive Officer
President and Chief Executive Officer

ORIX Value Creation

Five Concepts of Value Creation

We have transcended the conventional boundaries of a leasing enterprise by building the unparalleled ORIX business model. We have generated sustained growth backed by our commitment to our Five Concepts.

Our Five Concepts are fundamental to creating new value in the future.



A Diverse Business Portfolio

We will continue to enhance our expertise in finance and tangible assets as we synergistically expand our businesses.

Credit Screening and Finance Capability

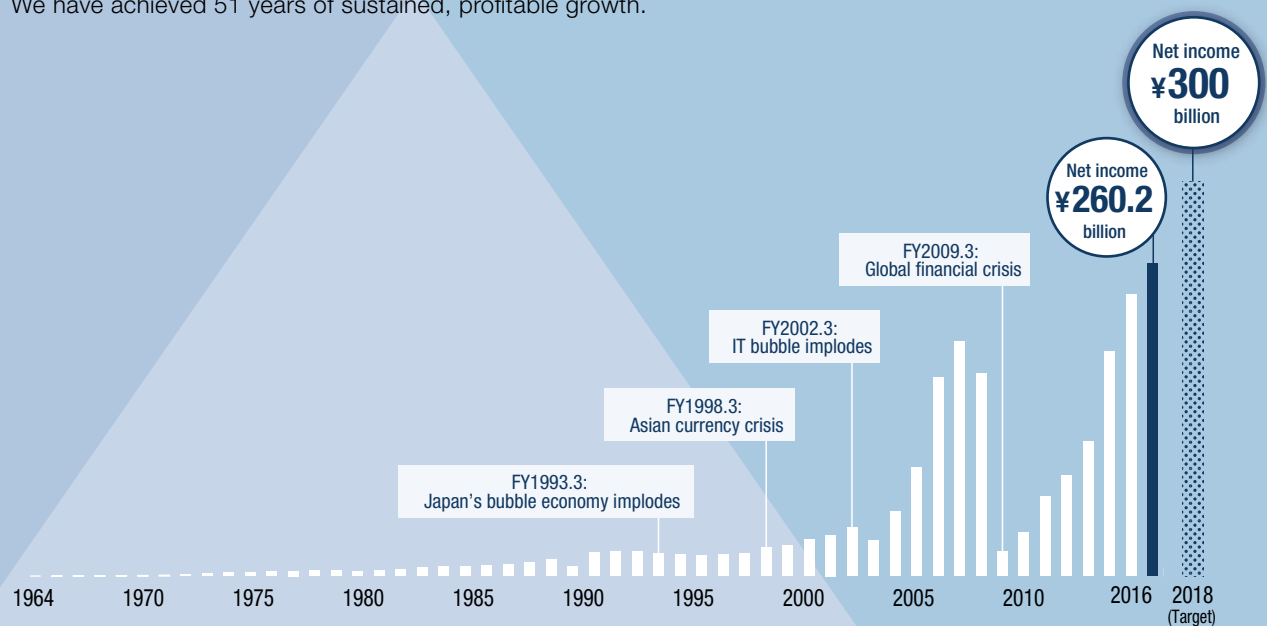


Expertise in Handling Tangible Assets

1964 2016

Net Income

We have achieved 51 years of sustained, profitable growth.



ORIX Value Creation

Global Expansion

ORIX made its first foray overseas by entering Hong Kong in 1971, and since then has continued to expand its operations to other countries using business know-how accumulated in Japan. One key advantage of ORIX's overseas business expansion is that it is based on partnership with leading local companies, localization of overseas subsidiaries' management, and a focus on serving local customers. While the expansion of the overseas business was initially centered on the traditional financing lease business, similar to the business diversification ORIX has been pursuing in Japan, the overseas business has also become increasingly diversified. For instance, auto leasing, the aircraft related business, bond investment, equity investment, asset management, and environment and energy are all part of ORIX's business outside of Japan.

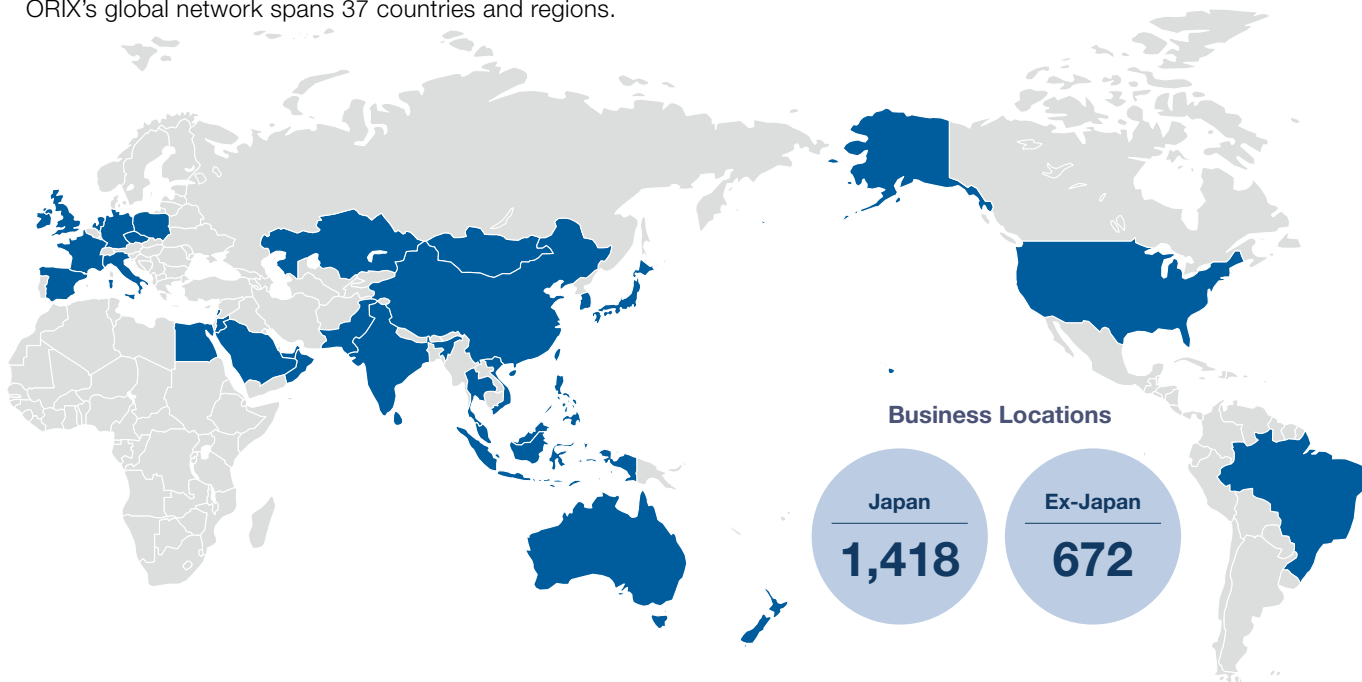
Four Advantages for Global Expansion



(As of March 31, 2016)




Global Network (As of March 31, 2016)

ORIX's global network spans 37 countries and regions.

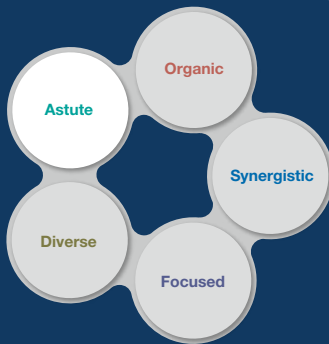


Business Network Expansion and Business Diversification

ORIX's global business expansion started from its financing lease business in Asia, followed by further broadening both its business network and the business areas it engages in.

1970s	1980s	1990s	2000s	2010s
Global Network				
7 Countries	12 Countries	18 Countries	26 Countries	37 Countries
Overseas expansion mainly through leasing business in Asia		Further overseas expansion via diversification into aircraft-related and equity investment businesses		Expansion of business operations through acquisition of Robeco and development of the environment and energy business
<p>Starting in Hong Kong in 1971, ORIX entered markets overseas mainly in Asia, including Singapore, Indonesia, the Philippines, Malaysia, Thailand, and Australia.</p>		<p>Expansion of business network through entry into the Middle East region, including Egypt, Saudi Arabia, and UAE. Diversification of business operations through establishment of an aircraft leasing subsidiary in Ireland and the start of equity investment in Asia.</p>		<p>Further strengthened the global network and broadened the business portfolio with acquisition of Europe/U.S. focused asset manager Robeco Groep N.V. Using expertise cultivated in Japan to develop the environment and energy business outside Japan in countries such as the U.S. and India.</p>
 <p style="text-align: center;">1972</p>		 <p style="text-align: center;">1991</p>		 <p style="text-align: center;">2013</p>
<p>Jointly established the first leasing company in Singapore with local financial institutions</p>		<p>Established ORIX Aviation Systems Limited, which conducts aircraft leasing, in Ireland</p>		<p>Full-fledged entry into the asset management business through acquisition of Robeco Groep N.V.</p>

ORIX Value Creation Five Concepts



Astute

ORIX is a leading producer of renewable energy in Japan, and has been highly successful in businesses including electric power retailing, energy-saving services and waste recycling. The keys have been bold strategies that capture important trends and individual project execution based on prudent risk assessment.

Assess Risk and Build Businesses with Swiftness

ORIX does not belong to any long-established business group (“*keiretsu*”) and can boldly and swiftly execute strategies it believes in. At the same time, we carefully assess risk from all angles for each and every project, then execute when we are well prepared. Our corporate culture that combines swiftness and great attention to detail is an ORIX strength.

I am responsible for the environment and energy business, which is involved in various markets including power generation, electric power retailing, energy-saving services and waste recycling. We are a leading producer of renewable energy in Japan with approximately 900MW of solar generation capacity either in operation or under development. We are also preparing to enter the geothermal and offshore wind power businesses.

The Capabilities of Our People Support Project Execution

We entered the environment and energy business by investing in the wind power generation business in 1995. We subsequently expanded into a broad range of operations including waste recycling, energy-saving services, electric power retailing, and renewable energy generation. We began to commercialize renewable energy when the Great East Japan Earthquake of March 2011 led us to predict that Japan’s energy business and electricity generation mix would change. We had already established the organization to accelerate our renewable energy business when the feed-in tariff system was first introduced in July 2012. The construction of a nationwide system for selling solar power generation systems and the acquisition of the land needed for mega-solar projects required bold investment of resources, and ORIX was quicker than its competitors to successfully establish a profitable

business model. These moves were backed by the swift decision-making of ORIX's senior management, clear instructions disseminated to front-line sales who fully committed themselves to this new business, and of course, the mobility and professionalism to carry out these instructions by the front-line units. ORIX is fully supporting the energy and environment business, deploying its corporate sales network in Japan, its skill in structuring projects gained from real estate development, structured finance and equity investment, and its expertise in documentation of the transactions. ORIX also actively recruited highly experienced professionals from outside when it lacked technical knowledge for the business. As a result, we were able to establish an organization to steadily execute new projects from origination and construction to handling technical and contractual issues. The renewable energy business requires strong long-term relationships with a diverse array of stakeholders. The capabilities of our people are also essential to meet the great expectations of these stakeholders. Over the past several years we have allocated many young employees, including new recruits, to this area as we concentrate on nurturing the people who will be expected to lead this business in the future.

Astuteness Is Also Ingrained in Our Overseas Business Development

A key feature of our business development is that we first acquire expertise in a business, then expand into adjacent markets and develop horizontally across regions. Next, we deepen our understanding and diversify our involvement in target markets. We use partnerships and M&A to acquire personnel, technical knowledge or other resources we may lack, and create synergy with existing re-

sources we have. Renewable energy is well positioned to become an important market with a global scale due to the ever growing need for clean energy and reduction of carbon emissions. In March 2016, we joined with our partner in India, IL&FS, to participate in a wind power business in India with about 1,000MW of capacity. We will work with IL&FS in the future to pursue wind and solar power businesses in India, while also carefully assessing business potential in emerging countries in Asia and in the United States, for horizontal development. We will be astute in developing our environment and energy business overseas to resolve social challenges through our businesses and contribute to sustainable growth for ORIX.

Yuichi Nishigori

Director
Corporate Executive Vice President
Head of Energy and Eco Services Business Headquarters





Organic

Organic collaboration among our diverse professionals creates the teamwork to boldly take on new challenges.

A Brand New Challenge That Is a First in Japan and a First for the Private Sector

A consortium anchored by ORIX and VINCI Airports of France established Kansai Airports to assume the operation of Kansai International Airport and Osaka International Airport from New Kansai International Airport Company. Kansai Airports became the operating company for both airports in April 2016. This concession business will operate both airports for 44 years, and is a first in Japan in terms of the operation period and total investment involved. This business is also a first for ORIX, which began turning its attention to concession initiatives overseas about two years ago and has since held ongoing study sessions in the Real Estate segment. This segment led initial studies when we committed to starting a concession project in Japan. However, the project required multifaceted studies, so senior management nominated members of a team of professionals from various operations including the principal investment business in Japan and overseas, real estate, treasury and the credit department. All told, the organization encompassed 50 to 60 people.

Toyonori Takahashi

General Manager
Concession Business Development Department



After making it through the first round of bidding, we promptly prepared for the second round by holding various discussions, conducting due diligence and creating our proposal. We continued to draft the final contract once we were selected as the preferred negotiation right holder. Upon concluding the contract, we had to submit nearly 3,000 applications for items and permits required to assume the operation of the airports, and obtaining all of them by the date set to begin airport operations was a Herculean task. The challenging schedule did not leave much time for teambuilding. Project members received assignments at the same time they found themselves participating in meetings to discuss key themes, and had to work in the midst of a relentless blizzard of emails about specific tasks. However, we have a horizontal rather than a vertical corporate culture, so team members thought and acted on their own without waiting for instructions and therefore needed little time to collaborate organically. The team's heavy day-to-day workload was cause for concern, but the project drew enormous momentum from the understanding among team members of its social significance and importance to ORIX's new business development. Bringing together highly insightful people with wide-ranging expertise enables us to look at issues from different angles and broaden our perspectives. Many young employees were also involved in this project. I expect that the experience they gained will enable them to take on new challenges elsewhere in the future.

Organic Collaboration, Both Internally and Externally, Creates New Value

We do not need to keep the organic collaboration mindset to the Group alone. Many companies based in Kansai are supporting this airport concession business

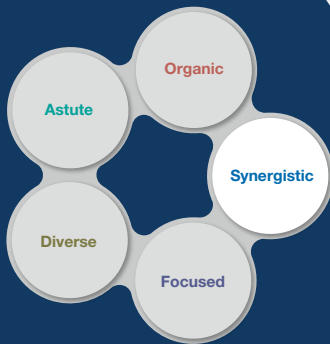
as shareholders of Kansai Airports. We believe that in addition to operating the airports successfully, together with these companies we can contribute to the growth of the Kansai region and the rest of Japan.

Concessions are new to Japan and many issues must be resolved to popularize them. However, bringing together the wisdom of the public and private sectors, whether from Japan or from abroad, should be able to resolve these issues. The wisdom of the private sector contributes to the development of national and local economies, and ultimately can make a substantial contribution to society if it is able to help lighten their financial burden. ORIX will actively take on the challenge of capturing business opportunities to nurture the concession business as one of its next growth drivers.



Hideo Ichida

Corporate Executive Vice President
Chief Commercial Officer (Non Aeronautical)
Kansai Airports



Synergistic

We have finance capabilities from leasing and expertise in dealing with physical assets. ORIX began expanding its business by taking on the challenge of using these two advantages in synergistic markets. We have used newly acquired expertise to steadily broaden our business portfolio.

Acquiring Expertise and Identifying Customer Needs to Expand Our Auto-related Business

Our auto-related business began with the auto leasing business in 1973. We then deployed the expertise we acquired and identified customer needs to expand into adjacent markets. Today, we are a comprehensive provider of auto-related services that include car rental, car sharing and fleet management services.

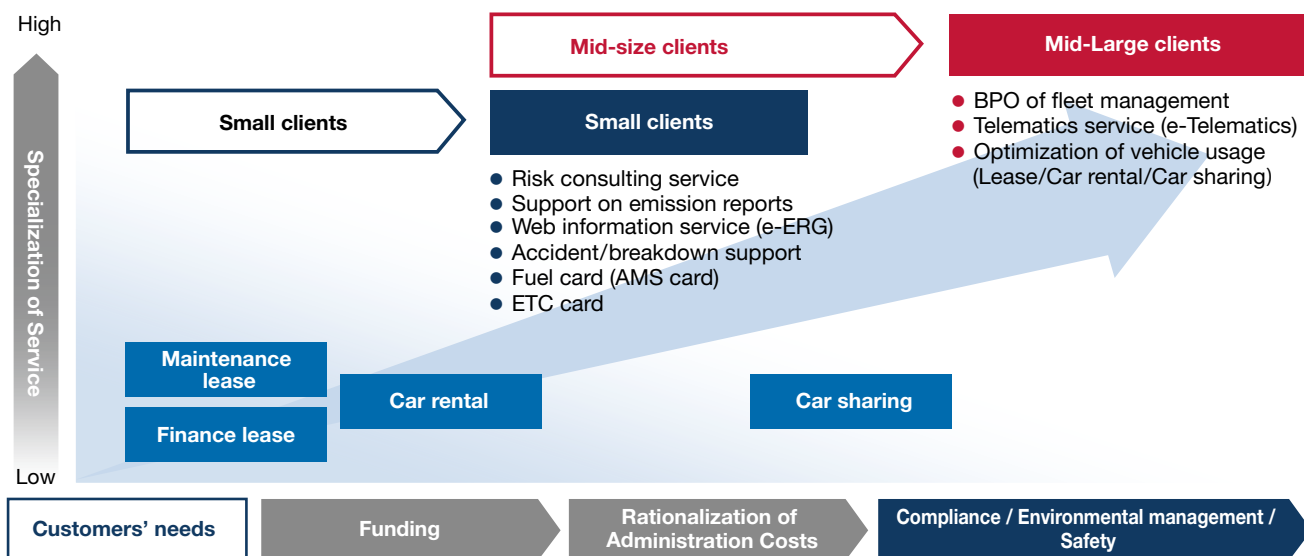
Customers wanted to fund their vehicle needs when we entered the auto leasing business, so we focused on finance leases for small corporate clients. We then addressed evolving customer needs for streamlined fleet management and reduced costs by incorporating maintenance services in finance leases, and expanded our service lineup to include risk consulting and fuel cards. We also addressed diversifying customer compliance, environmental and safety management needs related to fleet use by adding even more sophisticated services such as telematics, a fleet management

consulting service. We have expanded beyond leasing into car rental and car sharing so that we can offer our clients proposals for optimal fleet use.

ORIX has acquired expertise in a wide range of auto-related businesses as a result of our business development initiatives, and now serves a broad base ranging from small to large corporate clients. Earnings have increased steadily, and we maintain a high ROA.

Further Broadening Our Business Portfolio as a Provider of Comprehensive Auto-related Services

ORIX draws on the service menu it has assembled for the entire automobile lifecycle from purchase, use and maintenance to operation and sale in order to offer customers consulting proposals for optimal services. We leverage service capabilities not available at other companies to further expand our portfolio of businesses and take the following approaches to



strengthen earnings.

We consistently develop our client base ranging from small to large corporate clients by providing highly sophisticated services. At the same time, the lease utilization rate is low among individuals in Japan, so we serve this market by providing lease products with features such as new or used vehicles or customizable lease terms, and also by using both internet and face-to-face sales channels.

Moreover, we deploy our vehicle procurement capabilities and the expertise in specialty vehicles we have acquired from truck leasing and rental to plan and develop vehicles equipped according to customer needs. We already offer mobile bank branch vehicles and mobile office vehicles to customers including financial institutions and construction companies, and we will plan and develop specialty vehicles that address various customer needs.

In addition, we intend to use the expertise in fleet management we have acquired in Japan at our subsidiaries in Asia to expand our international auto-related business. Just as in Japan, we are de-

termining the characteristics of each market in Asia to establish a high-quality, highly profitable business model while reinforcing the business platform based on IT system enhancement and data analysis, as well as strengthening of products and services.





Focused

Even projects that do not proceed as initially planned give us new expertise because we focus tenaciously on initiatives to maximize recovery. This leads to subsequent growth opportunities.

Transforming Crises into Opportunities

Everyone at ORIX from people on the front lines to senior management shares a focused awareness of risk. We share it before we commit to projects, and also as we monitor loans and investments after we commit.

Real estate market conditions deteriorated significantly after Japan's bubble economy imploded in FY1993.3 and during the global financial crisis of FY2009.3. Both situations resulted in non-performing loans, but we took our time and focused on resolving them. A key feature of debt collection at ORIX is that we carefully scrutinize properties individually and stay actively involved in adding value to them rather than simply accepting whatever we can get during collection. We leverage the Group's knowledge and network to sell to owners that can make better use of the properties, and renovate and repurpose properties to increase rents. We also operate properties ourselves if we determine that doing so will allow us to maximize

the cash we can collect.

As we handled each project diligently and tenaciously, we gained expertise in debt collection and also the know-how needed to develop a broad range of real estate businesses that included real estate development and rental and real estate operation, and to establish new businesses. We transformed our non-per-



Credo Shintokorozawa was the first condominium ORIX developed and sold (1993)



Sumida Aquarium, which ORIX began operating in 2012



Moriya Logistics Center, developed in an ideal location for distribution (2016)

forming loan crises into the new business opportunities we gained from committing to the real estate business, thereby acquiring subsequent growth opportunities.

A Stable Earnings Base from Real Estate Business Diversification

We have expertise throughout the broadly-based real estate business value chain we have built, ranging from real estate development and rental to asset management and facilities operation. We are currently focusing on the facilities operation business, which is less susceptible to real estate market conditions and allows us to leverage the expertise we have acquired, and also on the logistics center business, which is a market that we pioneered.



The large-scale residential development Mark Springs, which includes condominiums, detached houses and a nursing facility (2004)

We have been involved in the aquarium operation business since we joined hands with Kanagawa Prefecture in a private finance initiative¹ in 2004 to take over the operation of the Enoshima Aquarium. We initially participated in the management of the aquarium as a provider of financing, then built a network of experts in the breeding operations that are essential to aquarium operation while gradually acquiring expertise. Backed by our focus on acquiring expertise, we began operating the Kyoto Aquarium and the Sumida Aquarium in 2012.

We have developed about 40 logistics facilities since we entered the logistics center business in 2002. We initially entered the business as a building lessor, then we expanded into the build-to-suit² business and multitenant³ investments when we had acquired logistics center investment expertise. We expect that new entrants will change the supply and demand balance in the logistics center business. However, we differentiate ourselves from our competitors with advantages such as using the Group's network to collect land information and maintaining strong direct-sales relationships with 250 major logistics companies.

Notes:

1. A private-initiative facility management method to highly leverage private funds and/or know-how in the operation of public facilities.
2. A type of logistics facility development in which the sole tenant is first identified before design and construction of the facility begins based on the tenant's specific requirements, while maintaining the basic specifications of a standard logistics facility.
3. A type of logistics facility development approach designed with highly versatile specifications to secure multiple tenants in the same facility.



Diverse

People are our most important asset. While all ORIX employees demonstrate their competencies, collaboration among our diverse people magnifies their capabilities to support sustainable growth.

Collaboration among Diverse Employees Creates Team Synergies

ORIX began with the leasing business and then advanced into adjacent markets, and has grown into a company with a diversified portfolio of businesses. We continue to evolve and grow. Our people support our growth, and are our most important asset. A wide array of professionals with expertise in various businesses work for ORIX because of the diversification and expansion of our operations, and their nationalities, gender, age and work histories are just as diverse.

ORIX operates in many different businesses that can stand by themselves because of their expertise, but ORIX is not a conglomerate with a collection of independent businesses. We are able to demonstrate our capabilities even better because each business is organically connected vertically and horizontally, which is a strength not found at other companies. We have created new value as a result. Our diverse peo-

ple stimulate each other through interaction, and they matrix their diverse expertise to create new expertise. They demonstrate their capabilities individually, and also collaborate as a matter of course to create team synergies. This strength supports ORIX's sustainable growth.

Ideal Personnel Attributes: Creativity, Challenge, Team Play

ORIX aims to contribute to society by identifying the ongoing changes in the operating environment and customer needs to deliver exceptional value. The ideal attributes of our people are therefore creativity, challenge and team play.

"Creativity" refers to our ability to build new businesses ourselves with foresight and flexibility when people with multifaceted individuality share their expertise. Our free and open corporate culture encourages our people to freely and openly share and discuss opinions, which

generates a wealth of ideas that help us earn customer trust and develop new business opportunities. “Challenge” refers to our proactive attitude toward taking on the challenge of the new without fear of failure. We are not complacent; we want to take on challenges to become even better. We know that unsuccessful initiatives are not an end, but rather evolutionary experiences that we can deploy in taking on new challenges. “Team play” refers to employees with diverse values collaborating in teams to mobilize their capabilities to demonstrate even greater strength. We value the experience, sensibilities and knowledge of individuals while combining them within teams to demonstrate strength that is greater than the sum of all employee capabilities.

A Workplace that Respects and Takes Advantage of Diversity

In fusing diverse values and expertise to create new value, we are absolutely committed to creating a workplace that takes maximum advantage of the capabilities of employees, respects diverse work styles, and offers personal fulfillment. ORIX has introduced its Career Select System, which is a personnel system that accommodates the life stage and career of individual employees. It helps employees balance work with childbirth, child care or nursing care and supports flexible work styles that enable employees to excel long term. This system enables employees to request a change in their position or rank to a more limited role if they are having trouble fulfilling their responsibilities or performance obligations for reasons such as child or nursing care, but also return to their former position.

Our business environment is changing dramatically, so we have various training systems that enable employees to fully demonstrate their capabilities. The training period is the first 10 years after an employee joins ORIX,

during which we have established a training program addressing the skill sets required for each level and career development that supplements and supports on-the-job training. We also provide programs that allow employees to acquire the latest front-line knowledge and information they need, and energetically support employee self-development. Moreover, our multifaceted training lineup to cultivate ORIX’s next generation of leaders includes programs that dispatch employees overseas and programs that enable our people to learn from next-generation leaders from other industries.

The personnel policies we require will change in tandem with changes in our operating environment and businesses. We respect the diversity of our people because it supports sustainable growth, and will proactively maintain an environment that capitalizes on diversity and enhance our personnel system.



Yasuaki Mikami

Deputy Head of Group Human Resources and
Corporate Administration Headquarters

ORIX Value Creation

Our Five Concepts

Yoshihiko Miyauchi

Senior Chairman

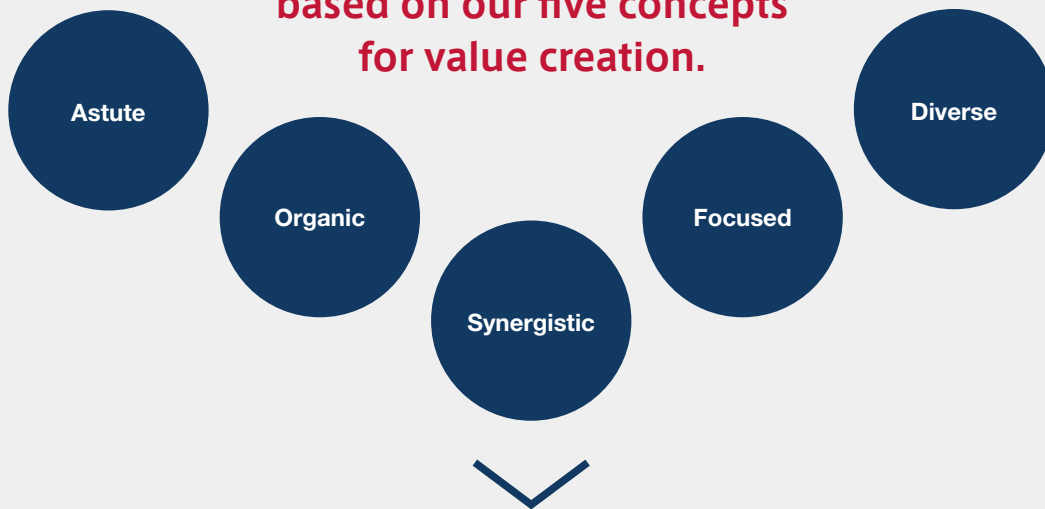


Our corporate culture and DNA strongly reflect the mindset of managers and the historical milieu at various times. The management philosophy of Mr. Tsuneo Inui, a founding member of ORIX, is deeply embedded in the Company. His two concepts of “Standing on Our Own Two Feet” in reference to our independent approach and “Creating New Value” in reference to taking on new challenges are the cornerstone of the ORIX Way and an inextricable component of ORIX’s DNA. Mr. Inui passed the management baton to me, and I refined this DNA, in turn passing the baton of management to CEO Makoto Inoue. Thus ORIX’s DNA has been passed down unbroken from the Company’s inception. With this DNA, ORIX has been able to consistently expand its businesses and grow, and from this process emerged ORIX’s five concepts of value creation: Astute, Organic, Synergistic, Focused and Diverse.

ORIX has grown dramatically in its 50-plus years and today has a presence that influences society. The creation of new value now means more than simply expanding our businesses and growing. It involves contributing to society – or in other words, our stakeholders – through our businesses to remain a presence that stakeholders need. We need to strengthen our friendly relationship with our stakeholders that is built on trust to do so. I consider stakeholders with which we have this kind of relationship to be “ORIX Allies.” ORIX can grow further as a company by valuing the DNA it has passed down since its founding and the five concepts it has developed over time while deepening its relationship with ORIX Allies.

At ORIX, certain things are naturally inherited, regardless of the passage of time or personnel changes. One of these unchangeable factors is our approach to “breakthroughs.” It is our innate approach to think through a problem to provide an answer that matches our clients’ needs. We share this approach with all customers, and it is manifested in our brand slogan,
“Answers, Custom Fit.”

We will provide unique ORIX value to our stakeholders by proactively dealing with social issues and needs based on our five concepts for value creation.



Answers, Custom Fit.



Management Strategies Explained

ORIX's Business Portfolio

In 37 countries and regions, ORIX conducts a diverse array of businesses including leasing, loan, investment, life insurance, banking, asset management, auto-related business, real estate, and environment and energy. We manage this business portfolio by dividing it into six segments (Table 1).

To better comprehend ORIX's mid-term strategic directions, growth trajectories and business evolution, in FY2016.3 we also began grouping the business portfolio into the three categories of "Finance," "Operation" and "Investment" (Table 2).

We believe that the combined picture of the three categories together with the six segments allows a deeper understanding of ORIX (Table 3).

Table 1: Six Segments

ORIX currently manages its businesses in a portfolio divided into six segments.

Segment	Main Business
Corporate Financial Services	Leasing, loan and fee business for small and medium-sized enterprises (SMEs)
Maintenance Leasing	Auto-related, test and measurement instruments and other equipment rental
Real Estate	Real estate development and rental, facilities operation, REIT asset management, real estate investment and advisory services
Investment and Operation	Environment and energy business, private equity investment, concessions, loan servicing
Retail	Life insurance, banking, card loan business
Overseas Business	Leasing and loan through overseas subsidiaries, ship and aircraft-related operations, private equity investment, investment in bonds, asset management

Table 3: Our Business Portfolio Matrix of Six Segments and Three Categories

The following table presents ORIX's business portfolio matrix of six segments and three categories.

		Finance		
		Credit risk		
		Low		
		Japan	Ex-Japan	Environment / Infrastructure
Six Segments	Corporate Financial Services	Leasing / Loan / Fee business		
	Maintenance Leasing			
	Real Estate			Real estate facility operation
	Investment and Operation			Environment and energy / Concession
	Retail	Banking / Consumer finance		
	Overseas Business		Leasing / Loan	

Table 2: Three Categories

From FY2016.3, we began grouping our business portfolio into three categories that take risk and capital requirements into account.

Three Categories	Main Risk	Capital Requirement	Main Business
Finance	Credit risk	Low	<ul style="list-style-type: none"> Primarily business involving credit risk, including leasing, loan, housing loans and card loans in Japan and overseas Includes most of the Corporate Financial Services segment, banking and consumer finance businesses in the Retail segment, and the overseas corporate business in the Overseas Business segment.
Operation	Operation risk Business risk	Medium	<ul style="list-style-type: none"> Environment & Infrastructure: Real estate facilities operation, environment & energy, concessions and other businesses we assume operation for Financial Services: Asset management business and life insurance business Maintenance Services: Auto-related businesses and the rental business Others: New businesses that we will launch and grow
Investment	Market risk	High	<ul style="list-style-type: none"> Fixed Income: Investments in non-performing loans and bonds Tangible Assets: Investment in real estate, aircraft, and ships Equity: Private equity investments in Japan and overseas

Three Categories

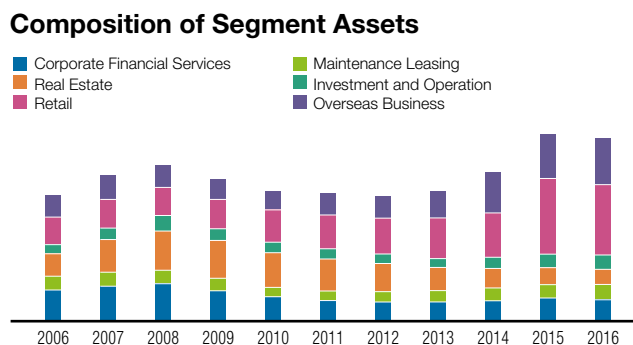
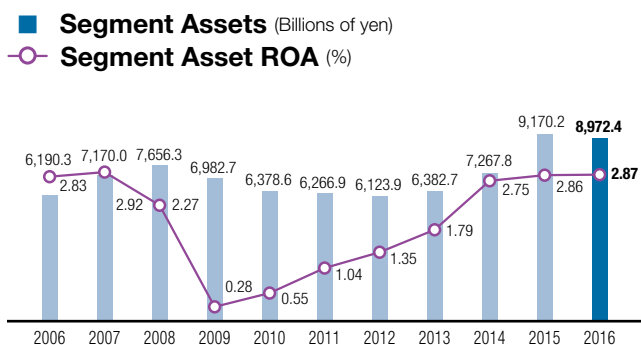
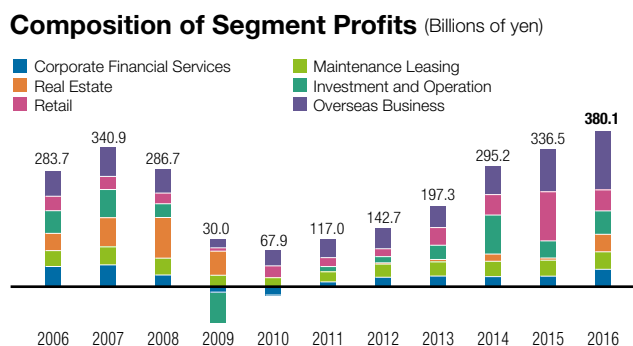
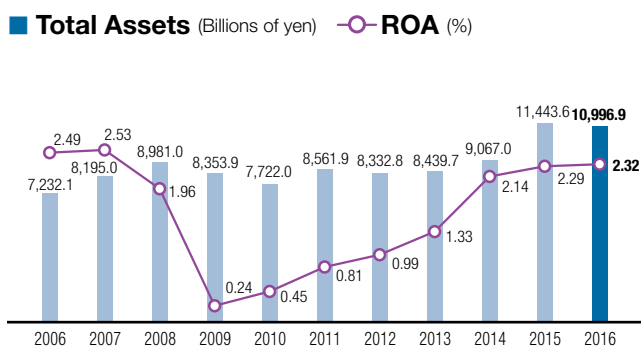
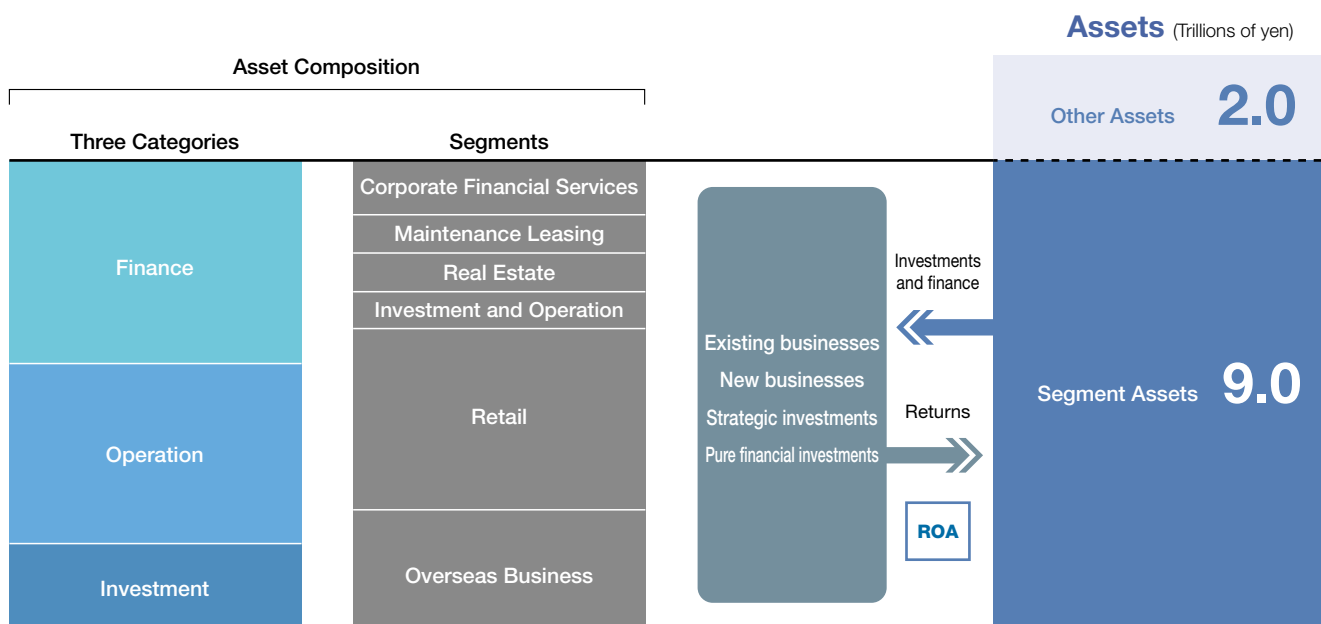
Operation			Investment		
Operation risk and business risk			Market risk		
Medium			High		
Financial Services	Maintenance Services	Others	Fixed Income	Tangible Assets	Equity
		Yayoi / New business development			
	ORIX Auto / ORIX Rentec				
REIT / Real estate investment advisory				Real estate investment	
			Loan servicing		Private equity investment / Daikyo
Life insurance / HLIKK					
Robeco / Houlihan Lokey			Bond investment	Aircraft / Ships	Private equity investment

Management Strategies Explained

ORIX from a Balance Sheet Perspective (As of March 31, 2016)

Assets

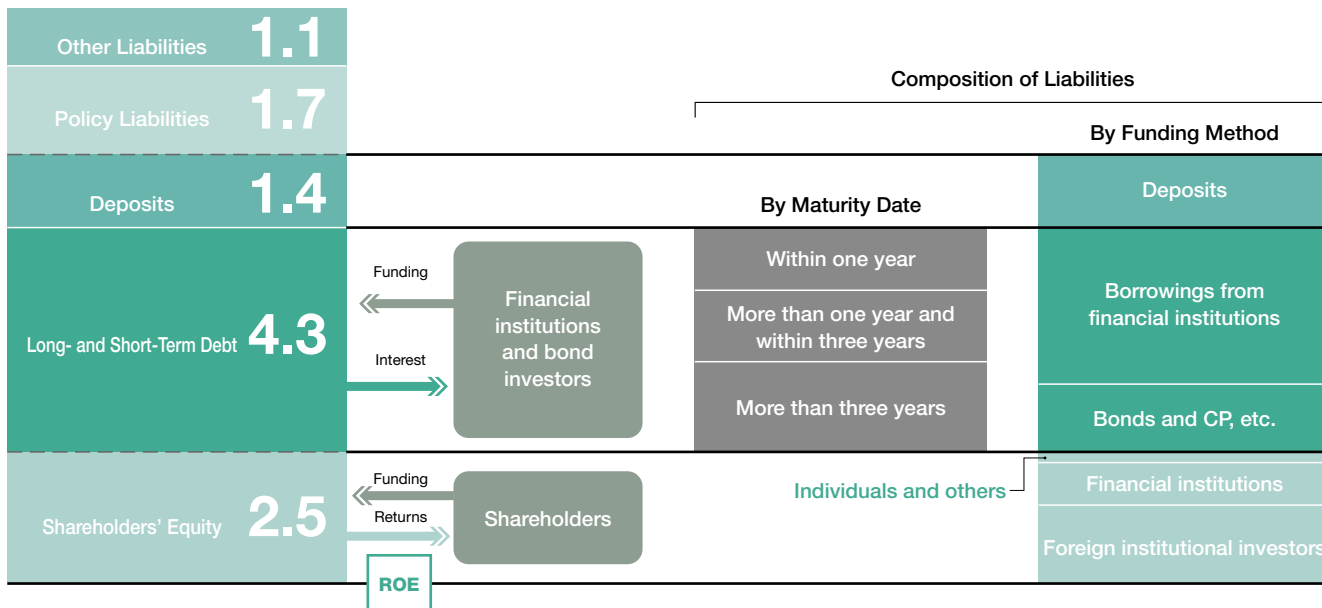
- “Finance,” “Operation,” and “Investment” in the ratio of 2:2:1.
- Continue to focus on “Operation” and “Investment” given the current low-interest-rate environment.



Liabilities and Shareholders' Equity

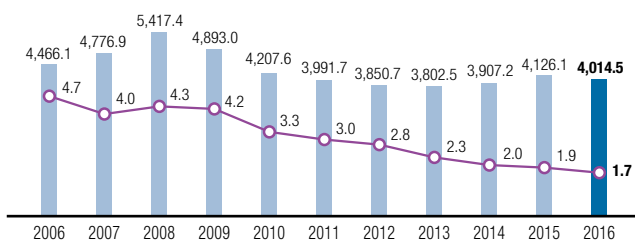
- Diversify funding sources and lengthen funding structure.
- Based on financial leverage that enables us to maintain our single A credit rating, we aim to achieve ROE of 11%-12%.

Liabilities and Shareholders' Equity (Trillions of yen)

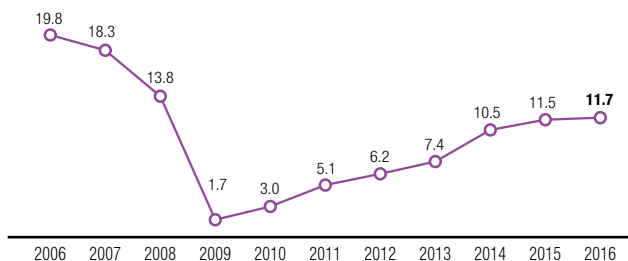


Adjusted Long- and Short-Term Debt (excluding deposits)* (Billions of yen)

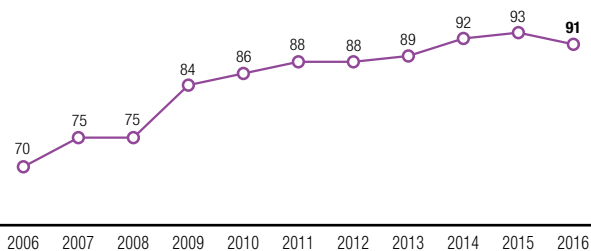
Adjusted Debt/Equity Ratio* (Times)



ROE (%)

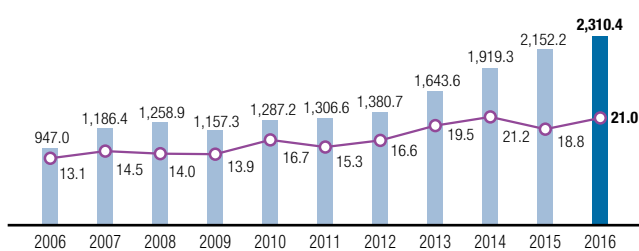


Adjusted Share of Long-Term Debt* (%)



ORIX Corporation Shareholders' Equity (Billions of yen)

Shareholders' Equity Ratio (%)



* Adjusted long- and short-term debt (excluding deposits), adjusted debt/equity ratio and adjusted share of long-term debt show the figures after adjustment that exclude the impact of certain liabilities and retained earnings attributable to the consolidation of the VIEs. For an explanation of the most directly comparable financial indicators calculated and presented in accordance with U.S. GAAP and Non-GAAP financial indicators, please refer to pages 80-81.

Management Strategies Explained

CEO Inoue on Strategy



Makoto Inoue

Director

Representative Executive Officer

President and Chief Executive Officer

Overview of FY2016.3

Solid Start Toward Our Medium-Term Targets for FY2018.3

Net income for FY2016.3 increased 10.8% year-on-year to ¥260.2 billion. This was the second consecutive year of record net income, and the seventh consecutive year of net income growth. Return on equity (ROE) was 11.7%, higher than the previous fiscal year and above 11% for the second consecutive year. FY2016.3 was therefore a solid start toward our FY2018.3 target for net income of ¥300.0 billion. As for our other FY2018.3 targets, we have already achieved ROE between 11% and 12% and have maintained our single A credit rating.

The first half of FY2016.3 was strong, with the Nikkei average recovering to the ¥20,000 range for the first time in 15 years. The second half, however, brought dizzying change to the economies of the world. Falling oil prices had a pronounced effect, while stock prices declined worldwide because of unsettling developments in China and the forecast for the global economic growth rate was downgraded. In Japan, rating agencies downgraded Japanese government bonds and the Bank of Japan implemented negative interest rates.

Given this environment, we successfully implemented our medium-term strategy of expanding non-finance businesses by investing in growth, turning over assets through divestitures that were well-timed with market conditions, entering new businesses such as the concession business, and generating organic growth.

FY2016.3 Review

Expansion in Non-Finance Businesses							
Organic Growth	+	Investment in Key Areas					
Environment & Energy	<ul style="list-style-type: none"> Secured 890MW of solar power generation capacity, of which 410MW commenced operation as of the end of FY2016.3 Invested in a large-scale wind power project in India with a total capacity of 1,000MW An investment fund we jointly established with Robeco/ADB closed its first investment 						
Private Equity Investment	<ul style="list-style-type: none"> Acquired SMS, an auto-loan company in Indonesia Increased investment in ACLEDA, a Cambodian commercial bank Established a new private equity investment company in the United States, which closed its first investment 						
Network in Asia	<ul style="list-style-type: none"> Decided on private equity investments to acquire Cosmolife and Kyoto Biken 						
Concession Business	<ul style="list-style-type: none"> Obtained rights to operate Kansai International Airport and Osaka International Airport 						
Organic Growth	<table border="0"> <tr> <td>Auto</td> <td>Vehicles under management increased from 1.17 million to 1.23 million units</td> </tr> <tr> <td>Life Insurance</td> <td>Number of new policies exceeded 500,000 for the third consecutive year</td> </tr> <tr> <td>Yayoi</td> <td>Acquired Misoca to further strengthen cloud-based business</td> </tr> </table>	Auto	Vehicles under management increased from 1.17 million to 1.23 million units	Life Insurance	Number of new policies exceeded 500,000 for the third consecutive year	Yayoi	Acquired Misoca to further strengthen cloud-based business
Auto	Vehicles under management increased from 1.17 million to 1.23 million units						
Life Insurance	Number of new policies exceeded 500,000 for the third consecutive year						
Yayoi	Acquired Misoca to further strengthen cloud-based business						

Business Portfolio in Three Categories

Categories	Finance	Operation	Investment
Main Risk	Credit risk	Operation risk and business risk	Market risk
Capital Requirement	Low	Medium	High

		Japan	Ex-Japan	Environment/Infrastructure	Financial Services	Maintenance Services	Others	Fixed Income	Tangible Assets	Equity
Segments	Corporate Financial Services	Leasing, Loan, Fee business					Yayoi, New business development			
	Maintenance Leasing					ORIX Auto, ORIX Rentec				
	Real Estate			Facilities operation	REIT, RE investment advisory				Real estate investment	
	Investment and Operation			Environment and energy, Concession				Loan servicing		Private equity investment, Daikyo
	Retail	Banking, Consumer finance			Life insurance, HLIKK					
	Overseas Business		Leasing, Loan		Robeco, Houlihan Lokey			Bond investment	Aircraft, Ships	Private equity investment

Strategy through FY2018.3

Grow by Concentrating on Operation and Investment

Our medium-term strategic direction through FY2018.3 remains unchanged. We will concentrate on expanding non-finance businesses by generating organic growth and investing in key areas.

From FY2016.3, in addition to our existing structure of six segments, we began explaining our business portfolio and future strategy using the three categories of Finance, Operation and Investment. These categories represent the respective risk profiles and capital requirements of our businesses, and I would like to use them to explain how we intend to grow.

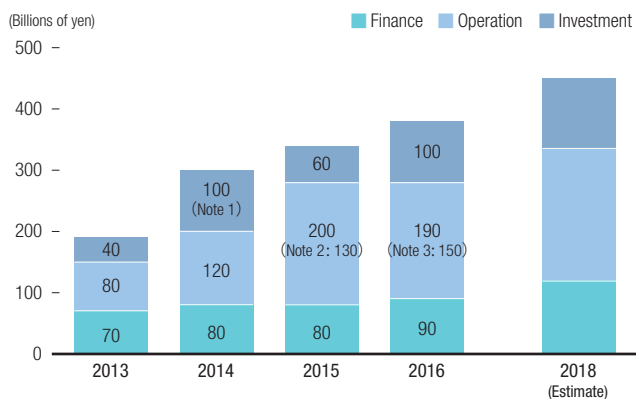
Adequate returns on loans and finance leases are difficult to obtain in the current low interest rate environment, and excessive interest rate competition is not in our interest. We therefore intend to grow by investing greater financial and human capital in Operation and Investment, which already support earnings.

Looking at the three categories, the share of pretax profits and segment assets from Operation increased steadily during the three years through FY2016.3. Pretax profits from

Operation excluding non-recurring items increased by approximately ¥70 billion, while Operation assets increased by approximately ¥1 trillion, both significantly outpacing growth in Finance and Investment. The acquisition of Robeco in July 2013 was the primary factor driving growth. Other key factors included steady growth in the maintenance leasing, life insurance, and environment and energy businesses, and the December 2014 acquisition of Yayoi.

Investment encompassed assets totaling ¥1.6 trillion as of March 31, 2016. Investments in fixed income involving investment in bonds and non-performing loans totaled about ¥300 billion, investment in tangible real estate assets totaled about ¥550 billion, investments in ships and aircraft totaled about ¥250 billion, and private equity investments in Japan and overseas totaled about ¥500 billion. Our Investment portfolio is diversified by asset class and market to avoid significant concentrations of risk. We have rebalanced our portfolio since FY2013.3 by decreasing real estate investment and increasing aircraft and domestic private equity investment.

Pretax Profits by Category



Note 1: Excludes valuation gains (approximately ¥58.4 billion) associated with consolidation of Dai-ichi Kangyo Bank

Note 2: Excludes bargain purchase gains (approximately ¥36.1 billion) and ordinary profit/loss contribution associated with HLIKK, and capital gains (approximately ¥15 billion) from the sale of Monex shares

Note 3: Excludes capital gains/valuation gains (approximately ¥39.6 billion) associated with the IPO of Houlihan Lokey and ordinary profit/loss contribution from HLIKK

We expect Operation to continue making the largest contribution to pretax profits and assets during the three years through FY2018.3. Our focus for growth in each of the three categories will be as follows.

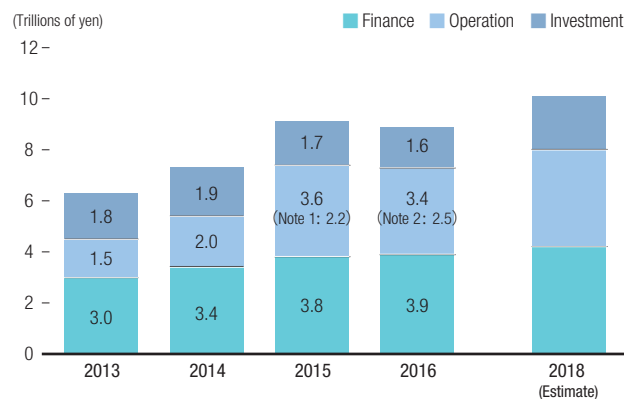
In Finance, we will move beyond traditional loans and leases in the Corporate Financial Services segment to reorient our earnings structure from finance revenues to services income by continuing to enhance our electronic payment services and our lineup of fee-based services such as low-cost money transfer services. As another measure that will require somewhat more time before we see a full-scale contribution to earnings, we will aggressively enter markets in which we forecast growth as a result of deregulation and changes in the business environment, as exemplified by our recent entry into agricultural businesses.

In the Operation category, our environment and energy business is making steady progress in developing mega-solar projects and captive power capacity. Internationally, we entered the wind power generation business in India in March 2016, and intend to establish ORIX as a renewable energy company in Asia, the United States and elsewhere.

Inquiries about concession business projects have been increasing because of our track record in acquiring concessions at Kansai International Airport and Osaka International Airport. The concession business is promising and we intend to nurture it into a core operation.

The outlook for the real estate business is expected to

Segment Assets by Category



Note 1: Excludes assets of HLIKK (approximately ¥1.4 trillion)

Note 2: Excludes assets of HLIKK (approximately ¥1.0 trillion)

remain favorable because the facilities operation business is benefitting from growth in inbound demand. We are highly selective in making new investments as a matter of policy. However, we expect inbound needs to increase and will screen and investigate new investments in Japanese inns and hotels.

ORIX Life Insurance has always had highly competitive products. However, we expect price competition to intensify and are therefore developing direct sales channels that we will service using our own sales personnel, improving product proposal capabilities, and differentiating ORIX from other companies.

ORIX Auto and ORIX Rentec are both industry leaders that are highly profitable and generate stable cash flow. We will continue to aggressively add assets, broaden auto-related services such as telematics services, and expand rental products such as AI equipment. We will also expand our auto-related business internationally, primarily in Asia, through local subsidiaries that deploy the extensive expertise we have acquired in Japan.

In the Investment category, we will add assets, particularly by investing in tangible assets and making equity investments. We believe the market for tangible real estate assets is near its peak, and intend to focus on developing our land bank rather than significantly increasing new real estate investment. Our focus in making aircraft investments will remain on the narrow-body type.

Our equity investment operations will sell portfolio assets because the price of private equity investments in Japan remains high. At the same time, we will avoid competition while investing in the core areas of health care, IT, food, and lifestyle-support services. Overseas, we will make investments using the investment management company established by Mariner Investment Group in the United States. We intend to uncover good investments in Asia, mainly through tie-ups with powerful partners.

We view the two years through FY2018.3 as the time to achieve our medium-term targets and firmly position ORIX for continued growth thereafter. We will concentrate on Opera-

tion and Investment, and increase the share of stable earnings from Operation. We will also execute well-timed asset sales. In addition, we will aggressively take on the challenge of new businesses and intend to identify businesses that will be new pillars of growth for ORIX. At the same time, we will conduct our businesses prudently, giving full consideration to the increasingly uncertain outlook inside and outside Japan, instability in financial and capital markets, and rising political and geopolitical tensions in some regions. The growth of Operation will entail facing an increasing number of previously nonexistent risks, so we will heighten our emphasis on risk management.

Value Creation through FY2018.3

Finance	<ul style="list-style-type: none"> Transition to services income by enhancing lineup of fee-based services 	
Operation	Environment/ Infrastructure	<ul style="list-style-type: none"> Focus on completing mega-solar projects and increasing captive power capacity Strengthen market position as a major renewable energy player in markets including Asia and U.S
	Financial Services	<ul style="list-style-type: none"> Expand direct distribution channels in the life insurance business
	Maintenance Services	<ul style="list-style-type: none"> Use competitive advantage to further develop value-added services and expand in Asia
Investment	Tangible Assets	<ul style="list-style-type: none"> Real estate and aircraft leasing businesses: focus on existing real estate development projects and narrow-body aircraft investments
	Equity Investment	<ul style="list-style-type: none"> Add investments in healthcare, IT, food and lifestyle-support businesses

The ORIX Business Model

The ORIX Way and Our Strengths

We have built the ORIX business model over the 50 years since the Company was established, and it will continue to evolve in step with our operating environment. But even as the ORIX business model evolves, the ORIX Way and our strengths will remain constant. I would like to share our perspectives on the ORIX Way and our strengths to deepen understanding of how we will achieve our medium-term targets over the coming two years and subsequently generate steady growth.

Two features of our organizational operations are strong leadership by management and formation of cross-departmental teams. These features enable agile business activities.

The Group aggregates all information for senior man-

agement, including me. ORIX therefore constantly identifies current realities at Group divisions and companies. ORIX also looks within the Group with a focus on its sales network in Japan largely to collect information on deals and projects, again aggregating this data for senior management. Depending on the project, I bring together people from within the Group to make up a team. This way, senior management gains project and market information, and becomes aware of the people assigned to the project before it can offer well-informed instructions. Because senior management can see the big picture, they can make appropriate decisions and give instructions quickly. Good deals can disappear in a day or two, so we must always be on the lookout for information

so that we do not miss out.

Our decision-making bodies centralize authority and share information. The Investment and Credit Committee approves deals. The Committee discusses and assumes authority for decisions for debt deals that exceed ¥600 million and equity deals that exceed ¥5 million. Although the deals decided by senior management are quite small, discussing these projects enables a timely understanding of sales and market conditions. The Group Executive Officer Committee acts as a forum for sharing information. Senior management and Executive Officers gather to share important matters such as the progress of Group strategies.

The ORIX Group has a team work mindset that is well entrenched. People who have specialized knowledge work in ORIX's broad portfolio of businesses. Each division works toward its objectives in its day-to-day operations, but each is also deeply aware that it is part of the ORIX Group. When forming teams for certain projects as described above, we bring together multifaceted real estate, business investment, accounting, legal and treasury professionals who immediately begin working together with a unified team mindset. Working together with ORIX's national sales network generates substantial strengths. We have become a leader in Japan's solar power business because of the contribution of our salespeople in Japan, who understand the importance of promoting this business as a group. We emphasize fully exercising our strengths as a team through intradivisional collaboration that links our respective knowledge and expertise. This gives ORIX a strength that none of its competitors can match and contributes substantially to its growth.

An organization cannot function with strong senior management alone. Moreover, talented people will not generate strengths as a group if they each move in their own separate directions. Organizational management becomes more complex as a company grows and its businesses become more diverse, but I expect ORIX to continue making the best use of its strengths in leadership and team formation.

ORIX makes various investments including pure financial investments and strategic investments. Our approach to investing is as follows.

We do not feel we should pay a premium for strategic investments. We rigorously consider entry price. We make both pure financial and strategic investments after discussing internal rate of return (IRR) with the assumption that we

will sell them in five to seven years. Investments involve the risk of impairment if the profitability of the investment is less than expected. We therefore make sure we are not paying the wrong entry price when considering deals, and reject deals without hesitation if price competition drives entry price above our limits. The fact is, unreasonable investments will eventually go bad, and we do not want to waste shareholder capital.

A good partnership with stakeholders is vital to the success of any investment. We take a hands-on approach for virtually every investment we make in Japan. ORIX makes consensual investments after discussions with the management of the investee to preclude problems after we invest. We value a relationship of mutual trust with our investees. ORIX takes the same approach with overseas investments, in many cases creating long-lasting relationships based on mutual trust. We work with blue-chip local partners so that we can accommodate the various cultural considerations we encounter internationally. Well-managed deals with partners and management we trust do not require us to send individuals from Japan. About 8,200 employees are involved in our Overseas Business segment, and only 75 of them are Japanese employees stationed abroad. We believe the best approach is to let trustworthy local management and personnel handle local business. Investment ultimately comes down to people. We therefore devote time to speaking with our partners and deepening mutual understanding to make our investments successful.

ORIX makes mostly pure financial and strategic investments. In some cases, if we see synergy with our investee we change the strategy we decided upon initially to transform a pure financial investment into a strategic investment. The converse also happens. We need to review our investment strategy to accommodate changes in our operating environment. Our mindset is flexible and we review our strategies as needed. Moreover, we always consider our exit strategy regardless of our investment strategy. We are ready to sell at any time, which helps make sure we do not miss opportunities to sell when we review our strategy. This mindset applies to ORIX's entire portfolio, not just its investments. We always consider the price we could get for each of our businesses, not just when actually deciding whether or not to sell. And we certainly do sell if the timing is right. That is in fact management's job.

Our People and Our Relationship with Society

Individual Contributions Not Only to the Group, but Also to Society through Business Activities

We have added employees as our businesses have grown, and the Group now employs more than 30 thousand people. Hiring and nurturing people at the same speed at which we are expanding has become an issue for us. When I was a young employee at ORIX, the Company was not as big as it is now, so I was often assigned to important roles with substantial responsibility. Quintessentially, on-the-job training at the front lines of the business is the best way to nurture people, but ORIX's current scale and diverse business portfolio present difficulties for individually relevant on-the-job training. We therefore want to further enhance our commitment to personnel training. ORIX has traditionally hired many specialized professionals from outside the Company. They generally hit the ground running and excel, but sometimes they are initially confused by our corporate culture that eschews routine work and requires people to think and act independently. However, they soon realize that

this corporate culture provides them with ample flexibility to achieve what they wish, stimulating them and their colleagues to energetically exercise their capabilities. ORIX's operations will also become more global. We will enhance the global facility of our people so that each employee feels part of the global ORIX Group, well-motivated by their work, and even more committed to contributing to the Group.

ORIX prioritizes contributing to society through its business activities. Our growth has enhanced public awareness of ORIX and our presence in the community. Of note, we have greater contact with individuals because of our recent expansion in business-to-consumer operations. I want these individuals and all other stakeholders to view their relationship with ORIX favorably. How can ORIX help society? What does society think and expect of ORIX? Is ORIX making itself a vital part of society? We will constantly keep these questions in mind as we go about our business.

Shareholder Returns

An Optimal Balance between Investments in Sustainable Growth and Stable Returns to Shareholders

Dividends per share for FY2016.3 increased 27% year on year to ¥45.75. The payout ratio increased to 23% from 20% for the previous fiscal year. In addition, the interim dividend for FY2017.3 will increase to ¥23.00 from ¥22.00 for the FY2016.3 interim dividend. Our focus on using our capital to invest in sustainable growth has not changed, but neither has our commitment to stable shareholder returns.

I serve as an outside director for an ORIX investee, which makes me a shareholder asking that company to pay dividends and repurchase its shares. However, the question

preceding that request is whether the investee has a growth strategy. Companies without a growth strategy and limited prospects for growth should think about returning capital to shareholders. On the other hand, ORIX is trying to achieve its medium-term targets and subsequently maintain sustainable growth. We will maintain this commitment to our medium-term targets and continue to grow this company with an optimal balance between investment and returns to shareholders.

Management Strategies Explained A Message From the CFO



Proper Capital Controls and Deeper Dialogue with Stakeholders

Kazuo Kojima

Director
Representative Executive Officer
Deputy President and
Chief Financial Officer

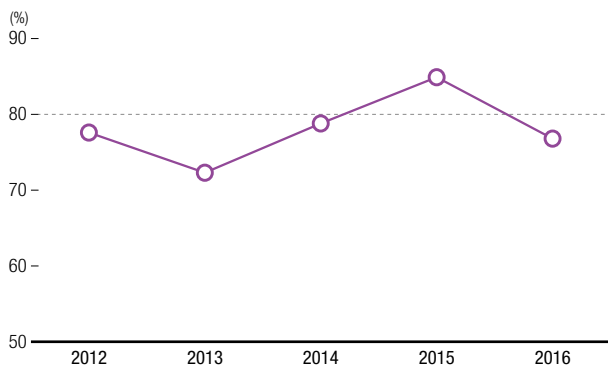
Building a Powerful Financial Base So That We Are Ready for Changes in the External Environment

ORIX diversifies funding sources, lengthens durations, levels out maturity ladder and ensures proper liquidity to support earnings growth and strengthen its finances. We need to build an even stronger financial base in view of current economic changes, particularly growing foreign exchange and interest rate market volatility and rising geopolitical risk. ORIX's business structure itself is changing dynamically, so we will use funding methods that fit with our business portfolio. We will enhance funding aligned with our global operations, expanding local bank funding and continuing to raise money from local capital markets. Our objective is to optimize funding as a Group with approaches such as the effective use of project finance in business fields that are growing.

Ensuring Soundness and Increasing Corporate Value with Proper Capital Controls

For financial soundness, we emphasize proper capital controls with a medium-term objective of maintaining our credit rating in the single A range. While we are aggressively considering M&A for future growth, we will carefully assess the impact any large-scale transaction may have on our credit rating. An employed capital ratio in the 80 percent range is right for ORIX to ensure financial soundness and the flexibility to make new investments, and it was at that level as of March 31, 2016 (Graph 1). Graph 2 shows how we are properly controlling capital throughout our business portfolio in ways such as reducing capital employed in the Real Estate segment and redeploying it for future growth. We have also taken new approaches to funding by obtaining a subordinated term loan, or hybrid loan, totaling ¥94.0 billion in May 2016. Although a hybrid loan is recognized as a liability under accounting standards, certain credit rating agencies

Employed Capital Ratio* (Graph 1)



* ORIX calculation (Risk Capital/Shareholders' Equity)

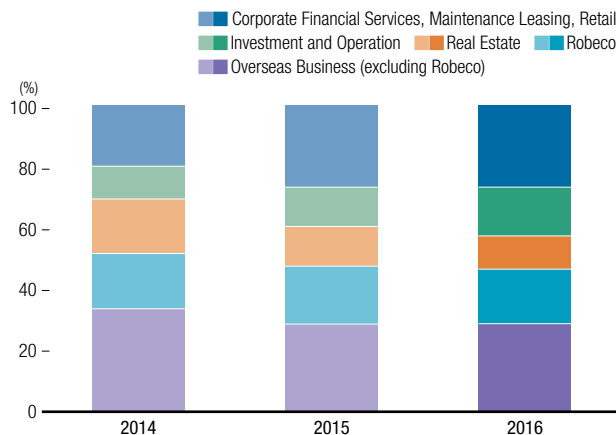
will regard it as equity in their rating calculation because it is junior to all of the capital we employ except common stock. Funding with a hybrid loan maintains financial soundness and better ensures our capacity to make new investments.

ORIX makes decisions about each investment and credit transaction after confirming that its returns are commensurate with risk and exceed the cost of capital, and retains this mindset in monitoring the transactions after they are executed. We will increase corporate value by remaining circumspect in monitoring capital employment, risks and returns by segment and business units while identifying good risks among various new business opportunities.

Deeper Dialogue with Medium- and Long-Term Horizons

I have been communicating with Japanese and foreign shareholders and investors on the important topic of sustainable growth since becoming the Group CFO in June 2015. My focus during these dialogues is helping shareholders and investors understand the fundamental strengths that enable ORIX to successfully create value over the medium and long term. I will continue to value this dialogue with shareholders and investors, who have been

Capital Employed by Segment (Graph 2)



supporting our business to date. ORIX does not currently announce annual performance forecasts. Instead, we have disclosed our medium-term management targets for the three-year period to FY2018.3. Our rationale is that it is in the interest of our stakeholders to base our dialogue on medium- and long-term management vectors.

In FY2016.3 we began complementing the existing disclosure framework of our six business segments by additionally highlighting certain results in three business categories, consisting of Finance, Operation and Investment. This new framework of three categories is the result of multiple discussions at meetings of Board of Directors, where opinions from our Outside Directors were also reflected. The three categories encompass risk and personnel management as well as finance, and will prove useful in discussions of our business strategies going forward. We will continue to enhance disclosure and deepen discussion to ensure even better understanding of ORIX's approach to value creation.

Corporate Governance

Management Team (As of July 1, 2016)

Directors



Makoto Inoue

Director
Representative Executive Officer
President and
Chief Executive Officer



Kazuo Kojima

Director
Representative Executive Officer
Deputy President and
Chief Financial Officer
Responsible for Corporate Planning
Department



Tamio Umaki

Director
Representative Executive Officer
Deputy President
Head of Group Human Resources and
Corporate Administration
Headquarters
Responsible for Secretarial
Office and Group Internal Audit
Department



Katsunobu Kamei

Director
Group Executive Vice President
President, ORIX Auto Corporation
Chairman, ORIX Rentec Corporation



Yuichi Nishigori

Director
Corporate Executive Vice President
Head of Energy and Eco Services
Business Headquarters
Outside Director, Ubiteq, INC.



Kiyoshi Fushitani

Director
Corporate Executive Vice President
Head of Global Business and
Alternative Investment Headquarters,
East Asia Business Headquarters,
and Global Transportation Services
Headquarters



Hideaki Takahashi

Non-Executive Director
● Nominating Committee
● Compensation Committee

- Nominating Committee
- Audit Committee
- Compensation Committee

Outside Directors



Eiko Tsujiyama

- Outside Director since June 2010
- Audit Committee (Chairperson)
 - Compensation Committee
 - Professor, Faculty of Commerce at Waseda University
 - Corporate Auditor, Lawson, Inc.
 - Audit & Supervisory Board Member, NTT DOCOMO, Inc.
 - Audit & Supervisory Board Member, Shiseido Company, Limited

Ms. Eiko Tsujiyama serves as a professor of Waseda University, Faculty of Commerce and has served on government and institutional finance and accounting councils both in Japan and overseas. She has extensive knowledge as a professional accountant. As Chairperson of the Audit Committee, she has actively expressed her opinions and made proposals, while leading discussions on the effectiveness of the Company's internal control system.



Robert Feldman

- Outside Director since June 2010
- Compensation Committee (Chairperson)
 - Nominating Committee
 - Managing Director and Chief Economist, Morgan Stanley MUFG Securities Co., Ltd.

Mr. Robert Feldman currently serves as Managing Director and Chief Economist at Morgan Stanley MUFG Securities Co., Ltd. and, as an economist, has a deep understanding of the environment and events of business management both in Japan and overseas. As Chairperson of the Compensation Committee, he has actively expressed his opinions and made proposals during deliberations on the Directors' compensation system and compensation levels in order to enhance their role as medium- and long-term incentives.



Takeshi Niinami

- Outside Director since June 2010
- Nominating Committee
 - Compensation Committee
 - President and Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Limited
 - Outside Director, Mitsubishi Motors Corporation

Mr. Takeshi Niinami formerly served as Chief Executive Officer of Lawson, Inc. and currently serves as President and Chief Executive Officer of Suntory Holdings Limited. He has actively expressed his opinions and made proposals during deliberations at meetings of the Board of Directors, Nominating Committee and Compensation Committee, pointing out important matters regarding company management using his managerial decision-making skills based on his wide-ranging experience and knowledge.



Nobuaki Usui

- Outside Director since June 2012
- Nominating Committee (Chairperson)
 - Audit Committee
 - Corporate Auditor, KONAMI HOLDINGS CORPORATION
 - Corporate Auditor, MIROKU JYOHO SERVICE CO., LTD.

Mr. Nobuaki Usui served as the Administrative Vice Minister of the Ministry of Finance and the Governor and CEO of National Life Finance Corporation (currently, Japan Finance Corporation). As Chairperson of the Nominating Committee, utilizing his wealth of knowledge and experience as a finance and tax expert, he has actively expressed his opinions and made proposals, leading discussions and deliberations on members of the Board of Directors and executive officers suitable for the Company's business operations.



Ryuji Yasuda

- Outside Director since June 2013
- Nominating Committee
 - Audit Committee
 - Compensation Committee
 - Outside Director, Yakult Honsha Co., Ltd.
 - Outside Director, Benesse Holdings, Inc.

Mr. Ryuji Yasuda served as Director of McKinsey & Company and Chairman of A.T. Kearney, Asia and currently serves as an adjunct professor at the Graduate School of International Corporate Strategy, Hitotsubashi University. He has actively expressed his opinions and made proposals during deliberations at meetings of the Board of Directors, Nominating Committee, Audit Committee and Compensation Committee, pointing out important matters regarding company management, using his specialized knowledge on corporate strategy.



Heizo Takenaka

- Outside Director since June 2015
- Nominating Committee
 - Audit Committee
 - Professor, Faculty of Regional Development Studies at Toyo University
 - Chairman and Director, PASONA Group Inc.
 - Director, Academyhills
 - Director, Center for Global Innovation Studies at Toyo University
 - Outside Director, SBI Holdings, Inc.

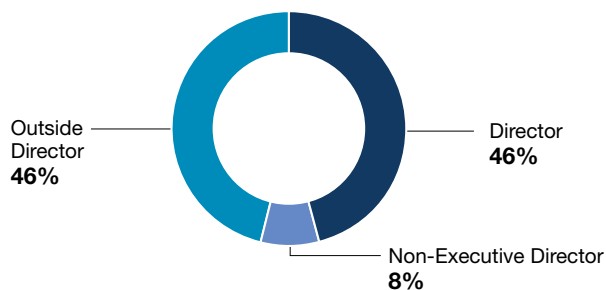
Mr. Heizo Takenaka served as Minister of State for Economic and Fiscal Policy, Minister of State for Financial Services, Minister of State for Communications and Privatization of Postal Services and Minister for Internal Affairs, and currently serves as professor of Toyo University, Faculty of Regional Development Studies. He has actively expressed his opinions and made proposals during deliberations at meetings of the Board of Directors, Nominating Committee and Audit Committee, pointing out important matters regarding company management, using his deep understanding of the environment and events of business management and economics and financial policies both in Japan and overseas.

Corporate Governance

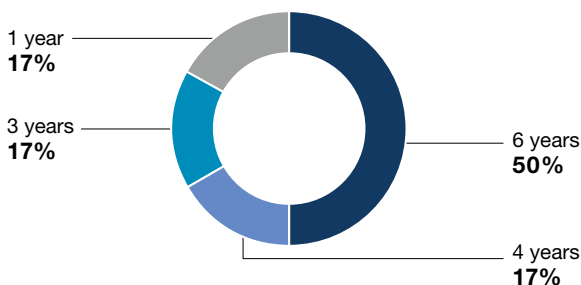
Corporate Governance at ORIX

Governance Highlights

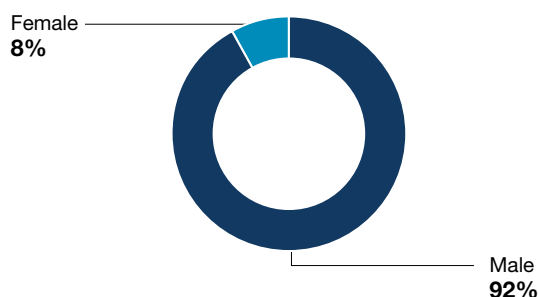
Proportion of Outside Directors



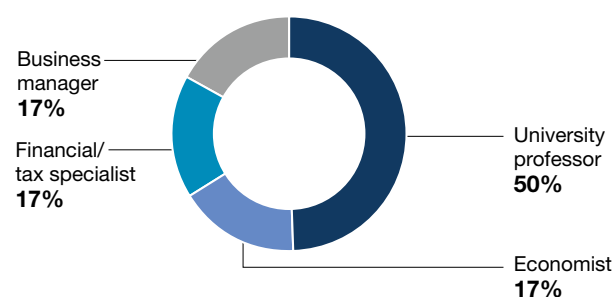
Tenure of Outside Directors



Directors by Gender



Career Background of Outside Directors

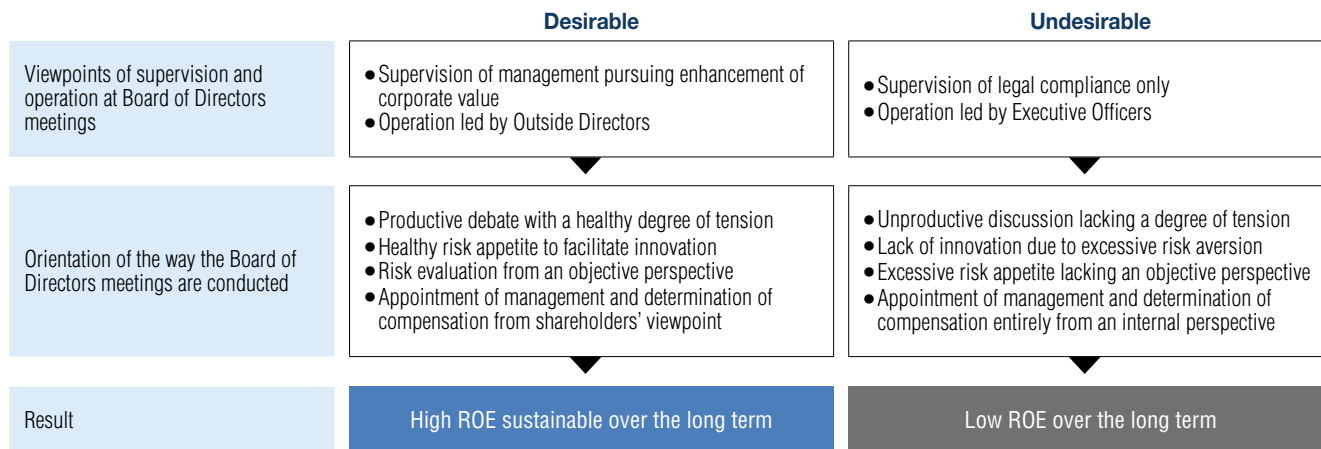


Evolution of Corporate Governance

1964	Adopted U.S. GAAP	In order to present itself in an accurate and transparent fashion to investors, ORIX has been applying U.S. GAAP in its financial reporting since its founding in 1964.
1970	Listed on the second section of the Osaka Securities Exchange	Six years after its founding, ORIX listed its shares on the second section of the Osaka Securities Exchange. Going public reflected the Company's aspiration to be a responsible member of society with transparency and accountability in its governance.
1997	Established Advisory Board	In 1997, ORIX spearheaded the strengthening of corporate governance by establishing an Advisory Board, a committee composed entirely of outside advisors who provide advice to management.
1998	Introduced Corporate Executive Officer System and listed on the New York Stock Exchange	In 1998, ORIX adopted the Corporate Executive Officer System, which separates the supervisory function (Board of Directors) and business execution (Executive Officers). In the same year, ORIX listed its shares on the New York Stock Exchange after considering the growing number of foreign shareholders and the benefit of strengthening corporate governance through the more stringent disclosure requirements of the SEC.
2003	Adopted the "Company with Committees" board model*	ORIX welcomed its first outside director in 1999 and adopted the "Company with Committees" board model* in 2003. All of the current Outside Directors meet the independence criteria prescribed by the Tokyo Stock Exchange. <small>* Adopted the new "Company with Nominating Committees, etc." board model in line with the amendment of the Companies Act of Japan in 2015.</small>

This is how ORIX has been strengthening its management oversight since its founding. The current corporate governance framework requires a high level of discipline from the managers but we believe this is how corporate governance is supposed to be.

ORIX's Vision of Corporate Governance



Approach to Corporate Governance

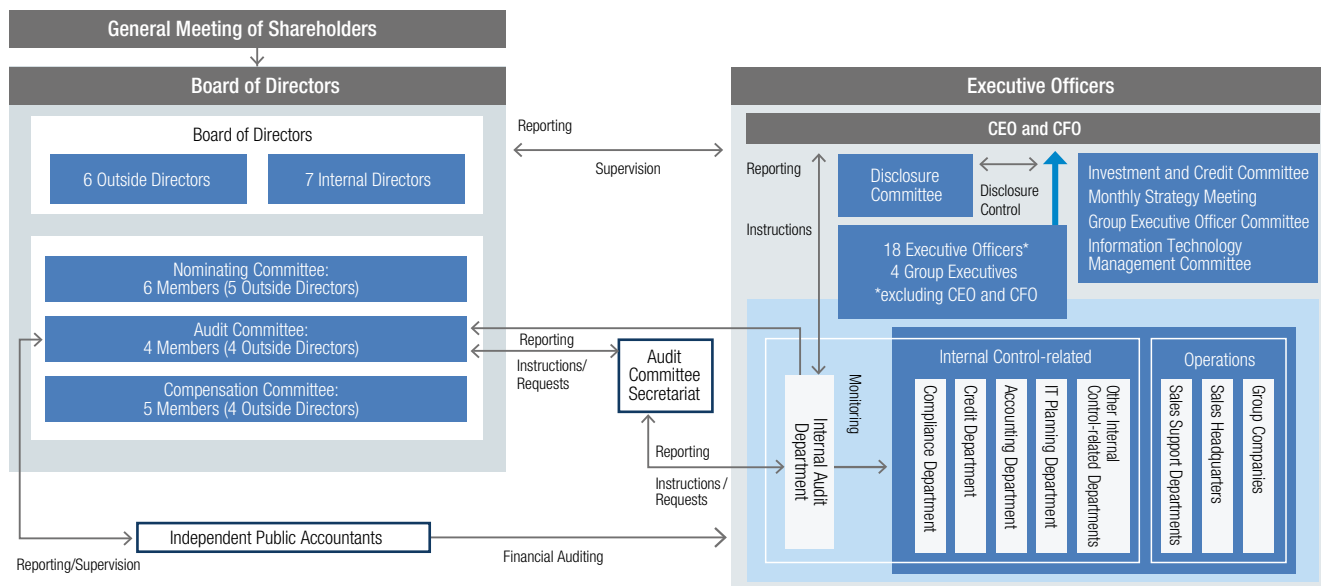
- ORIX believes that a robust corporate governance system is essential for ensuring objective management and carrying out appropriate business activities in line with its core policies. We have therefore established a sound and transparent corporate governance system.
- Corporate governance is a system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

Differences with Respect to the New York Stock Exchange Corporate Governance Standards

ORIX's American Depositary Shares have been listed on the New York Stock Exchange (NYSE) since 1998. As an NYSE-listed company, ORIX is required to comply with certain corporate governance standards under Section 303A of the NYSE Listed Company Manual. However, as a foreign private issuer, ORIX is permitted to follow home country practice. Our corporate governance practices differ in certain respects from those that U.S. listed companies must adopt. A summary of these differences is as follows:

- ORIX is not required to meet the NYSE's independence requirements for individuals on its Board of Directors or its Nominating, Audit and Compensation committees. ORIX's Nominating Committee has determined its own "Conditions for Director Independence."
- ORIX is not required to have the majority of its Board of Directors comprised of Outside Directors nor is ORIX required to compose its committees exclusively of Outside Directors. Of ORIX's thirteen directors, six are Outside Directors. In addition, the Audit Committee consists solely of Outside Directors and five of the six members of the Nominating Committee and four of the five members of the Compensation Committee, respectively, are Outside Directors.

Corporate Governance Framework (As of July 1, 2016)



Board of Directors

The Board of Directors makes business decisions on items that, either as a matter of law or pursuant to the Articles of Incorporation, cannot be delegated to executive officers and important items as determined by the regulations of the Board of Directors. The Board of Directors is mainly responsible for regularly monitoring and deciding corporate planning proposals, which include basic policies on capital management, funding and personnel strategies and internal control policy. Aside from these items, the Board of Directors delegates business decision making to the representative executive officers for greater efficiency in decision making and execution. The Board of Directors also receives reports from executive officers and committees regarding the status of the execution of their duties.

Nominating Committee, Audit Committee and Compensation Committee

- The Nominating Committee decides and produces proposals to appoint or dismiss directors, which are then submitted at the general meeting of shareholders (appointment and dismissal of directors are subject to resolution at the general meeting of shareholders). The Nominating Committee also deliberates on the appointment or dismissal of executive officers, although this is not required under the Companies Act of Japan. The Nominating Committee has determined the “Conditions for Director Independence.”
- The Audit Committee monitors the execution of the duties of the directors and executive officers and creates audit reports. The Audit Committee decides the content of proposals to appoint, dismiss or refuse the reappointment of the Company’s independent Certified Public Accountants, which are submitted to the general meeting of shareholders. The Audit Committee Secretariat (three members) was established to assist the Audit Committee regarding the execution of its duties.
- The Compensation Committee formulates the policy for determining compensation of each director and executive officer (“Policy for Determining Compensation of Directors and Executive Officers”) and also decides the specific compensation for each individual director and executive officer.

Board of Directors and Committee Meetings in FY2016.3

	Number of Meetings	Attendance Rate
Board of Directors	8	97%
Nominating Committee	3	89%
Audit Committee	10	98%
Compensation Committee	5	92%

Compensation for Directors and Executive Officers

The Compensation Committee believes that in order to accomplish ORIX’s business objectives, directors and executive officers should place importance on not only performance during the current fiscal year, but also on medium- and long-term results. The fundamental policy is to ensure that compensation is designed in a way that provides effective incentives to directors and executive officers. Based on this principle, the Committee then establishes specific policies for each director and executive officer in accordance with his/her respective role.

Compensation Policy for Directors

- The compensation consists of fixed compensation and share-based compensation.*
- Fixed compensation is, in principle, a specified base amount that is adjusted with additional compensation, based on whether such director also assumes the position of chairperson and committee member.
- Share-based compensation is calculated based on the number of points earned and accumulated by the individual while in office until retirement. It is eventually granted to the individual in the form of ORIX shares upon retirement. This compensation is intended to align medium- to long-term results of the Company with the individual's performance.

Compensation Policy for Executive Officers (including those who concurrently serve as Directors)

- The compensation consists of fixed compensation, performance-linked compensation and share-based compensation.*
- Fixed compensation is decided based on the standardized base amount for each position followed by an adjustment in accordance with each position's respective role and responsibility.
- Performance-linked compensation consists of two components of equal weighting. The first component is derived from the standardized base amount for each position that starts from 50% followed by adjustment within the range of 0% to 200% based on the attainment level of the consolidated net income target for the current fiscal year as a performance indicator. The second component is derived the same way as the first component, except with the subsequent adjustment within the range of 0% to 200% based on the attainment level of his/her division(s)' performance target for the current fiscal year. Furthermore, in the case of Representative Executive Officers, his/her performance-linked compensation is entirely based on a standardized base amount that is adjusted within the range of 0% to 200% based on the attainment level of the consolidated net income target for the current fiscal year as a performance indicator.
- Share-based compensation is calculated based on the number of points earned and accumulated by the individual while in office until retirement. It is eventually granted to the individual in the form of ORIX shares upon retirement. The points granted each year are derived from the standardized number of points for each position where 50% of which is adjusted within the range of 0% to 200% based on the attainment level of the consolidated net income target for the current fiscal year as a performance indicator, and the other 50% of which is adjusted within the range of 0% to 200% based on the attainment level of his/her division(s)' performance target for the current fiscal year. Furthermore, in the case of Representative Executive Officers, his/her share-based compensation is entirely based on a standardized number of points that is adjusted within the range of 0% to 200% based on the attainment level of the consolidated net income target for the current fiscal year as a performance indicator. This compensation aims to align with medium- to long-term result of the company to the individual's performance.

* "Share-based compensation" is a program in which points are annually allocated to directors and executive officers based upon prescribed standards while in office, and the actual number of ORIX' shares calculated based on the number of accumulated points is provided at the time of retirement. Points granted to the individual directors and/or executive officers are determined based on title and seniority in accordance with guidelines set by the Compensation Committee.

Compensation of Directors, Executive Officers and Group Executives (FY2016.3)

	Fixed Compensation		Performance-linked Compensation		Share-based Compensation		Total
	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	Amount Paid (Millions of yen)
Directors	9	106	—	—	1	19	125
(Outside Directors)	(7)	(68)	—	—	(1)	(19)	(87)
Executive Officers and Group Executives	31	830	31	386	7	707	1,924
Total	40	936	31	386	8	726	2,049

Notes:

1. There was a total of 13 directors (including six Outside Directors), 20 executive officers (including those serving concurrently as directors) and three group executives as of March 31, 2016. Figures for the number of directors and executive officers who received compensation and the compensation amount include those of 12 persons who have resigned from their previous positions as either director or executive officer or group executive in FY2016.3.
2. At ORIX, no directors serving concurrently as executive officers received compensation as directors. Total compensation for six people serving concurrently as directors and executive officers is shown in the Executive Officers and Group Executives line.
3. Under ORIX's share-based compensation system, directors and executive officers are granted a prescribed number of points during their tenure and receive shares of ORIX stock from a trust in accordance with their accumulated point totals when they retire. Share-based compensation indicated above is the total number of ORIX shares issued to directors and executive officers who retired during FY2016.3 multiplied by the market price of ¥1,588 per share at the time the trust acquired ORIX shares.
4. ORIX did not provide stock options in the form of stock acquisition rights in FY2016.3.
5. Figures shown are rounded down by discarding figures of less than 1 million yen.

For more details, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission ►►► <http://www.orix.co.jp/grp/en/ir/library/20f/>
- "Conditions for Director Independence" determined by the Nominating Committee (Form 20-F)
- Corporate Governance ►►► <http://www.orix.co.jp/grp/en/company/governance/>

Corporate Governance

Comments from the Outside Directors

Governance drives the Nominating Committee, and we are constantly being reminded of its importance during our discussions.

Nobuaki Usui
Chairperson of the
Nominating Committee



ORIX's Unique and Unparalleled Business Model

I became an Outside Director four years ago. Initially, I must say that being on ORIX's Board of Directors was a bit overwhelming because of its ability to perceptively sense changes around the world, its prudent aggressiveness in taking risks, and the sense of urgency with which it made decisions. I had worked as a government official for many years, and I was amazed by the difference in dynamism between a Japanese company and the government. After a while, I realized that the difference has much to do with the unique corporate culture that ORIX developed under former CEO Yoshihiko Miyauchi. Call it ORIX's DNA. ORIX recently decided to take on the challenge of its concession business in Japan. Outsiders may find ORIX's business portfolio complex, but its corporate culture is the engine driving the Company as it deploys its expertise to expand outward into related markets. ORIX's ability to diversify, globalize and expand is a testament to its unique and unparalleled business model.

We Are Enhancing ORIX's Business Operations, Personnel System and Organization, and Are Committed to Improving Global Governance

I became the chairperson of the Nominating Committee last year. Makoto Inoue had just become CEO

two years ago, and the Nominating Committee watchfully confirmed that management was making the transition smoothly and was functioning as intended. The Committee took special care to embed and enhance the new regime through its selection of director candidates. Examples of management turnover at several other companies of late have attracted attention from the standpoint of governance and reaffirm the importance of the Nominating Committee's responsibilities. Now more than ever, we must proactively discuss the ideal attributes of the managers who will be a good fit with ORIX's approach to its future business development and who embody ORIX's DNA.

ORIX has globalized in anticipation of market change since its inception, achieving remarkable growth while structuring corporate governance for both transparency and effectiveness. The Board of Directors devotes a considerable amount of time to discussing strategies for business growth, always including governance and the risks ORIX will take. Given our forecast for a challenging economic and operating environment, however, we need to enhance ORIX's business operations, personnel system and organization and commit to improving global governance in targeting further growth and globalization. Good numbers are not the only parameter. We must pay closer attention than ever to ORIX's contribution to society and how stakeholders perceive it. I have every confidence that ORIX will successfully achieve the goals it sets.

Risk never disappears. The key is to intelligently absorb and minimize risk.

Eiko Tsujiyama

Chairperson of the
Audit Committee



ORIX's Singular Business Model

ORIX operates with a singular business model in Japan and internationally. A contemporary leader, it provides diverse services that started with leasing and now extend to businesses including finance, retail (banking and life insurance), real estate, business investment, and environment and energy. ORIX also conducts balanced operations among these fields by effectively managing risks in each of its markets, and demonstrates its commitment to leadership by empowering women.

ORIX is Expected to Be a Singular Presence in Corporate Governance as Well

ORIX's lively Board of Directors listens carefully to the opinions of Outside Directors, and responds quickly to remarks from members of the Audit Committee, which I chair. The Audit Committee focuses on the approach to risk and on never failing to see the initial signs of latent risk, and is able to appropriately and quickly follow up on its projects. One step ahead of contemporary developments, ORIX was a leader in bringing on outside directors and transitioning to a "Company with Committees" board model, and has

put great effort into the trial and error that has made its corporate governance even more functional.

Looking at the future of governance and management, ORIX first should recognize that risk never disappears. The key is to be aware that risk is always present in one form or another in order to determine how to minimize it and how best to resolve it. In addition, a properly functioning internal reporting system is crucial. Compliance is also one of the risks apparent in recent scandals at Japanese companies. But even when a company sets up an internal control system, it does not eliminate risk; it intelligently absorbs and minimizes potential risks. ORIX has front-line operations that are highly conscious of compliance and truly understand the CEO's message within a shared culture of practical compliance, but must never become complacent.

Even viewed from a worldwide perspective, ORIX's business model is singular. I expect ORIX to roll out its business model globally to grow further and contribute to society, and to meld the best elements from Japan and overseas not only in its business activities, but also in implementing corporate governance. Doing so will require ORIX to remain a social leader and rely on the willingness of its employees to take on these challenges. I would ask all ORIX employees to take pride in their globally singular business model as they embrace challenges.

We attract people to ORIX with appropriate compensation, with an understanding of the nature of shareholder interests. This links the interests of the Company and its shareholders.

Robert Feldman

Chairperson of the
Compensation Committee



Innovation, Courage and Discipline Drive Growth in a Diverse Business Portfolio

Innovation, courage and discipline are three key words that describe ORIX. It has a diverse business portfolio and studies how it can operate in peripheral markets to create new value by entering them. This is innovation that enables ORIX to build its business in tune with the times. Business involves two risks: not doing business at a time when the probability of success is high, and doing business at a time when success is uncertain. ORIX deals with the latter by taking risks with due consideration of earnings growth. This is courage. Moreover, ORIX demonstrates discipline by setting rigorous targets in its business plans, then rigorously evaluating outcomes to make the best use of them for subsequent growth. Innovation, courage and discipline allow ORIX to grow by deftly linking diverse businesses.

Different Perspectives and New Knowledge Evolve the Business Model

ORIX targets optimum corporate governance with cutting-edge initiatives. ORIX transitioned to a “Company with Committees” board model more than 10 years ago, and the substantial influence of committees is a key feature of ORIX’s corporate governance. I chair the Compensation Committee, which exchange

es opinions energetically and rigorously in thoroughly discussing a variety of issues. The effectiveness of corporate governance is a function of how well management incorporates the opinions of committees and the Board of Directors, and ORIX functions very well in this regard. The basis for determining compensation is a complex issue that the Compensation Committee approaches with a mosaic of academic opinions and practical opinions based on the extensive experience of each Director. The key points here are the ability to effectively explain how compensation is in the interests of shareholders, and the ability to attract quality people to ORIX with appropriate compensation. This links the interests of the Company and its shareholders.

One issue for corporate governance is rejuvenating the Board of Directors, and that includes me. I would like more participation by younger people, even if they are less experienced, to energize management by introducing different perspectives and new knowledge. The Compensation Committee must figure out how to nurture people who can contribute in the future and how to enhance the capabilities of people who are underperforming. ORIX operates globally, so increasing international exchanges, effectively utilizing diverse people, and hiring people with potential will enable ORIX to evolve its business model. Global governance has received much attention in recent years, and energetic discussion and enhanced compliance will get ORIX to its next phase of globalization.

Risk Management

Group-Wide Risk Management System

Risk Control

ORIX allocates management resources by taking into account Group-wide risk preference based on management strategies and the strategy of individual business units. It monitors its business both on an individual transaction and total portfolio basis, as well as by business unit. Business units and corporate divisions confirm progress of strategies and cooperate to analyze and manage risk from various perspectives.

The monitoring results are regularly reported to the Board

of Directors and the relevant executive officers. Those who receive the reports evaluate the performance, profitability and risk of each business unit and the total portfolio, and take measures deemed appropriate.

Through this process, we control the balance sheet while allocating more management resources to business units having greater growth potential.

Executive Officers

The representative executive officers of ORIX make important business administration decisions after deliberations by the Investment and Credit Committee in accordance with ORIX's various regulations.

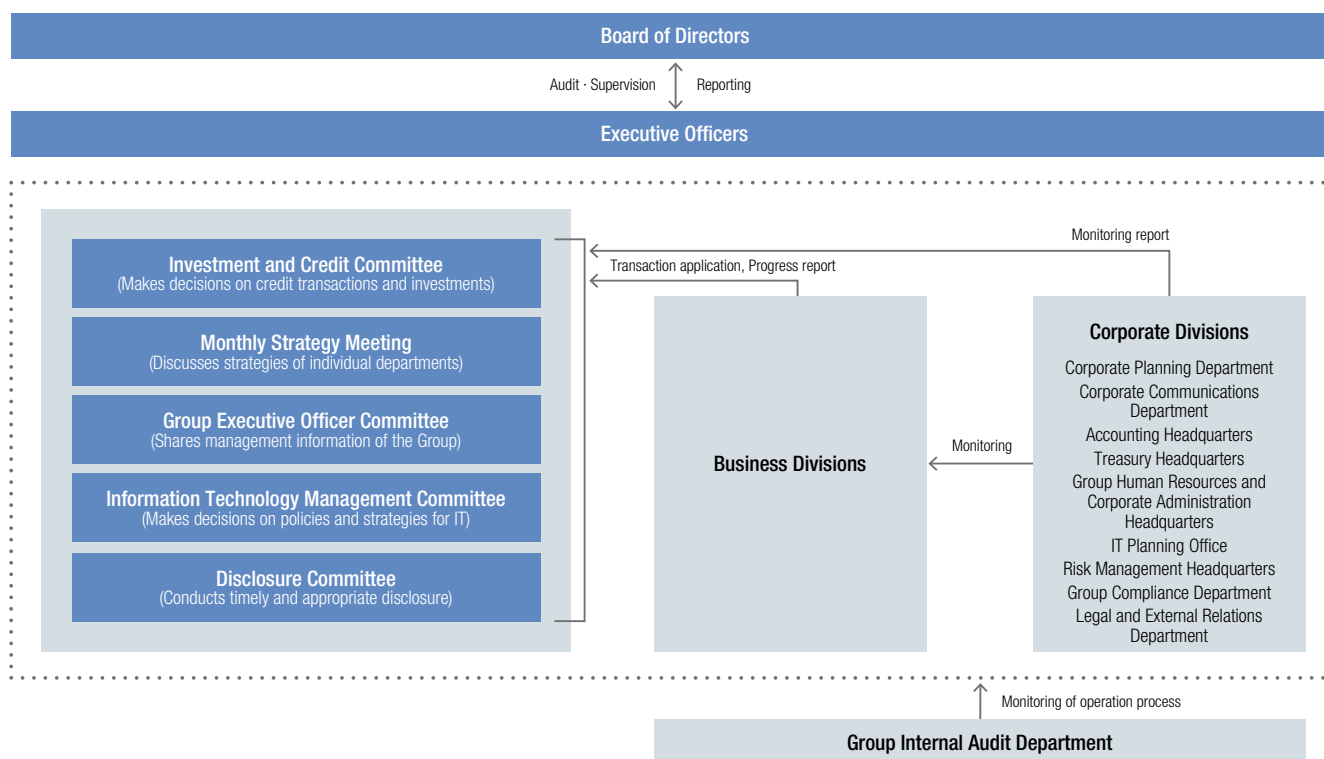
The duties of executive officers are decided by the Board of

Directors and the representative executive officers and are carried out in accordance with ORIX's various regulations. Group executives are appointed by the Board of Directors from among the directors and executive officers of the Group companies.

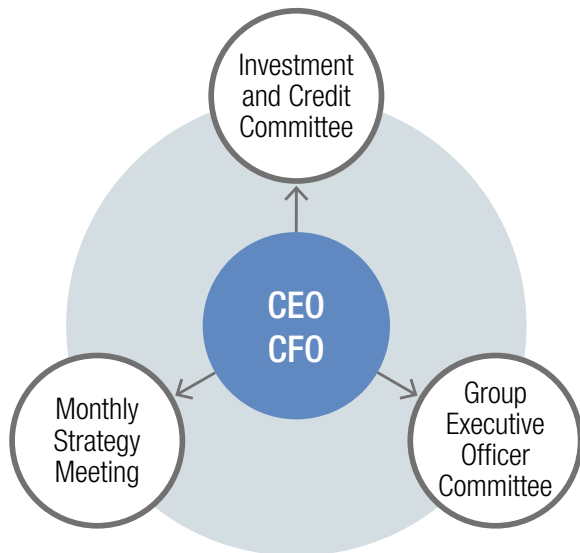
Characteristics of the Executive Officer System

- Operation and oversight are separated through a "Company with Nominating Committees, etc." board model.
- CEO and CFO are involved in all processes for evaluating individual transactions and monitoring the progress of strategies and plans of business units as well as the progress of strategies and plans of the Group as a whole.
- Executive officers and group executives regularly report and share information with CEO and CFO about progress of strategies and plans of business units they are responsible for.
- Executive officers and group executives along with CEO and CFO share information about strategies and plans of the Group as a whole.

Organization of Executive Officers (As of July 1, 2016)



Top Management Involvement in Main Functions of Executive Officers



- The Investment and Credit Committee deliberates individual transactions. Even small transactions are discussed thoroughly among senior management including CEO and CFO before final decisions are made.
- Monthly Strategy Meetings are held for the approximately twenty business units grouped under the six business segments, including corporate divisions. CEO and CFO, in principle, have discussions with each divisional head to confirm plans, progress, and outlook, and then give instructions as necessary.
- At the Group Executive Officer Committee, attended by all executive officers and group executives, CEO shares information about progress of the Group strategy and CFO shares information about numerical aspects.

Individual Executive Bodies

Important decision-making, monitoring and discussions regarding the execution of business and sharing of information are conducted by the following bodies.

Investment and Credit Committee (“ICC”)

(Three times a month in principle)

Attendees: Top management and executive officers involved in projects

- Meets primarily to deliberate and make decisions on credit transactions and investments that exceed certain specified investment or credit amounts and important matters related to management of the Company and matters that have been entrusted to representative executive officers by the Board of Directors.
- In consideration of their importance, the content of the matters and items decided by the ICC are reported to the Board of Directors as necessary.

Monthly Strategy Meeting

(Once a month in principle)

Attendees: Top management and each divisional head

- Meets to discuss matters such as the state of achievement of strategic targets and changes in the business environment.
- Matters of high importance discussed at the Monthly Strategy Meeting are deliberated and decided by the ICC and reported to the Board of Directors as necessary.

Group Executive Officer Committee

(Once a month in principle)

Attendees: Executive officers and group executives

- Meets to share important information related to the business administration of the ORIX Group.

Information Technology Management Committee

(Once a month in principle)

Attendees: Top management and the executive officer in charge of IT systems

- Meets to deliberate and decide important matters concerning fundamental policies for IT operations and IT systems.
- Ensures that IT decisions are consistent with its business strategies and works to realize IT investments that contribute to business growth and reduce risk.

Disclosure Committee

(As necessary)

Attendees: CFO (Chairperson) and executive officers in charge of Corporate Planning Department, Treasury Headquarters, Accounting Headquarters, Risk Management Headquarters, Legal and External Relations Department, Group Compliance Department, Group Human Resources and Corporate Administration Headquarters, Group Internal Audit Department and Corporate Communications Department

- Upon receiving warnings regarding important information from those in charge of individual departments, the Disclosure Committee meets to discuss whether any timely disclosure is required and takes steps to provide appropriate disclosure of such information, if necessary.
- The committee controls information disclosure and facilitates the appropriate and timely disclosure of information to stakeholders.

Risk Management

Main Risk Management

Main Risk Management

ORIX recognizes that credit risk, business risk, market risk, liquidity risk (risk relating to funding), legal risk and other operational risk are the main risks we face, and we manage each of these risks according to its characteristics.

| Credit Risk Management

We define *credit risk* as uncertainty regarding future recovery of investments caused by fluctuations in the cash flow from debtors and investees.

To analyze credit risk, we evaluate the adequacy of collateral and guarantees, the liquidation of debt and the concentration of debtors and their business types. We conduct a comprehensive customer credit evaluation based on the customer's financial position, cash flow, underlying security interests, profitability and other factors of individual credit transactions.

Moreover, an analysis of our portfolio, as well as measures to establish appropriate credit limits, allows us to control exposure to markets with potentially high risks.

We recognize certain assets that require extra monitoring, including credit extended to debtors who have petitioned for bankruptcy or civil rehabilitation, or other insolvency proceedings, or whose bank transactions have been suspended, bills have been dishonored, or debts have not been collected for three months or more. The relevant business units, in cooperation with the credit department, take steps to secure collateral or other guarantees and to begin the collection process. The accumulated collection know-how from sending an initial reminder to actively seizing collateral is consolidated in the credit department and is reflected in our evaluation criteria for individual credit transactions and portfolio analysis.

| Business Risk Management

We define *business risk* as uncertainties related to new business areas, potential obsolescence of the products or services we offer or a decline in their quality, and variability in market prices for the types of products or services we offer.

Against uncertainties related to new business areas, we monitor business plans and operations using scenario analyses and stress tests, and we also evaluate and verify the cost of withdrawal from a business.

For products and services we offer, in addition to monitoring quality, we review the content of our lineup of products and services in response to changes in the business environment and evolving customer needs and endeavor to maintain or improve

their quality.

A principal risk relating to operating leases is fluctuation in the residual value of the leased properties. To control fluctuation in residual value, we monitor our inventories of leased properties, market environments and the overall business environment. We generally limit our operating leases to leased properties with high versatility that are comparatively easy to re-lease, and evaluate the sale of such properties depending on changes in market conditions.

We endeavor to reduce the risk related to fluctuation in market prices for real estate by strengthening our cash flow.

| Market Risk Management

We define *market risk* as the risk of changes in the fair value of assets and liabilities caused by changes in market variables, such as interest rates, exchange rates and stock prices.

We establish Group-wide ALM (Asset-Liability Management) policies, and we endeavor to comprehensively verify and understand market risks.

Interest rate risk is comprehensively evaluated factoring in the expected impact of interest rate changes on periodic profit and loss and/or the balance sheet, the assets and liabilities positions, and the funding environment. These analysis methods are modified, as required, depending on the situation.

We generally manage exchange rate risk by using foreign currency-denominated loans, foreign exchange contracts and currency swaps to hedge exchange rate volatility in our business transactions in foreign currencies and overseas investments. We closely monitor and manage exchange rate risk of unhedged

foreign currency denominated assets and retained earnings of foreign subsidiaries using appropriate indicators such as the VaR (value at risk) and adjusting hedge positions as needed based on changes in the market environment at any given time.

We manage counterparty credit risk and other risks involved in hedging derivative transactions in accordance with internal rules.

For assets that we manage in our banking business, our life insurance business and our overseas operations, we regularly monitor monetary policies, macroeconomic indicators and securities and financial market trends, and manage our asset portfolios by analyzing individual security price movements and gains and losses. Market volatility is managed according to guidelines that include instruction to cut off loss and downsize certain position. Our credit department monitors our compliance with the guidelines.

| Liquidity Risk Management (Risk Management Relating to Funding)

We define *liquidity risk* as the risk that we will be unable to obtain the required funds or that we will be forced to secure funding at a significantly high interest rate due to market turmoil, deteriora-

tion in the financial condition of ORIX or other reasons.

To reduce liquidity risk, we diversify our funding methods and sources and monitor liquidity on hand. To manage liquidity on hand, we project future cash flows and analyze liquidity risk using hypothetical stress scenarios. We take necessary measures so that business may continue undisturbed in the event of adverse market changes.

The effect on the business of each subsidiary is monitored by ascertaining liquidity risk in each subsidiary and in every country in which ORIX operates. We take appropriate measures to manage liquidity risk, such as intercompany loans extended to our subsidiary.

ORIX Bank Corporation (“ORIX Bank”) and ORIX Life Insurance Corporation (“ORIX Life Insurance”) provide products and services to retail customers and are regulated by Japanese finan-

Legal Risk Management

We define *legal risk* as the risk of legal liability or legal disadvantage arising due to noncompliance with applicable laws and/or regulations in relation to the management of the business.

To avoid, prevent and mitigate transactional legal risk in Japan, in principle we require that the credit department, the legal department and the compliance department be involved in evaluating and/or executing transactions. In addition to establishing and maintaining internal rules designed to facilitate legal compliance, we take steps to further ensure compliance with future revisions to laws.

For business transactional agreements, we have established an approval process involving the legal department in accordance with our prescribed internal rules. In addition, depending on the size and importance of a given transaction, we may utilize the expertise of outside lawyers if it is deemed appropriate. To

Operational Risk Management

We define *operational risk* as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Operational risk is inherent in our business and includes compliance risk and fiduciary risk.

Compliance risk is the risk of financial loss, regulatory sanction or damage to our reputation resulting from a failure by ORIX to comply with applicable laws and regulations where it conducts its business and ORIX’s internal policies, rules and procedures and may encompass legal risk when applicable laws and regulations are violated.

Fiduciary risk is the risk of loss resulting from a failure to properly exercise discretion when acting on behalf of our customers and clients.

Each ORIX department conducts an annual compliance program to address material risks at the Group level. The internal audit department conducts monitoring activities based on an annual internal audit plan that focuses on material risks. The department endeavors to prevent the occurrence of events that could negatively affect Group management and seeks to strengthen

cial authorities. They are required to manage liquidity risk independently from other ORIX Group companies based on internal regulations formulated according to the relevant regulations.

ORIX Bank maintains the required liquidity levels by holding highly liquid assets such as cash and government and corporate bonds and by setting an upper limit for capital market funding. In addition, it regularly monitors its liquidity position against these measures, conducts stress tests on cash flow under different scenarios.

ORIX Life Insurance conducts stress tests on insured events and ensures the necessary liquidity by holding highly liquid assets such as cash and cash equivalents and securities above a certain ratio against the balance of a liability reserve and setting maximum limits for holding held-to-maturity securities.

ensure that proper legal procedures are followed in connection with potential disputes and litigation, we require that the legal department, the compliance department and the credit department be involved in the management of such disputes and litigation, including lawsuits that have been, or are expected to be, brought against us and lawsuits that we bring, or expect to bring, against third parties.

The administration department monitors the company’s use of intellectual property and takes necessary corrective measures when potential infringement of third party intellectual property rights is detected.

Overseas, each Group company takes measures to avoid, prevent and mitigate risks by utilizing in-house legal functions and, when necessary, by engaging outside lawyers and other advisers.

the risk management function through monitoring activities.

The compliance department supports the business and operations functions by implementing and maintaining compliance programs designed to identify and manage compliance risks in each jurisdiction where ORIX does business and to support a strong culture of compliance throughout the Group.

In FY2016.3, ORIX undertook to enhance compliance risk management in its global businesses and in connection with that effort updated its Principles of Conduct and introduced a Code of Conduct and Ethics to increase compliance awareness among its directors, executive officers and employees throughout the Group.

The IT planning department and ORIX Computer Systems Corporation endeavor to reduce operational risk including risks of cyber-attacks and other information security threats through the maintenance and operational administration of internal systems.

We have established internal rules to manage risks associated with natural disasters, which are designed to protect management resources and minimize losses, while giving priority to the safety of our executives and employees.

Risk Management

Individual Business Risk Management

Individual Business Risk Management

ORIX engages in a broad spectrum of businesses in addition to financial service operations. We perform comprehensive and transparent monitoring and risk management according to the characteristics of each business segment.

Corporate Financial Services

Credit risk is the main risk of the Corporate Financial Services segment.

After individual transactions have been executed, the Corporate Financial Services segment regularly monitors performance and collateral, as well as collection from customers whose balances exceed specified levels. The credit department regularly evaluates customers with large credit balances.

We analyze current conditions and outlook for specific

business types and industries, including the potential impact on customers while making decisions about future transactions in that specific business type or industry.

For those assets requiring extra monitoring, particularly in transactions secured by real estate, we take various measures such as capitalizing on our network of real estate-related departments within the Group to sell properties or introduce tenants.

Maintenance Leasing

Business risk and credit risk are the main risks of the Maintenance Leasing segment.

To manage the risk of changes in market values of assets under operating leases, we continuously monitor market environments and fluctuation in the resale value of leased assets and adjust residual value estimates of leased property in new transactions accordingly.

Cost fluctuation is the main risk that we manage when we provide various services to our customers. In response to this, we analyze initial cost planning and performance, moni-

tor future forecasts and control costs at an appropriate level.

In addition, to manage the risk that the quality of our services might fall short of customer expectations due to changes in the operating environment or diversification of client needs, we conduct quantitative and qualitative monitoring on our service quality and continuously strive to improve our services in line with the operating environment.

We also conduct credit examinations of individual transactions to manage credit risk.

Real Estate

In the Real Estate segment, the main risk for real estate development, rental and operation is business risk.

With respect to real estate investment, before making an investment decision we evaluate the actual cash flow performance of the investee target against the initial plan and forecasts, and monitor investment strategies and schedules after execution. When a material divergence from the initial forecast is detected, we reevaluate our strategy. In addition, when we invest in large scale or long term projects, we consider diversifying risk by making joint investments with our partners.

For development and rental business, we monitor development and operation schedules and NOI yield. We capitalize on the Group's network to improve occupancy rates and support sales.

In our facility operation business, we monitor performance indicators such as occupancy rates and profitability. We conduct market analysis and take initiatives to improve the marketability of our facilities, such as through renovations. To improve the quality of our services and facilities, we strive to take into consideration customers' feedback and also implement training programs for our employees.

Investment and Operation

Credit risk, market risk and business risk are the main risks of the Investment and Operation segment.

In the environment and energy business, for renewable energy, energy conservation and resource and waste processing operations, we endeavor to minimize business risk by deploying appropriate equipment and technology, forming alliances with expert operators and arranging our business structure to allow for changes in the business environment and the business content.

When making investment decisions in the principal investment business, we conduct a credit evaluation, analyzing the investee's credit profile and assessing its cash flow, similar to the usual credit examinations. In addition, we perform a multifaceted evaluation on the characteristics of the business operation and investment scheme, in which corporate departments such as the accounting and legal departments are also involved.

After the initial investment, individual transactions are monitored for any divergence from the initial projection. Furthermore, during the phase where we take steps to enhance the investees' corporate values, we focus on credit risk and watch cash flow closely. We also monitor market risk as the

time for exit nears, benchmarking investees' corporate values to their peers.

The frequency of monitoring may increase depending on the business environment, and we simultaneously verify the adequacy of investment scenarios and take any necessary action. Furthermore, for investments that have a significant impact on the profitability of ORIX, we work to strengthen management through measures such as the secondment of management personnel.

In the loan servicing business, we seek to reduce credit and operational risks by conducting periodic internal auditing and monitoring and by implementing business operations based on work procedures in accordance with the applicable supervision and guidance from regulatory authorities. In addition, ORIX Asset Management & Loan Services Corporation has designated an outside lawyer as a company director to be in charge of the company's legal and compliance department, and also ensure necessary organizational system is in place to handle legal and compliance related matters with any stakeholders professionally and with an objective and broad viewpoint.

Retail

The main risk in the life insurance business is business risk and market risk, in particular, the risk associated with underwriting insurance policies.

When underwriting insurance policies, while implementing strict assessment standards based on documents such as statements of health condition and medical examination reports, ORIX Life Insurance cultivates employees with expert knowledge and hires sufficient staff, checks the status of insurance solicitation and takes rigorous measures to prevent the underwriting of fraudulent contracts. In addition, ORIX Life Insurance educates and instructs agency staff and agents to enhance legal compliance regarding the privacy of personal information, as well as insurance sales practices, and regularly checks whether these measures are carried out.

Credit risk is the main risk of the housing loan business, the corporate loan business and the card loan business.

Regarding each housing loan we extend for investment properties mainly condominiums and apartments, we conduct screenings through individual interviews, which consist

of a comprehensive evaluation including not only the client's ability to repay but also the cash flows that can be derived from the property and its collateral value. Throughout this process, we utilize the real estate market information, industry know-how and network we have built for many years.

Decision making for corporate loans is based on an investigation of the client's performance, business plan, the purpose of the loan, the expected source of repayment and industry trends. We also reduce risks by avoiding overconcentration in particular business types and products in our portfolio.

The card loan business uses a proprietary scoring system incorporating a credit screening model. We set interest rates and credit limits in line with each customer's credit risk profile, after evaluating their creditworthiness based on an analysis of customer attributes or payment history, as well as other factors that might affect the ability of the borrower to repay. Also, we undertake subsequent credit evaluations at regular intervals to monitor changes in the customer's financial condition.

Overseas Business

In the Overseas Business segment, credit risk is the main risk of the leasing and loan businesses operated by local subsidiaries, which are located mainly in Asia.

Individual transactions in this segment are conducted in a manner similar to those in the domestic business segments. The credit department monitors the portfolio according to country risk. Information regarding the portfolio of the respective local subsidiaries, the business condition of major clients, the condition of those assets requiring extra monitoring and the clients of particular concern is shared internally.

Risk management in the principal investment business and the auto-related business, which are mainly in Asia, is conducted in a similar manner to that in the domestic business segments.

In addition, in the ship and aircraft-related business, we monitor market conditions and the overall business environment for business risk. We generally limit our operating leases to ships and aircraft with high versatility that are comparatively easy to re-lease and evaluate sales depending on changes in market conditions.

Credit risk and market risk are the main risks for the investment and finance business, including corporate loans and securities investment in the United States.

Regarding credit risk, at the time when an investment or a loan is made, we assign an internal credit rating to each transaction taking into consideration the credit status and the collateral status and continuously monitor the credit status. For any investment and/or loan of which the rating has reached or exceeded the caution level, our policy requires management to determine the necessity of a provision for doubtful receivables and probable loan losses or impairment.

Regarding market risk, we monitor market values while referring to credit risk information and manage risk by pursuing early sales as appropriate to secure profits or minimize losses.

Operational risk is the main risk for the loan servicing business in the United States. We arrange loans and conduct servicing operations thereof under public financing schemes such as the Federal National Mortgage Association and the Federal Housing Administration. We conduct our operations based on the designated operating procedures set forth by these public financial institutions, and monitor and manage service quality through internal auditing.

Business risk and operational risk are the main risks for the asset management business and the advisory business.

Regarding business risk, in addition to monitoring to maintain and ensure satisfactory quality levels, we review the content of our products and services to constantly maintain and improve quality in response to changes in the business environment and evolving customer needs.

In the asset management business, we have established an internal compliance system to manage operational risk and manage our operations to abide by the compliance standards established by the supervisory authority. Regarding operational risk in the advisory business, we maintain and ensure quality and operational procedures that meet the operating standards set forth by authorities through an internal quality control committee and other oversight so that high-quality advice and/or evaluation services can be supplied to customers according to proper operating procedures.

Corporate Financial Services

Group sales are the core of our efforts to capture growth opportunities for ORIX.

Businesses

Loan, leasing and fee business

Portfolio by Category

Finance	Operation	Investment
Japan: <ul style="list-style-type: none"> Leasing Loan Fee business 	Others: <ul style="list-style-type: none"> Yayoi New business development 	

Strengths & Advantages



- Using our locally rooted network of sales offices throughout Japan as a strength, we have an outstanding record of providing financial services including leasing and lending to small and medium-sized enterprises (SME).
- We serve as a core Group sales and consulting platform that aggregates Group customer data and information about products and services.
- We increase business opportunities for the Group by internally sharing and coordinating information about customers, markets and needs we collect using our sales network.

Opportunities



- We have an increasing number of opportunities to propose and provide products and services that address changing and diversifying corporate needs in areas including M&A, business succession, cost reduction, increased operating efficiency, response to environmental issues and overseas market entry.
- Deregulation and changes in the business environment are creating new growth markets including agriculture, healthcare and IT.

Risks



- Adding quality, highly profitable assets may be difficult because of continued low interest rates in Japan and lending competition with other financial institutions.
- We may not be able to constantly develop new products and services that address customer needs.

Successfully Delivering Value

- Leveraging the Group's network, we are a one-stop source of products and services that address customer needs and issues.
- We are exploring new markets for ORIX by expanding the payment services business, promoting agricultural business initiatives and enhancing Yayoi's cloud-based business.

Growth Strategies

ORIX's Sales Platform for Proposing and Providing Optimal Solutions

The Corporate Financial Services segment has served as the ORIX Group's core sales and marketing platform since the Group was established in 1964. We provide a broad array of products and services to our core SME customer base, including leasing of various equipment and machinery, and lending. We are also licensed to sell life insurance products, and we cross-sell the Group's other services such as environment and energy products and services and auto leasing.

Our sales representatives serve their customers as consultants for the Group, identifying customer status and issues primarily through leasing and lending transactions. They also determine specific customer needs and management issues and propose optimal solutions for them by collaborating with

Group companies and segments to access their know-how and expertise. We first look to the Group's broad range of products and services in making proposals. If they are unable to resolve customer needs and management issues, we cooperate with other business units to study and develop new solutions. This approach to proposing solutions to issues enhances trust in ORIX as a business partner.

ORIX has a unique business model for the process of creating optimal solutions for customer issues that enables us to provide answers that other companies cannot. Our business is not limited to financial services. We are committed to increasing the number of customers who approach us for business consulting to deepen our customer relationships. As a result, we are capturing growth opportunities for the Group and contributing to its current drive to expand in non-finance businesses.

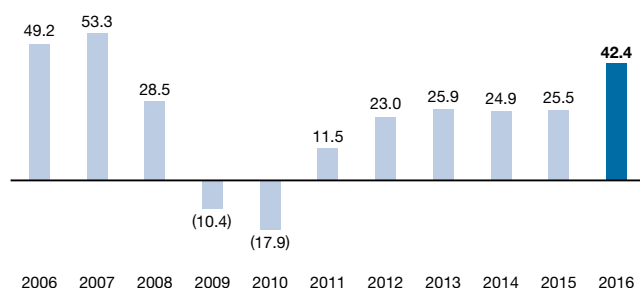
Examples of Products and Services

Customer Needs and Management Issues	ORIX Solutions
Business restructuring, rehabilitation and succession	Total support from strategy formulation to execution
Lower fleet management costs	Fleet management operations outsourcing
Corporate insurance	Various insurance products that address customer needs
Lower electricity rates	Affordable electric power supply services as a Power Producer and Supplier
More efficient, lower cost money transfers	Flat-fee remittance service
Overseas market entry	Overseas market entry support with ORIX's global network

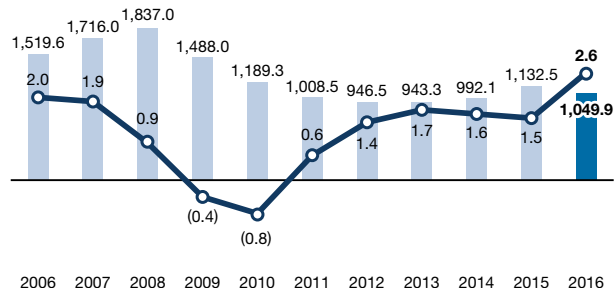
Segment Profits and Assets

Leases and loans decreased because we avoided adding assets and excessive interest rate competition in a low interest-rate environment. Nevertheless, services income from various services increased, and ROA rose.

Segment Profits (Billions of yen)



Segment Assets and Segment ROA (Billions of yen and %)



Initiatives for Sustainable Growth

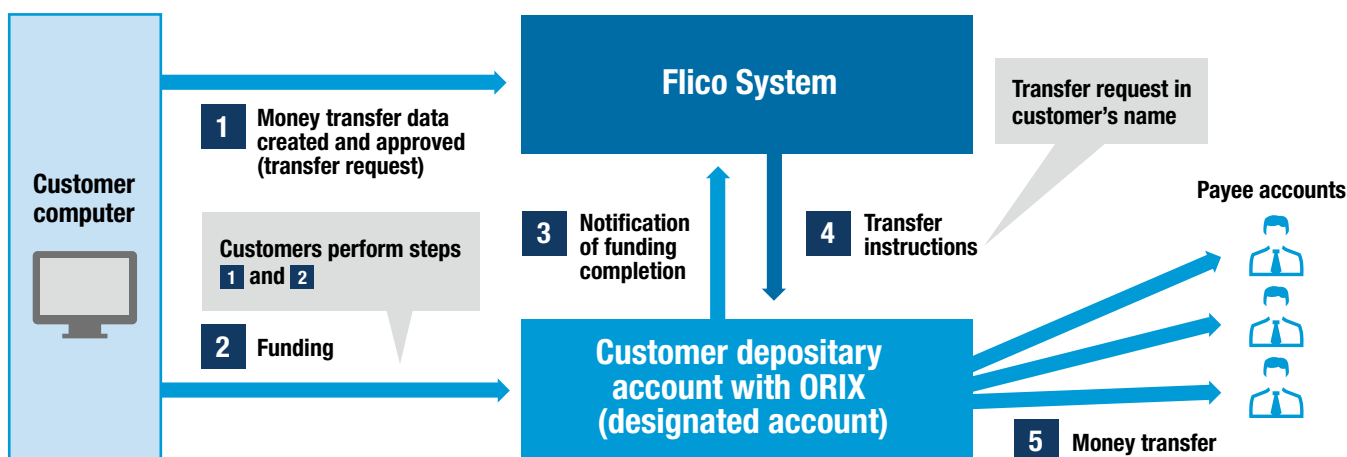
Responding to Various Customer Needs in Ways Such as Expanding Sales through Payment Services, Raising Operating Efficiency, and Reducing Costs

Serving corporations and small business owners, Flico is a payment service ORIX provides nationwide that reduces money transfer fees. Customers contract with ORIX to aggregate their money transfers to pay for purchases, operating expenses and the like that arise in the course of day-to-day operations, and ORIX forwards payment to the payees. Flico

helps a broad range of customers reduce costs regardless of their size or business because it requires neither special software nor fixed costs.

We also have an alliance with Alipay.com Co., Ltd., a major electronic payment service provider in China, to provide the Alipay service throughout Japan to business-to-consumer (B-to-C) businesses such as retailers and restaurants. ORIX will use its nationwide network to acquire Alipay member stores, which will help them attract and increase sales to Chinese tourists visiting Japan.

Flico's Structure



Contributing to Local Economies by Building Highly Competitive, High Value-Added Agricultural Businesses

ORIX established an agricultural corporation jointly with Honda Engei Co., Ltd. in Nagano Prefecture that is producing leafy vegetables. ORIX will use its sales network to generate stable sales of these vegetables to retail and food service industry customers. We will expand this business by aggregating abandoned farmland to produce and distribute quality agricultural products, thus increasing local employment and promoting brand building for agricultural products.

We also established a joint venture company with Fujitsu Limited, and Masuda Seed Co., Ltd. in Shizuoka Prefecture, launching a smart agriculture project aimed at agriculture-based regional revitalization. Smart agriculture uses information and communications technology such as sensors and big data to improve agricultural productivity and product quality. This business will create a new business model

throughout the food and agriculture value chain, from seeds and production to processing, shipping and sales with the goal of strengthening agriculture and revitalizing communities.

ORIX has created a dedicated agricultural division because we forecast that deregulation and changes in the business environment will make agriculture a growth market over the long term. We will aggressively capture business opportunities in healthcare, IT and robotics as well as agriculture to develop them into ORIX's new core businesses in the future.





Maintenance Leasing

We provide services with added value based on a high level of expertise in automobiles, test and measurement instruments and IT-related equipment.

Businesses

Automobile leasing and rentals, car-sharing, and test and measurement instruments and IT-related equipment rentals and leasing

Portfolio by Category

Finance	Operation	Investment
	Maintenance Services <ul style="list-style-type: none"> • ORIX Auto • ORIX Rentec 	

Strengths & Advantages



- Operating in a wide range of auto-related businesses, we are now the industry leader in terms of the number of vehicles under management.
- We offer a wide variety of rental products and services and timely delivery of the equipment customers need.
- We take advantage of our independent position to handle the products that meet customer needs from a diverse array of manufacturers.

Opportunities



- Demand is increasing for automobile leasing and other value-added services including fleet management and operational support given increasing corporate emphasis on cost cutting, risk management and compliance.
- Test and measurement instruments and IT equipment needs are increasing because of advanced technology R&D and social infrastructure upgrades ahead of the 2020 Tokyo Olympics and Paralympics.

Risks



- The leasing and rental markets may contract due to a slowdown in capital investment among companies in Japan.
- Test and measurement instrument rental needs may decrease if Japanese companies continue to relocate their R&D laboratories overseas.

Successfully Delivering Value

- The auto-related business continues to provide new products and services such as telematics that address social requirements and sophisticated technologies.
- In the rental business, we complement equipment rentals by providing solutions including measurement-related services, IT-related services, and asset management and operation support services.

Growth Strategies

Demonstrating Our Proposal Capabilities Based on a Potent Lineup of Products and Services and a High Level of Expertise

The strengths of our auto-related business are its broad array of products and services and its expertise. As a one-stop provider of various auto-related services, we make proposals that combine auto leasing, car rental, and car sharing aligned with a usage matrix that encompasses customer usage time, frequency and objectives. In addition to being the leader in this industry in Japan with approximately 1.2 million vehicles under management, we are also the leader in the number of vehicles equipped with devices for telematics services, one of our fleet management consulting services, that address needs for compliance, environmental protection and safety management.

The lease utilization rate is relatively high among large corporations in the contemporary auto leasing market in Japan. However, the lease utilization rate is low among SMEs and individuals, which account for a significant share of vehicles owned. The potential for growth is therefore great in the SME and individual markets, and we intend to concentrate on them. We will grow our businesses by primarily developing the market for value-added services such as fleet management in serving SMEs and large corporations, and by enhancing our

product lineup and sales channels in serving individuals.

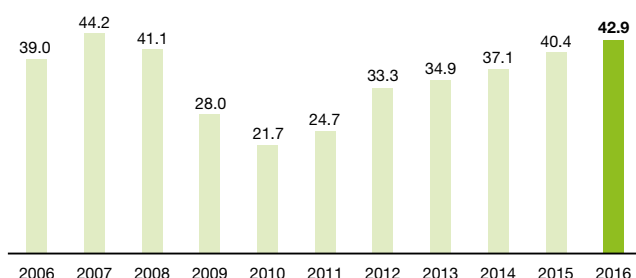
Our rental business provides rental services that address a range of needs in various markets including test and measurement instruments, scientific and environmental analysis equipment and IT-related equipment. Our rental products and services encompass 33 thousand types and 1.62 million units (as of March 31, 2016). We began by offering the first measuring instrument rental service in Japan. Today, we complement our rental operations with a menu that includes test and measurement-related services, IT-related services, and asset management and operation support services that we provide by leveraging the technical skills we have developed through our high-tech equipment rental services and our expertise in managing and operating rental equipment.

Our precision measuring equipment-related rental business will expand the products and services it offers in areas that we expect to benefit from the Tokyo Olympic and Paralympic Games in 2020, including social infrastructure and security reinforcement. We will also target other markets that we expect to grow such as defense, space, and intelligent automobiles. Our IT-related equipment rental business will continue to focus on the steadily growing service of tablet rentals for corporate customers. We will also introduce new services including contract-based modeling services using 3D printers to identify customer needs and capture new demand.

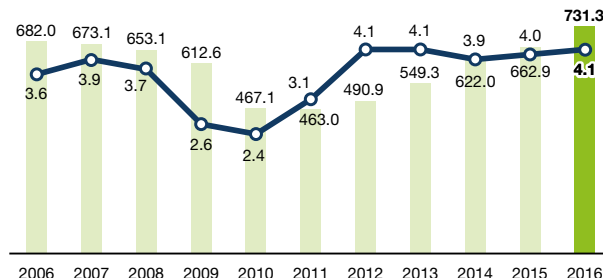
Segment Profits and Assets

Segment revenues and segment profits increased due to solid performance by the auto-related and rental businesses. Services income generated by value-added services also increased. ROA remained high.

Segment Profits (Billions of yen)



Segment Assets and Segment ROA (Billions of yen and %)



Initiatives for Sustainable Growth

Telematics Services Address Compliance, the Environment, and Safety Issues

ORIX Auto Corporation provides the e-Telema and e-Telema Pro telematics services that give real-time insights into vehicle operation. A special device with communication and GPS functions mounted in customer vehicles provides real-time information about driver behavior including speed and sudden acceleration or deceleration along with data such as fuel economy and CO₂ emissions.

Analysis of this operational data visualizes compliance, environmental and safety issues relevant to corporate fleet operations management to support optimum vehicle use, appropriate labor management, and accident prevention. In

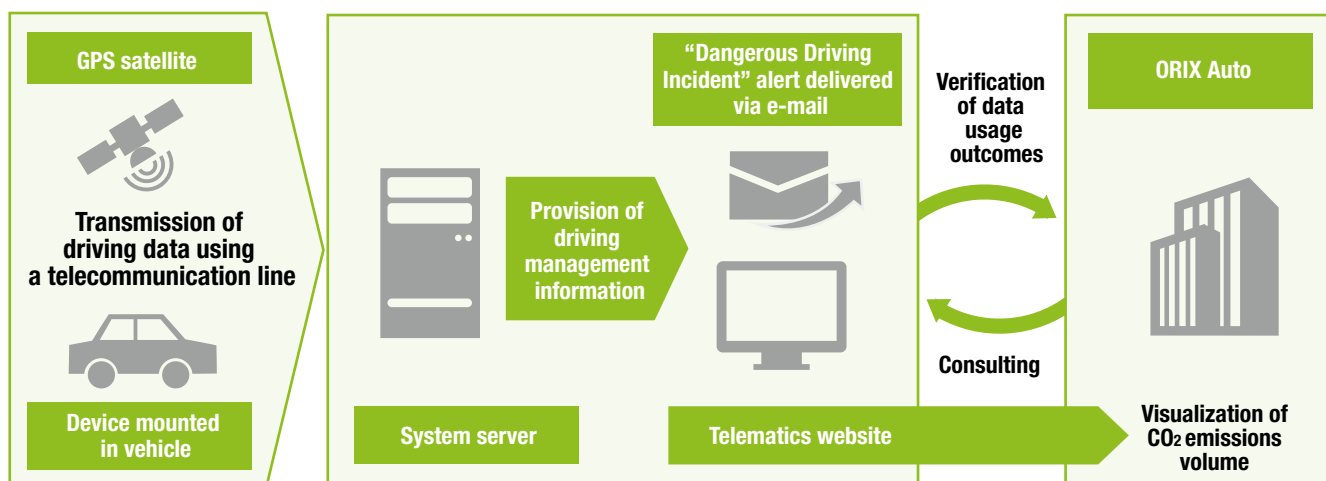
addition, analysis of the various data contributes to the environmental benefits of eco-friendly driving, reduced CO₂ emissions and reduction of surplus vehicles.

In November 2015, the Green Purchasing Network* recognized the value of e-Telema and e-Telema Pro in realizing eco-friendliness, safe driving and reduction in environmental burden by awarding them its Grand Prize (Corporate Division).

We will help to solve environmental issues with services that help to reduce environmental burden and CO₂ emissions and foster environmental awareness.

* The Green Purchasing Network is a network for businesses, administrative agencies, and private organizations that take the initiative in making green purchases.

Framework for Telematics Services



Developing Special Vehicles with Specifications Tailored to Customer Needs

ORIX Auto uses the knowledge it has gained from truck and specialty vehicle leasing to develop mobile bank branch vehicles and mobile office vehicles that are equipped according to customer needs.

Japan's financial institutions face the important issue of re-orienting their branch networks in preparation for future large-scale natural disasters, an aging population, and regional depopulation. ORIX Auto offers solutions by selling mobile bank branch vehicles that allow financial institutions to provide financial services in locations where they do not have branches. We leverage our knowledge of tangible vehicle assets and

expertise in intangible operational support and fleet maintenance to provide services aligned with the needs of financial institution customers.

We developed the mobile office vehicle to meet customer demand for reduced working hours and increased operating efficiency. Our mobile office vehicles are modified work vans that enable companies to shorten the working hours of their on-site workers by eliminating the need to return to offices from remote construction sites to work. Mobile office vehicles are also likely to find use at construction sites where installing a temporary office is difficult and in areas affected by disasters.

Real Estate

Our diverse businesses range from real estate development to the operation of aquariums.

Businesses

Real estate development and rental, facility operation, REIT asset management, and real estate investment and advisory services

Portfolio by Category

Finance	Operation	Investment
	Environment & Infrastructure <ul style="list-style-type: none"> • Facility operation Financial Services <ul style="list-style-type: none"> • REIT • Real estate investment and advisory services 	Tangible Assets <ul style="list-style-type: none"> • Real estate investment

Strengths & Advantages



- We have broadly based expertise in real estate businesses and proposal capabilities that fully leverage the Group's network.
- We do business with investors from Japan and overseas, including asset management services and joint investments in large-scale projects.
- We provide high-quality service in operating various facilities including hotels, Japanese inns, aquariums, nursing homes, senior residences, golf courses, multipurpose stadium and theater.

Opportunities



- The real estate market continues to be active due to monetary easing by the Bank of Japan and the introduction of negative interest rates. We are strengthening our portfolio by selling illiquid properties and investing in quality new properties.
- We forecast that occupancy and room rates at hotels and Japanese inns will be firm with the increase in tourists visiting Japan and seniors traveling within Japan.

Risks



- The prices of the assets we hold may decline if real estate market conditions deteriorate significantly.
- Securing personnel to operate facilities may become difficult. The number of tourists visiting Japan may decrease as a result of yen appreciation or a global economic slowdown.

Successfully Delivering Value

- We operate in a wide range of real estate businesses and have comprehensive real estate business strengths not found at other companies.
- Our facilities operation business creates added value by providing experiences unique to our facilities that keep customers coming back.

Growth Strategies

Comprehensive Real Estate Business Strengths from Operating an Array of Businesses and Using the Group's Network

The Real Estate segment operates diverse businesses ranging from real estate development and rental to asset management and facilities operation. We also use the Group's sales network largely to collect information about properties, identify investors, recruit tenants and introduce customers to the facilities we operate. These features give ORIX comprehensive real estate business strengths not found at other companies.

The real estate development and rental business handles various types of real estate including office buildings, residential buildings, commercial facilities and logistics centers. For new investment projects, we leverage the Group's sales network to use methods such as negotiated land purchases that allow us to avoid intense bidding competition as much as possible. In the logistics center business, we acquire information about land and customer needs to develop logistics centers. Another strength is that we are able to use various Group services to propose solutions, such as providing needed services at centers we operate and cost-reduction proposals.

Our asset management businesses include the operation of ORIX JREIT Inc. and management and administration of real estate properties in which Japanese and foreign investors have invested. ORIX JREIT has grown into a leading REIT in

Japan with assets of more than ¥550 billion. Together with the ¥390 billion managed by ORIX Real Estate Investment Advisors Corporation, our balance of assets under management is close to ¥1 trillion.

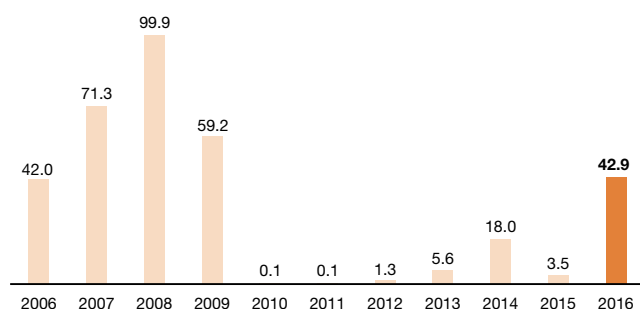
The facilities operation business develops and manages properties including hotels, Japanese inns, aquariums, nursing homes, senior residences, golf courses, multipurpose stadium and theater. We aim to create facilities customers want to revisit by improving services and creating value that only ORIX's facilities have. Another strength is that the expertise we have gained in the development and rental business and the facilities operation business enables us to optimally mix and match office buildings, residential buildings, commercial facilities, hotels, Japanese inns, nursing homes, senior residences and aquariums in mixed-use developments in a way that meets market needs. Together with this strength, we will make new investments to capture growth in the Japanese tourism industry.



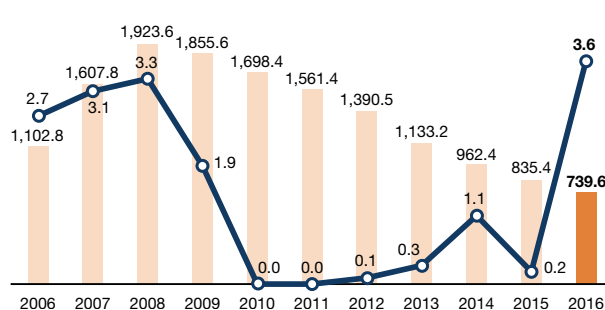
Segment Profits and Assets

Services income increased in the facilities operation business and we took advantage of market opportunities to sell real estate assets. Impairment losses also decreased. Segment profits increased substantially as a result, and ROA improved significantly.

Segment Profits (Billions of yen)



Segment Assets and Segment ROA (Billions of yen and %)



Initiatives for Sustainable Growth

Contributing to the Revitalization of Regional Economies through the Operation of Japanese Inns

ORIX entered the Japanese inn business in 2002, and now operates eight hot spring resorts. Exemplifying customer enthusiasm for our facilities, the Beppu Suginoi Hotel received an award for its outstanding facilities, backed by strong support through channels such as customer reviews at online hotel booking sites.

Our rehabilitation business has conventionally supported long-established Japanese inns in various locations with an emphasis on protecting the jobs of local employees. Moreover, the increased number of guests drawn by investment in new facilities and improved service levels has also helped to vitalize local economies by increasing the number of tourists.

In October 2015, we acquired Hotel Banso in Yunokawa-onsen, Hakodate City, Hokkaido. We plan to renovate this venerable Japanese hot spring resort with a history of more than 60 years to further increase its appeal. We intend to attract many more guests to the hotel, including foreign tourists, and to continue operating facilities that make our guests happy.



Creating a New Norm for Nursing Care for a Comfortable Life with Peace of Mind

Japan is aging faster than any other country in the world. We established ORIX Living with the objective of changing nursing care norms and creating a completely new standard for senior living and nursing care.

Today, we operate 25 nursing homes and senior residences in the Tokyo metropolitan area and the Kansai region that combine living with nursing care and healthcare services. All feature facilities such as nursing care lifts and robotic nursing equipment to ease the physical and emotional burden of residents as well as the physical burden of caregivers and provide a comfortable life with peace of mind.

GOOD TIME LIVING Nakamozu, a private nursing home that we opened in June 2015, features adjoining student condominiums that bring together the lives of seniors and students under one roof to create new lifestyles through multi-generational interaction. This fresh approach has earned widespread recognition in the form of a Facility of the Year Award in the Residential Aged Care category at the 4th Asia Pacific Eldercare Innovation Awards 2016.





Investment and Operation

We aggressively pursue opportunities in environment and energy businesses and principal investment in Japan and overseas.

Businesses

Environment and energy, principal investment, and loan servicing (asset recovery)

Portfolio by Category

Finance	Operation	Investment
	Environment & Infrastructure <ul style="list-style-type: none"> Environment and energy Concession 	Fixed Income <ul style="list-style-type: none"> Loan servicing Equity <ul style="list-style-type: none"> Private equity investment Daikyo

Strengths & Advantages



- As a comprehensive energy services provider, we are scaling up the renewable energy business and electric power retailing business.
- Our solar power business is one of the largest in Japan with 890MW of output capacity secured.
- Our principal investment business emphasizes a hands-on approach, adding value to investees by developing customers using the Group's network, supporting sales channel expansion, etc. We can also respond flexibly to changes in investment duration and subsequent capital injections.

Opportunities



- The importance of renewable energy in the global market will increase over the medium-to-long term. We expect to expand from solar power into wind and geothermal power.
- We are broadening our investment focus in this segment to include the concession business.

Risks



- Regulations may become more stringent in the environment and energy business.
- Sharp increases in prices for acquisition may affect our efforts to find new viable M&A investments.

Successfully Delivering Value

- We conduct wide-ranging operations in the two markets of energy and the environment.
- As the first private airport operator in Japan, we have committed to the airport operation business, and have established a platform for the concession business.

Growth Strategies

Involvement in the Energy and Environment and Principal Investment Businesses in Japan and Overseas to Drive Expansion in the Group's Non-finance Businesses

The Investment and Operation segment primarily encompasses the environment and energy business and the principal investment business.

Our environment and energy business includes renewable energy such as mega-solar, electric power retailing, energy-saving services, and storage battery system rental services in the energy market, and waste processing, recycling and metal resources in the environment market. Overseas, ORIX focuses on Asia in the power generation business and in providing energy-saving services.

Our principal investment business strives to enhance the corporate value of investees by making full use of the Group's

network both in Japan and abroad and its business expertise.

ORIX's principal investment business differs from many other private equity funds because we invest our own capital, and can therefore flexibly deal with changes in investment duration and increase investment if we feel it is justified. We also take advantage of the Group's network and expertise to increase the value of investees. We emphasize a multifaceted, hands-on approach to increasing investee value that ranges from integrated management, administration and operational support for investees to dispatching professionals and working with ORIX business units to develop customers and expand sales channels. Moreover, our investment business overseas emphasizes co-investments with reliable business partners. We invest aggressively in Japan and overseas, receiving a steady stream of earnings from investees and consistently generating capital gains by turning over our portfolio.

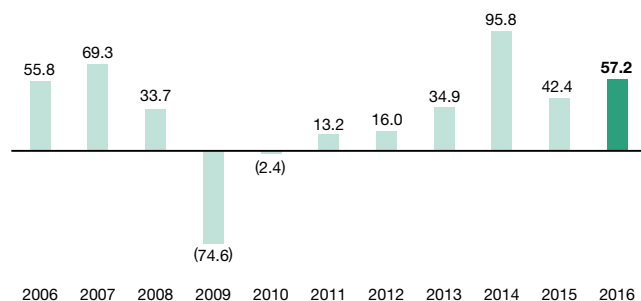
Investment Strategy of the Principal Investment Business

Japan	Ex-Japan
<ul style="list-style-type: none"> • Mainly pure financial investments, but consider strategic investments depending on the project. • Focus industries are healthcare, food, IT, information services, commodity sales to corporations and lifestyle-support services. • Business succession projects and other deals that are too complex for investment funds to handle. • In our concession business, we will aggressively submit bids for the growing number of projects in areas ranging from airports and roads to water supply and sewerage. 	<ul style="list-style-type: none"> • Mainly strategic investments. • Investments will focus on the financial sector in emerging countries in Asia and the Middle East. Outside the financial sector, we will expand investments in Europe and Africa.

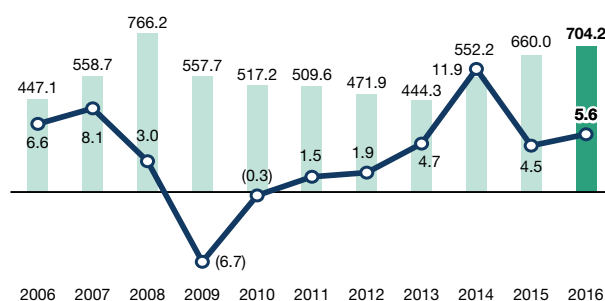
Segment Profits and Assets

Revenues and profits increased due to the steady expansion of the environment and energy business and gains on sales of our PE investments.

Segment Profits (Billions of yen)



Segment Assets and Segment ROA (Billions of yen and %)



Initiatives for Sustainable Growth

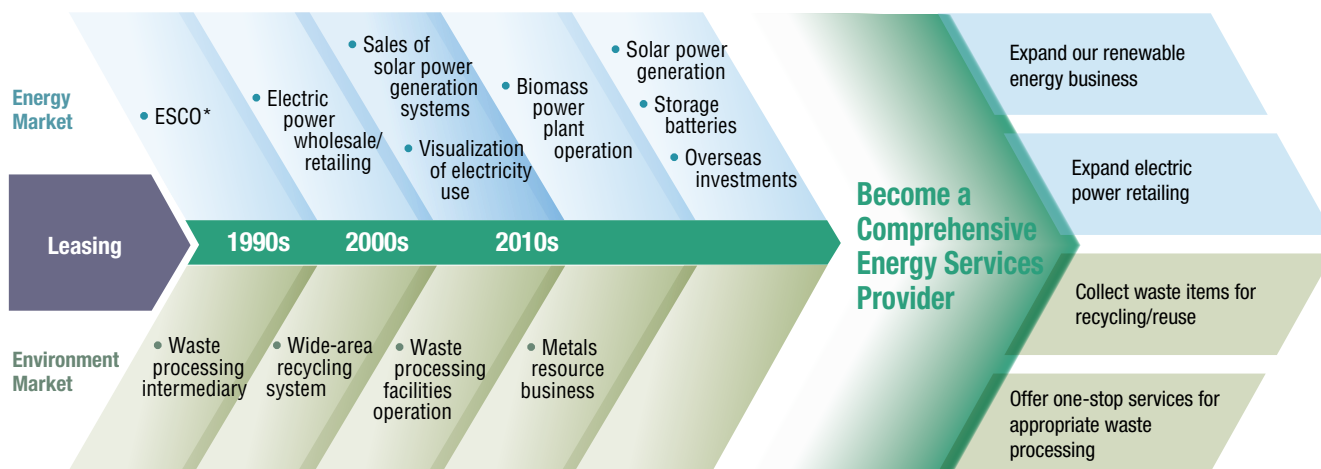
Become a Global Comprehensive Energy Services Provider

ORIX first entered into the environment and energy business in 1995 through its initial investment in a wind power business. Since then, we have been expanding across this market as a comprehensive energy services provider. A key focus is the renewable energy business that is so important to society. We are providing a stable supply of electric power generated through means including solar, geothermal, wind and biomass power generation.

We are deploying our experience in Japan to expand our renewable energy business overseas. In March 2016, we

joined with an investee involved in infrastructure development and investment, INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED, to invest in a wind energy platform with a total capacity of 1,004 MW in India. This project will build a total of 26 wind power plants in seven states in southwest India where wind conditions are favorable. This business will mainly sell the power it generates to state power companies under a feed-in tariff scheme, as well as a portion to commercial-scale utility customers.

ORIX will use the experience and expertise it has acquired in Japan to strengthen its energy business in Asia, the United States and elsewhere around the world.



* ESCO: Energy service company; provides comprehensive services that help factories and buildings save energy.

Airport Operation Business Officially Launched by the First Private Operator in Japan

ORIX and VINCI Airports of France each took a 40% stake in concessionaire company Kansai Airports, which began operating Kansai International Airport and Osaka International Airport from April 2016. We committed to the airport operation business as a result of Japan's first privatization. ORIX plays an important role in the management of the concessionaire company, with main responsibility for the corporate planning, finance, human resources, compliance and non-airline marketing departments. VINCI Airports is a global airport operator that is handling day-to-day airport operations and is responsible for the airline marketing, technology and safety promotion departments. It is also responsible for enhancing the business

growth, efficiency and international competitiveness of the airports.

Balancing the ingenuity and dynamism of a private company with the social responsibilities of managing public infrastructure, Kansai Airports will contribute to the ongoing development of the two airports it operates.

Japan is emphasizing swift improvement of its fiscal soundness, and is likely to require private capital and ingenuity for its public infrastructure of roads, water supply and sewerage as well as airports. ORIX is aggressively building its concession business, which will contribute to the vitalization of regional economies.





Retail

We operate three distinctive retail financial businesses.

Businesses

Life insurance, banking and card loan

Portfolio by Category

Finance	Operation	Investment
Japan <ul style="list-style-type: none"> • Banking • Consumer finance 	Financial Services <ul style="list-style-type: none"> • Life insurance • HLIKK 	

Strengths & Advantages



- Life insurance business: We have a strong ability to develop products that address changing customer needs.
- Banking business: An internet-based bank without physical branches, we provide products and services specializing in markets in which we have competitive strengths such as housing loans.
- Card loan business: Leveraging the expertise and human resources of ORIX Credit, ORIX Bank handles the card loan business while ORIX Credit focuses on providing guarantee services for card loans made by other financial institutions.

Opportunities



- Demand for new insurance products is expanding because of the growing need for medical insurance and other products brought on by Japan's low birthrate and aging society.
- The card loan market continues to recover after bottoming out following contraction as a result of revisions to the Moneylending Business Act.

Risks



- Premium income may decline following a revision of the standard rate of interest.
- Competition in the individual card loan market has intensified because of low interest rates.

Successfully Delivering Value

- ORIX Life Insurance is earning enthusiastic recognition from customers for providing services that address issues such as the greater role of women in society and advanced medical care.
- ORIX Bank refines its unique services with a focus on specified markets for management that balances profitability, growth and soundness.

Growth Strategies

Leveraging Distinctive, Specialized Life Insurance, Banking and Card Loan Businesses

The Retail segment consists of the life insurance, banking and card loan businesses, providing distinctive retail financial services in each of them.

In the life insurance business, ORIX Life Insurance is working to enhance its product lineup with the concepts of making products simple and easily understood, and providing reasonable coverage at an affordable price. It had approximately 3 million individual insurance policies in force as of March 31, 2016, and has steadily expanded operations, with 10 consecutive years of double-digit growth since 2005. In addition, we complement our mainstay third sector products by devel-

oping first sector products that further strengthen our product capabilities. In addition to our existing agency, direct channel through mail order and bank assurance, we have established a direct sales channel for face-to-face customer follow-up as a way to provide them with timely and appropriate information to further increase customer satisfaction. We will target sustainable growth by improving our product development capabilities and service quality.

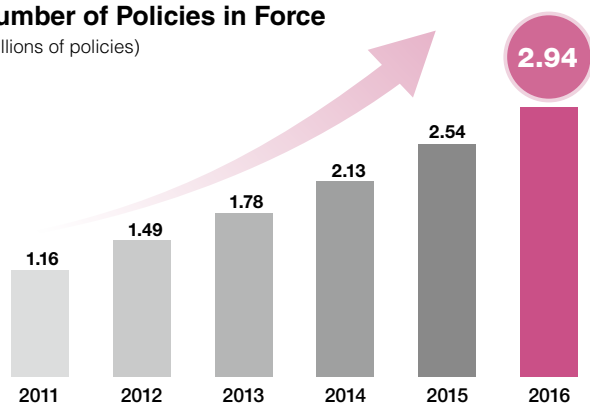
In the banking business, ORIX Bank is an internet-based bank that handles transactions that do not require a physical presence. For instance, deposits, card loans, and money trusts can all be offered by internet or telephone. It also has salespeople who meet with customers to provide optimal solutions for housing loans and corporate finance. Housing loan assets are our core revenue driver and have steadily increased. As of March 31, 2016, their balance was ¥1 trillion.

In the card loan business, companies work together to capture market demand and expand business. ORIX Credit uses operational expertise gained in managing the ORIX VIP Loan Card for approximately 30 years to benefit from market demand and expand its business. ORIX Bank conducts the card loan business, while ORIX Credit provides card loan guarantee services for other financial institutions.

We will go beyond our current retail financial services to increase assets and generate steady earnings growth by providing products that truly satisfy customers.

Number of Policies in Force

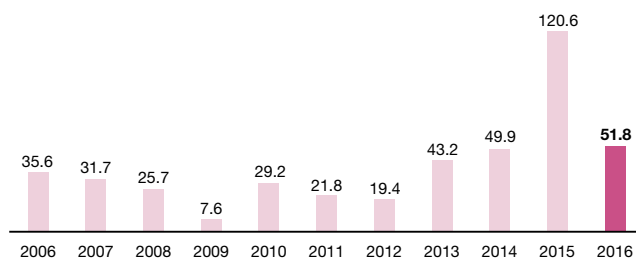
(Millions of policies)



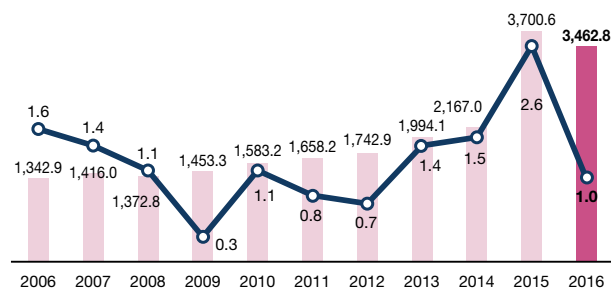
Segment Profits and Assets

Finance revenues from life insurance premiums and the banking business increased steadily. In FY2015.3, the segment recognized a non-recurring gain including the bargain purchase gain associated with the acquisition of Hartford Life Insurance K.K.

Segment Profits (Billions of yen)



Segment Assets and Segment ROA (Billions of yen and %)






Initiatives for Sustainable Growth

Providing Simple, Clear Insurance Products That Address Real Customer Needs

ORIX Life Insurance has an extensive product lineup and is researching and developing new products in order to provide insurance that truly addresses customer needs. External insurance professionals have praised ORIX Life Insurance's products because they are simple and clear, and because they offer substantial coverage with affordable premiums. In addition to selling our existing products, we will continue to develop and provide insurance products that address changing customer needs.



Praise for Our Products

Product Type	Health Insurance	Whole Life Insurance	Cancer Insurance
Product Name			
Beneficial Points	Low premiums, substantial coverage and an extensive choice of options	The customer can choose the premium payment period, and the rate of return on maturity is high	Affordable premiums and extensive coverage

A First in Japan: A Mail-Order Will Substitute Trust That Meets Inheritance Needs

ORIX Bank has begun offering Simple Inheritance Trust, Japan's first mail-order will substitute trust. Withdrawals upon inheritance from an account in the decedent's name require the heirs to perform complicated procedures. With this product, procedures for contracts and other documents can be concluded by mail or telephone, without visiting a branch and without preparing a will. Moreover, inherited funds can be received through simple procedures that include mailing a request for payment in accordance with the contract. ORIX Bank will continue to utilize its competitive advantage as an internet-based bank without physical branches to provide unique financial products and services that meet a broad range of customer needs.





Overseas Business

We will use our expertise and know-how developed in Japan to accelerate globalization of the Group.

Businesses

Leasing, loan, bond investment, asset management and ship and aircraft-related operations

Portfolio by Category

Finance	Operation	Investment
Ex-Japan <ul style="list-style-type: none"> Leasing Loan 	Financial Services <ul style="list-style-type: none"> Robeco Houlihan Lokey 	Fixed Income <ul style="list-style-type: none"> Bond investment Tangible Assets <ul style="list-style-type: none"> Aircraft Ships Equity <ul style="list-style-type: none"> Private equity investment

Strengths & Features



- We operate in a diverse array of businesses at 672 operational bases in 36 countries and regions excluding Japan and leverage our local knowledge and networks cultivated over more than 40 years.
- Our ship and aircraft-related business is expanding by complementing operating leases for ships and aircraft that ORIX owns with asset management services for third-party aircraft.
- Robeco serves customers ranging from institutional investors to individuals in its global asset management business.

Opportunities



- In the aircraft-related business, demand for aircraft is increasing because passenger traffic is increasing worldwide.
- In the asset management business, total assets under management worldwide are forecast to increase to USD 100 trillion.

Risks



- The global economy could slow down or stagnate.
- Sharp increases in prices for acquisitions may affect our efforts to find new viable M&A investments.

Successfully Delivering Value

- We build partnerships with prominent companies in the countries where we operate and pursue localization of our overseas operations centered on empowering local managers and serving local customers.
- In the aircraft-related business, we provide a diverse array of services including operating leases for our own aircraft, asset management services, and arrangement of aircraft investment for investors.

Growth Strategies

Taking Advantage of Our Global Network to Operate in a Wide Range of Businesses

The Overseas Business segment operates in a wide range of businesses and has built a global network of 672 operational bases in 36 countries and regions outside Japan since advancing into Hong Kong in 1971.

In the Americas, in addition to our asset based business such as corporate loans and investment in securities, we are also involved in equity investment and fee businesses such as advisory and fund management. We provide products and services that demonstrate our sophisticated expertise in every market we serve. Our goal in the Americas is to grow further by building a portfolio with balanced investment in various industries. We will therefore strengthen equity investment by actively identifying investment opportunities. Furthermore, in March 2016 our U.S. asset management subsidiary Mariner Investment Group LLC established and began operation of a private equity investment management company, IX Capital Partners PE, LLC.

In Asia, local subsidiaries that are familiar with the business customs and regulatory regime in their country primarily serve local customers with financial services including machinery and equipment leasing, auto leasing, sales finance, loans and rentals. We employ the expertise we have acquired in our broad range of businesses in Japan to further diversify our

overseas operations and expand earnings.

Our ship and aircraft-related business provides operating leases for ships and aircraft that ORIX owns and asset management services for third-party aircraft. We have extensive expertise in aircraft and the aircraft market. We first began handling aircraft financing deals in 1978, then built on this experience to start offering operating leases using ORIX-owned aircraft in 1991. Today, we provide broadly based asset management services to investors in Japan and overseas that include inspection and monitoring of aircraft maintenance and aircraft sales. We also generate fee income by arranging aircraft investments for investors worldwide.

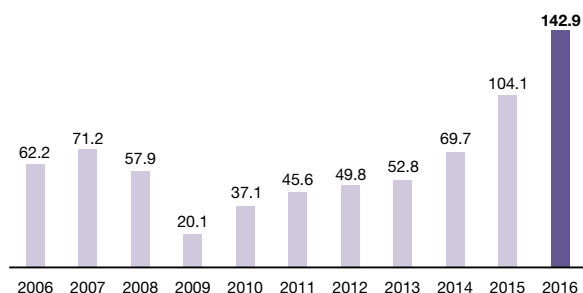
Our ship-related business leases ORIX-owned vessels to domestic and overseas shipping companies. It also arranges investments in ships for investors in Japan.

Robeco operates globally with business locations in Europe, the United States and Asia, offering various asset management products including equity, fixed-income, alternative investments and quantos to a broad client base of both institutional and individual investors. This diversified asset management product lineup allows Robeco to sustain superior performance while minimizing downside risk. Robeco will expand its business locations and network internationally and consider M&A with the aim of further growing its assets under management.

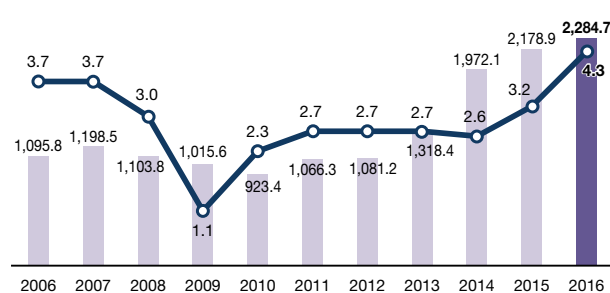
Segment Profits and Assets

Segment profits increased year-on-year due to factors including increased revenues from investments in the Americas and growth in aircraft leasing assets, as well as the recognition of a gain on the divestiture of shares of Houlihan Lokey, Inc. in connection with its initial public offering.

Segment Profits (Billions of yen)



Segment Assets and Segment ROA (Billions of yen and %)

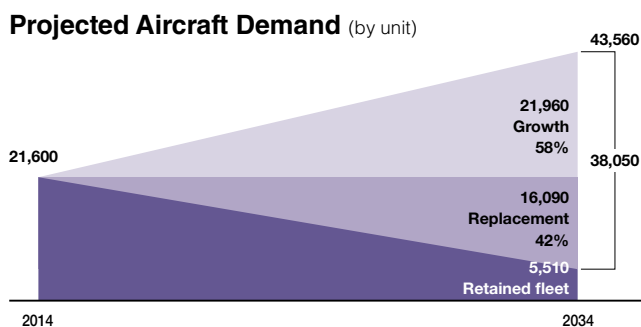


Initiatives for Sustainable Growth

Demonstrating Expertise in the Growing Aircraft Industry

Global passenger traffic increased faster than global GDP in 2015, and load factor set a record high at more than 80%. Given steady growth in passenger traffic, growth and replacement demand is forecast to total 38 thousand aircraft for the 20-year period from 2014 to 2034, with the installed fleet about doubling from current levels. Operating leases accounted for 40% to 45% of financing for new aircraft procured in 2016, and are forecast to increase.

ORIX's aircraft-related business currently has transactions with more than 60 airlines across more than 30 countries. The leading Japanese airlines currently use approximately 200 aircraft, and ORIX owns and/or manages a total of approximately 130 aircraft, which are leased to airlines worldwide. Anticipating market growth, we newly acquired 33 aircraft during FY2016.3. We will address growth in passenger and aircraft demand by deploying the expertise we have developed in the aircraft-related business to continue providing value-added services.



Source: Boeing Current Market Outlook 2015

Subsidiaries in Asia Will Expand the Auto Leasing Business

Our subsidiaries in Asia have grown primarily by providing finance leases to local customers. Now they are leveraging the expertise that ORIX has developed in Japan to diversify their operations. Auto leasing will be a particular focus. The number of registered vehicles in Asia varies by country, but by 2020 the total for Asia is forecast to increase by more than 100 million vehicles. We are therefore implementing required initiatives in the countries we serve to benefit from this growth.

ORIX Auto Infrastructure Services Limited in India began by offering auto leases and has expanded its service menu in the auto-related business to include car rentals, secured loans for commercial vehicles, commercial vehicle leasing and employee transportation services. Demand for employee transportation services has been increasing over the past several years in cities with numerous IT companies that need to ensure their employees involved in operations such as IT systems and call centers can get to and from work at any time of the day or night.

We acquired auto loan company PT. Sinar Mitra Sepadan Finance (SMS) in Indonesia in November 2015. A participant in the auto leasing business in Indonesia, ORIX has expanded into the auto loan market through this acquisition to diversify the financial services it offers. SMS has 110 branches in Indonesia and has mainly offered loans for used Japanese minivans and trucks, where their market price can better endure price reduction pressure than others. SMS will grow further by integrating Japanese auto leasing expertise with its marketing channels provided by ORIX.



Sustainability

Value Creation Begins with People

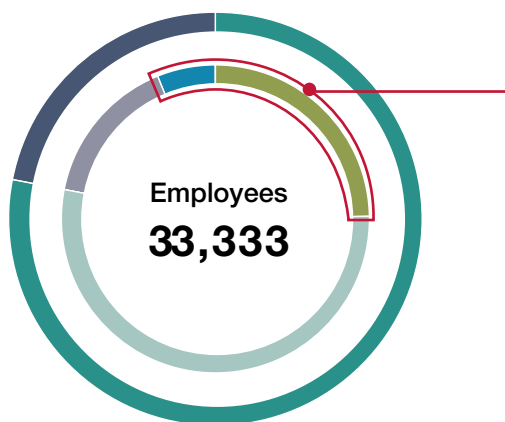
Making Maximum Use of the Capabilities and Expertise of Our Employees

People are ORIX's most important asset. We hire diverse human resources regardless of nationality, age, gender or work history, integrating their diverse values and expertise within our concept of a Fusion of Intelligence to create new value and workplaces where employees can fully use their capabilities. Specifically, we create fulfilling workplaces by establishing a working environment that respects diverse work styles and embraces contemporary social conventions, and by reforming our human resource system. Moreover, we are enhancing training to offer opportunities for employees who embrace challenges and enable employees to excel internationally.



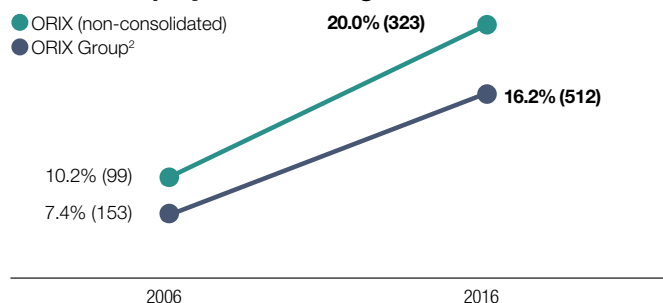
Employee Composition

(As of March 31, 2016)

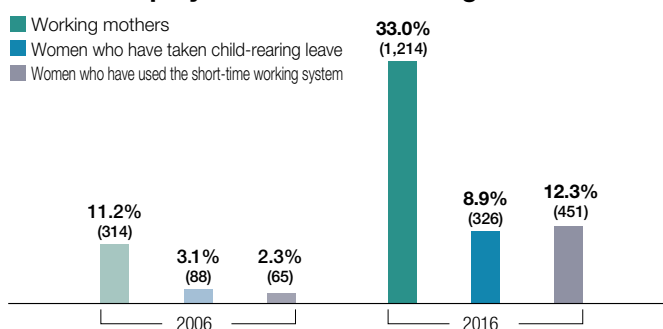


	Number of Employees	Proportion
● Overseas	8,116	24%
● Female employees overseas	(2,214)	(7%)
● Japan	25,167	76%
● Female employees in Japan	(7,959)	(24%)
Female employees	10,173	31%

Female Employees in Managerial Positions¹



Female Employees Who Are Working Mothers^{2, 3}



1. The percentages in "Female employees in managerial positions" represent the ratio of female managers to the total number of managers.
 2. Applies to ORIX Corporation and domestic Group companies (a total of ten companies).
 3. The percentages in the "Female employees who are working mothers" represent the ratio of female employees who are working mothers to total regular female employees.

Social Contribution Activities – for a Better Society



ORIX Miyauchi Foundation

Support Activities in Areas That Are Not Reached by Our Business Activities

ORIX established the ORIX Social Fund in 2006 (which became a public interest incorporated foundation in 2010) and has since engaged in various support activities in areas such as social welfare, support for children and youth, promotion of culture, arts and music.



ORIX Buffaloes

Participating in Community Activities through Sports

The ORIX Buffaloes are involved in various local community activities. For example, the baseball team's retired players visit mainly elementary schools to offer career lectures and tee-ball lessons based on their own professional baseball experiences.



ORIX Foundation

Employee-driven Charitable Activities

ORIX USA Corporation established the ORIX Foundation, a nonprofit charitable organization, in 2009. Many employees there participate in the charity programs and events organized by the foundation.

Environmental Activities – for a Better Global Environment



SANGO ORIX

A Project to Restore Okinawa's Coral Reefs

In 2008, ORIX Real Estate Corporation launched "SANGO ORIX," a project to restore Okinawa's coral reefs with the aim of protecting the coral reefs' abundant capacity to sustain biodiversity and pass on these pristine oceans to future generations. The project involves planting coral offshore of Okinawa.



Enosui eco

Environmental Activities Offered by a Seaside Aquarium

The Enoshima Aquarium provides a place to learn about animal habitats in an enjoyable way with exhibits illustrating the biodiversity and ecosystems of Sagami Bay. Furthermore, it conducts innovative "Enosui eco" environmental activities, including beach cleaning and the collection of bottle caps for the "Ecocap" Movement.



Mangrove Reforestation Project

Reforestation Initiative Motivated by Typhoon Damages

Since 2012, after experiencing the damage caused by a typhoon, ORIX METRO Leasing and Finance Corporation has been planting mangrove trees along the Bay of San Miguel in the Philippines together with local officials and students living in the area.

Financial Section

Eleven-Year Summary

ORIX Corporation and Subsidiaries
Years Ended March 31

	2006	2007	2008	2009
Financial Position:				
Investment in Direct Financing Leases	¥1,437,491	¥1,258,404	¥1,098,128	¥ 914,444
Installment Loans	2,926,036	3,490,326	3,766,310	3,304,101
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(97,002)	(89,508)	(102,007)	(158,544)
Allowance/Investment in Direct Financing Leases and Installment Loans (%)	2.2	1.9	2.1	3.8
Investment in Operating Leases	720,096	862,049	1,019,956	1,226,624
Investment in Securities	682,798	875,581	1,121,784	926,140
Property under Facility Operations	91,856	152,106	197,295	189,560
Total Assets	7,232,094	8,194,991	8,981,012	8,353,852
Short-term Debt, Long-term Debt and Deposits	4,925,753	5,483,922	6,263,017	5,919,639
ORIX Corporation Shareholders' Equity	946,961	1,186,366	1,258,906	1,157,269
Revenues and Expenses:				
Total Revenues	¥ 899,679	¥1,101,323	¥1,101,364	¥1,014,289
Total Expenses	692,774	824,758	926,837	961,003
Provision for Doubtful Receivables and Probable Loan Losses	16,227	13,807	33,223	77,015
Income before Income Taxes and Discontinued Operations	241,691	310,478	235,075	11,195
Income from Continuing Operations	147,579	186,510	141,496	15,054
Net Income Attributable to ORIX Corporation Shareholders	165,459	195,323	168,454	20,674
ROA (%)	2.49	2.53	1.96	0.24
ROE (%)	19.8	18.3	13.8	1.7
Per Share Data (Yen):				
Net Income Attributable to ORIX Corporation Shareholders:				
Basic Earnings per Share	¥ 187.34	¥ 216.40	¥ 184.81	¥ 23.25
Diluted Earnings per Share	178.04	208.84	180.57	22.07
ORIX Corporation Shareholders' Equity per Share	1,053.46	1,300.36	1,391.10	1,294.48
Cash Dividends	9.00	13.00	26.00	7.00
Operations:				
Direct Financing Leases:				
New Equipment Acquisitions	¥ 800,802	¥ 636,723	¥ 574,859	¥ 364,734
Installment Loans:				
New Loans Added	1,834,192	2,226,282	2,331,331	1,055,014
Operating Leases:				
New Equipment Acquisitions	317,645	348,561	465,909	426,715
Investment in Securities:				
New Securities Added	235,932	331,055	688,148	374,614
Other Operating Transactions:				
New Assets Added	132,017	215,409	152,480	76,269
Number of Employees	15,067	16,662	18,702	18,920

Notes: 1. In fiscal 2011, the Company and its subsidiaries adopted FASB Accounting Standards Update 2009-16 (ASC 860 ("Transfers and Servicing")) and FASB Accounting Standards Update 2009-17 (ASC 810 ("Consolidation")). The effects of adopting these updates on the Company and its subsidiaries' financial conditions at the initial adoption date were an increase of ¥1,147.4 billion in total assets, an increase of ¥1,169.0 billion in total liabilities and a decrease of ¥22.5 billion in retained earnings, net of tax, in the consolidated balance sheets.

2. Cash dividends represent the amount of dividend per share for the corresponding fiscal year.

Millions of yen

2010	2011	2012	2013	2014	2015	2016
¥ 756,481	¥ 830,853	¥ 900,886	¥ 989,380	¥1,094,073	¥ 1,216,454	¥ 1,190,136
2,464,251	2,983,164	2,769,898	2,691,171	2,315,555	2,478,054	2,592,233
(157,523)	(154,150)	(136,588)	(104,264)	(84,796)	(72,326)	(60,071)
4.9	4.0	3.7	2.8	2.5	2.0	1.6
1,213,223	1,270,295	1,309,998	1,395,533	1,379,741	1,296,220	1,349,199
1,104,158	1,175,381	1,147,390	1,093,668	1,214,452	2,846,257	2,344,792
186,396	207,480	194,576	218,697	295,863	278,100	327,016
7,722,017	8,561,910	8,332,830	8,439,710	9,066,961	11,443,628	10,996,906
5,263,104	6,075,076	5,828,967	5,560,847	5,367,412	5,705,110	5,689,002
1,287,179	1,306,582	1,380,736	1,643,596	1,919,346	2,152,198	2,310,431
¥ 887,290	¥ 938,258	¥ 963,721	¥1,052,477	¥1,375,292	¥ 2,174,283	¥ 2,369,202
856,326	865,992	841,506	901,624	1,172,244	1,917,454	2,081,461
71,857	31,065	19,186	10,016	13,838	11,631	11,717
56,748	90,271	127,515	172,572	286,339	344,017	391,302
35,723	65,437	82,907	118,890	187,786	254,960	270,990
36,512	66,021	83,509	111,909	187,364	234,948	260,169
0.45	0.81	0.99	1.33	2.14	2.29	2.32
3.0	5.1	6.2	7.4	10.5	11.5	11.7
¥ 35.83	¥ 61.42	¥ 77.68	¥ 102.87	¥ 147.75	¥ 179.47	¥ 198.73
30.58	51.83	65.03	87.37	143.20	179.21	198.52
1,197.55	1,215.44	1,284.15	1,345.63	1,465.77	1,644.60	1,764.34
7.50	8.00	9.00	13.00	23.00	36.00	45.75
¥ 232,629	¥ 351,116	¥ 405,660	¥ 455,433	¥ 560,665	¥ 595,351	¥ 527,575
598,046	721,189	743,113	918,579	1,034,726	1,110,054	1,102,279
189,915	297,954	246,822	295,765	326,329	313,996	463,770
519,769	791,054	699,709	758,292	930,526	1,030,426	898,230
24,186	40,763	37,876	12,931	50,455	148,071	164,500
17,725	17,578	17,488	19,043	25,977	31,035	33,333

3. Balance sheet data and income statement data have been changed from beginning in the third consolidated fiscal period of fiscal 2015. The amounts in the previous years have been retrospectively reclassified for this change.

4. During fiscal 2015, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified for this change.

Financial Section

Consolidated Balance Sheets

ORIX Corporation and Subsidiaries
For the Years Ended March 31, 2014, 2015 and 2016 (FY2014.3 is unaudited)

Millions of yen

	2014	2015	2016
ASSETS			
Cash and Cash Equivalents	¥ 818,039	¥ 827,518	¥ 730,420
Restricted Cash	87,035	85,561	80,979
Investment in Direct Financing Leases	1,094,073	1,216,454	1,190,136
Installment Loans	2,315,555	2,478,054	2,592,233
	The amounts of ¥12,631 million as of March 31, 2014, ¥15,361 million as of March 31, 2015 and ¥20,673 million as of March 31, 2016 are measured at fair value by electing the fair value option under FASB ASC 825.		
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(84,796)	(72,326)	(60,071)
Investment in Operating Leases	1,379,741	1,296,220	1,349,199
Investment in Securities	1,214,452	2,846,257	2,344,792
	The amounts of ¥11,433 million as of March 31, 2014, ¥16,891 million as of March 31, 2015 and ¥27,367 million as of March 31, 2016 are measured at fair value by electing the fair value option under FASB ASC 825.		
Property under Facility Operations	295,863	278,100	327,016
Investment in Affiliates	297,325	378,087	530,667
Trade Notes, Accounts and Other Receivable	193,369	348,404	294,638
Inventories	106,031	165,540	139,950
Office Facilities	128,060	131,556	120,173
Other Assets	1,222,214	1,464,203	1,356,774
	The amount of ¥36,038 million as of March 31, 2015 and ¥37,855 million as of March 31, 2016 are measured at fair value by electing the fair value option under FASB ASC 825.		
Total Assets	¥9,066,961	¥11,443,628	¥10,996,906

Notes: 1. Balance sheet data and income statement data have been changed from beginning in the third consolidated fiscal period of fiscal 2015. The amounts in the previous years have been retrospectively reclassified for this change.

2. During fiscal 2015, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified for this change.

Millions of yen

	2014	2015	2016
LIABILITIES			
Short-term Debt	¥ 308,331	¥ 284,785	¥ 349,624
Deposits	1,206,413	1,287,380	1,398,472
Trade Notes, Accounts and Other Payable	263,823	335,936	266,216
Policy Liabilities and Policy Account Balances	454,436	2,073,650	1,668,636
The amount of ¥1,254,483 million as of March 31, 2015 and ¥795,001 million as of March 31, 2016 are measured at fair value by electing the fair value option under FASB ASC 825.			
Income Taxes:			
Current	23,188	9,445	17,398
Deferred	288,683	336,069	341,360
Long-term Debt	3,852,668	4,132,945	3,940,906
Other Liabilities	519,877	598,446	534,008
Total Liabilities	6,917,419	9,058,656	8,516,620
Redeemable Noncontrolling Interests	53,177	66,901	7,467
Commitments and Contingent Liabilities			
EQUITY			
Common Stock:	219,546	220,056	220,469
Authorized	2,590,000,000 shares		
Issued	March 31, 2014 1,322,777,628 shares		
	March 31, 2015 1,323,644,528 shares		
	March 31, 2016 1,324,058,828 shares		
Additional Paid-in Capital	255,449	255,595	257,629
Retained Earnings	1,468,172	1,672,585	1,864,241
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains on investment in securities	38,651	50,330	47,185
Defined benefit pension plans	(6,230)	(19,448)	(23,884)
Foreign currency translation adjustments	(31,949)	431	(24,766)
Net unrealized losses on derivative instruments	(434)	(940)	(4,757)
Sub-Total	38	30,373	(6,222)
Treasury Stock, at Cost:	(23,859)	(26,411)	(25,686)
March 31, 2014	13,333,334 shares		
March 31, 2015	15,001,557 shares		
March 31, 2016	14,544,808 shares		
ORIX Corporation Shareholders' Equity	1,919,346	2,152,198	2,310,431
Noncontrolling Interests	177,019	165,873	162,388
Total Equity	2,096,365	2,318,071	2,472,819
Total Liabilities and Equity	¥9,066,961	¥11,443,628	¥10,996,906

3. The Company's shares held through the Board Incentive Plan Trust (2,153,800 shares as of March 31, 2015 and 1,696,217 shares as of March 31, 2016) are included in the number of treasury stock shares as of March 31, 2015 and 2016.

Financial Section

Consolidated Statements of Income

ORIX Corporation and Subsidiaries
For the Years Ended March 31, 2014, 2015 and 2016

Millions of yen

	2014	2015	2016
Revenues:			
Finance revenues	¥ 191,700	¥ 186,883	¥ 200,889
Gains on investment securities and dividends	27,181	56,395	35,786
Operating leases	330,606	363,095	373,910
Life insurance premiums and related investment income	155,406	351,493	189,421
Sales of goods and real estate	179,884	450,869	834,010
Services income	490,515	765,548	735,186
Total revenues	1,375,292	2,174,283	2,369,202
Expenses:			
Interest expense	82,968	72,647	72,821
Costs of operating leases	216,568	238,157	245,069
Life insurance costs	108,343	271,948	121,282
Costs of goods and real estate sold	162,989	402,021	748,259
Services expense	260,278	425,676	445,387
Other (income) and expense, net	(21,001)	23,674	(3,729)
Selling, general and administrative expenses	316,851	427,816	422,692
Provision for doubtful receivables and probable loan losses	13,838	11,631	11,717
Write-downs of long-lived assets	23,421	34,887	13,448
Write-downs of securities	7,989	8,997	4,515
Total expenses	1,172,244	1,917,454	2,081,461
Operating Income	203,048	256,829	287,741
Equity in Net Income of Affiliates	18,368	30,531	45,694
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	64,923	20,575	57,867
Bargain Purchase Gain	—	36,082	—
Income before Income Taxes and Discontinued Operations	286,339	344,017	391,302
Provision for Income Taxes	98,553	89,057	120,312
Income from Continuing Operations	187,786	254,960	270,990
Discontinued Operations			
Income from discontinued operations, net	12,182	463	—
Provision for income taxes	(4,681)	(166)	—
Discontinued operations, net of applicable tax effect	7,501	297	—
Net Income	195,287	255,257	270,990
Net Income Attributable to the Noncontrolling Interests	3,815	15,339	10,002
Net Income Attributable to the Redeemable Noncontrolling Interests	4,108	4,970	819
Net Income Attributable to ORIX Corporation Shareholders	¥ 187,364	¥ 234,948	¥ 260,169

Notes: 1. Pursuant to FASB ASC 205-20 ("Presentation of Financial Statements—Discontinued Operations"), the results of operations which meet the criteria for discontinued operations are reported as a separate component of income.
2. Balance sheet data and income statement data have been changed from beginning in the third consolidated fiscal period of fiscal 2015. The amounts in the previous years have been retrospectively reclassified for this change.
3. During fiscal 2015, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified for this change.

Yen

Amounts per Share of Common Stock for Income Attributable to ORIX Corporation Shareholders:			
Basic:			
Income from continuing operations	¥ 142.00	¥ 179.24	¥ 198.73
Discontinued operations	5.75	0.23	—
Net income attributable to ORIX Corporation Shareholders	147.75	179.47	198.73
Diluted:			
Income from continuing operations	137.63	178.99	198.52
Discontinued operations	5.57	0.22	—
Net income attributable to ORIX Corporation Shareholders	143.20	179.21	198.52
Cash Dividends	23.00	36.00	45.75

Note: Cash Dividends represent the amount of dividend per share for the corresponding fiscal year.

Consolidated Statements of Comprehensive Income

ORIX Corporation and Subsidiaries
For the Years Ended March 31, 2014, 2015 and 2016

Millions of yen

	2014	2015	2016
Net Income	¥195,287	¥255,257	¥270,990
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	10,603	9,867	(3,121)
Net change of defined benefit pension plans	3,570	(14,952)	(4,123)
Net change of foreign currency translation adjustments	36,928	37,155	(26,957)
Net change of unrealized gains (losses) on derivative instruments	1,487	(561)	(4,063)
Total other comprehensive income (loss)	52,588	31,509	(38,264)
Comprehensive Income	247,875	286,766	232,726
Comprehensive Income Attributable to the Noncontrolling Interests	16,003	7,314	7,414
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	8,207	14,265	1,738
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥223,665	¥265,187	¥223,574

Financial Section

Consolidated Statements of Changes in Equity

ORIX Corporation and Subsidiaries

For the Years Ended March 31, 2014, 2015 and 2016

Millions of yen

	ORIX Corporation Shareholders' Equity					Total ORIX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock			
Balance at March 31, 2013	¥194,039	¥229,600	¥1,305,044	¥(36,263)	¥(48,824)	¥1,643,596	¥43,977	¥1,687,573
Contribution to subsidiaries						—	89,233	89,233
Transaction with noncontrolling interests		239				239	2,055	2,294
Comprehensive income, net of tax:								
Net income			187,364			187,364	3,815	191,179
Other comprehensive income								
Net change of unrealized gains on investment in securities				9,677		9,677	926	10,603
Net change of defined benefit pension plans				3,357		3,357	213	3,570
Net change of foreign currency translation adjustments				21,810		21,810	11,019	32,829
Net change of unrealized gains on derivative instruments				1,457		1,457	30	1,487
Total other comprehensive income						36,301	12,188	48,489
Total comprehensive income						223,665	16,003	239,668
Cash dividends			(15,878)			(15,878)	(2,099)	(17,977)
Conversion of convertible bond	25,066	24,878				49,944	—	49,944
Exercise of stock options	441	422				863	—	863
Acquisition of treasury stock					(19)	(19)	—	(19)
Acquisition of Robeco			(5,471)		24,880	19,409	27,850	47,259
Adjustment of redeemable noncontrolling interests to redemption value			(2,851)			(2,851)	—	(2,851)
Other, net		310	(36)		104	378	—	378
Balance at March 31, 2014	¥219,546	¥255,449	¥1,468,172	¥38	¥(23,859)	¥1,919,346	¥177,019	¥2,096,365
Contribution to subsidiaries						—	26,447	26,447
Transaction with noncontrolling interests		(505)		96		(409)	(40,735)	(41,144)
Comprehensive income, net of tax:								
Net income			234,948			234,948	15,339	250,287
Other comprehensive income (loss)								
Net change of unrealized gains (losses) on investment in securities				11,679		11,679	(1,812)	9,867
Net change of defined benefit pension plans				(13,218)		(13,218)	(1,734)	(14,952)
Net change of foreign currency translation adjustments				32,284		32,284	(4,424)	27,860
Net change of unrealized gains (losses) on derivative instruments				(506)		(506)	(55)	(561)
Total other comprehensive income (loss)						30,239	(8,025)	22,214
Total comprehensive income						265,187	7,314	272,501
Cash dividends			(30,117)			(30,117)	(4,172)	(34,289)
Exercise of stock options	510	504				1,014	—	1,014
Acquisition of treasury stock					(3,423)	(3,423)	—	(3,423)
Disposal of treasury stock		(697)	(174)		871	—	—	—
Adjustment of redeemable noncontrolling interests to redemption value			(220)			(220)	—	(220)
Other, net		844	(24)			820	—	820
Balance at March 31, 2015	¥220,056	¥255,595	¥1,672,585	¥30,373	¥(26,411)	¥2,152,198	¥165,873	¥2,318,071
Contribution to subsidiaries						—	6,801	6,801
Transaction with noncontrolling interests		1,918				1,918	(10,519)	(8,601)
Comprehensive income, net of tax:								
Net income			260,169			260,169	10,002	270,171
Other comprehensive income (loss)								
Net change of unrealized gains (losses) on investment in securities				(3,145)		(3,145)	24	(3,121)
Net change of defined benefit pension plans				(4,436)		(4,436)	313	(4,123)
Net change of foreign currency translation adjustments				(25,197)		(25,197)	(2,679)	(27,876)
Net change of unrealized gains (losses) on derivative instruments				(3,817)		(3,817)	(246)	(4,063)
Total other comprehensive income (loss)						(36,595)	(2,588)	(39,183)
Total comprehensive income						223,574	7,414	230,988
Cash dividends			(76,034)			(76,034)	(7,181)	(83,215)
Exercise of stock options	413	409				822	—	822
Acquisition of treasury stock					(2)	(2)	—	(2)
Disposal of treasury stock		(426)	(53)		727	248	—	248
Adjustment of redeemable noncontrolling interests to redemption value			7,557			7,557	—	7,557
Other, net		133	17			150	—	150
Balance at March 31, 2016	¥220,469	¥257,629	¥1,864,241	¥(6,222)	¥(25,686)	¥2,310,431	¥162,388	¥2,472,819

Note: Changes in the redeemable noncontrolling interests are not included in the table.

Consolidated Statements of Cash Flows

ORIX Corporation and Subsidiaries

For the Years Ended March 31, 2014, 2015 and 2016

Millions of yen

	2014	2015	2016
Cash Flows from Operating Activities:			
Net income	¥ 195,287	¥ 255,257	¥ 270,990
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	206,670	229,583	244,853
Provision for doubtful receivables and probable loan losses	13,838	11,631	11,717
Equity in net income of affiliates (excluding interest on loans)	(18,159)	(30,267)	(44,333)
Gains on sales of subsidiaries and affiliates and liquidation losses, net	(64,923)	(20,575)	(57,867)
Bargain purchase gain	—	(36,082)	—
Gains on sales of available-for-sale securities	(14,149)	(32,077)	(32,126)
Gains on sales of operating lease assets	(23,692)	(34,425)	(38,340)
Write-downs of long-lived assets	23,421	34,887	13,448
Write-downs of securities	7,989	8,997	4,515
Decrease (Increase) in restricted cash	22,366	(1,922)	9,009
Decrease in trading securities	21,300	441,554	461,298
Decrease (Increase) in inventories	25,581	(13,481)	20,935
Increase in trade notes, accounts and other receivable	(17,572)	(20,742)	(8,224)
Increase (Decrease) in trade notes, accounts and other payable	26,505	34,275	(41,004)
Increase (Decrease) in policy liabilities and policy account balances	28,429	(506,043)	(405,014)
Deferred tax provision	52,344	41,338	42,528
Income taxes payable, net	18,695	(39,264)	47,065
Other, net	(25,924)	(65,033)	11,112
Net cash provided by operating activities	478,006	257,611	510,562
Cash Flows from Investing Activities:			
Purchases of lease equipment	(859,568)	(907,484)	(991,154)
Principal payments received under direct financing leases	459,003	488,522	515,053
Installment loans made to customers	(1,035,564)	(1,109,458)	(1,101,807)
Principal collected on installment loans	1,264,645	977,272	948,057
Proceeds from sales of operating lease assets	251,904	272,040	239,911
Investment in affiliates, net	(45,084)	(27,698)	(70,569)
Proceeds from sales of investment in affiliates	15,429	2,128	20,991
Purchases of available-for-sale securities	(897,246)	(982,415)	(864,874)
Proceeds from sales of available-for-sale securities	318,697	511,868	464,232
Proceeds from redemption of available-for-sale securities	473,126	398,280	381,099
Purchases of held-to-maturity securities	(8,519)	(20,522)	(538)
Purchases of other securities	(24,761)	(27,489)	(32,818)
Proceeds from sales of other securities	26,501	67,982	48,594
Purchases of property under facility operations	(48,195)	(81,311)	(91,492)
Acquisitions of subsidiaries, net of cash acquired	(94,586)	(73,240)	(47,324)
Sales of subsidiaries, net of cash disposed	—	47,800	39,437
Other, net	(11,096)	(4,076)	(9,327)
Net cash used in investing activities	(215,314)	(467,801)	(552,529)
Cash Flows from Financing Activities:			
Net increase (decrease) in debt with maturities of three months or less	(106,783)	3,819	(4,707)
Proceeds from debt with maturities longer than three months	1,211,797	1,337,870	1,376,125
Repayment of debt with maturities longer than three months	(1,501,403)	(1,178,401)	(1,470,325)
Net increase in deposits due to customers	127,610	80,924	111,220
Cash dividends paid to ORIX Corporation shareholders	(15,878)	(30,117)	(76,034)
Contribution from noncontrolling interests	11,089	7,919	6,117
Cash dividends paid to redeemable noncontrolling interests	(1,224)	(3,030)	(11,272)
Net increase (decrease) in call money	(5,000)	6,000	36,500
Other, net	2,088	(11,552)	(15,625)
Net cash provided by (used in) financing activities	(277,704)	213,432	(48,001)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	6,755	6,237	(7,130)
Net Increase (Decrease) in Cash and Cash Equivalents	(8,257)	9,479	(97,098)
Cash and Cash Equivalents at Beginning of Year	826,296	818,039	827,518
Cash and Cash Equivalents at End of Year	¥ 818,039	¥ 827,518	¥ 730,420

Notes: 1. Cash flow statement data have been changed from beginning in the third consolidated fiscal period of fiscal 2015 because of changes in classification method of balance sheet and income statement. The amounts in the previous years have been retrospectively reclassified for this change.

2. During fiscal 2015, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified for this change.

Financial Section

Breakdown of Assets and Revenues by Segment

Fiscal Year Ended March 31, 2016

Segment Assets

Millions of yen

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
Segment Assets	¥1,049,867	¥731,329	¥739,592	¥704,156	¥3,462,772	¥2,284,733	¥8,972,449
Investment in Direct Financing Leases	431,603	245,257	21,541	21,133	1,198	351,010	1,071,742
Installment Loans	411,824	—	5,821	75,996	1,496,407	407,870	2,397,918
Investment in Operating Leases	28,695	481,031	375,050	24,378	52,359	375,401	1,336,914
Investment in Securities	36,542	1,214	5,861	71,705	1,893,631	383,227	2,392,180
Property under Facility Operations	11,294	718	177,510	130,568	—	23,762	343,852
Inventories	53	374	3,597	98,016	—	37,782	139,822
Advances for Investment in Operating Leases	1,737	314	38,486	404	—	5,302	46,243
Investment in Affiliates	22,755	1,996	91,010	108,237	911	305,674	530,583
Advances for Property under Facility Operations	304	—	8,829	38,628	—	39	47,800
Goodwill and Other Intangible Assets Acquired in Business Combinations	105,060	425	11,887	135,091	18,266	394,666	665,395

Segment Revenues

Millions of yen

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
Segment Revenues	¥107,150	¥271,662	¥191,540	¥1,028,355	¥254,289	¥526,008	¥2,379,004
Finance revenues	34,215	12,067	6,720	12,625	55,318	75,004	195,949
Gain on investment securities and dividends	7,073	24	1,345	10,270	762	16,113	35,587
Operating leases	25,461	188,815	60,253	9,395	—	91,973	375,897
Life insurance premiums and related investment income	—	—	—	—	190,805	—	190,805
Sales of goods and real estate	4,657	3,915	12,592	718,902	—	92,833	832,899
Services income	35,744	66,841	110,630	277,163	7,404	250,085	747,867

Note: Figures in the table above may vary from figures reported in the consolidated statements of income and the consolidated balance sheets because items considered as corporate assets and revenues are not included.

Main Components of Segment Assets

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business
Investment in Direct Financing Leases	Corporate leasing and sales finance	Auto leasing	Real estate leasing	Leasing of energy saving equipments	—	Leasing and sales finance of local subsidiaries
Installment Loans	Corporate loans	—	Non-recourse loans	Loans purchased under loan servicing unit	Housing loans, card loans, and corporate loans	Corporate loans in the US, auto loans and corporate loans in Asia
Investment in Operating Leases	Lease renewal and real estate leasing	Leasing, rental, lease renewal of auto and precision measuring equipments	Real estate rental	Rental properties owned by Daikyo	ORIX Life Insurance's operating assets (rental properties)	Auto leasing in local subsidiaries and aircraft leasing
Investment in Securities	Investment in listed shares	—	Investment in specified bonds	Investment in listed shares, PE funds and preferred shares	Corporate and government bonds, listed shares, the assets under management of variable annuity and variable life insurance contracts	Investment in municipal bonds and CMBS in the US, investment in funds in the US, Europe and Asia
Property under Facility Operations	Solar power facilities (JV with Kyudenko)	—	Operating facilities including hotels, Japanese inns, aquariums, golf courses, etc.	Environment and energy related facilities and equipments	—	Mortgage servicing rights in the US
Inventories	—	—	Condominiums	Daikyo's condominiums and product inventories owned by PE investees	—	Investees' (consolidated subsidiaries) operating assets
Advances for Investment in Operating Leases	—	—	Rental properties under development	—	—	Vessels under construction
Investment in Affiliates	Investment in joint leasing company with regional banks	—	Joint development of rental properties	PE investment, investment in power business abroad, investment in concession business	—	Investment in joint leasing company in Asia, the ME, and Africa, and PE investment in Asia, investment in U.S. investment banks
Advances for Property under Facility Operations	—	—	Operating facilities under development	Environment and energy related facilities and equipments under development	—	—
Goodwill and Other Intangible Assets Acquired in Business Combinations	Goodwill and intangible assets resulting from M&As					

Main Components of Segment Revenues

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business
Finance revenues	Leasing and sales finance revenues and interest revenues from corporate loans	Auto leasing revenues	Revenues from real estate leasing and interest revenues on non-recourse loans and specified bonds	Gains on loan collection in loan servicing and leasing revenues from energy saving equipments	Interest revenues from housing loans and card loans	Leasing and sales finance revenues and interest revenues of local subsidiaries, and interest revenues from CMBS in the US
Gain on investment securities and dividends	Gains on sales of listed shares	—	—	Gains on sales of investees and equity income/dividends from investees and PE funds	Gains on sales of corporate and government bond held by ORIX Bank	Gains on sales of investees and equity income from PE funds, gains on sales of municipal bonds in the US
Operating leases	Lease renewal revenues and revenues from real estate leasing	Auto and precision measuring equipment leasing, rental, and leasing renewal revenues and gains on sales from used cars	Rental revenues from rental properties and gains on sales of rental properties	Rental revenues from Daikyo's rental properties	—	Auto leasing revenues of local subsidiaries and aircraft leasing revenues
Life insurance premiums and related investment income	—	—	—	—	Life insurance premiums and related investment income	—
Sales of goods and real estate	Revenues from sales of software in Yayoi	Revenues from sales of used rental equipments	Gains on sales of condominiums	Revenues from sales of goods by investees and Daikyo's gains on sales of condominiums	—	Revenues from sales of goods by investees (subsidiaries)
Services income	Revenues from after-services of Yayoi, insurance agency commissions, solar power generation related fees	Revenues from vehicle maintenance services	Revenues from operating facilities such as hotels, Japanese inns, aquariums, golf courses, etc., asset management fees and real estate investment advisory fees	Income from Daikyo's real estate management service and contract work, sales revenues from solar power generation and electric power retailing	Guarantee fees on other financial institutions' card loans	Robeco's asset management fee revenues, and income from auto maintenance services of local subsidiaries

Financial Section

Guide to Non-GAAP Financial Measurement

ORIX Corporation and Subsidiaries
Years Ended March 31

		2006	2007	2008	2009
Short-term Debt		¥1,336,414	¥1,174,391	¥1,330,147	¥ 798,167
Long-term Debt	a	3,236,055	3,863,057	4,462,187	4,453,845
Deduct: Payables under Securitized Leases, Loan Receivables and Investment in Securities		106,333	260,529	374,920	358,969
Adjusted Long-term Debt	b	3,129,722	3,602,528	4,087,267	4,094,876
Short- and Long-term Debt (excluding deposits)	c	4,572,469	5,037,448	5,792,334	5,252,012
Adjusted Long- and Short-term Debt (excluding deposits)	d	4,466,136	4,776,919	5,417,414	4,893,043
ORIX Corporation Shareholders' Equity	e	946,961	1,186,366	1,258,906	1,157,269
Deduct: The Cumulative Effect on Retained Earnings of Applying the Accounting Standards for the Consolidation of VIEs under ASU 2009-16 and ASU 2009-17, effective April 1, 2010		—	—	—	—
Adjusted ORIX Corporation Shareholders' Equity	f	946,961	1,186,366	1,258,906	1,157,269
Debt/Equity Ratio (Times)	c / e	4.8	4.2	4.6	4.5
Adjusted Debt/Equity Ratio (Times)	d / f	4.7	4.0	4.3	4.2
Share of Long-term Debt (%)	a / c	71	77	77	85
Adjusted Share of Long-term Debt (%)	b / d	70	75	75	84

This Integrated Report contains certain financial measures presented on a basis not in accordance with U.S. GAAP (commonly referred to as Non-GAAP financial measures), including long-term debt and ORIX Corporation shareholders' equity, as well as other measures or ratios calculated based on these measures, presented on an adjusted basis. The adjustment excludes payables under securitized leases, loan receivables and investment in securities and reverses the cumulative effect on retained earnings of applying the accounting standards for the consolidation of VIEs, effective April 1, 2010.

Our management believes these Non-GAAP financial measures provide investors with additional meaningful comparisons between our financial condition as of March 31, 2016, as compared with prior periods. Effective April 1, 2010, we adopted ASU 2009-16 and ASU 2009-17, which changed the circumstances under which we are required to consolidate certain VIEs. Our adoption of these accounting standards caused a significant increase in our consolidated assets and liabilities and a decrease in our retained earnings without affecting the net cash flow and economic effects of our investments in such consolidated VIEs.

Millions of yen

2010	2011	2012	2013	2014	2015	2016
¥ 573,565	¥ 478,633	¥ 457,973	¥ 420,726	¥ 308,331	¥ 284,785	¥ 349,624
3,836,270	4,531,268	4,267,480	4,061,534	3,852,668	4,132,945	3,940,906
202,224	1,018,190	874,705	679,766	253,827	291,635	276,054
3,634,046	3,513,078	3,392,775	3,381,768	3,598,841	3,841,310	3,664,852
4,409,835	5,009,901	4,725,453	4,482,260	4,160,999	4,417,730	4,290,530
4,207,611	3,991,711	3,850,748	3,802,494	3,907,172	4,126,095	4,014,476
1,287,179	1,306,582	1,380,736	1,643,596	1,919,346	2,152,198	2,310,431
—	(21,947)	(19,248)	(16,593)	(5,195)	(3,060)	(411)
1,287,179	1,328,529	1,399,984	1,660,189	1,924,541	2,155,258	2,310,842
3.4	3.8	3.4	2.7	2.2	2.1	1.9
3.3	3.0	2.8	2.3	2.0	1.9	1.7
87	90	90	91	93	94	92
86	88	88	89	92	93	91

Accordingly, our management believes that providing certain financial measures that exclude liabilities and ORIX Corporation shareholders' equity attributable to consolidated VIEs as a supplement to financial information calculated in accordance with U.S. GAAP enhances the overall picture of our current financial position and enables investors to evaluate our historical financial and business trends without the large balance sheet fluctuation caused by our adoption of these accounting standards.

We provide these Non-GAAP financial measures as supplemental information to our consolidated financial statements prepared in accordance with U.S. GAAP, and they should not be considered in isolation or as a substitute for the most directly comparable U.S. GAAP measures. The tables set forth above provide reconciliations of these Non-GAAP financial measures to the most directly comparable financial measures presented in accordance with U.S. GAAP as reflected in this Integrated Report for the periods provided.

About ORIX

Group Companies (As of March 31, 2016)

Segment	Principal Business	Established (Acquired)	Direct / Indirect Investment
Corporate Financial Services			
ORIX Corporation Tokyo Sales Headquarters, Kinki Sales Headquarters, District Sales Headquarters, OQL Business and Sales Promotion Headquarters	Leasing, Lending, Other Financial Services		
NS Lease Co., Ltd.	Leasing, Lending, Other Financial Services	(Jul. 2002)	100%
ORIX Tokushima Corporation	Leasing, Other Financial Services	(Oct. 2005)	95%
Tsukuba Lease Corporation	Leasing	(Jun. 2010)	95%
Kyuko-Lease Inc.	Leasing, Other Financial Services	(Jan. 2012)	90%
FREEILL CORPORATION	Medical Equipment Rental	(May 2013)	100%
Yayoi Co., Ltd.	Development, Marketing, and Support of Business Management Software and Related Services	(Dec. 2014)	99%
ORIX Yatsugatake Farm Co., Ltd.	Production and Sales of Hydroponic Vegetables	Apr. 2015	97%
Maintenance Leasing			
ORIX Auto Corporation	Automobile Leasing, Rental, Car Sharing and Sales of Used Automobiles	Jun. 1973	100%
ORIX Rentec Corporation	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Sep. 1976	100%
ORIX Rentec (Korea) Corporation (South Korea)	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Apr. 2001	100%
Beijing Oriental Jicheng Co., Ltd. (China)	Rental and Sales of Precision Measuring Equipment	(Feb. 2006)	34%
Real Estate			
ORIX Corporation Real Estate Headquarters	Real Estate Development and Rental		
ORIX Ichioka Kotsu Kigyo Corporation	Driving School	(Dec. 1986)	100%
ORIX Interior Corporation	Interior Finish Work and Construction Management, Real Estate Rental and Manufacturing and Sales of Interior Furnishings	(Jan. 1987)	100%
BlueWave Corporation	Hotel and Training Facility Management	Aug. 1991	100%
ORIX Real Estate Corporation	Real Estate Development and Rental, Facilities Operation	Mar. 1999	100%
ORIX Asset Management Corporation	Asset Management of J-REIT	Sep. 2000	100%
ORIX Golf Management Corporation	Golf Course Management	(Nov. 2004)	100%
ORIX Living Corporation	Senior Housing Management	Apr. 2005	98%
ORIX Real Estate Investment Advisors Corporation	Real Estate Investment and Advisory Services	Sep. 2007	100%
ORIX Aquarium Corporation	Aquarium Operation	Apr. 2011	100%
ORIX Agriculture Corporation	Production of Vegetables at Plant Factory and their Sales	Feb. 2014	100%
Investment and Operation			
ORIX Corporation Investment and Operation Headquarters	Principal Investment		
ORIX Corporation Energy and Eco Services Business Headquarters	Environment and Energy Business		
ORIX Capital Corporation	Venture Capital	Oct. 1983	100%
ORIX Eco Services Corporation	Trading of Recycled Metals and other Resources, Collection and Transportation of Industrial Waste, and Intermediate Waste Processing	Apr. 1998	100%
ORIX Asset Management & Loan Services Corporation	Loan Servicing	Apr. 1999	100%
ORIX Environmental Resources Management Corporation	Waste Recycling	Sep. 2002	100%
Agatsuma Bio Power Co., Ltd.	Biomass Power Generation	Jan. 2006	100%
ORIX Loan Business Center Corporation	Personal Loan Related Asset Management, Customer Relations	May 2009	99%
ORIX Electric Power Corporation	Provision of Electricity to Condominiums	May 2010	85%
Ubiteq, INC.	Development and Manufacturing of Electronic Equipment and In-Vehicle Devices, Development and Operation of Systems	(Jul. 2010)	59%
ONE Energy Corporation	Trading and Rental of Storage Batteries, Energy Related Services	Mar. 2013	70%
Enovity, Inc. (USA)	Building-related Energy Management Services	(Sep. 2013)	80%
Retail			
ORIX Credit Corporation	Consumer Finance Services	Jun. 1979	100%
ORIX Life Insurance Corporation	Life Insurance	Apr. 1991	100%
ORIX Bank Corporation	Banking	(Apr. 1998)	100%
ORIX Insurance Consulting Corporation	Insurance Agency Services	Oct. 2012	100%
ORIX Headquarter Functions (Not included in Segment Financial Information)			
ORIX Insurance Services Corporation	Insurance Agency Services	Sep. 1976	100%
ORIX Computer Systems Corporation	Software Engineering and Systems Management	Mar. 1984	100%
ORIX Baseball Club Co., Ltd.	Professional Baseball Team Management	(Oct. 1988)	100%
ORIX Management Information Center Corporation	Accounting and Administration Services	Oct. 1999	100%
ORIX Business Center Okinawa Corporation	Business Center, Contact Center	Nov. 1999	100%
ORIX Business Support Corporation	Business Support Services	Apr. 2007	100%
ORIX Wholesale Securities Corporation	Sale of Financial Products	Feb. 2010	100%

Segment	Country (Region)*1	Principal Business	Established (Acquired)	Direct / Indirect Investment
Overseas Business				
ORIX Corporation Global Business and Alternative Investment Headquarters*2	Japan	Administration of Overseas Activities, Alternative Investment		
ORIX Corporation Global Transportation Services Headquarters*2	Japan	Ship-related Services, Aircraft-related Services		
ORIX Corporation East Asia Business Headquarters*2	Japan	Administration of Overseas Activities		
ORIX Maritime Corporation*2	Japan	Ship Charter and Ship Broker Service	Nov. 1977	100%
ORIX Aircraft Corporation*2	Japan	Aircraft Leasing	May 1986	100%
ORIX USA Corporation	USA	Corporate Finance, Investment Banking	Aug. 1981	100%
RED Capital Group	USA	Loan Servicing	(May 2010)	100%
Mariner Investment Group LLC	USA	Fund Operation and Management	(Dec. 2010)	69%
ORIX Brazil Investments and Holdings Limited	Brazil	Equity Investment	Aug. 2012	100%
ORIX Asia Limited	Hong Kong	Leasing, Automobile Leasing, Lending, Banking	Sep. 1971	100%
ORIX Asia Capital Limited	Hong Kong	Equity Investment, Fund Operation and Management, Lending	Jul. 1973	100%
ORIX Taiwan Corporation	Taiwan	Leasing, Installment Loans, Insurance Agency Services	(Feb. 1991)	100%
ORIX Auto Leasing Taiwan Corporation	Taiwan	Automobile Leasing and Rentals	Mar. 1998	100%
ORIX Taiwan Asset Management Company	Taiwan	NPL Investment, Loan Servicing	Nov. 2004	100%
ORIX Capital Korea Corporation	South Korea	Automobile Leasing, Leasing, Lending	Feb. 2004	100%
ORIX Private Equity Korea Corporation	South Korea	Fund Operation and Management	Mar. 2010	100%
ORIX Rentec (Tianjin) Corporation	China	Rental, Leasing, Installment Loans	Aug. 2004	100%
ORIX China Corporation	China	Leasing, Rental	Aug. 2005	97%
CHINA RAILWAY LEASING CO., LTD.	China	Railway-related Leasing	(Jan. 2006)	25%
ORIX (China) Investment Co., Ltd.	China	Leasing, Equity Investment, Other Financial Services	Dec. 2009	100%
Pang Da ORIX Auto Leasing Co., Ltd.	China	Automobile Leasing	May 2012	50%
TenGer Financial Group	Mongolia	Banking, Leasing, Non-Life Insurance	(Oct. 2013)	16%
ORIX Leasing Singapore Limited	Singapore	Leasing, Installment Loans, Lending	Sep. 1972	50%
ORIX Investment and Management Private Limited	Singapore	Equity Investment, Lending	May 1981	100%
ETHOZ Group Ltd.	Singapore	Automobile Leasing and Rentals, Leasing	Sep. 1981	45%
ORIX Rentec (Singapore) Pte. Limited	Singapore	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Oct. 1995	100%
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending	Sep. 1973	100%
ORIX Credit Malaysia Sdn. Bhd.	Malaysia	Installment Loans	Jan. 1981	100%
ORIX Car Rentals Sdn. Bhd.	Malaysia	Automobile Rentals	Feb. 1989	35%
ORIX Rentec (Malaysia) Sdn. Bhd.	Malaysia	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Nov. 1996	100%
ORIX Auto Leasing Malaysia Sdn. Bhd.	Malaysia	Automobile Leasing	Oct. 2000	100%
ORIX Asset Management Malaysia Sdn. Bhd.	Malaysia	NPL Investment	Jan. 2008	100%
PT. ORIX Indonesia Finance	Indonesia	Leasing, Automobile Leasing	Apr. 1975	85%
PT. Sinar Mitra Sepadan Finance	Indonesia	Used car loans for sole proprietors and individual customers	(Nov. 2015)	85%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Automobile Leasing, Lending	Jun. 1977	39%
ORIX Auto Leasing Philippines Corporation	Philippines	Automobile Leasing	Sep. 1989	40%
Global Business Power Corporation	Philippines	Electric Power Business	(Jun. 2013)	22%
Thai ORIX Leasing Co., Ltd.	Thailand	Leasing, Automobile Leasing and Rentals	Jun. 1978	96%
Indochina Capital Corporation	Vietnam	Fund Operation and Management, Real Estate Development, and Advisory, Investment Banking	(Nov. 2010)	25%
Lanka ORIX Leasing Company PLC	Sri Lanka	Leasing, Automobile Leasing, Installment Loans, Lending	Mar. 1980	30%
ORIX Leasing Pakistan Limited	Pakistan	Leasing, Automobile Leasing	Jul. 1986	49%
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	India	Infrastructure Investment, Investment Banking	(Mar. 1993)	23%
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing and Rentals	Mar. 1995	99%
Oman ORIX Leasing Company SAOG	Oman	Leasing, Automobile Leasing	Aug. 1994	18%
ORIX Leasing Egypt SAE	Egypt	Leasing, Automobile Leasing	Jun. 1997	34%
Saudi ORIX Leasing Company	Saudi Arabia	Leasing, Automobile Leasing	Jan. 2001	28%
Al Hail ORIX Finance PSC	UAE	Leasing, Automobile Leasing, Lending	Mar. 2002	38%
SK Leasing JSC	Kazakhstan	Leasing	(Jun. 2005)	40%
The Mediterranean & Gulf Insurance & Reinsurance Company B.S.C.	Bahrain	Non-Life Insurance, Life Insurance, Reinsurance	(Jun. 2013)	25%
ORIX Australia Corporation Limited	Australia	Automobile Leasing and Truck Rentals	Jul. 1986	100%
ORIX New Zealand Limited	New Zealand	Leasing, Automobile Leasing	Dec. 1988	100%
ORIX Aviation Systems Limited	Ireland	Aircraft Leasing, Asset Management, Aircraft-related Technical Services	Mar. 1991	100%
ORIX Polska S.A.	Poland	Leasing, Automobile Leasing	(Oct. 1995)	100%
Robeco Groep N.V.	Netherlands	Asset Management	(Jul. 2013)	90%

Notes: 1. ORIX has offices in other locations not included in the list above. In total, ORIX's business operation currently extends across 37 countries and regions worldwide.

2. ORIX Corporation's Global Business and Alternative Investment Headquarters, Global Transportation Services Headquarters, East Asia Business Headquarters as well as ORIX Maritime Corporation and ORIX Aircraft Corporation, are based in Japan but are engaged in business activities primarily in Asia, Oceania and Europe.

About ORIX

Corporate Profile/ Stock Information/ Investor Memo

Corporate Profile (As of March 31, 2016)

Company Name	ORIX Corporation	Shareholders' Equity	¥2,310,431 million
Established	April 17, 1964	Fiscal Year-End	March 31
Head Office	World Trade Center Bldg., 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-6135, Japan Tel: +81-3-3435-3000	Consolidated Companies	793
		Affiliates	132
		Number of Employees	33,333
		Global Network	2,090 locations in 37 countries and regions worldwide
		Japan	1,418 locations
		Overseas	672 locations

Stock Information (As of March 31, 2016)

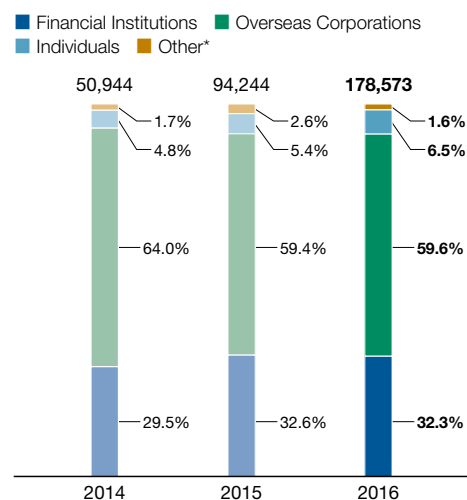
Number of Shares

Total Number of Shares Authorized	2,590,000,000 shares
Total Number of Shares Issued and Outstanding	1,324,058,828 shares
Number of Shareholders	178,573

Major Shareholders

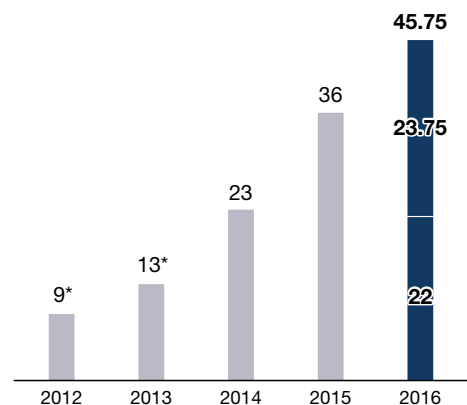
Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	118,667	8.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	71,154	5.37
JP Morgan Chase Bank 380055	61,423	4.63
Japan Trustee Services Bank, Ltd. (Trust Account 9)	38,184	2.88
The Chase Manhattan Bank 385036	35,055	2.64
State Street Bank and Trust Company	31,108	2.34
The Bank of New York Mellon SA/NV 10	26,312	1.98
CITIBANK, N.A. -N.Y. AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	25,049	1.89
State Street Bank and Trust Company 505225	20,444	1.54
State Street Bank West Client Treaty 505234	19,925	1.50

Number of Shareholders / Composition of Shareholders (%)



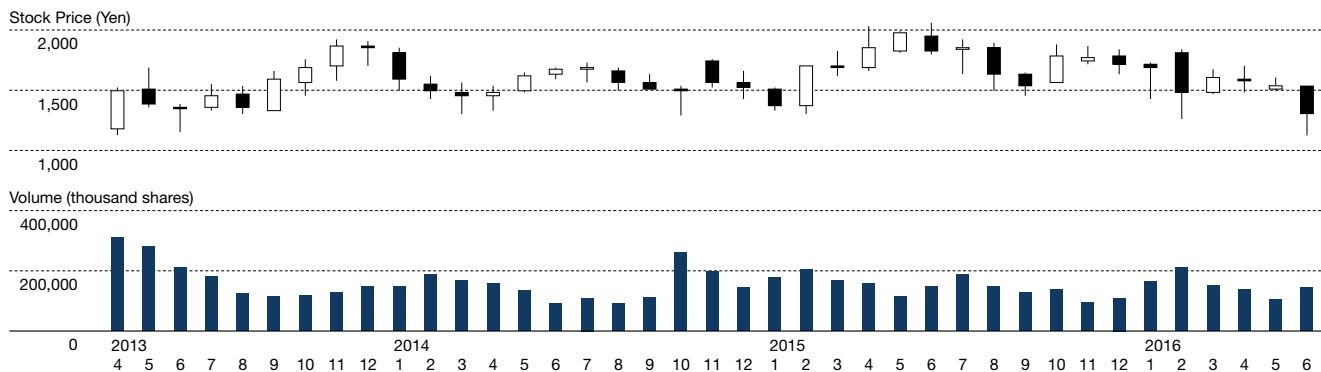
* Other includes treasury stock.

Dividend per Share (Yen)



* Retrospectively adjusted to reflect the stock split for all periods presented.

Stock Price and Volume



On April 1, 2013, ORIX split each share of its common stock, which were held by shareholders recorded on the register of shareholders as of March 31, 2013, into ten (10) shares.

● Dividend per share, stock price and volume have been retrospectively adjusted to reflect the stock split for all periods presented.

Investor Memo (As of July 1, 2016)

Transfer Agent for Common Shares

Mitsubishi UFJ Trust and Banking Corporation
Transfer Agent Dept.
Tel: 0120-232-711 (toll-free in Japan)

Depository and Registrar for American Depositary Receipts

Citibank, N.A., Shareholder Services
P.O. Box 43077
Providence, RI
02940-3077
USA

Stock Exchange Listings

Tokyo Stock Exchange First Section
 Securities Code: 8591
New York Stock Exchange Trading Symbol: IX

Tel: 1-877-248-4237 (toll-free in the US)
Fax: 1-201-324-3284
E-mail: citibank@shareholders-online.com
Ratio 1 ADR = 5 common shares
NYSE: IX

Passive Foreign Investment Company Rules

The Company believes that it will be considered a "passive foreign investment company" for U.S. federal income tax purposes in the year to which these consolidated financial results relate and for the foreseeable future by reason of the composition of its assets and the nature of its income. A U.S. holder of the shares or ADSs of the Company is therefore subject to special rules generally intended to eliminate any benefits from the deferral of U.S. federal income tax that a holder could derive from investing in a foreign corporation that does not distribute all of its earnings on a current basis. Investors should consult their tax advisors with respect to such rules, which are summarized under "UNITED STATES TAXATION" in the Company's Form 20-F filed with the U.S. Securities and Exchange Commission.

Presentation of Financial Information

The Company's fiscal year ends on March 31. The fiscal year ended March 31, 2016, is referred to throughout this Integrated Report as "FY2016.3" and other fiscal years are referred to in a corresponding manner.

Forward-Looking Statements

This document may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under "Risk Factors" in the Company's Form 20-F filed with the U.S. Securities and Exchange Commission and under "Business Risk" of the securities report (*yukashoken houkokusho*) filed with the Director of the Kanto Local Finance Bureau. The Company makes available free of charge on or through its website (<http://www.orix.co.jp/grp/en>) its annual report on Form 20-F and other reports.

ORIX Corporation Corporate Planning Department

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For inquiries about this Integrated Report, please contact us at the address above.



ORIX