

ANNUAL REPORT

2014

**Answers,
Custom Fit.**



Answers, Custom Fit.



At ORIX Group, certain things are naturally inherited, regardless of the passage of time or personnel changes.

One of these unchanging 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.”

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Unchanged for the Past 50 Years

Creating New Value

Standing on Our Own Two Feet

“Creating New Value” and “Standing on Our Own Two Feet”: These are the qualities that characterize ORIX, and will continue to be integral elements that comprise the ORIX DNA.

In addition to tackling new challenges, we will always aspire to look ahead of time and seek out new market.

To fortify the unique “ORIX” business model, by continually seeking creative destruction, we will endeavor to make the ORIX of tomorrow better than the ORIX of today.

Corporate Philosophy

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

Management Policy

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

Action Guidelines

Creativity

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

Integration

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

Answers, Custom Fit. 50 Years of ORIX



»1964 Orient Leasing Co., Ltd. (now ORIX Corporation) was established
Introduction of the new financing method of “leasing” in Japan



»1972 Established a local subsidiary in Singapore
Singapore's first leasing company, jointly established with local financial institutions



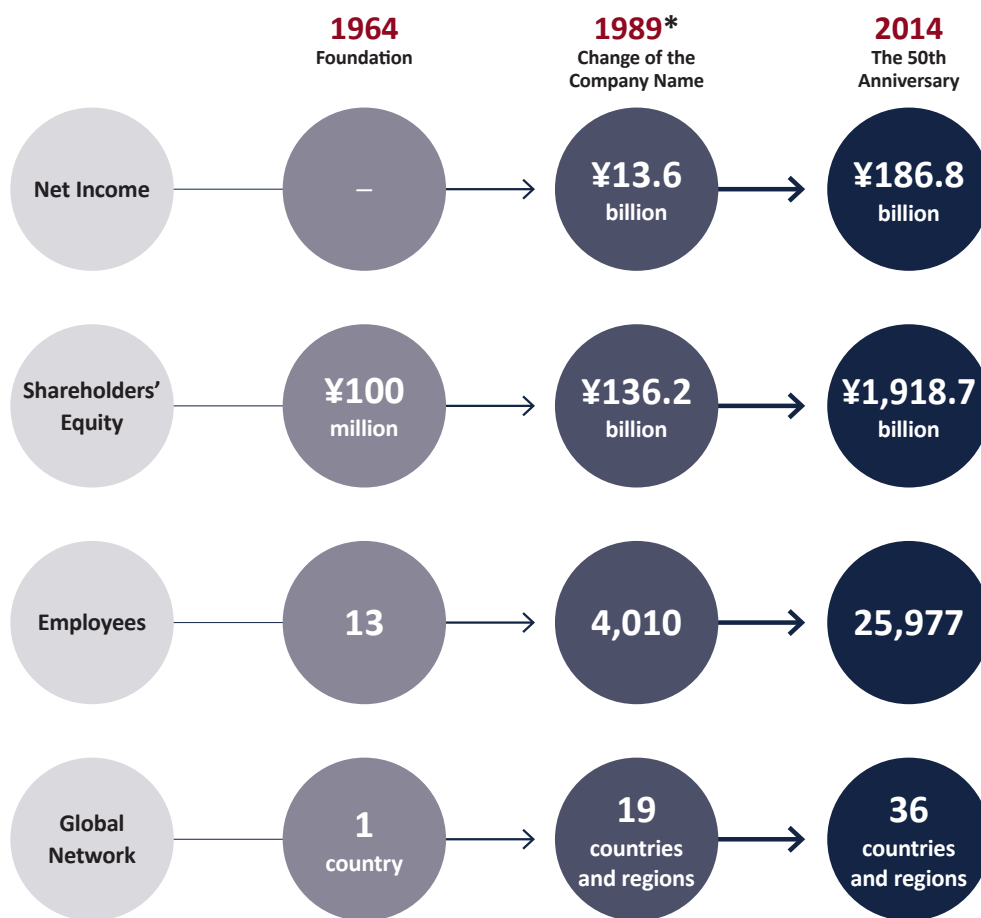
»1973 Listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange
Only three years after being listed on the Second Section of the Osaka Securities Exchange



»1973 Established Orient Auto Leasing (now ORIX Auto Corporation)
Offering of a vehicle management service in addition to the conventional auto leasing service

Changes over the Past 50 Years

The components essential to corporate management, including “pool of human capital,” “financial soundness,” and “breadth, strength and profoundness of the network” have been all built up to the utmost strength during the past 50 years of our history.



* As of September 30, 1988



»1985 Structured leveraged leases for the first time in Japan
Established the business framework, while soliciting domestic investors



»1986 Entered the real estate market
Accumulated know-how, starting with the business of leasing company dormitories



»1986 Established a local subsidiary in Pakistan
A foothold to expand business in the Middle East market



»1989 Changed the company name to ORIX Corporation
Acquired a professional baseball team in the previous year, which enhanced the Company's name recognition significantly

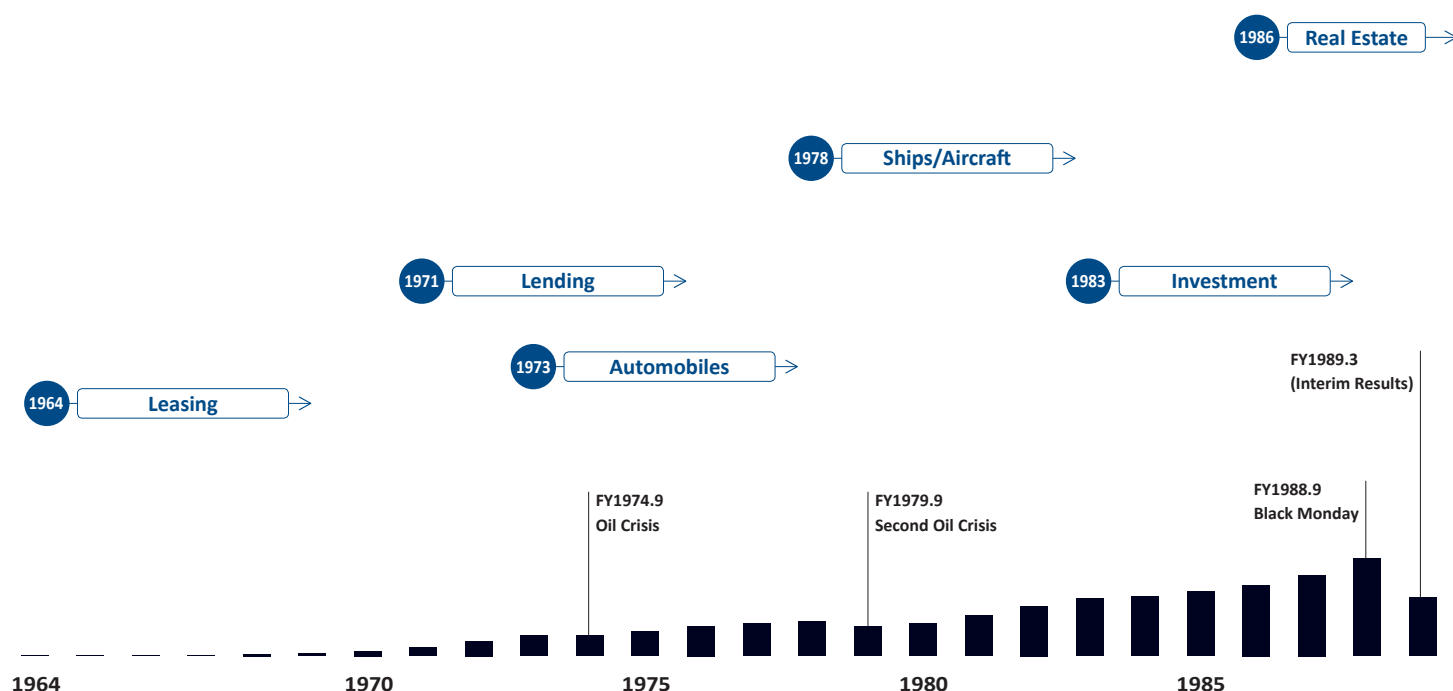
Trend in Net Income and Business Field Expansion

ORIX started as a leasing company in 1964. Since then, we have continued to address challenges and promote innovation by accommodating diversifying customer needs and changing economic environments.

For the past 50 years, ORIX's business portfolio has continued to evolve, expanding its business fields and global developments.

Since the year following its foundation, ORIX has continued to achieve profits, surviving multiple economic crises without recognizing losses. For the FY2015.3, we aim to achieve record net income of ¥210 billion.

Toward the next 50 years and beyond, ORIX will challenge itself to create new value and evolve its business portfolio.



Answers, Custom Fit. 50 Years of ORIX



» **1991** Established ORIX Omaha Life Insurance (now ORIX Life Insurance Corporation)
Offering of simple and reasonable insurance products



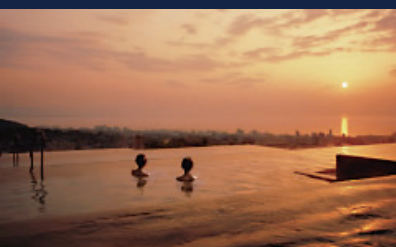
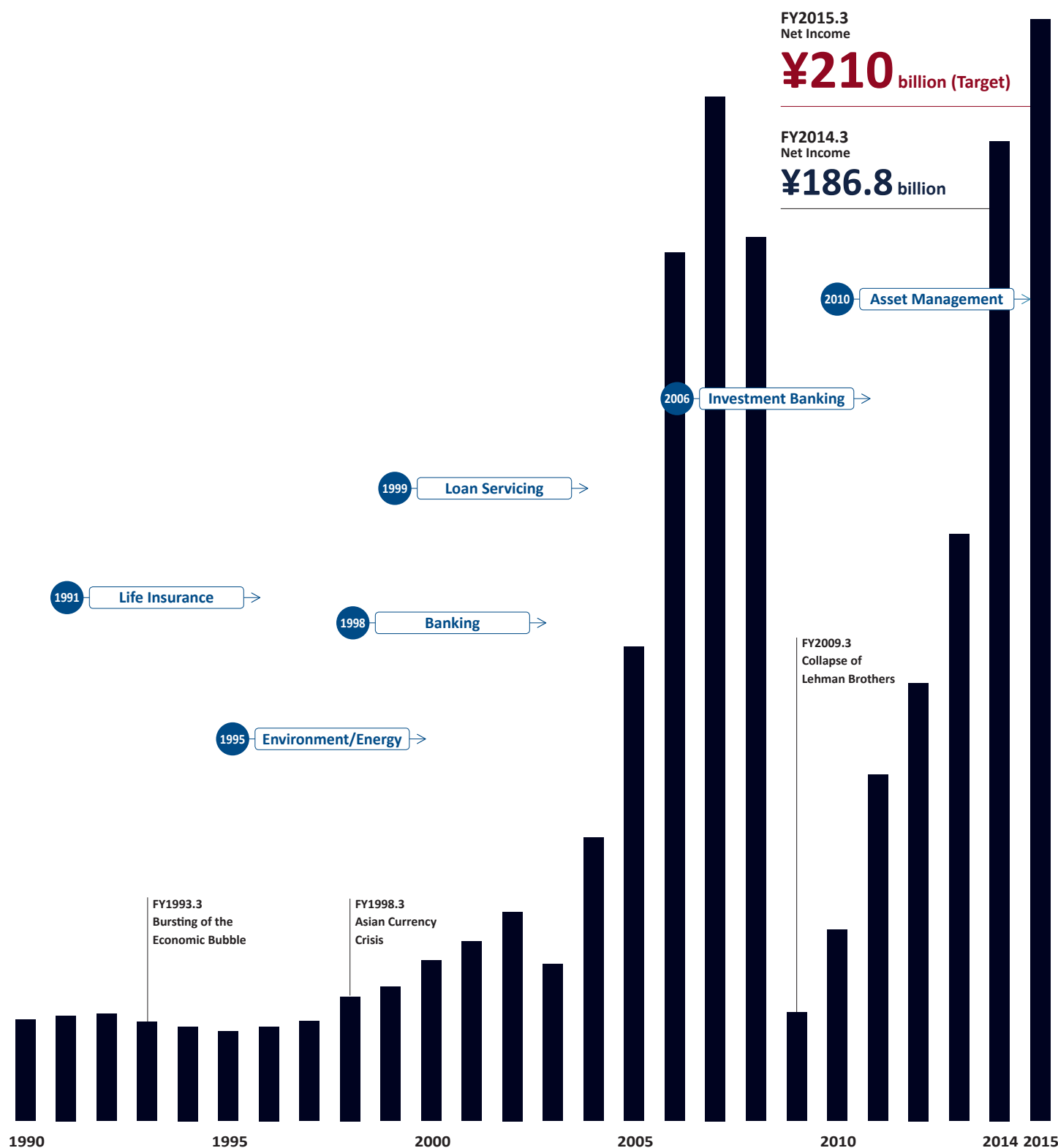
» **1992** Became the first leasing company to execute the liquidation of receivables
Diversification of funding means



» **1995** Invested in the wind power generation business
The first step to enter the environment and energy business field



» **1998** Listed on the New York Stock Exchange
Further strengthening the corporate governance



» **2002** Invested in the Suginoi Hotel in Oita Prefecture
Expansion of the facilities operation business



» **2006** Acquired the U.S. investment bank Houlihan Lokey
Acquisition of expertise in the investment advisory services



» **2013** Acquired Robeco Groep N.V.
Acceleration of "Finance + Services" with enhanced asset management expertise



» **2014** 50th anniversary
Aspire to continue creating new value



Continue Contributing to Economy and Society with the “ORIX” Business Model

ORIX celebrated its 50th anniversary in April 2014. I have long been involved with the management of the Company as CEO, but resigned as CEO and a Director following the Annual General Meeting of Shareholders in June 2014 and assumed the new role of Senior Chairman. It has been a true honor and privilege to have served as an Executive and CEO for the majority of the Company's 50-year history. Furthermore, I have been truly blessed to have the unflagging support from our shareholders, which allowed me to carry out my duty to the fullest extent and would like to express my sincere gratitude to all of our shareholders. As I step down from CEO and a Director, I would like to reflect back on ORIX's past, while offering some of my insights into its future.

ORIX started as a company with 13 employees and 100 million yen in capital. Fifty years after its establishment, ORIX grew into a company with 26,000 employees and 1.9 trillion yen in shareholders' equity in the FY2014.3. I believe this outcome was only achievable with the support and guidance provided by our stakeholders including our shareholders, partners and customers, tremendous contribution by our employees, and strong backing of society. Words cannot sufficiently express my gratitude. Again, I would like to convey my profound appreciation to everyone.

Since its founding, ORIX has maintained two major concepts as its general policy; one of which is "creating new value." ORIX has its origin in providing leasing, which was a new business concept in Japan back when the Company was established. Although we have since then steered the Company into the direction of diversification and globalization, I have always managed the Company with a firm mission in mind to constantly provide something new, that brings about new value to society.

The other concept that we have cherished is "standing on our own two feet," or self-reliance. Maintaining autonomy involves a constant stream of tension that if the management makes a mistake, a company may not survive. The environment surrounding ORIX has changed drastically over the past 50 years but we have been fortunate to have always stayed profitable during these years excluding the first year in which the Company was established.

Creation of new value and self-reliance are the two major characteristics that represent the "ORIX-way" and I hope that they will continue to be the core elements of the ORIX DNA going forward.

I have always believed contributing to the economy and society through corporate activities to be fundamental to corporate management. For this reason, I have always emphasized originality and ingenuity, willingness to take on new challenges, team play, and provision of fulfilling working environment.

I have also cherished a few things in regards to management policy, one of which is to "conceptualize bold strategy while executing with caution and diligence." I have always tried to draw up a bold strategy, however, I have also been especially cautious with the execution of individual deals, and have developed each business in a careful manner.

I have also expanded the business in accordance with the philosophy of "venturing into neighboring areas." Currently, ORIX is comprised of six business segments and different business units exist within each segment; however, we did not have intentions to diversify our business at the beginning. Each business unit has gradually been spreading into neighboring areas where they can maximize use

of their own expertise. From its origin of leasing begun 50 years ago, ORIX has strengthened its expertise to venture into the neighboring field and then developed a new expertise again to move onto the next nearby market to gradually expand its business field. In short, the history of ORIX is essentially a repetition of these processes.

As a result, ORIX's current businesses are widely diversified. Each of these businesses displays strong expertise that allows each of them to be self-sustainable. However, individual segments are not considerably large. Rather, most of them are still in their growth phase and are in the process of developing. At ORIX, these businesses "Seamlessly coordinate" and exchange each others' expertise to deliver greater results and generate greater value. As a result, unlike conglomerates, ORIX is developing into a corporate group consisting of business units with heightened expertise that coordinate in a multi-faceted way. I am firmly convinced that we have no other comparable companies in the world, and that we are developing a new business model of "ORIX."

I also believe that the most important assets at ORIX are our human resources. ORIX currently has operations worldwide in 36 countries including Japan, but we are aiming to become a company that enables individual employees to demonstrate their capabilities and expertise to their fullest possible extent under the concept of "Keep Mixed," which promotes the creation of new value by melding together of knowledge and expertise that come from diversity in nationality, age, sex, or previous work history.

In its 50 year history, I believe ORIX is now in its strongest shape. It is in its best form in various respects, including its financial condition, network in both Japan and overseas, human resources, and expertise, and is capable of aiming for a further growth. A business model developed by ORIX, which is centered on finance but also embraces the field of services, is a truly unique creation. Looking ahead, ORIX will venture into the next stage, leveraging this exceptional feature. The Company's next goal is to continue contributing to economic society that has become global and hopefully become the leader in the global market.

I believe that a company will lose its significance unless it drives innovation. Moving dynamically and swiftly along with changes in the surrounding environment, and always looking ahead of time and seeking out new market in addition to tackling new challenges are the qualities that will be necessary for ORIX to keep growing in the next 50 years and the years after. The new management team will continue to strive to make the ORIX of tomorrow better than the ORIX of today by repeating creative destruction. The new management may bear a grave responsibility to steer ORIX, which has grown into a company of a considerable size. However, I have no doubt that the new management team possesses appropriate experience and ability to deliver to fulfill that responsibility and I hope that you would provide an even stronger support to the Company. As for myself, I wish to be of service from a new and different standpoint and will continue to support ORIX, which has begun to forge ahead into the next 50 years and toward further growth.

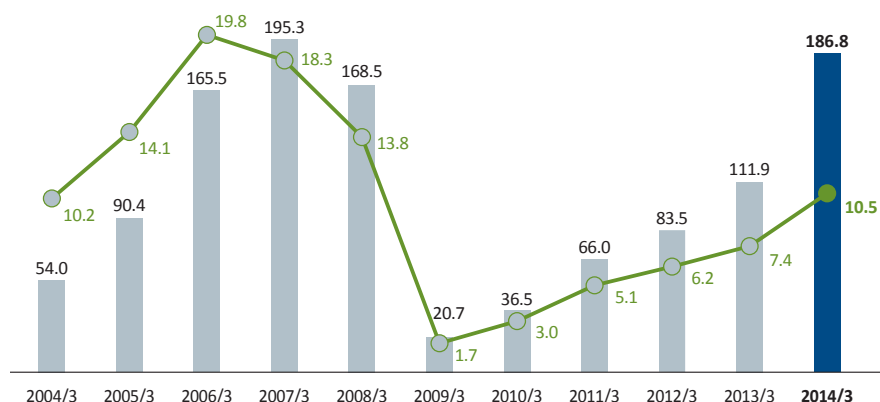
July 2014

Yoshihiko Miyauchi
Senior Chairman



Financial Highlights for the Year Ended March 31, 2014

■ Net Income Attributable to ORIX Corporation Shareholders (Billions of yen) ● ROE (%)

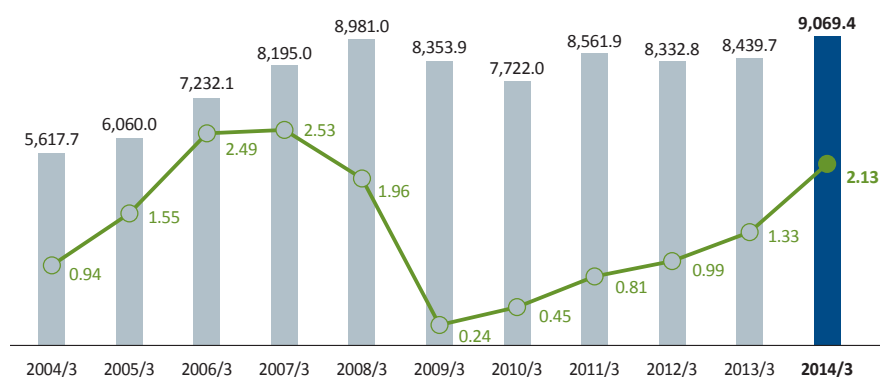


Net income increased **67%** YoY

ROE increased by 3.1 percentage points YoY to **10.5%**

In contrast with many financial institutions worldwide that plunged into the red due to the financial crisis, we maintained profitability even for the FY2009.3, and subsequently achieved double-digit growth for five consecutive fiscal years. Along with the strategy of accelerating "Finance + Services," ROE has increased steadily, achieving the goal of 10% ROE two years ahead of plan.

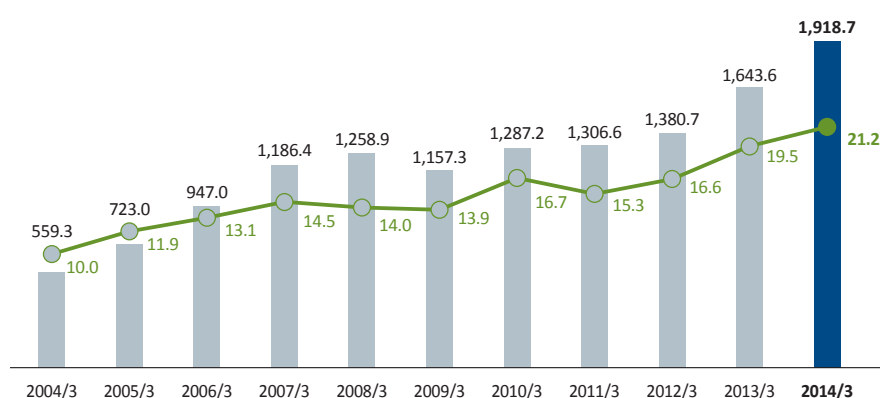
■ Total Assets (Billions of yen) ● ROA (%)



ROA increased 0.8 percentage points YoY to **2.13%**

Total assets have increased gradually. ROA has improved steadily as a result of replacing existing assets with quality assets and reinforcing fee businesses leveraging our expertise.

■ ORIX Corporation Shareholders' Equity (Billions of yen) ● Shareholders' Equity Ratio (%)



Shareholders' Equity increased

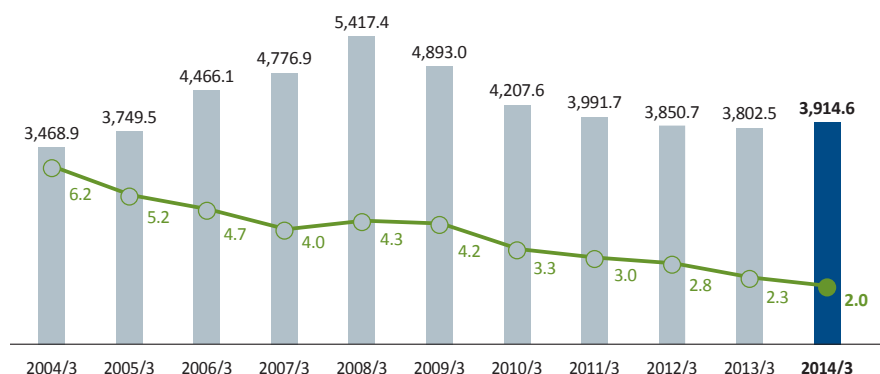
¥275.1 billion YoY

Shareholders' equity increased reflecting steady growth in profits. Shareholders' equity ratio is also on an increasing trend. We intend to perform appropriate capital management policies while ensuring a balance between financial security and capital efficiency.

*1 Adjusted long- and short-term debt (excluding deposits) and adjusted Debt/Equity ratio shows the figures after adjustment that excludes the influence of certain liabilities and retained earnings attributable to consolidation of VIEs. For an adjustment sheet of the most directly comparable financial indicators calculated and presented in accordance with U.S. GAAP and Non-GAAP financial indicators, please refer to p.73-74.

*2 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. Earnings per Share and Dividend per Share have been retrospectively adjusted to reflect the stock split for all periods presented.

■ Adjusted Long- and Short-Term Debt (excluding deposits)*¹ (Billions of yen) ● Adjusted Debt/Equity Ratio*¹ (times)

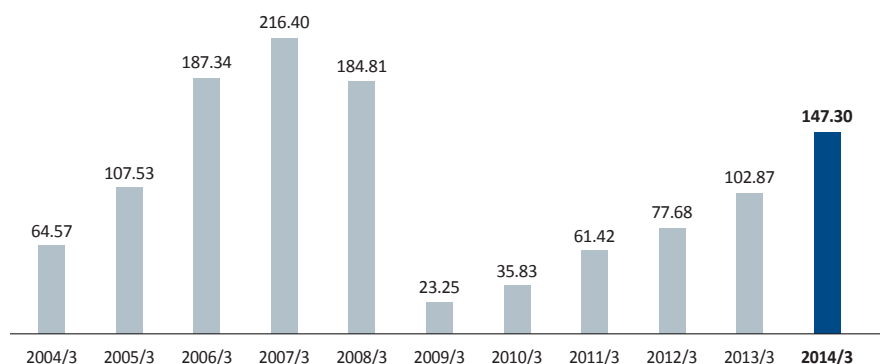


Debt/Equity ratio is controlled at the low level of **2.0X**

On and after the financial crisis, the Debt/Equity ratio has decreased along with reduction of the debt. The Debt/Equity ratio continued to remain at a low level for the FY2014.3, although the debt turned to an increase. We are working to improve our stability, taking measures such as lengthening funding maturities.

Per Share Data

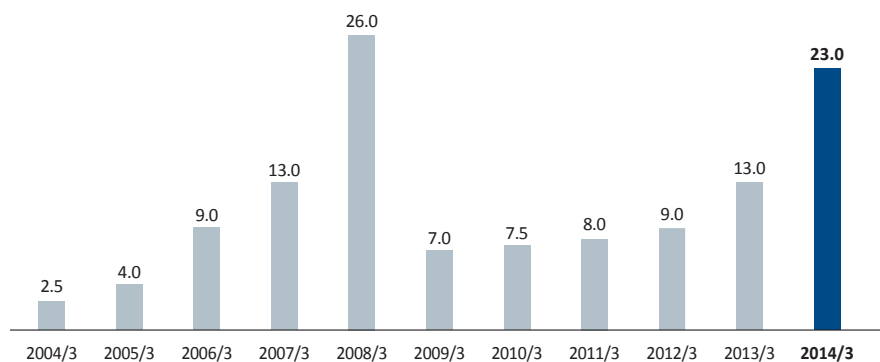
■ Earnings per Share*² (Yen)



Earnings per share increased by **43% YoY**

Although the number of the Company shares increased due to conversion of convertible bonds in the FY2013.3 and 2014.3, earnings per share has increased successfully.

■ Dividend per Share*² (Yen)



Dividend per share increased

77% YoY to ¥23

We increased dividend by ¥10 from ¥13 for the previous fiscal year to ¥23 for the FY2014.3. We aim to ensure stable and continuous distribution of dividends reflecting the business performance in the future.

A Message from the CEO



Makoto Inoue

Director, Representative Executive Officer
President and Chief Executive Officer

**Creating New Value through
Continuous Innovation,
while Further Evolving ORIX DNA**



Reflecting Back on the Fiscal Year Ended March 2014

Net income attributable to ORIX Corporation shareholders in the fiscal year ended March 31, 2014 (FY2014.3) was 186.8 billion yen, a 67% increase from the previous year. Even after excluding one-time valuation gain that was recognized as a result of consolidation of Daikyo, net income figure still represents a solid growth exceeding 30% compared to the previous fiscal year, and we achieved 10.5% in ROE. Although we previously announced our ROE target of 10% by the FY2016.3, we have achieved this goal in advance of our original target. During the FY2014.3, ORIX engaged in multiple businesses that will become the future pillars of profits in the environment and energy business field. In the solar power generation business, the Company is working to develop solar plants across the country, and by the end of the FY2014.3, the Company has already begun to work on the development of solar plants with a total maximum output of 425 MW. Overseas, ORIX invested in the Philippines independent power provider and the U.S. energy services company. In July 2013, ORIX completed the acquisition of Robeco, its largest M&A deal to date. Robeco's assets under management (AUM) continue to grow steadily.

Target for the Fiscal Year Ending March 2015

The net income target for the FY2015.3 is 210 billion yen, a 12% growth from the previous fiscal year. We have achieved significant profit growth for five consecutive years after the financial crisis and will now target for six consecutive years of profit growth. This year, we aim to break the Company's record net income of 195.3 billion yen in the FY2007.3.

We are expecting stronger growth in the Overseas Business, Retail, and Maintenance Leasing segments. At the same time, we expect to make investments for future growth in the Investment and Operation segment and Overseas Business segment. Furthermore, we will steadily proceed with the business integration between ORIX Life Insurance Corporation and Hartford Life Insurance K.K., a company which we completed acquisition in July 2014, and will aim for further enhancement of the Retail segment which represents the stable revenue platform of the Group.

Promote the Acceleration of "Finance + Services" while Achieving Sustainable Double-digit Profit Growth and Steady 10% ROE

Since the financial crisis, the financial markets have changed significantly. The financial industry is headed in the direction of tightening regulations and is unlikely to return to the conventional environment. Accompanying the change in the external environment, ORIX has been lowering the leverage. To further strengthen its business base, ORIX has pursued the strategy of accelerating "Finance + Services," shifting to a business that can grow profits without expanding asset size. We will make a shift from pure financing to fee business that requires a high level of expertise within the financial space that also presents higher level of safety, and make use of our capital in the field of operational business, which transcends the framework of finance. Pursuing these directions allows us to develop our expertise of generating high profits using modest

A Message from the CEO

amount of capital, and we intend to accelerate these movement further. With the progress in our “Finance + Services” strategy, segment asset ROA continues to improve. In the FY2010.3, segment asset ROA was 0.55% but that has improved to 2.73% in the FY2014.3. We will continue to seek for profitability by targeting segment asset ROA above 2.5% and will not intend to expand market share or compete in a way that would sacrifice profits. We will aspire to control our portfolio in a flexible manner, looking closely at growth prospects of individual businesses and focusing on effective use of our precious capital.

ORIX today exhibits growth potential in all segments but going forward we will especially focus on the environment and energy business and investment business. In the environment and energy field, we will strengthen the renewable energy related business in Japan, both quantitatively and qualitatively. In the investment business, we believe that there are substantial possibilities globally and we

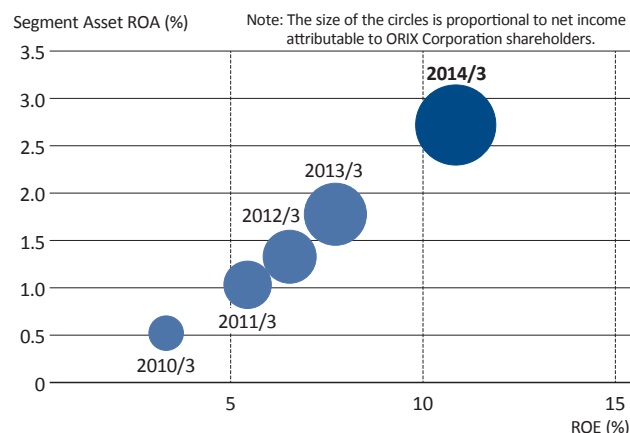
look to assess and select transactions that are conducive to ORIX's future growth from our ample pipeline. In the FY2014.3, we executed investments in Mongolia, Cambodia, and the Middle East. Going forward, we hope to cultivate our partnerships with the investees as a foothold to entering the emerging economies in Asia and the Middle East where future economic growth is anticipated. At the same time, we will work to secure the liquidity of our investment portfolio and continue to actively engage in the portfolio turnover. In Japan, we assume that business opportunities will expand if policies and specific measures on growth strategy would come out of Abe regime. But at the same time, considering the size of the global market, the growth of overseas operations will be essential and therefore we will continue to place overseas business as the cornerstone for both stability and growth of the Group.

Although achieving growth involves challenging various risks, we believe stable growth is most critical. The balance between risk taking and stable growth is becoming more and more important in recent years. Therefore, we aim to heighten our expertise as well as strengthen our risk judgment capability in order to properly assess “good risk” we should be taking in order to grow further. We will further solidify our platform that supports ORIX's growth by continuing to focus on strengthening financial base and risk management capability, measures which we have actively taken since the financial crisis.

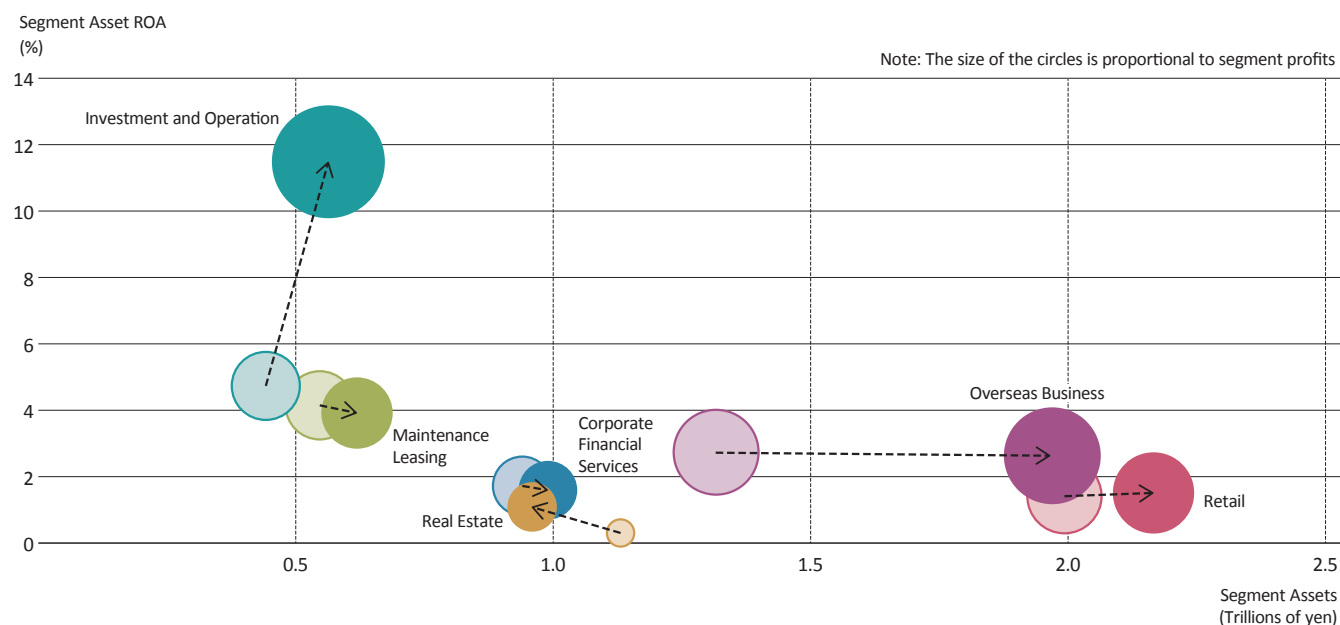
In comparison with the FY2007.3 when ORIX recognized record profits, ORIX today has a much more diversified portfolio, different profit streams, and radically improved profit stability. Moving forward, we will continue to promote the acceleration of “Finance + Services” strategy and aim to achieve sustainable double-digit profit growth and steady 10% ROE.

ROE and Segment Asset ROA

(Fiscal year ended March 31, 2010 to March 31, 2014)



Performance by Segment (Fiscal year ended March 31, 2013 to March 31, 2014)



Corporate Governance

Since the establishment of an Advisory Board in 1997, we have worked to strengthen our corporate governance system with the goal of improving management transparency by the separation of operation and oversight functions, the introduction of the outside director system and the switch to a “Company with Committees” board model. In particular, regarding the Outside Directors, all Outside Directors meet the “Conditions for Director Independence” defined by our Nominating Committee. In addition, all three committees, including the Nominating, Audit and Compensation committees, are composed almost solely of Outside Directors. At the Board of Directors meetings, all Directors including both the Internal and Outside Directors actively engage in discussions toward achieving the management target and increasing corporate value. In this way, ORIX has actively strengthened those functions aimed at monitoring its management. This is a strict framework for management, but at the same time, we believe that it is the safest framework from the point of view of both management as well as ORIX as a whole.

Capital Management Policy

The dividend per share for the FY2014.3 increased by 10 yen from 13 yen during the previous fiscal year to 23 yen per share. In deciding the dividend, we took into consideration the fact that the dividend payout is 20% of the adjusted earning which excludes one-time valuation gain from consolidation of Daikyo, after taking into account of factors such as improved profitability across all business segments and contributions from Robeco, which further stabilized the base profits. Our basic philosophy is to use the capital primarily for growth. In regards to the shareholder return, we aim for a stable dividend while emphasizing the balance of growth and profitability.

Keep Mixed

At ORIX, we have a concept called “Keep Mixed,” which aims to create new value by accepting diverse human resources that represent different nationality, age, sex, and work experience. In accordance with the expansion of our business portfolio, people from wide range of fields having different kinds of expertise that are outside of finance such as facilities operation and environment and energy have been joining the ORIX Group. In regards to the overseas network, we have over 40 years of long standing relationships with trusting partners in each country. The local subsidiaries are managed by the local management and provide solutions to local customers. There are numerous global companies in the world; however, no other companies are as firmly rooted in each of the countries as ORIX. Moving forward, we will continue to promote the concept of “Keep Mixed” and continue to create new value with the Group employees through the seamless coordination of diverse human resources.

The Next 50 Years and Years After

ORIX is already forging ahead towards the next 50 years and years after. We will further evolve the ORIX DNA that we have cultivated over the past 50 years and create new value by repeating innovations. Our mission is to contribute to society by revitalizing the economy and creating new value and markets with the use of finance and services.

Currently, 26,000 employees work for ORIX. Maximizing each individual’s skills and expertise to the fullest extent leads to the growth of these very individuals and as a consequence, to the growth of the Company. Along with all of our ORIX employees, I will continue to devote my efforts toward making ORIX a better company that contributes to society and shareholders. Going forward, we will manage the Company with a focus on further increasing our corporate value while aiming to become a genuine global corporate group, with a sense of internationalism and social mission.

July 2014

Makoto Inoue

Director, Representative
Executive Officer
President and
Chief Executive Officer



5 Concepts of Value Creation

Bold Strategies, Cautious Execution

Identify “good risk” by applying bold ideas and cautious management decisions

Since ORIX is an independent enterprise that does not belong to any business groups, we are able to freely devise bold strategies. But at the same time, we are extremely cautious in our assessment of risks. We do not take risks in businesses in which we lack expertise. When making business decisions, we constantly bear in mind the saying “Tap a stone bridge twice before crossing it” and apply sophisticated expertise to identify “good risk,” defined as necessary risks that should be taken to achieve growth.

Diligent Efforts

Capture new growth opportunities through diligence and persistence

At ORIX, diligence is the watchword for every project. We not only meticulously perform screening and due diligence before making loans and investments, but also closely monitor the transactions in which we engage. If a project does not progress as anticipated, we apply the Group’s collective wisdom and persevere to find a way to advance to the next stage. Expertise cultivated through our diligent and persistent approach allows us to exploit new growth opportunities.



Origin of "ORIX"

The name "ORIX" stems from a combination of the word "ORIGINAL" signifying creativity, and "X" representing flexibility and diversity.

"ORIGINAL" + "X" = ORIX

Venturing into Neighboring Areas

Leverage expertise to repeatedly take on new challenges

Although ORIX was founded as a leasing company, we transcend the conventional boundaries of a leasing enterprise. Over the years, we have flexibly expanded our business into neighboring fields and cultivated wide-ranging expertise. When we hone our expertise in one field, an adjacent field comes into view. Repeatedly venturing into new adjacent fields to meet the needs of our customers has allowed us to build a diverse business portfolio organically. By diversifying our business portfolio, we have achieved a high degree of stability in risk management.

>>> Please refer to p.17 for details.

Seamless Coordination

Collaboration among business segments create "Answers, Custom Fit."

As a result of flexibly responding to various events and pursuing business diversification and geographical expansion, ORIX has evolved into a group comprising a number of independent businesses. What ORIX is pursuing is not a conglomerate, but a corporate group where each team collaborates in multi-faceted approach to form a united team deploying unrivalled collective strength. We are seamlessly coordinating to connect the characteristics of each business segment by performing as a team devoted to the creation of new value.

>>> Please refer to p.18 for details.

Keep Mixed

Diverse people as a whole fuel creativity of ORIX

At ORIX, we believe that people are our most important asset. Inspired by the "Keep Mixed" concept, employees with distinctive expertise, regardless of nationality, age, sex and work history, all work together, melding their knowledge and stimulating one another to create new value. In seeking to cultivate fulfilling workplaces where all employees are able to bring their capabilities into full play, we value diverse work styles. Moreover, as part of a concerted effort to strengthen development of human resources capable of succeeding in the global arena, we are offering opportunities to people who relish a challenge.

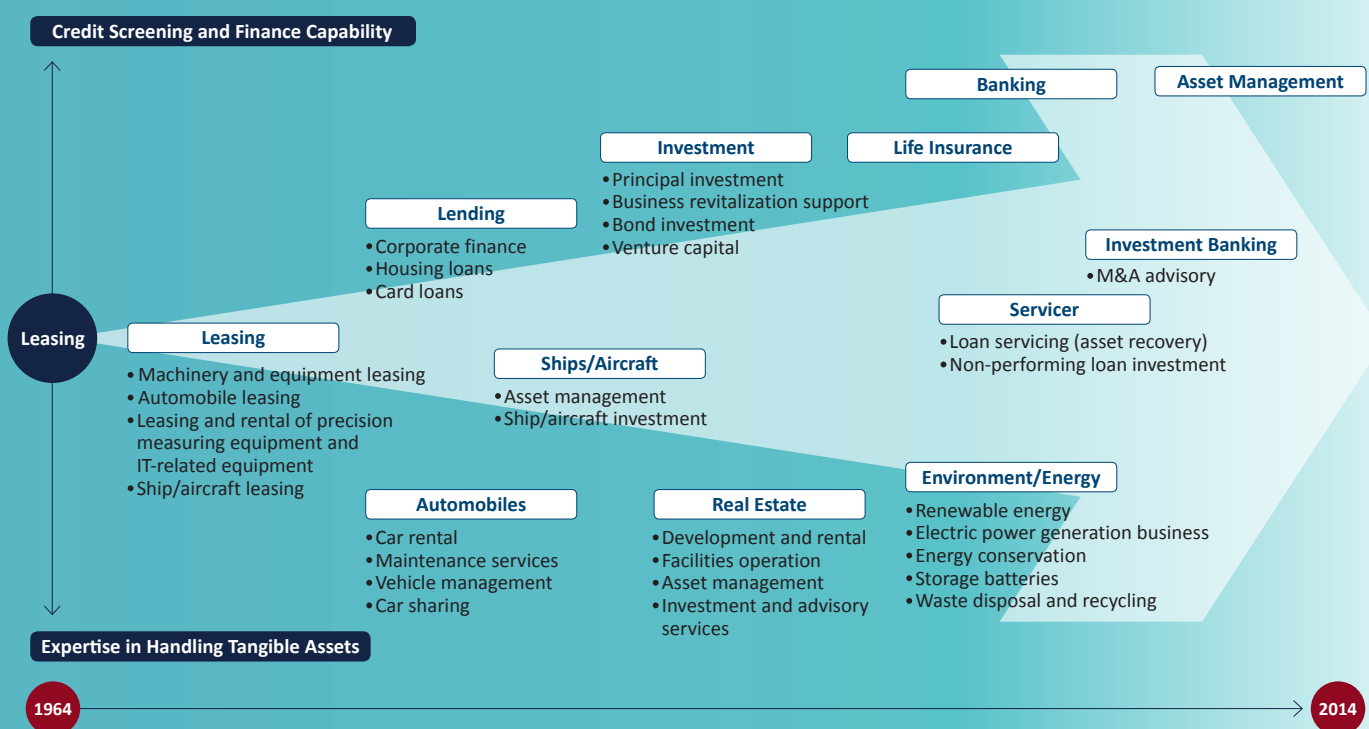


5 Concepts of Value Creation

Venturing into Neighboring Areas

Leverage expertise to repeatedly take on new challenges

Although ORIX started out in the leasing business, the breadth and depth of our expertise has increased along with the growth of our business. We are applying newly acquired expertise in our drive to expand the scope of our business.



From Mortgage Loans to Real Estate Development/Rental and Facilities Operation



Leveraging the expertise in finance accumulated through its leasing businesses, ORIX initiated a mortgage loan business in the 1970s. In 1986, we started the rental of dormitory accommodation for single individuals, and in 1993, we launched the sale of condominiums. Now we engage in the development and leasing of various properties, including office buildings, logistic centers, and commercial facilities. In the 2000s, we became involved in the facilities operation business when we provided support for the rehabilitation of hotels and Japanese inns. As of March 31, 2014, we operate a total of 102 facilities, including hotels, Japanese inns, aquariums, golf courses, training facilities, nursing homes, a multipurpose stadium and a theater.

From a Means of Financing to Compliance, Environment, and Risk Management Consulting

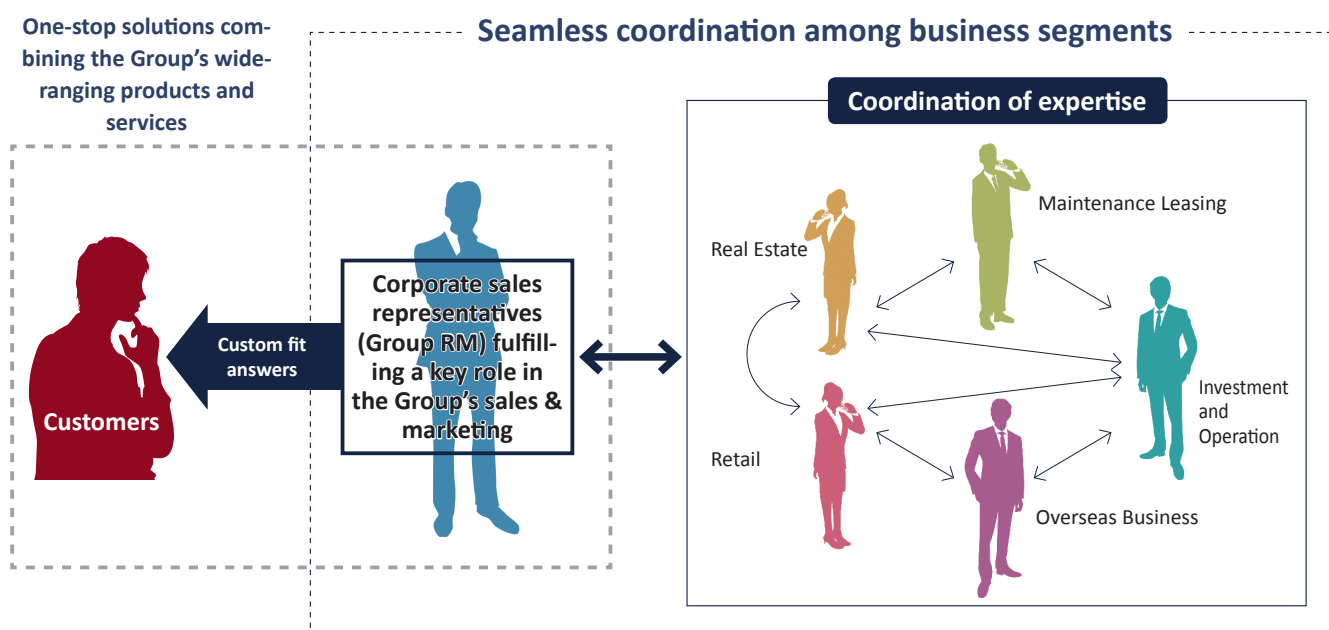


ORIX started offering automobile leases in the 1970s and now enjoys the No. 1 position in the domestic automobile leasing market, with 1,080,000 vehicles under management as of March 31, 2014. Initially, customers used automobile leases for financing and cost reduction. As their purpose was gradually diversified to include outsourcing and compliance, we responded by tailoring our services to their needs. The current representative service of ORIX is called Telematics, or e-Telematics, which helps customers manage risks, by preventing dangerous driving and minimizing traffic accidents based on an analysis of driving data from a special device mounted on each vehicle.

Seamless Coordination

Collaboration among business segments create "Answers, Custom Fit."

A defining characteristic of ORIX is the seamless coordination among business units that enables each business to enhance its capabilities and apply them to the maximum effect for the Group. We create "custom fit answers" through coordination of expertise, to deliver new value to customers.



Customer's Comments

Yoichi Suzuki
Representative Director and
Vice President

ARATA CORPORATION



We are a leading wholesale company supplying cosmetics and daily necessities to drugstores, home centers, supermarkets, convenience stores, etc., in Japan. Capitalizing on our national and local networks, we offer product and market information to the manufacturers we purchase from and the customers we sell to, thereby contributing to helping people lead valuable lives.

Our relationship with ORIX has continued for more than 10 years since we began using the leasing service for our vehicles. Last year, we were advised to install solar panels on the rooftop of our logistics centers, which led to the installation of panels at two centers in Saitama and Kanagawa out of nine throughout the nation with a total generating capacity of 0.9 MW. We are also partially shifting the ownership of more than 600 forklifts to leases.

To enhance profitability, we focus on strengthening the capabilities of product development and specialized support for customers' sales activities, as well as expanding overseas businesses. To increase productivity, we are conducting measures to boost the efficiency of our logistics systems and reduce indirect costs. The introduction of solar panels and lease contracts for part of the forklifts we own will help reduce indirect costs. We hope that ORIX will continue to offer optimal proposals that address customers' challenges, such as increasing profitability and productivity, toward the goals shared with the customers.

<http://www.arata-gr.jp/>

Customer's Comments

Keiichi Takano
President

Nippon Zenyaku Kogyo Co., Ltd.

Nippon Zenyaku Kogyo, known by the corporate brand name of ZENOAQ, is a leading company offering more than 400 kinds of veterinary pharmaceutical products in Japan for production animals, including cows, pigs and chickens, and companion animals, including dogs and cats. Based on the expertise we have accumulated, the range of business is expanding to include the life science field, such as regenerative medicine.

The relationship with ORIX began about two years ago when we started to use its automobile leasing service. The relationship deepened when they helped us solve a problem regarding the property we owned. Last year, we were advised by ORIX to introduce a corporate pension plan (selective benefit-defined pension plan), which we are considering as a way to enhance our benefits package for employees. Recently, we were also advised to reduce the rent for offices and rented apartments provided by the company, and presented with ideas on how to utilize idle land of the company. That made us realize again how extensive the range of ORIX products and services was.

We rely on ORIX as a good business partner that will continue to offer problem-solving proposals that are beneficial to us from a comprehensive perspective.



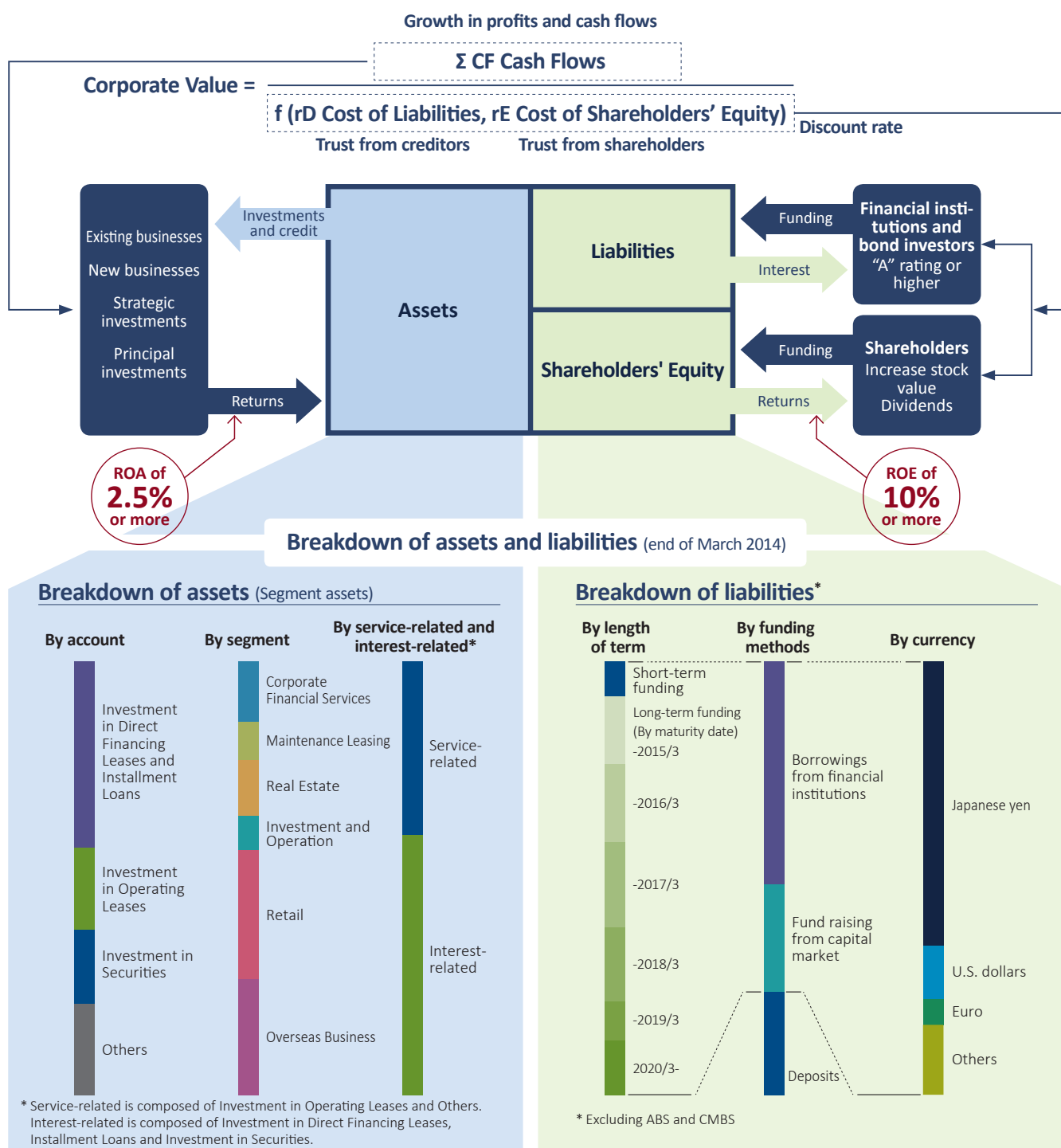
President Takano in the center

<http://www.zenoaq.jp>

A Look at Our Balance Sheets

Increase the corporate value through stable realization of above 2.5% ROA and 10% ROE

ORIX aims to achieve growth in profits and cash flows based on the foundation of diversified business portfolio, appropriate ratings, and robust financial base, and increase corporate value through stable realization of above 2.5% ROA and 10% ROE.



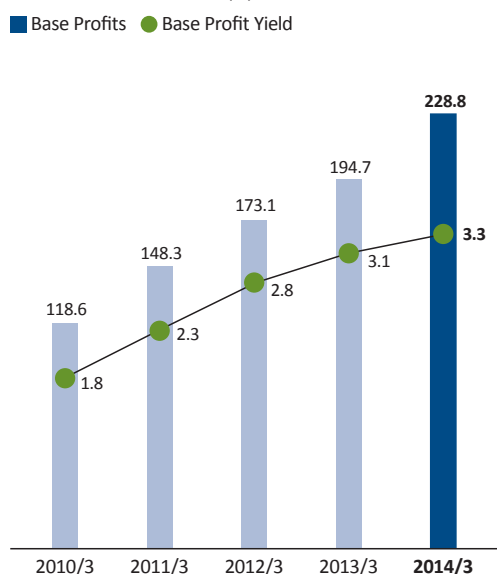
Our consolidated balance sheets are characterized by diversification of assets (business portfolio) and diversification and lengthening of liabilities (funding).

Stable base profits are growing along with service-related revenues due to the acceleration of “Finance + Services” strategy.

Based on financial leverage that enables to maintain appropriate ratings, we aim to deliver an ROA of above 2.5% and steadily achieve an ROE of above 10%

Growing Stable Revenues

Base Profits (segment total) (Billions of yen)
and Base Profit Yield (%)



Steady Increase in Base Profits and Improved Base Profit Yield

Base profits steadily increased due to factors such as increase in interest revenues, expansion of fee-related business and the consolidation of Robeco. Base profit yield is also increasing steadily.

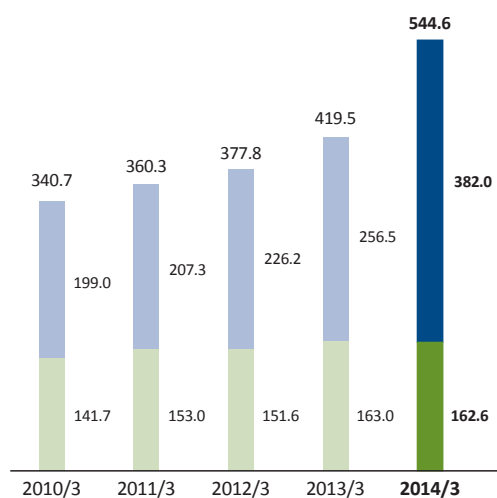
■ Base profits refer to segment profits excluding capital gains, provisions and impairments.

● Base profit yield is the base profits divided by the average balance of segment assets.

Progress in Acceleration of “Finance + Services”

Base Revenue Breakdown (Billions of yen)

■ Service-related revenues ■ Interest-related revenues



Increase in Service-Related Revenues within Base Revenues

Base revenues (base profits before deducting SG&A) are separated into service-related and interest-related revenues. A significant increase was seen in service-related revenues due to the consolidation of Robeco in the FY2014.3.

The composition of service-related revenues varies in a wide range, which demonstrates the fact that ORIX holds various sources of revenue and that “Finance + Services” strategy is in progression.

■ Service-related revenues: Include operating leases revenues, life insurance premiums, other operating revenues, etc. (corresponding expenses have been deducted)

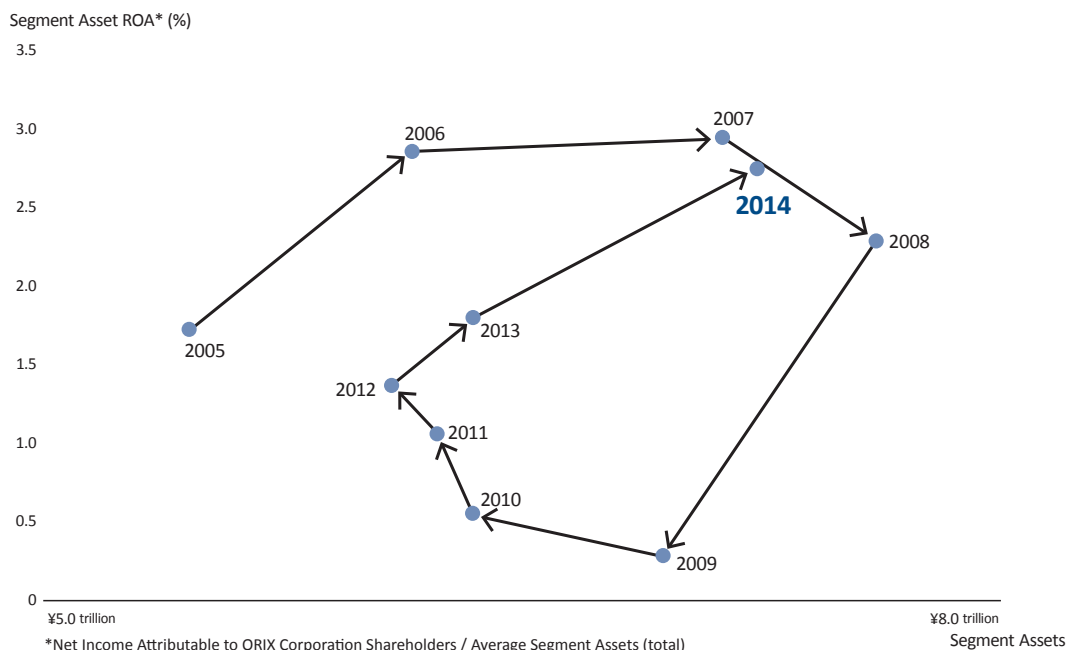
■ Interest-related revenues: Include direct financing leases revenues, interest on loans and investment securities, equity in net income (loss) of affiliates, etc.

* Interest expense is divided according to the proportion of interest-related assets and service-related assets and deducted from both revenues categories.

A Look at Our Assets and ROA

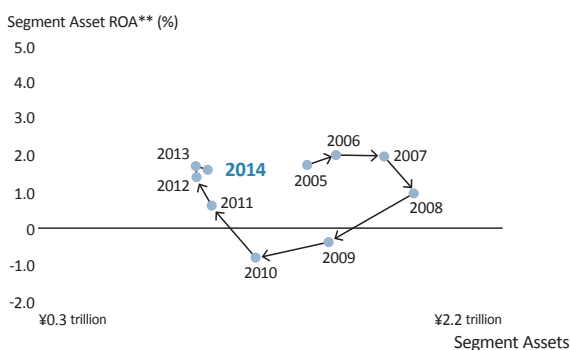
Total Segment Assets

- Revenues steadily increased along with the expansion of assets, while ROA also increased before the financial crisis.
- ROA made a substantial decline due to significantly reduced assets in response to the financial crisis during the FY2009.3.
- ROA improved while continuing to reduce assets mostly in the Real Estate segment since the FY2010.3.
- Resumed asset expansion driven mainly by the Retail and Overseas Business segments since the FY2013.3.



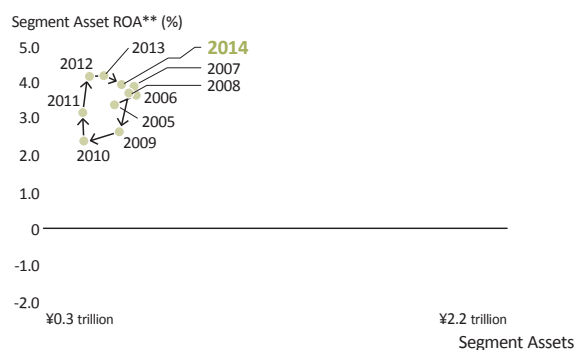
Corporate Financial Services

- Restrained new transactions by strengthening project selection since the FY2009.3, which resulted in decrease in segment assets.
- ROA has improved steadily with a decrease in provisions and increased fee revenues.
- Aim to improve ROA by shifting to "Finance + Services" and strengthening Group RM capability.



Maintenance Leasing

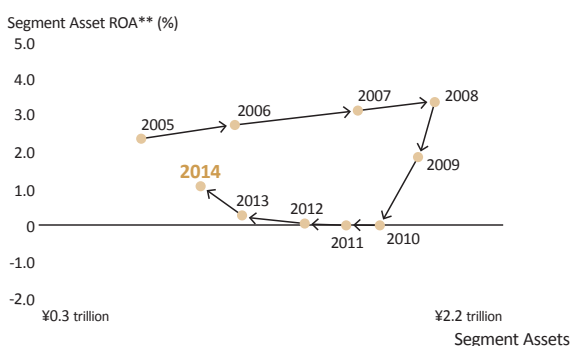
- Maintained a high ROA compared with other business segments and a certain level of asset size as the impact from financial crises was limited.
- Reduced maintenance costs and SG&A expenses to further strengthen profitability in recent years.
- Aim to further increase asset balances while maintaining a high level of profitability.



Our business portfolio for the past decade has undergone tremendous changes. Since the financial crisis, we have been streamlining each business segment's asset scale and continuously improved ROA. We aim to further improve ROA by pursuing to earn fees by providing services or earning revenues through our own operations.

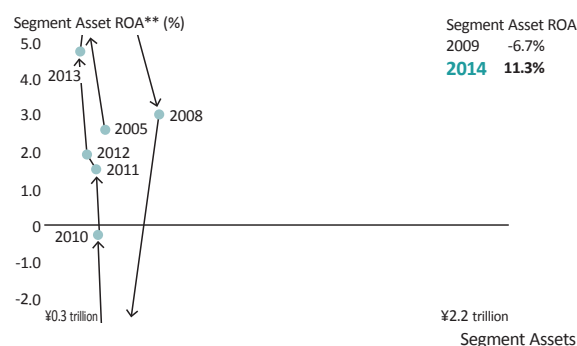
Real Estate

- Due to the financial crisis, ROA fell to under 1% from the 3% level before the crisis.
- Provisions and impairments decreased substantially to improve ROA in the FY2014.3.
- Aim to improve ROA by expanding fee business and fortifying and broadening facilities operation business while continuing to reduce asset balances.



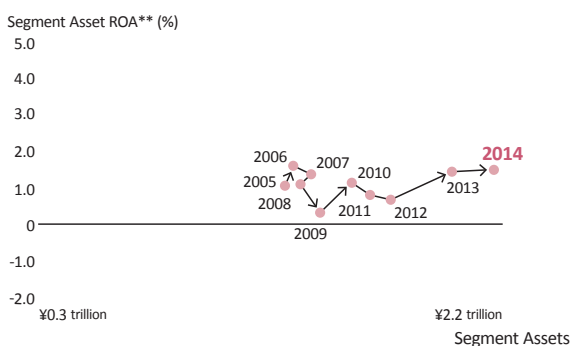
Investment and Operation

- Posted a loss on equity method affiliates and a valuation loss on investment in affiliates in the FY2009.3.
- Posted a large valuation gain due to the consolidation of Dai-kyo in the FY2014.3.
- Aim to expand assets by seizing various investment opportunities centered on the environment and energy business and the investment business.



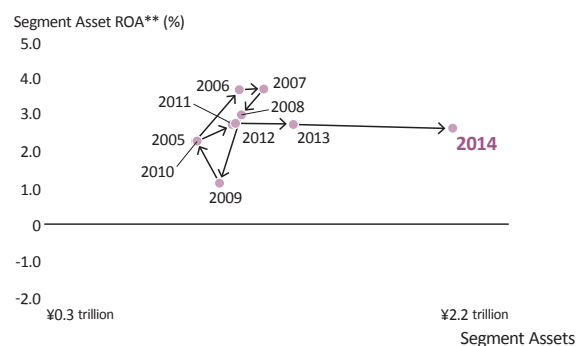
Retail

- Maintain stable revenue base in this segment with a relatively low ROA compared with other segments.
- Asset balance for the FY2015.3 is expected to increase significantly as a result of the acquisition of Hartford Life Insurance K.K.
- Strive to increase ROA by expanding the life insurance and card loan businesses.



Overseas Business

- Posted profit even under the financial crisis thanks to diversified businesses which effectively contributed to the results.
- Witnessed an increase in profit for five consecutive years since the FY2010.3. Robeco made a significant contribution in the FY2014.3 and is expected to make continuous contribution to profit onward.
- Work to maintain a high ROA by expanding leasing assets in Asia and broadening fee business, among others, in the Americas.



A Message from the CFO



Haruyuki Urata

Director, Representative Executive Officer
Deputy President and Chief Financial Officer

Risk Management and Financial Strategy that Support Growth

“Bold yet cautious”

Be Selective of Good Risk, and “Proceed Diligently”

ORIX engages in business activities that aim to contribute to society by creating new values through finance and services. In order to create new value, it is necessary to take on the new risks. In other words, the ability to distinguish and select “good risk” from the rest is highly essential to the Company’s value creation. Conceptualizing bold strategy, discovering good risks, selecting risks with caution, and proceeding the undertaking with diligence – these are the ways in which ORIX manages its risks.

The characteristics of ORIX’s risk management consist of the following:

- Even for small size transactions, each is being debated internally among the top management before the final decision is made.
- Diligence is maintained throughout every phase of the transaction from initial execution to the final collection. In the case where collection faces difficulties, with utmost efforts we strive to maximize the collection by utilizing every know-how and other group resources available. There are even times when new business opportunities are discovered during such a process.
- The top management monitors the Group’s business on the basis of each individual business unit (business headquarters or group companies) rather than the broader 6 major segments. Monthly meetings are held where the top management receives reports from each business unit head and provides appropriate advice and instruction in return.

At ORIX, the awareness to treat risk diligently is widely shared among each employee from those who work on the fields to the top management. Based on the concept that growth cannot be achieved without challenges to risk taking, each employee appropriately handles the various risks they face in their respective roles.

ORIX places strong emphasis on its capital employment and credit rating. 80% capital employment and single A credit rating are considered reasonable levels which we aim to maintain. We have continued to evaluate the impact of transactions on the Company's capital position, including in the FY2014.3 when we had large M&A transactions such as Robeco.

We will further strengthen our risk management capability, the cornerstone that has supported ORIX's growth to date, to the level where the Company can produce stable growth under any business environment.

Financial Strategy to Support ORIX's Growth

ORIX has built a solid financial base by securing a large proportion of long term funding from diversified sources comprised mainly of borrowing from financial institutions, bond issuances in various capital markets, as well as deposit collected by ORIX Bank. By carrying out stra-

tegic initiatives such as (1) diversification of funding, (2) lengthening and smoothing of maturity ladder, and (3) securing appropriate level of liquidity, we have been able to fortify our financial soundness.

Results Accomplished in the FY2014.3

(1) Diversification of Funding: Bond issuances overseas.

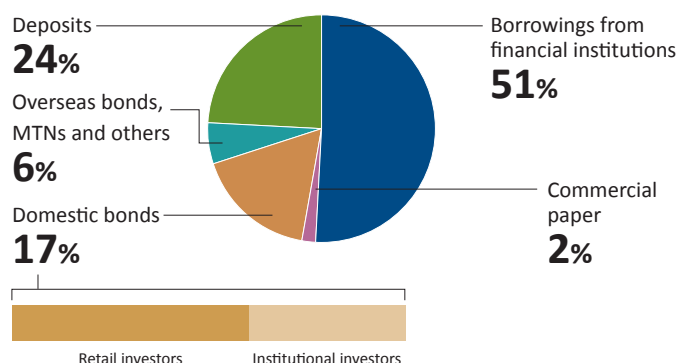
(2) Lengthening and Smoothing of Maturity Ladder: Minimize refinancing risk by lengthening borrowings from financial institutions, issuing domestic long term bonds, disperse maturities of bonds and borrowing from financial institutions.

(3) Securing Appropriate Level of Liquidity: Liquidity coverage ratio between liquidity on hand and short term market-oriented liability such as commercial papers, bonds and Medium Term Notes (MTNs) maturing within 1 year is 399%.

For the FY2015.3, we will continue implementing the aforementioned policies. We will maintain our liquidity at around 1 trillion yen and liquidity coverage ratio at around 200%. At the same time, we plan to strengthen our funding operation in response to our asset growth in Asia, namely by increasing borrowing from local banks and tapping the local capital markets. We will take advantage of project finance for our growing investment business such as the environment and energy related business. Going forward, we will also strive to expand our investor base, further reduce and stabilize our funding cost.

Breakdown of Funding Sources

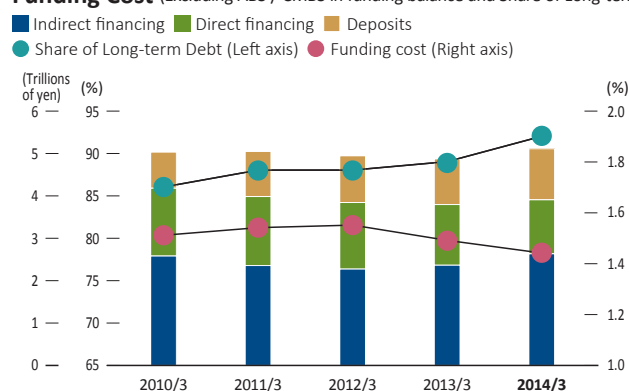
(As of March 31, 2014, excluding ABS and CMBS)



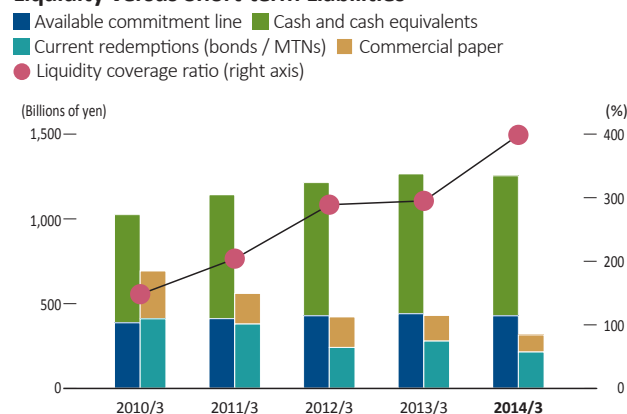
Straight Bond Maturity Ladder (As of March 31, 2014)



Breakdown of Funding, Trend in Long-term Debt and Funding Cost (Excluding ABS / CMBS in funding balance and Share of Long-term Debt)



Liquidity versus Short-term Liabilities



Segment Overview

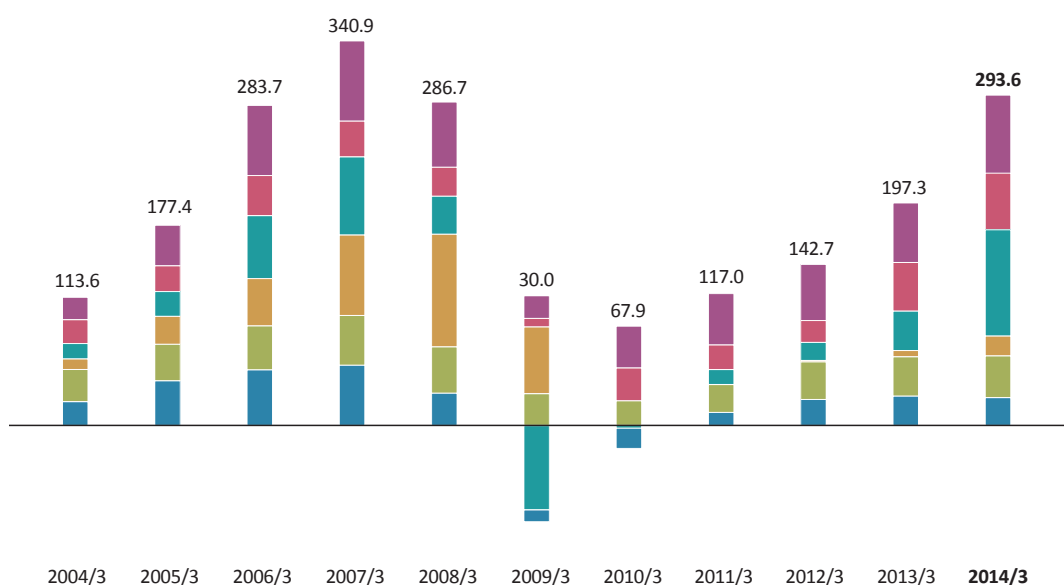
Please refer to pages 71-72 for Breakdown of Assets and Revenues by Segment and pages 75-76 for Group Companies in each segment.

Segment	Corporate Financial Services	Maintenance Leasing	Real Estate
Operation Overview	Lending, leasing and various fee businesses	Automobile leasing and rentals, car sharing, and precision measuring equipment and IT-related equipment rentals and leasing	Real estate development, rental and financing; facility operation, REIT asset management, and real estate investment and advisory services
Segment Profits	¥24.9 billion	¥37.1 billion	¥18.0 billion
Segment Assets	¥992.1 billion	¥622.0 billion	¥962.4 billion
Segment Asset ROA	1.6%	3.9%	1.1%
Number of Employees	2,317	2,670	4,277
Summary of Performance during the FY2014.3	<ul style="list-style-type: none"> Base profits declined to 85% YoY due to a decrease in average balance of loans Recorded reversal of provisions due to improvement in overall asset quality Fee revenues from sales of solar power generation systems increased 2.5 times YoY 	<ul style="list-style-type: none"> Continued positive growth cycle in assets and base profits while maintaining high profitability Increased base profits due to increases in assets in automobile business and gains from sales of used cars Recorded impairments from a part of rental business 	<ul style="list-style-type: none"> Maintained high level of base profits due to robust facilities operation business Increased capital gains due to a favorable market Both provisions and impairments decreased Assets were reduced to below 1 trillion yen due to NRL collection and sales of rental properties

Segment Profits

(Billions of yen)

- Overseas Business
- Retail
- Investment and Operation
- Real Estate
- Maintenance Leasing
- Corporate Financial Services



Investment and Operation

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

¥94.1 billion

¥565.7 billion

11.5%

7,482

- Increased profits from an investee acquired during the FY2013.3
- Recognized valuation gain from the consolidation of Daikyo
- Completed new investment in environment- and energy-related companies
- Started development of a maximum total output of 425 MW in mega-solar power generation business

Retail

Life insurance, banking and card loan business

¥49.9 billion

¥2,167.0 billion

1.5%

1,629

- Base profits increased due to increased life insurance and related investment income
- Assets increased due to growth in ORIX Bank's housing loans and ORIX Life's policies in force
- Recorded capital gains by selling partial shares in Monex Group

Overseas Business

Leasing, lending, investment in bonds, investment banking, asset management, and ship-and aircraft-related operations

¥69.7 billion

¥1,972.1 billion

2.6%

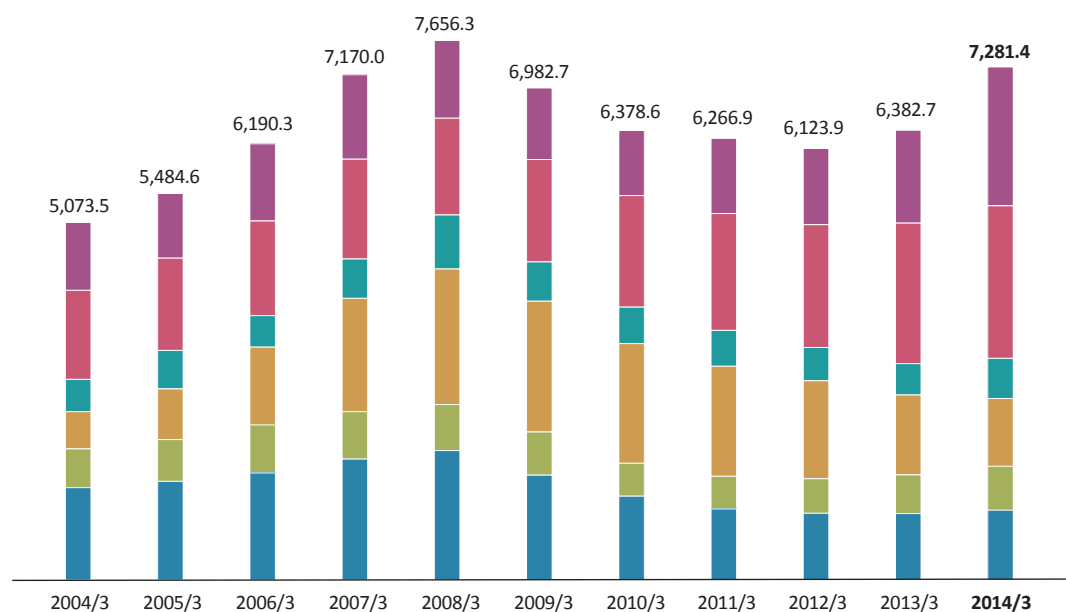
6,414

- Base profits increased significantly due to the consolidation of Robeco
- Growth in the fee business in the United States, aircraft business, and the leasing business in Asia
- Recognized substantial capital gains mainly in the United States
- Recorded impairments for weak performing investees

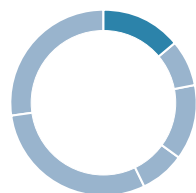
Segment Assets

(Billions of yen)

- Overseas Business
- Retail
- Investment and Operation
- Real Estate
- Maintenance Leasing
- Corporate Financial Services



Corporate Financial Services



Asset composition:

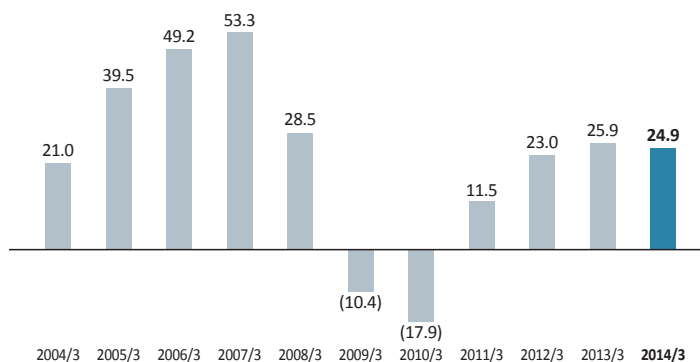
14%



Toward Further Value Creation

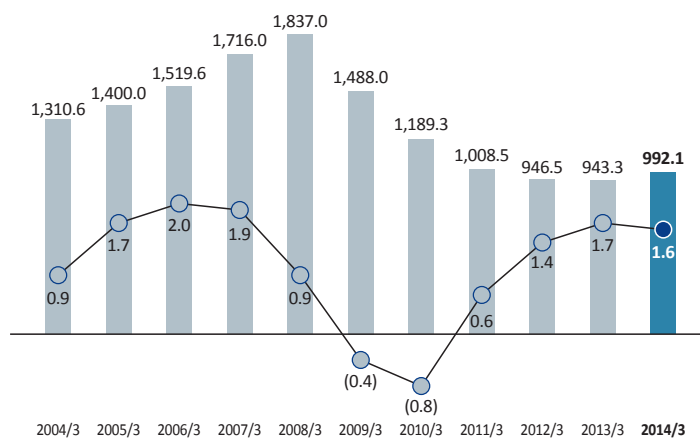
- The Corporate Financial Services segment creates value mainly through an increase in segment assets by expanding corporate leasing and lending to domestic SMEs and an increase in fee revenues by providing diversified products and services of the ORIX Group.
- The segment, as Group RM, in alliance with other business segments, proposes solutions for customers' management issues and expands business opportunities and the client base of the ORIX Group.
- The segment asset ROA was 1.6% for the FY2014.3, which is relatively high for the financing-based business. However, this level is lower than ORIX Group's target, which is 2.5%. This segment aims to improve the ROA by expanding fee revenues, which do not require assets, such as sales of solar power generation systems and provision of various services.

Segment Profits (Billions of yen)



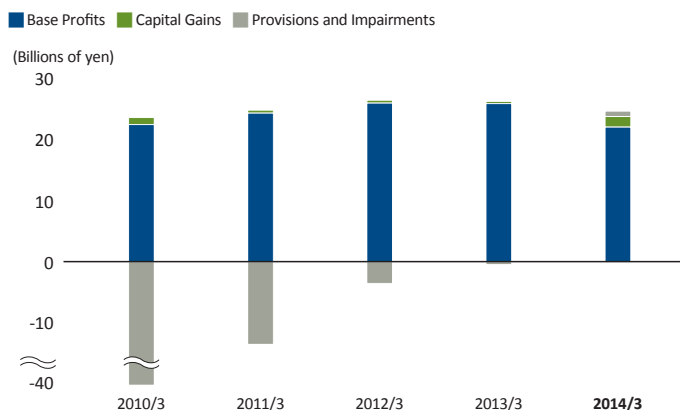
Segment Assets (Billions of yen)

Segment Asset ROA (%)



Five-Year Trends in Profits

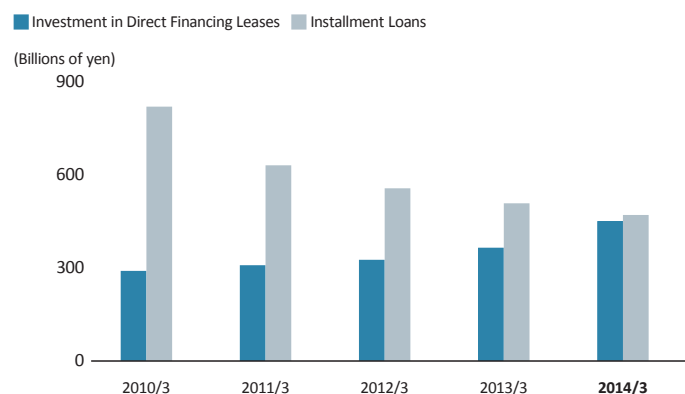
Trends in Profits by Factor



- After the financial crisis, this segment recorded significant provisions mainly for loans to real estate business proprietors. Subsequently, we swiftly promoted the collection and reduction of assets. We also shifted to reinforcing transactions with businesses other than real estate business proprietors. As a result, we made progress on asset turnover, which led to the improvement of asset quality and the diversification of the customer portfolio. Provisions continued to decrease, and a reversal of provisions was recorded for the FY2014.3.
- Although the asset balance continued to decline until the FY2013.3, stable base profits have been maintained over the past five years with the contribution of fee revenues. In addition, the asset balance for the FY2014.3 turned upward.

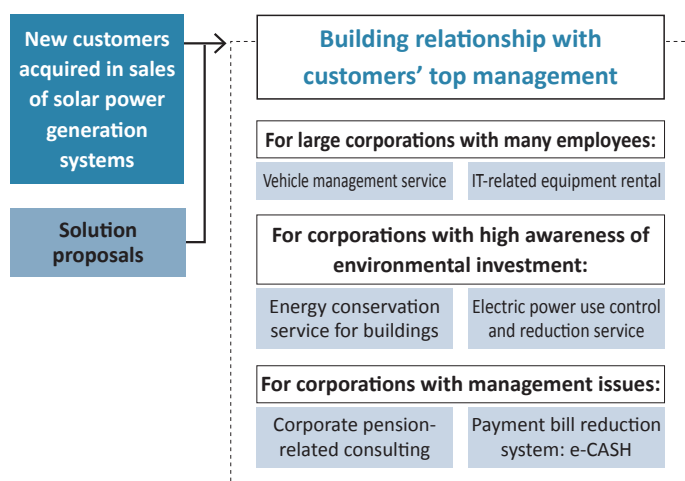
Value Creation in the Focus Business Areas

Balance of the Investment in Direct Financing Leases and Installment Loans



- The balance of installment loans has continued to decline because of our selective lending, which led to collections exceeding new loans made. The balance of investment in direct financing leases has grown steadily.
- In recent years, new transaction volumes of leases and loans have been steadily increasing. Sales of solar power generation systems now integrate the financing efforts for their installation, and as a result of such efforts the loan balance is close to reaching the bottom.
- We aim to expand the segment assets by participating in project finance relating to infrastructure, as well as by moving into areas where we expect business opportunities with the anticipated regulatory reforms such as agriculture and healthcare.

Case Studies of Matrix Sales to New Customers



- In this segment, we promote “matrix sales” through which our sales staff will propose one-stop optimal solutions to our customers. Our sales staff strives to understand customers’ situations through transactional activities, thereby identifying specific needs and management issues. To address such identified needs and issues, our sales staff offers the diversified products and services of the Group, thereby strengthening the trust relationship with customers and enhancing the presence of ORIX as a reliable partner they can consult.
- Recently, we have been developing matrix sales to customers with which we started business via commercial equipment—solar power generation systems. We are expanding the group-wide client base by building relationship with customers’ top management and expanding the revenue opportunities of the ORIX Group.

Maintenance Leasing



Asset composition:

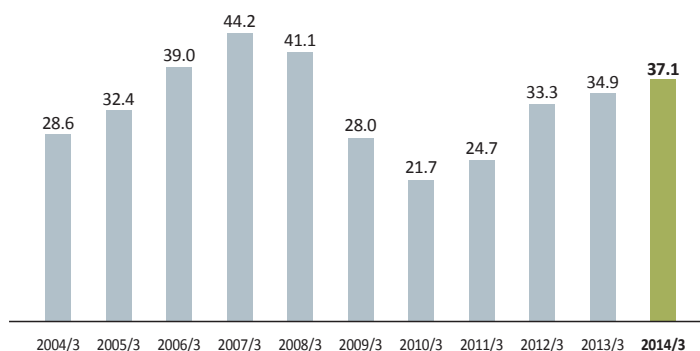
8%



Toward Further Value Creation

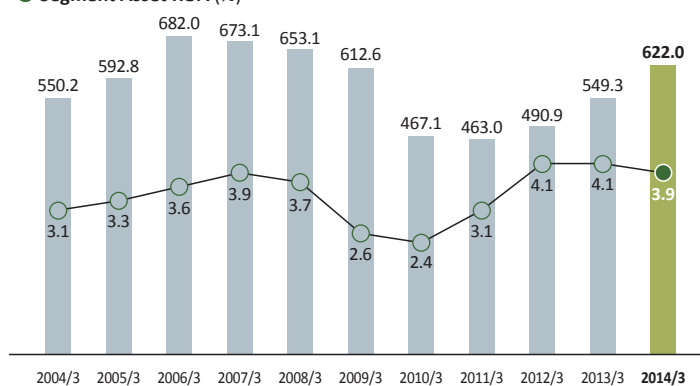
- The Maintenance Leasing segment mainly consists of automobile leasing and rentals, as well as electronic measuring and IT-related equipment rental and leasing. The creation of value in this segment means evolving the services that we offer and increasing the balance of the segment assets.
- As this segment provides asset management and maintenance services, both of which involve a high level of expertise and added value, the ROA has been maintained at a high level. In recent years, we have focused our efforts on improving cost efficiency, in which also contributes to a stable ROA of around 4%.
- ORIX's automobile leasing is deemed to be among the top-rated in Japan with regard to business scale and service lineup. We believe that there is room for growth domestically by raising our market share. We will promote business expansion through the provision of value-added services based on a precise analysis of customer needs.

Segment Profits (Billions of yen)



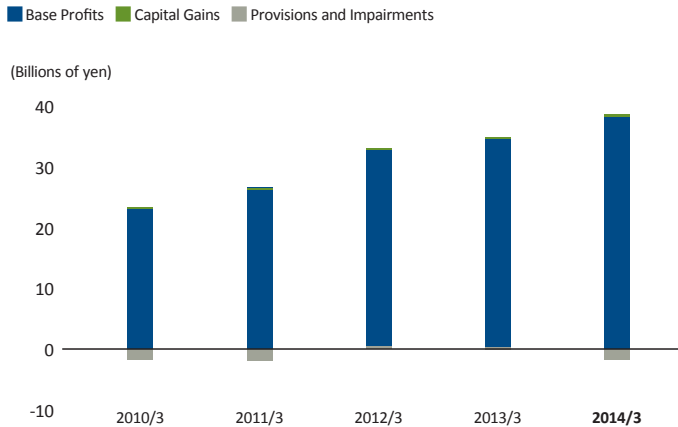
Segment Assets (Billions of yen)

Segment Asset ROA (%)



Five-Year Trends in Profits

Trends in Profits by Factor



- Base profits mostly account for the segment profits in this segment, and the segment profits have achieved stable growth over the past five years.
- The major contributors to the base profits are the operating lease revenues, maintenance service revenues and gains from sales of used cars. Our cost-reduction measures have been successful, whereas the profit contribution of value-added services has been increasing.
- Because there are almost no capital gains or provisions and impairments, base profits are equal to segment profits in the segment's profit structure.

Value Creation in the Focus Business Areas



- ORIX Auto Corporation has developed a wide range of business operations from car leasing, rental and car sharing, based on the concept of "conversion from ownership to utilization" of vehicles. Furthermore, it offers total services concerning the use of cars from auto maintenance and management to distribution of cars.
- Although Japan's automobile market is at a mature stage, given a low leasing penetration rate, we believe ORIX's automobile business is a promising field with possibilities in the market for both corporations and individuals.
- Although the primary customers are large corporations, we will strengthen our marketing to smaller enterprises and individuals that have not yet used leasing services and develop new products and services, thereby creating new markets.

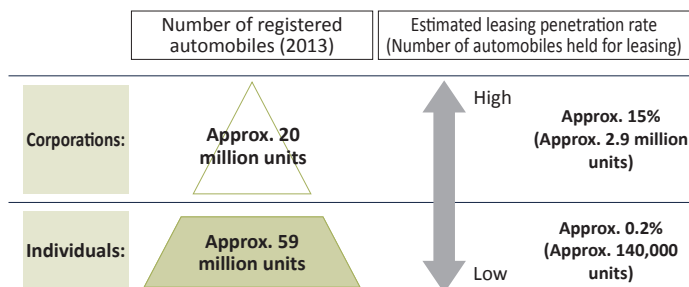
- The examples of our efforts aimed at small sized corporations are as follows:

- 1) Proposal of cost reduction for vehicles by reducing the number of vehicles owned to an appropriate number through analyzing the usage status of customer's cars, and utilizing car rental and car sharing.
- 2) Proposal of "One-Price Used-Car Lease*," which enables used cars to be utilized in businesses safely and reasonably.

- For individual customers, we are focusing on car leasing and expanding new products and sales channel. We are enhancing the level of services which enables customers to easily use new cars. Such measures include the provision of lease products that let customers own the leased vehicles once the contract terminates, while holding down the monthly payment, and opening new car leasing shops on internet shopping websites.

*Under this leasing, vehicles which were managed by ORIX will be mainly provided, and will be covered by a used car certificate exclusively issued by ORIX. Various line-ups of car types are provided, as well as easily understandable price setting with a fixed leasing fee according to its products and categories.

Number of Vehicle Units Registered in Japan and the Estimated Leasing Penetration Rate



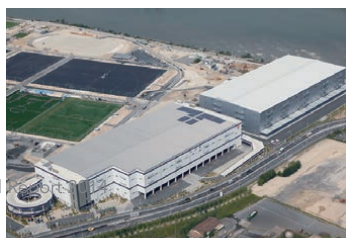
Source: Estimation by ORIX based on the values released by the Japan Automotive Leasing Association and the Automobile Inspection & Registration Information Association

Real Estate



Asset composition:

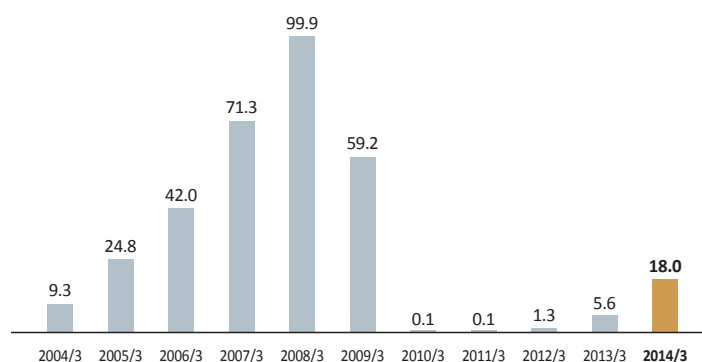
13%



Toward Further Value Creation

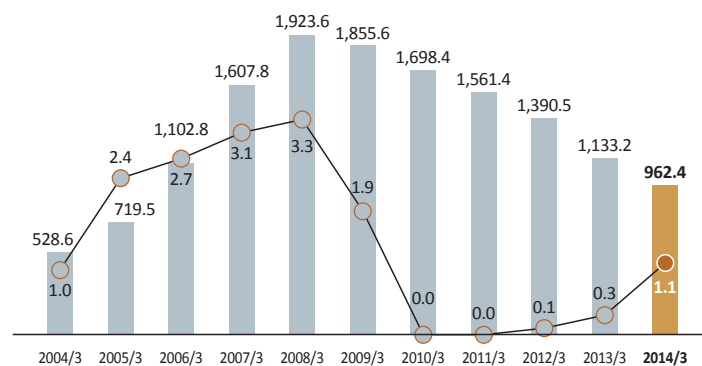
- The Real Estate segment, equipped with broad expertise in each field of real estate, has an established comprehensive value chain in all aspects of its real estate business, which covers the property development and rental (including office buildings, commercial facilities, logistics centers and residential condominiums), facilities operation, asset management and real estate finance.
- At one time, revenues from condominium sales and nonrecourse loans (NRLs) and other revenues, which are easily affected by real estate market conditions, accounted for most of the segment profits. Since the financial crisis, we have reduced such assets.
- By converting our business model to the facilities operation business and the asset management business, capitalizing on the segment's expertise, a stable profit structure is becoming established and ROA is improving. This segment creates value by establishing a solid profit structure that is not susceptible to real estate market conditions.

Segment Profits (Billions of yen)



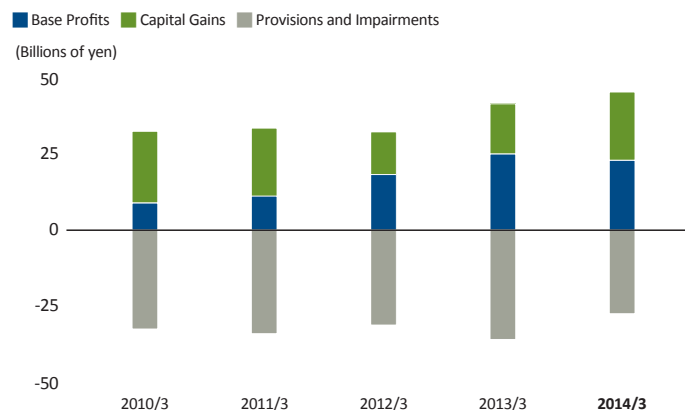
Segment Assets (Billions of yen)

Segment Asset ROA (%)



Five-Year Trends in Profits

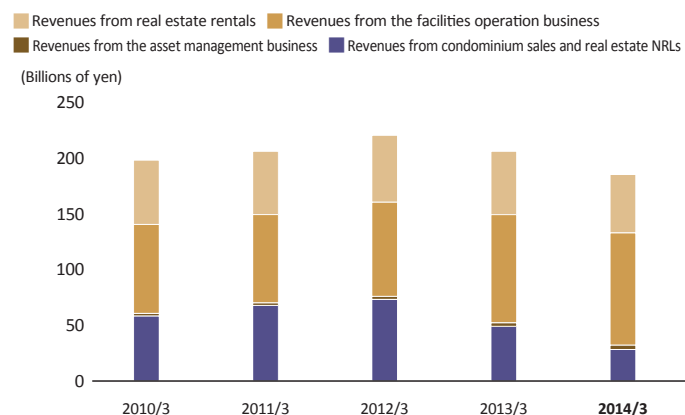
Trends in Profits by Factor



- This segment quickly reduced assets such as condominium development and NRLs after the financial crisis, which reduced the balance of segment assets significantly. However, the segment focused efforts on maintaining or improving the value of rental assets and expanding the facilities operation business and the asset management business, thereby increasing base profits steadily.
- Following the reduction of assets, provisions and impairments have continued to remain at high levels, but they have been reduced during the FY2014.3.
- In the FY2014.3, the segment promoted sales of rental properties, capitalizing on favorable market conditions in the domestic real estate market, resulting in an increase in capital gains.

Value Creation in the Focus Business Areas

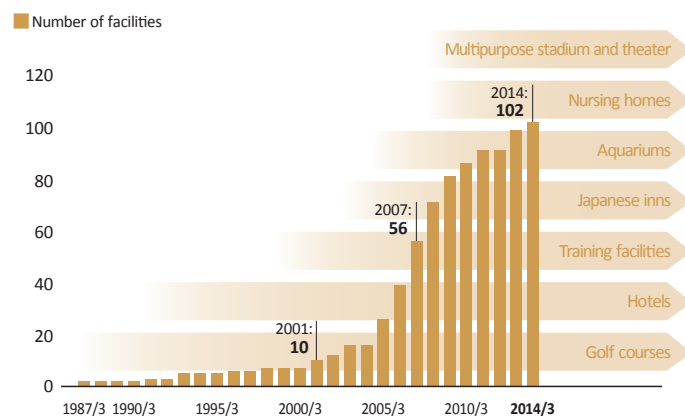
Trend of Segment Revenues*—Revenue composition has changed in line with the changing portfolio



*Excluding gains on sales of real estate under operating leases

- To build a portfolio that ensures stable revenues, the Real Estate segment is converting its business models. We are considerably reducing assets that are susceptible to trends in real estate market conditions and low-profitability assets and raising the revenue contribution from the facilities operation business with high-quality operations, as well as of stable rent income from office buildings, commercial facilities and logistics centers.
- In the asset management business, we intend to increase profitability by supplying appropriate services targeting a broad range of investors, including the operation of ORIX JREIT Inc., and large co-investment business projects.

Expansion of the Facilities Operation Business—Both the number of facilities and facility types have increased



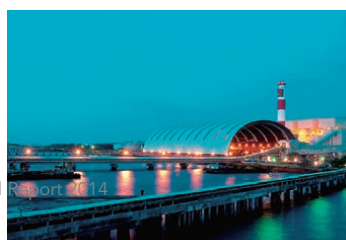
- The facilities operation business handles the operation and development of properties including hotels, Japanese inns, aquariums, golf courses, training facilities, nursing homes, a multipurpose stadium and a theater, and so forth. We now have 102 of such facilities as of March 31, 2014.
- ORIX's facilities operation business has such strengths as prudent information collection with regard to changes in consumers' behaviors and the creation and development of detailed devices.
- In this segment, we pursue the further creation of value by providing customers with "real experience," "pleasure" and "satisfaction," which occurs at every ORIX facility.

Investment and Operation



Asset composition:

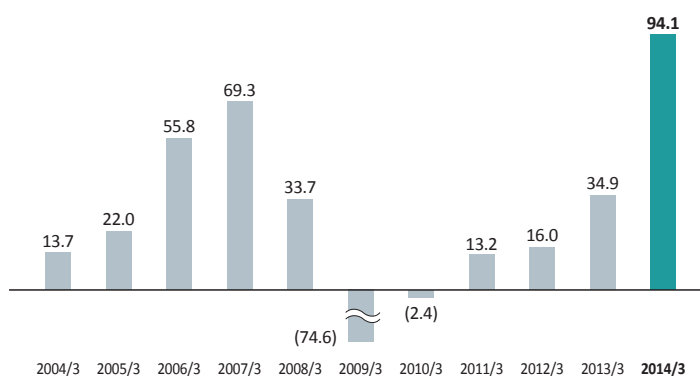
8%



Toward Further Value Creation

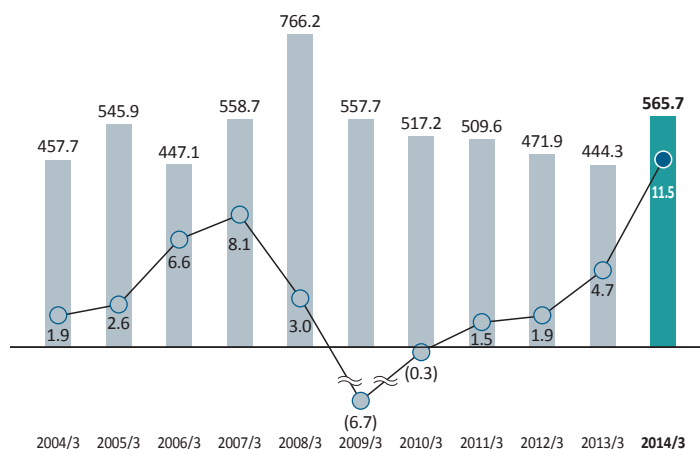
- This segment has shifted its priority business portfolio from loan servicing to the principal investment business and the environment and energy-related business in response to changes in its business environment. We will realize further value creation with the stable growth in profits of the environment and energy-related business and the capital gains of the principal investment business as the key drivers for growth.
- As for the domestic renewable energy-related business within the environment and energy-related business, stable profits can be expected as mega solar projects are starting operation sequentially. In the future, we intend to expand on a global-scale the wind power and geothermal power generation businesses and provide electric power trading and energy-saving-related services while enhancing our expertise.
- As ORIX's principal investments are conducted only with its own funds, unlike many other private equity (PE) funds, we can flexibly address investment terms and/or capital increases. This business strives to acquire sustainable capital gains through active investments in Japan and overseas, by taking advantage of our strength that enables raising the value of investees using the ORIX Group's network and expertise.

Segment Profits (Billions of yen)



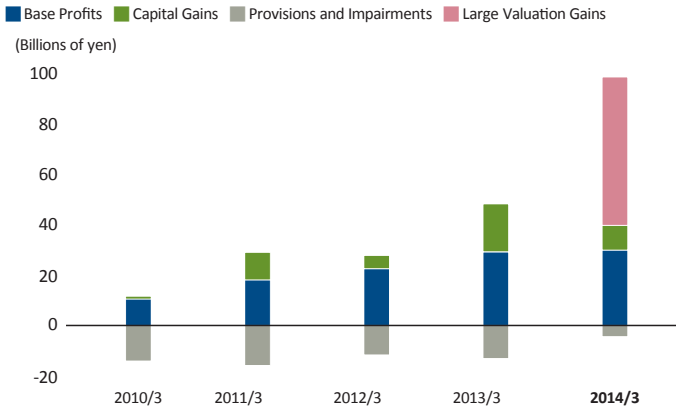
Segment Assets (Billions of yen)

Segment Asset ROA (%)



Five-Year Trends in Profits

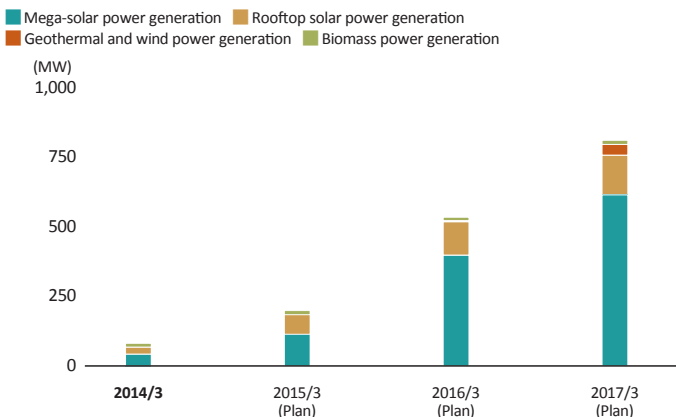
Trends in Profits by Factor



- Although base profits have been reported mainly from the loan servicing business over the past five years, growth in profits is expected, primarily based on revenues from the environment and energy-related business and the principal investment business going forward. A large valuation gain which was attributable to the conversion of Daikyo's preferred shares held by ORIX to common shares, was reported for the FY2014.3.
- In the environment and energy-related business, profit contributions up to the FY2014.3 have been limited although contracts for mega solar projects have progressed smoothly. Base profits are expected to increase as a result of start of mega solar operation in the near future.
- In principal investment business, capital gains are projected to increase as the optimum timing for selling existing investments is expected to come sequentially.

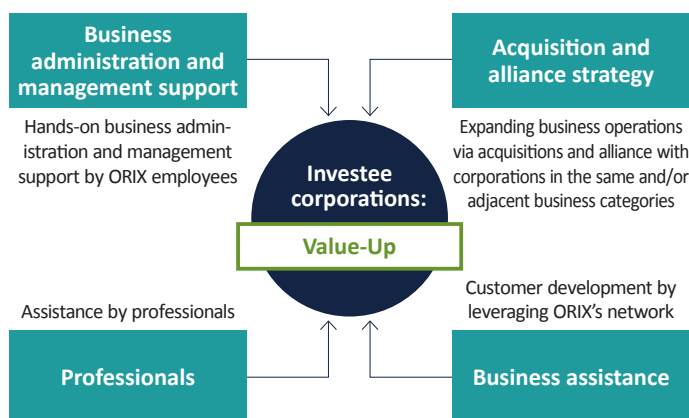
Value Creation in the Focus Business Areas

Environment and Energy-Related Business: Forecast Volume of Power Generation of Renewable Energy



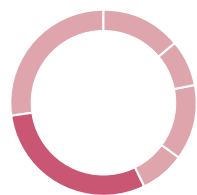
- As for the renewable energy-related business, we have obtained concession rights of 425MW in power generation projects including mega-solar and rooftop solar power generation projects by the end of March 2014 and plan to operate facilities for most of these projects within about two years.
- We are also studying the possibility of developing operations in the geothermal and wind power generation business.

Principal Investment Business: Value-Up Strategy for Investee Corporations



- In the principal investment business, targeting mainly "Niche and top-class companies," we are conducting sourcing activities with such themes as "business succession," "management buyout (MBO) (delisting)" and "sales and carveout of subsidiaries."
- We emphasize a hands-on style investment and therefore conduct business administration and management support for each investee corporation in an integrated manner. Business assistance is provided by the relevant ORIX business units, as required, in the pursuit of "Value-up" in all aspects, including the support activity to develop new customers and expand sales channels.

Retail



Asset composition:

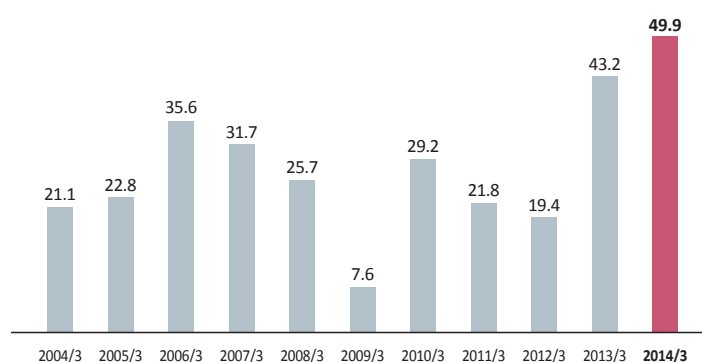
30%



Toward Further Value Creation

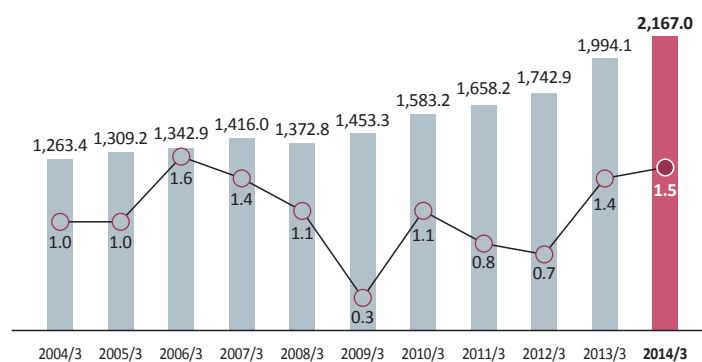
- The Retail segment consists of the life insurance business, the banking business and the card loan business. This segment creates value by increasing segment assets. As all of these businesses are stock-related as opposed to flow-related, the impact of economic and market fluctuations is relatively small compared with other business segments, thereby contributing to reducing the Group-wide profit fluctuation risk.
- Compared with other segments in which segment assets were reduced after the financial crisis, this segment has increased its assets since the FY2008.3, when the assets were at their bottom, steadily growing its base profits. We intend to continue the profit growth by expanding assets.
- A critical challenge for this segment is to raise the ROA. Although the segment asset ROA for the FY2014.3 improved to 1.5% from 0.7% for the FY2012.3, it is still lower than the Group-wide target of 2.5%. Even so, the Retail segment has achieved higher ROA than that of other companies in the same industry by focusing its businesses on its areas of strength. We aim to improve the ROA by increasing assets in the highly profitable life insurance and card loan businesses.

Segment Profits (Billions of yen)



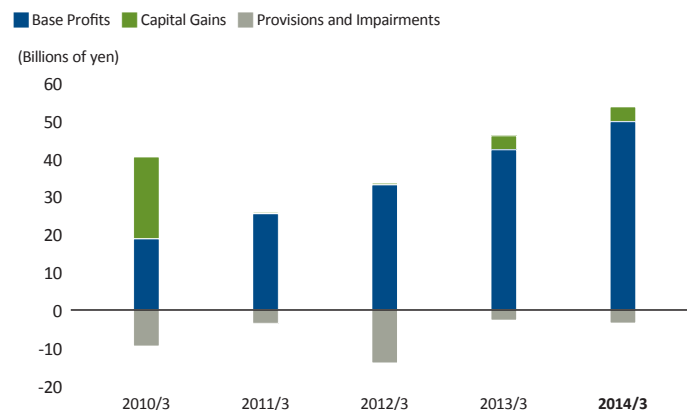
Segment Assets (Billions of yen)

Segment Asset ROA (%)



Five-Year Trends in Profits

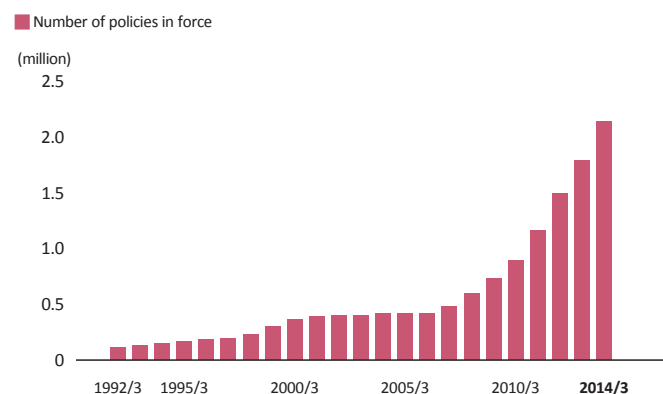
Trends in Profits by Factor



- In the Retail segment, base profits are growing consistently via the expansion of segment assets.
- Despite the temporary capital gains for the FY2010.3 (gains from sales of subsidiary shares and valuation gains of subsidiary shares) and impairment losses for the FY2012.3 (write-downs of equity-method affiliates), base profits are basically equal to segment profits in the segment's profit structure.

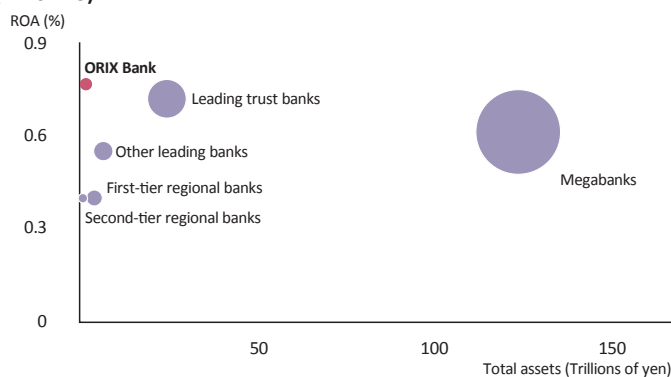
Value Creation in the Focus Business Areas

Life Insurance Business: Number of ORIX Life's Insurance Policies in Force



- As a result of having provided insurance products that meet the needs of the times against the backdrop of women's advancement into society and the response to advanced medical treatment, the number of ORIX Life's insurance policies in force increased mainly for products in "third-sector" such as medical and cancer insurance. ORIX's insurance contracts exceeded the benchmark of 2 million in three years and three months after having passed 1 million in September 2010.
- In the future, by using the ORIX Group's consulting sales channel, we will focus on expansion of sales of "first-sector" products such as traditional life insurance.
- While currently having 31 operating bases, we will expand them nationwide, thereby increasing the number of insurance policies.

Banking Business: ROA of Domestic Banks and the Scale of Their Assets (FY2014.3)



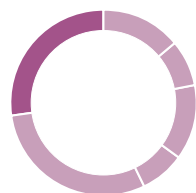
* ROA is calculated based on net income before income taxes and total assets.

* Average values except for ORIX Bank.

* The size of the circles represents total assets.

- ORIX Bank's marked feature is its high profitability compared with other banks, which may be attributable to its cost competitiveness in business development that takes advantage of the non-branch feature.
- The banking business segment mainly handles loans for real estate investments including condominiums and apartment buildings. In recent years, it entered into the corporate loans business and the card loans business and most recently it started handling jointly operated designated money trust.
- ORIX Bank endeavors to increase the balance of card loans as the core of the Group's card loan business and further raise ROA as a streamlined and highly profitable bank.

Overseas Business



Asset composition:

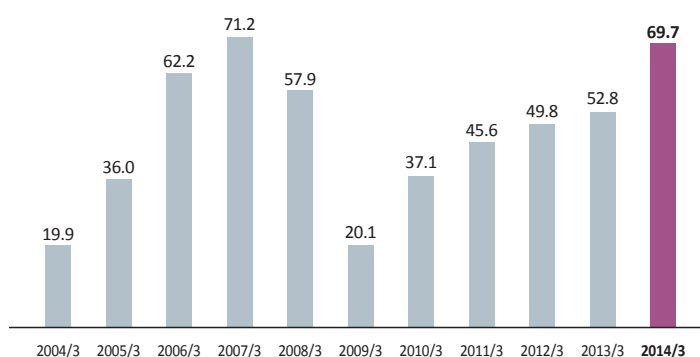
27%



Toward Further Value Creation

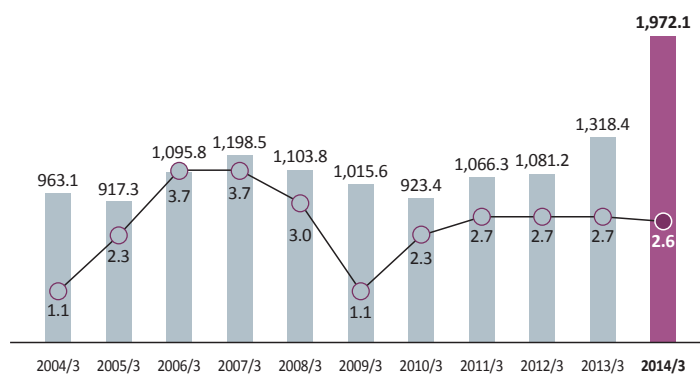
- This segment currently offers financial services in 36 countries and regions worldwide. This segment creates value through expansion of existing businesses, as well as M&As of corporations in good standing that are suited to our strategy of accelerating “Finance + Services” such as Robeco.
- At the overseas local affiliates, this segment has consistently promoted the localization of management. In addition, it has proactively been developing customer-oriented business operations jointly with local partners. In Asia, we are mainly involved in leasing, but we are diversifying businesses in accordance with each country’s growth stage and local customers’ needs.
- Segment assets and profits temporarily declined after the financial crisis. However, they recovered subsequently mainly at the local subsidiaries in Asia, and the ROA has been maintained at high levels. Profitability has improved significantly in the FY2014.3 partly due to the profit contribution from Robeco, which has been consolidated.

Segment Profits (Billions of yen)



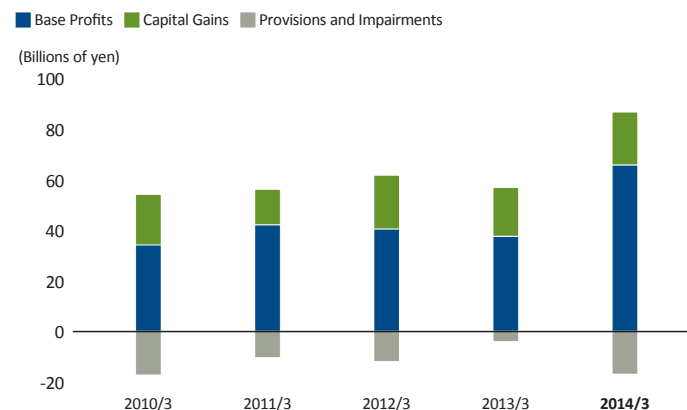
Segment Assets (Billions of yen)

Segment Asset ROA (%)



Five-Year Trends in Profits

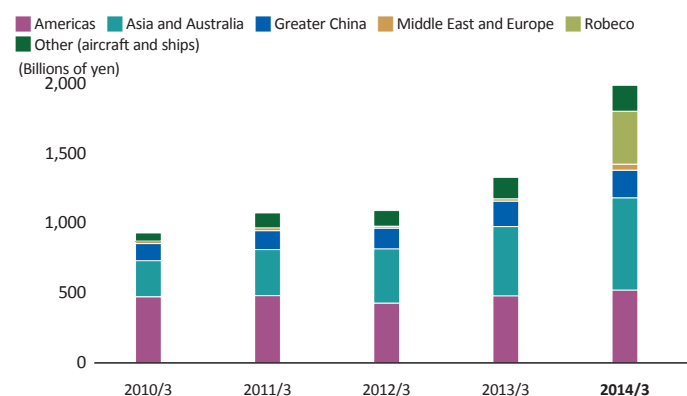
Trends in Profits by Factor



- Base profits of this segment are derived from the leasing business mainly in Asia, the loan business and the investment advisory business in the United States and the asset management business conducted by Robeco mainly in Europe and the United States. Future growth in base profits is expected through business development in peripheral fields of the leasing business and the expansion of Robeco business areas.
- Considerable amount of capital gains have been reported every year with regard to bond investment in the United States and equity investment centering in Asia.

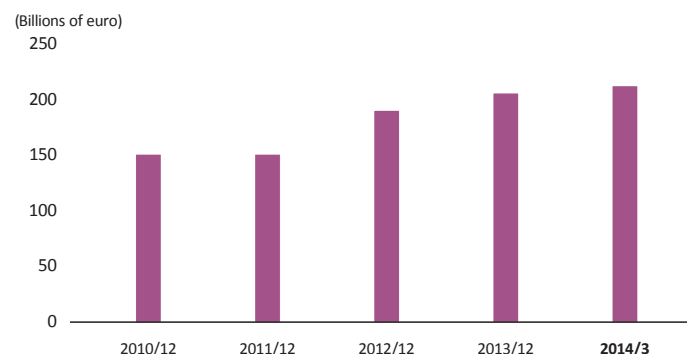
Value Creation in the Focus Business Areas

Balance of Segment Assets by Region—Expanding Mainly in Asia and Robeco



- In this segment, assets in the Americas have been of almost the same scale, whereas assets in Asia and Australia are increasing steadily. In addition, investments in aircraft included in “Other” also have increased. In the FY2014.3, segment assets significantly increased due to consolidation of Robeco.
- We will remain active in moving into and making investments in untapped regions in addition to further business expansion in countries where we already have operations.
- Meanwhile, we will promote the diversification of businesses to absorb the growth of emerging countries in Asia and aim to advance into the retail field to incorporate the increasing middle-income groups in emerging areas of Asia.

Balance of Robeco’s Assets under Management



*The balance before the purchase includes Robeco Direct (not purchased by ORIX).

- Robeco’s assets under management have grown steadily since ORIX acquired Robeco in July 2013.
- Robeco pursues further growth in this segment by increasing the number of its operating bases in Europe, which currently forms the core operating base, and reinforcing its sales structure in the United States.
- Robeco aims for dramatic business expansion in Japan, other parts of Asia and the Middle East, by taking advantage of the ORIX Group’s network.

Corporate Governance

Management Team : Directors (As of July 1, 2014)



1 Makoto Inoue

Director, Representative Executive Officer
President and Chief Executive Officer

2 Haruyuki Urata

Director, Representative Executive Officer
Deputy President and Chief Financial Officer
Corporate Planning Department
Corporate Communications Department

3 Tamio Umaki

Director, Deputy President and Chief Information Officer
Human Resources and Corporate Administration Headquarters
Secretarial Office

4 Kazuo Kojima

Director, Corporate Executive Vice President
Investment and Operation Headquarters
Energy and Eco Services Business Headquarters
Global Business and Alternative Investment Headquarters

5 Yoshiyuki Yamaya

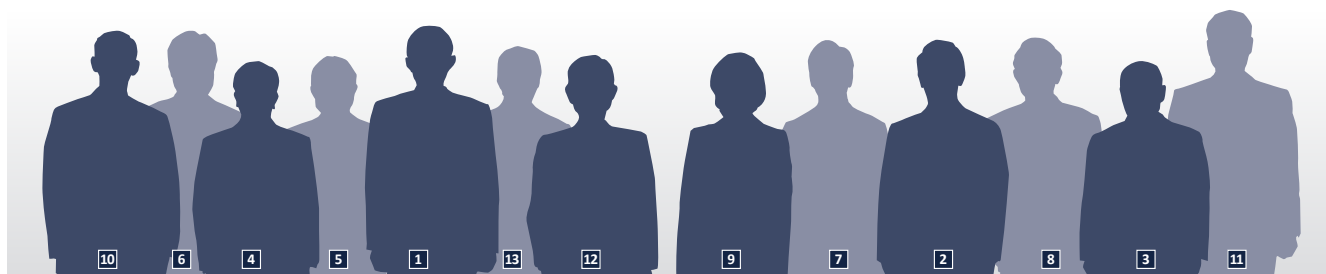
Director, Corporate Executive Vice President
Special Advisor to CEO
Group Retail Business
Retail Business Planning Office
President, ORIX Credit Corporation

6 Katsunobu Kamei

Director, Corporate Executive Vice President
Domestic Sales Headquarters
President, ORIX Auto Corporation

7 Hideaki Takahashi

Non-Executive Director
Special Advisor to CEO





Introduction of ORIX Outside Directors

8 Takeshi Sasaki Outside Director since June 2006

- Professor Emeritus, The University of Tokyo
- Outside Director, East Japan Railway Company

Takeshi Sasaki served as the President of the University of Tokyo and the President of the Japan Association of National Universities. With a wealth of experience in university reform, he is knowledgeable in a wide range of issues in politics and society in general that affect the company's management. As Chairperson of the Nominating Committee, he leads deliberations of members of the Board of Directors and Executive Officers suitable for the Company's business operations.

9 Eiko Tsujiyama Outside Director since June 2010

- Professor, Faculty of Commerce at Waseda University
- Corporate Auditor, Mitsubishi Corporation
- Corporate Auditor, Lawson, Inc.
- Audit & Supervisory Board Member, NTT DOCOMO, Inc.
- Audit & Supervisory Board Member, Shiseido Company, Limited

Eiko Tsujiyama currently serves as a Professor of Waseda University's Faculty of Commerce and served on government and institutional finance and accounting councils both in Japan and overseas. She has extensive knowledge and in-depth experience as a professional accountant. As Chairperson of the Audit Committee, she leads deliberations on the effectiveness of the Company's internal control system.

10 Robert Feldman Outside Director since June 2010

- Managing Director, Chief Economist, Morgan Stanley MUFG Securities Co., Ltd.

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

11 Takeshi Niinami Outside Director since June 2010

- Chairman and the Member of the Board, Lawson, Inc.
- Outside Director, ACCESS CO., LTD.

Takeshi Niinami currently serves as Chairman and the Member of the Board of Lawson, Inc. He participates and offers proactive suggestions in deliberations of the Board of Directors and committees utilizing his managerial decision-making abilities based on his wide range of experience and knowledge in corporate management.

12 Nobuaki Usui Outside Director since June 2012

- Corporate Auditor, KONAMI CORPORATION

Nobuaki Usui served as the Administrative Vice-Minister of the Ministry of Finance and Governor and CEO of National Life Finance Corporation (currently, Japan Finance Corporation). He participates and offers proactive suggestions in deliberations of the Board of Directors and committees utilizing his wide range of experience and extensive knowledge as a specialist in finance and taxation.

13 Ryuji Yasuda Outside Director since June 2013

- Professor, Graduate School of International Corporate Strategy at Hitotsubashi University
- Outside Director, Daiwa Securities Group Inc.
- Outside Director, Fukuoka Financial Group, Inc.
- Outside Director, Yakult Honsha Co., Ltd.

Ryuji Yasuda served as a Director of McKinsey & Company and Chairman of A.T. Kearney, Asia, and currently serves as a Professor at the Graduate School of International Corporate Strategy at Hitotsubashi University. He participates and offers proactive suggestions in deliberations of the Board of Directors and committees utilizing his specialized knowledge on corporate strategy acquired through a wide range of past experience.

Corporate Governance

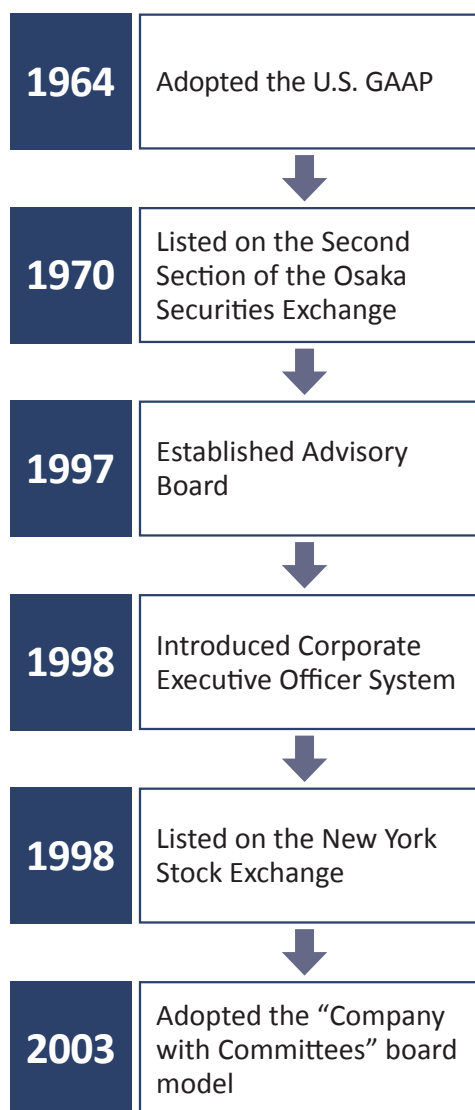
Corporate Governance at ORIX

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.

Approach to Corporate Governance

- 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 the 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 a 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 the 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 the management not taking adequate level of risk.

Evolution of Corporate Governance



Since its founding in 1964, ORIX has endeavored to help investors in Japan and overseas to accurately understand ORIX's performance and businesses. ORIX has been preparing consolidated financial statements in accordance with the U.S. GAAP since 1964 and issuing its annual report in English since 1970.

In 1970, six years after ORIX was founded, its shares were listed on the Second Section of the Osaka Securities Exchange. Going public reflected our belief that a company should fulfill its responsibilities as a member of society.

In the 1970s, Tsuneo Inui, the then president of ORIX, became an Outside Director of U.S. Leasing International Inc., and Yoshihiko Miyauchi, who succeeded Inui as the president of ORIX, also served as an Outside Director of U.S. Leasing. Inui and Miyauchi's first-hand experience as Outside Directors for U.S. Leasing has enabled them to understand the benefit of constructive tension created from a third person perspective to a company's corporate governance. Such experience gained at an early stage of ORIX's development, has been ingrained in the formulation of ORIX's own ideology toward corporate governance since.

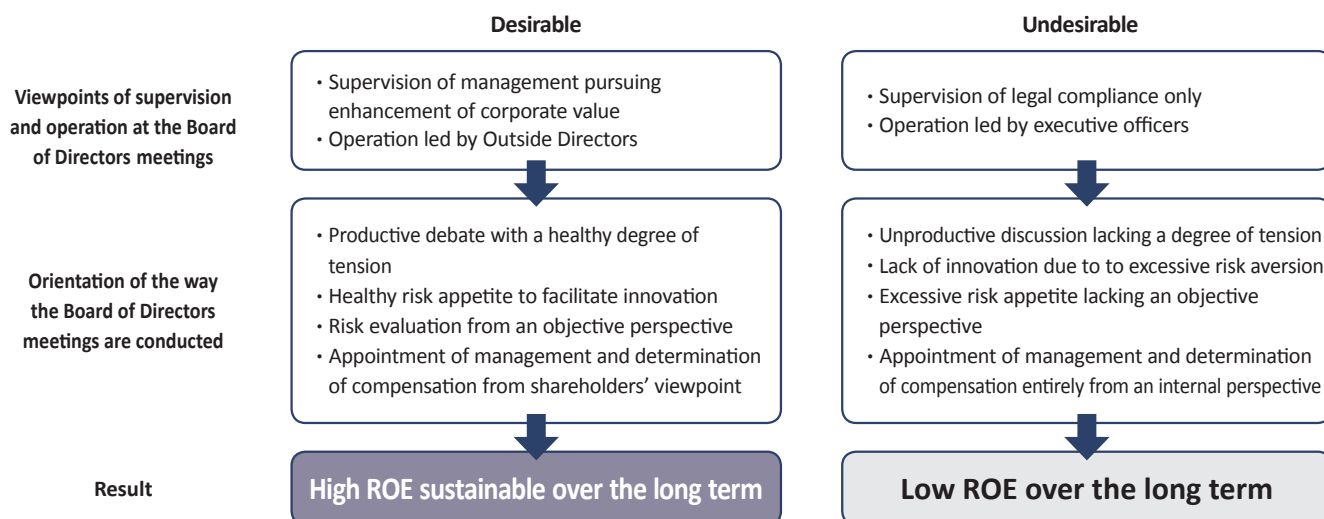
Having established an Advisory Board in 1997 and introduced the Corporate Executive Officer System in 1998, ORIX has been a spearhead in Japan in implementing various initiatives for strengthening corporate governance.

Listing on the New York Stock Exchange in 1998 was prompted by the need to enhance convenience for the growing number of foreign shareholders and also based on our belief that the more stringent disclosure requirements by the U.S. Securities and Exchange Commission (SEC) would lead to strengthening of corporate governance.

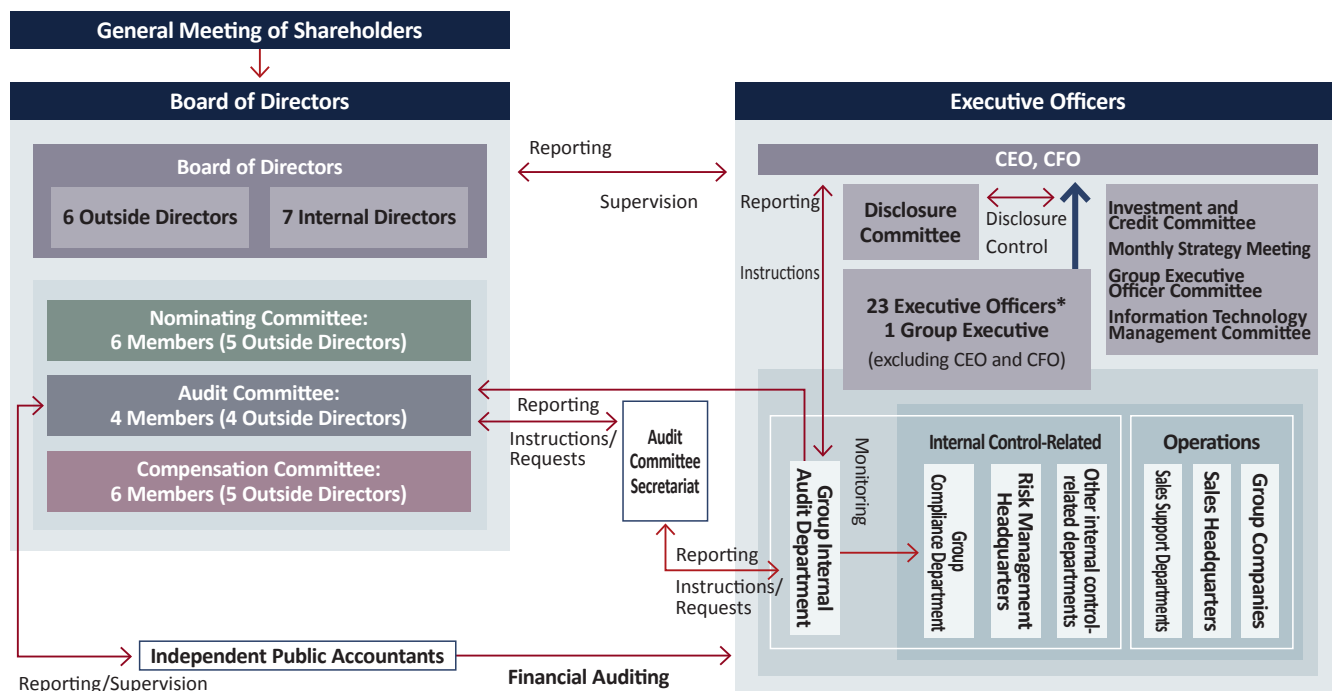
In 2003, ORIX adopted the "Company with Committees" board model. All of our current Outside Directors satisfy the "Conditions for Director Independence" as determined by the Nominating Committee and are thereby registered as Independent Directors as per the rules imposed by the Tokyo Stock Exchange.

In this way, ORIX has actively strengthened those functions aimed at monitoring its management. This is a strict framework for management, but at the same time, we believe that it is the safest framework from the point of view of both management as well as ORIX as a whole.

ORIX's Vision of Corporate Governance



Corporate Governance Framework (As of July 1, 2014)



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

ORIX's ADRs 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 determines "Conditions for Director Independence."
- ORIX is not required to have the majority of its Board of Directors being 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 the Compensation Committee, respectively, are Outside Directors.

Corporate Governance

Board of Directors

The Board of Directors makes business administration decisions regarding 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 approving corporate planning, which includes basic policies on capital management, funding and personnel strategies. Aside from these items, the Board of Directors delegates decision-making regarding business administration to the representative executive officers. The Board of Directors also receives reports from executive officers and committees regarding the status of the execution of their duties. During the FY2014.3, the Board of Directors meetings were held eight times. The attendance rate of directors at these meetings was 99%.

Members of the Board of Directors (As of July 1, 2014)

13 Directors (including 6 Outside Directors)	
7 Directors	6 Outside Directors
Name	Name
● Makoto Inoue	● Takeshi Sasaki
● Haruyuki Urata	● Eiko Tsujiyama
● Tamio Umaki	● Robert Feldman
● Kazuo Kojima	● Takeshi Niinami
● Yoshiyuki Yamaya	● Nobuaki Usui
● Katsunobu Kamei	● Ryuji Yasuda
● Hideaki Takahashi	

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 determines whether the “Conditions for Director Independence” have been met in accordance with nomination criteria for directors.
- 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 directors and executive officers (“Policy for Determining Compensation of Directors and Executive Officers”) and also decides the specific compensation for each individual directors and officers.

Members of Each Committee (As of July 1, 2014)

Nominating Committee (Outside Directors: 5)	Audit Committee (Outside Directors: 4)	Compensation Committee (Outside Directors: 5)
Name	Name	Name
Chairperson ● Takeshi Sasaki	Chairperson ● Eiko Tsujiyama*	Chairperson ● Robert Feldman
● Robert Feldman	● Takeshi Sasaki	● Takeshi Sasaki
● Takeshi Niinami	● Nobuaki Usui	● Eiko Tsujiyama
● Nobuaki Usui	● Ryuji Yasuda	● Takeshi Niinami
● Ryuji Yasuda		● Ryuji Yasuda
● Hideaki Takahashi		● Hideaki Takahashi
FY2014.3 Number of Committee Meetings: 4 Attendance Rate: 90%	FY2014.3 Number of Committee Meetings: 9 Attendance Rate: 100%	FY2014.3 Number of Committee Meetings: 4 Attendance Rate: 90%

* Eiko Tsujiyama, chairperson of the Audit Committee, is a Certified Public Accountant and has extensive knowledge of finance and accounting as a professional accountant.

Compensation Policy 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 the way that provide 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 (who do not concurrently serve as Executive Officers)

- 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 relating to the position of chairperson and committee member.
- Share-based compensation reflecting medium- to long-term performance is granted based on the number of points earned under a prescribed standard by the individual director while in office, and the actual compensation payment amount is decided according to the share price at the time of such individual director's retirement.

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.
- Performance-linked compensation is derived from the standardized base amount for each position 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 reflecting medium- to long-term performance is determined based on the number of points granted under a prescribed standards towards the officer's position, and the actual compensation amount is decided according to the share price at the time of such officer's retirement.

* "Share-based compensation" is a program in which points are annually allocated to directors and executive officers based on prescribed standards while in office, and the compensation provided is the amount equal to the accumulated number of points multiplied by the stock price 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. Under this program, directors and executive officers have an obligation to purchase shares from the Company at the stock price that prevails at the time of their retirement using the after-tax compensation provided.

Compensation of Directors, Executive Officers and Group Executives for the Fiscal Year Ended March 31, 2014

	Fixed Compensation		Performance-linked Compensation		Share-based Compensation		Total (Millions of yen)
	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	
Directors	7	68	—	—	—	—	68
(Outside Directors)	(7)	(68)	—	—	—	—	(68)
Executive Officers and Group Executives	28	968	28	282	1	48	1,298
Total	35	1,036	28	282	1	48	1,367

Notes:

1. In the FY2014.3, one director was newly appointed, one director retired, four executive officers were newly appointed, and one executive officer retired. There were a total of 13 directors (including six Outside Directors), 24 executive officers (including those serving concurrently as directors) and three group executives as of March 31, 2014. Figures for the number of directors and executive officers remunerated and the remuneration amount include figures for one director and one executive officer who retired in the FY2014.3.
2. In the FY2014.3, no persons serving concurrently as directors and executive officers were remunerated as directors. The total remuneration figure for seven people serving concurrently as directors and executive officers is shown in the executive officers and group executives line.
3. Share-based compensation indicated above is the amount for one executive officer who retired in the FY2014.3.
4. ORIX did not provide stock options in the form of stock acquisition rights in the FY2014.3.
5. Figures shown are rounded downward by discarding figures of less than ¥1 million.

For more details, please refer to the following:

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

Corporate Governance

Comments from Outside Directors

Takeshi Sasaki

Outside Director since 2006

Member of Nominating Committee (Chairperson),
Audit Committee and Compensation Committee

The spirit of taking on new challenges is built on the corporate culture of making decisions after thorough deliberation

Because membership on the Nominating Committee is a critical position in corporate management, I always feel the weight of responsibility as the chairperson. Especially, nominations for top management require us to make the best possible decisions for stakeholders by envisioning various possibilities within a certain time frame. The nomination of Mr. Inoue as CEO was made after repeated interviews with management team members to learn their ways of thinking and exchange opinions to deepen our understanding of their thinking. Through such a process, we concluded that ORIX's distinct style of management would be best inherited under Mr. Inoue's leadership. ORIX always has aggressively taken on new challenges, building on its corporate culture characterized by prudence, soundness and decision making based on thorough deliberation. Sometimes I hear from some external parties that it is hard to keep track of ORIX's businesses, but ORIX is an ever-changing company and its strengths might disappear if the Company was forcibly categorized by a conventional grouping of businesses. Let's compare ORIX to "water." Like water, the Company has continually changed itself according to the circumstances it faces, and in doing so, it has kept flowing to steadily permeate through anywhere it reaches. Looking back on the eight years that I have served as an Outside Director, I feel that ORIX's foundations for generating earnings are the most stable now, with its business structure being enhanced more than ever. I therefore strongly believe that the Company will continue to produce successful results.



Eiko Tsujiyama

Outside Director since 2010

Member of Audit Committee (Chairperson) and Compensation Committee

Even small questions and concerns are shared and addressed through open and active discussions at the management level

As the chairperson of the Audit Committee, I am in close communications with the Group Internal Audit Department, the Group Compliance Department and independent public accountants, and visit each business location for auditing to ensure that the monitoring of business operations is conducted from the perspective of shareholders. At the Audit Committee, we invite the managers of the business units as necessary to receive detailed reports and hold active discussions by being regularly informed by the top management of the progress and future direction of management strategies. Based on such information, along with professional opinions from Outside Directors, who are experts in their respective fields, we hold frank discussions so that any concerns can be addressed promptly. Seeing the way the executive officers respond to us, I feel they have full respect for the activities of the Audit Committee. I also have the impression that discussions at Board of Directors meetings pervade the entire management. The entire organization shares a high awareness of crisis management and compliance, and the risks associated with existing businesses are addressed carefully. On the other hand, ORIX is actively taking on various businesses, expanding its business portfolio continuously. Considering that the changing society has been producing new types of risks, including geopolitical issues, I think it is necessary to identify and address such risks involved with the expansion of businesses in the future.

Robert Feldman

Outside Director since 2010

Member of Compensation Committee (Chairperson) and Nominating Committee

Incentives are discussed to develop and acquire human resources with creative ideas that help solve social issues on a global basis

ORIX always seeks to place the right people in the right jobs to ensure flexible responses to various business opportunities. At ORIX, I was impressed by the excellent balance of midcareer employees who bring in new ideas and skills with the employees who embody the DNA of ORIX in themselves. That mixture accelerates the metabolism of the organization, generating new wisdom. At the Compensation Committee, we discuss the best possible incentives to help these employees achieve the best results, while ensuring fair and equal attention to them. ORIX's management is receptive to an extensive range of opinions, which is proof that good governance is in effect. Solutions to the issues and challenges faced by the global economy certainly make good business opportunities. In particular, the business circles can play an important role in solving environmental and energy issues and improving infrastructure. Chances are high that ORIX can take a more important role in resolving these issues. We will continue to further discuss the incentives that contribute to developing and acquiring the talent who can propose and execute ideas to address such issues.



Ryuji Yasuda

Outside Director since 2013

Member of Nominating Committee, Audit Committee and Compensation Committee

Discussions are extremely active, with high awareness of risk management

With strong trust in the new leader, expectations are high for the next step forward

It's been one year since I assumed the office of Outside Director. I was impressed that the Board of Directors meetings were more open than I had imagined and that executive officers performed their duties in an unconstrained manner based on their free-minded ideas. I suppose risk management is one of the important governance issues for a company engaging in businesses like those of ORIX. Take risk management for the real estate business, for example. At ORIX, business strategies and the investment portfolio are discussed thoroughly at the Board of Directors meetings, where not only the proposed resolutions but also the business strategy, future business development and HR strategies are discussed. Such an agenda promotes an exchange of views, and opinions are actively presented by Outside Directors as well. My views sometimes disagree with others, but the difference in opinions spurs free and fruitful discussions and results in various viewpoints. I see such a practice as extremely valuable. Furthermore, the succession from Mr. Miyauchi to Mr. Inoue and the subsequent transition to the new management structure has been carefully arranged and has received unanimous support of the Board. We highly trust our new leader, and along with our excellent executive team, I expect ORIX to take a dynamic step forward toward next stage of growth. Needless to say, the Outside Directors will continue to monitor the Company's willingness to pursue growth while carefully assessing risk and return.

Corporate Governance

Management Team : Executive Officers and Group Executives (As of July 1, 2014)



Vice Chairman
Hiroaki Nishina

Group Kansai Representative
Group Real Estate Business
Chairman, ORIX Real Estate
Corporation
President, ORIX Baseball Club Co., Ltd.



**Corporate Executive Vice
President**
Shintaro Agata

Treasury Headquarters



**Corporate Executive Vice
President**
Yuki Ohshima

East Asia Business Headquarters



**Corporate Senior Vice
President**
Eiji Mitani

Domestic Sales Headquarters,
Kinki Sales
Group Kansai Deputy Representative



**Corporate Senior Vice
President**
Takao Kato

Accounting Headquarters
President, ORIX Management
Information Center Corporation



**Corporate Senior Vice
President**
Kazutaka Shimoura

Risk Management Headquarters



**Corporate Senior Vice
President**
Yuichi Nishigori

Energy and Eco Services Business
Headquarters



**Corporate Senior Vice
President**
Hideto Nishitani

Chairman, ORIX USA Corporation



Executive Officer
Yasuyuki Ijiri

Domestic Sales Headquarters,
District Sales



Executive Officer
Shigeki Seki

Human Resources and Corporate
Administration Headquarters



**Executive Officer
Satoru Katahira**

Domestic Sales Headquarters,
OQL Business, Regional Business,
Administration Center and Call
Center
IT Planning Office
President, ORIX Callcenter
Corporation



**Executive Officer
Tetsuro Masuko**

Real Estate Headquarters
Investment Business
Special Investments Group
Finance Department
President, ORIX Real Estate
Corporation



**Executive Officer
Shuji Irie**

Investment and Operation
Headquarters



**Executive Officer
Satoru Matsuzaki**

Domestic Sales Headquarters,
Tokyo Sales and New Business
Development



**Executive Officer
Tsukasa Kimura**

Energy and Eco Services Business
Headquarters



**Executive Officer
Hiroshi Nishio**

Global Business and Alternative
Investment Headquarters



**Executive Officer
Masaaki Kawano**

Director, Robeco Groep N.V.



**Executive Officer
Hiroko Yamashina**

Group Compliance Department
Group Internal Audit Department



**Executive Officer
Ryuhei Sakamoto**

Treasury Headquarters



**Group Senior Vice President
Masatoshi Kemmochi**

Vice Chairman, ORIX Real Estate
Corporation

Risk Management

Risk Control

The ORIX Group 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 risk management and administration departments 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 received the reports evaluate the performance, profitability and risk of each business unit and total portfolio, and take the 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

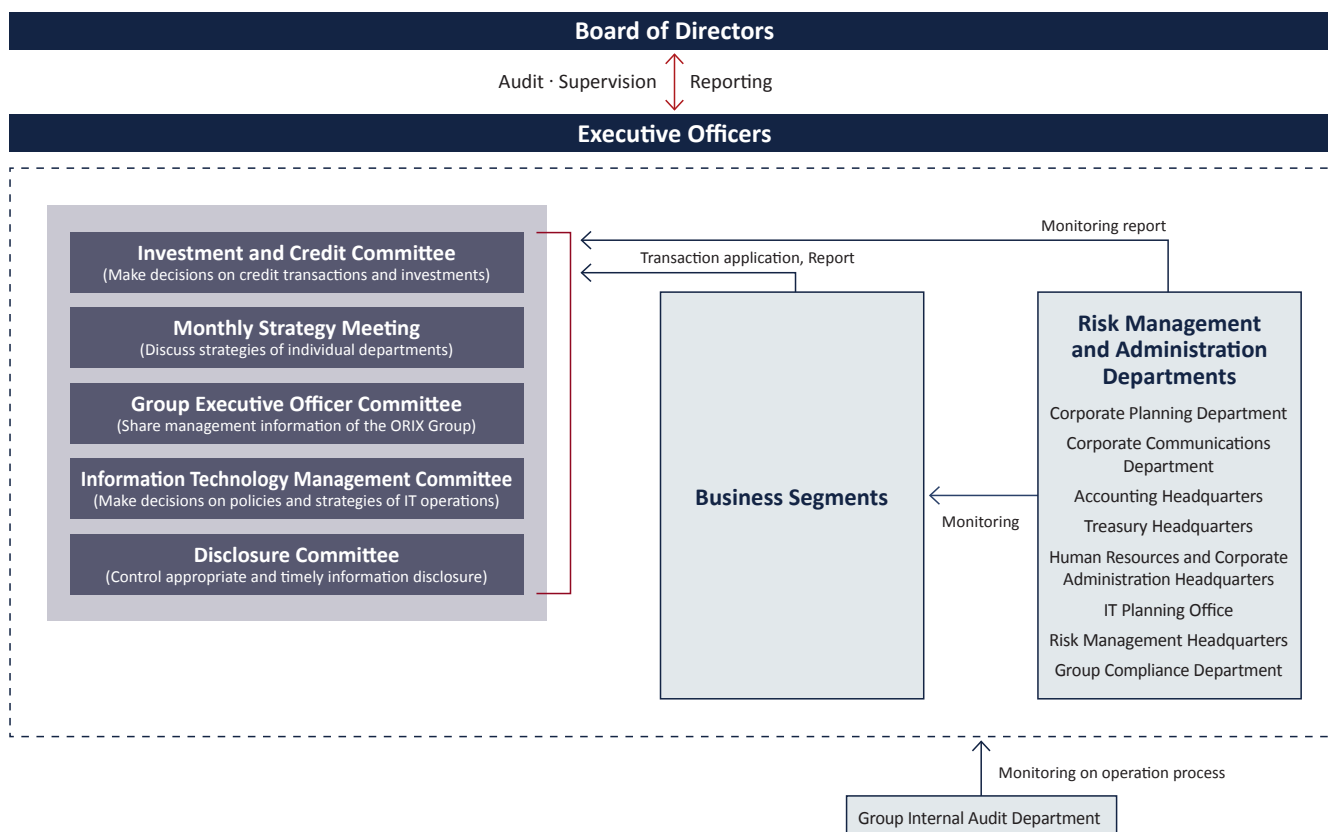
The representative executive officers make ORIX's important business administration decisions after deliberations by the Investment and Credit Committee ("ICC") in accordance with ORIX's various regulations.

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 Executive Officer System

- Operation and oversight are separated through a "Company with Committees" board model.
- CEO and CFO are involved in all processes of evaluating individual transactions and monitoring 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, 2014)



Top Management Involvement in Main Functions of Executive Officers



- Investment and Credit Committee deliberates individual transactions. Even small transactions are discussed about and made decision of with CEO and CFO.
- Monthly Strategy Meeting is held for units smaller than 6 segments (business headquarters, group companies, administrative departments). CEO and CFO discuss with individuals in charge of individual units monthly and confirm plans, progress, and outlook then give instructions as necessary. The number of the units that hold Monthly Strategy Meeting is now approximately 20.
- At Group Executive Officer Committee, CEO shares information about progress of the Group strategy and CFO shares information about numerical aspects to all the executive officers and group executives.

Individual Executive Bodies

Important decision-making related to business administration, monitoring, discussions and information sharing is carried out by the following bodies:

Investment and Credit Committee

(Three Times a Month in Principle)

Top management and the executive officer in charge of investment and credit

- 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 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)

Top management and individuals in charge of individual departments

- 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)

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)

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)

CFO (Chairperson) and executive officers in charge of Treasury Headquarters, Accounting Headquarters, Risk Management Headquarters, Group Compliance Department, Human Resources and Corporate Administration Headquarters, Corporate Planning 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.

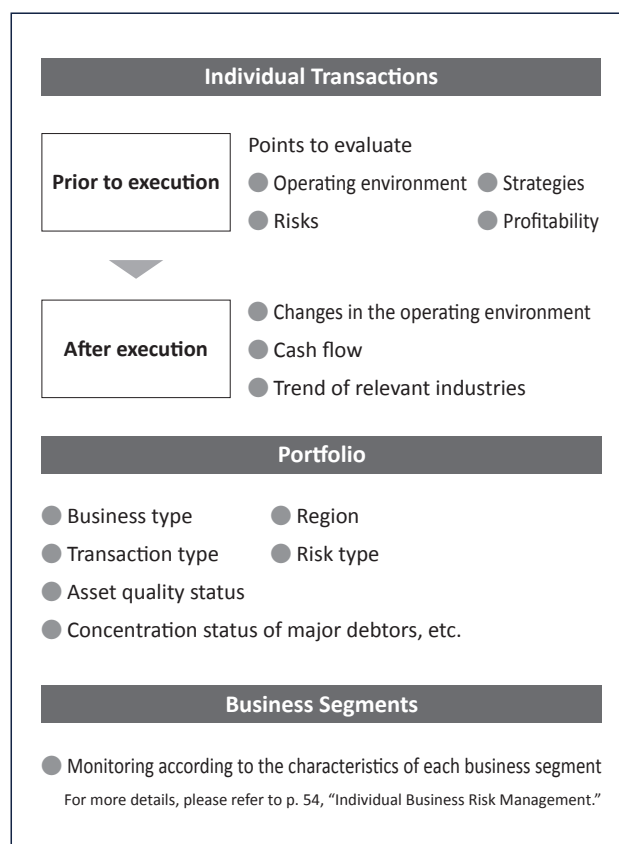
Risk Management

Main Risks and Monitoring Matters

Main Risks



Monitoring



Main Risk Management

The ORIX Group recognizes that credit risk, business risk, market risk, liquidity risk (risk relating to funding), legal risk and operational risk are the main risks facing us and manages each of these risks according to its own characteristics.

Credit Risk Management

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

To conduct a credit check, we focus on 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 on 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 problem assets to include credit extended to debtors who have petitioned for bankruptcy or civil rehabilitation, or other insolvency proceedings; whose bank transactions are suspended, bills are dishonored, debts are not collected for three months or more. The relevant business units, in cooperation with the Risk Management Headquarters, 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 at the Risk Management Headquarters 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 products or services of the types we offer.

Against uncertainties of business, we monitor business plans and operations using scenario analyses and stress tests for business risk, and the cost of withdrawal from a business is also subject to evaluation and verification at those times.

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

our lineup of products and services 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 position.

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 asset liability management (“ALM”) policies, and we endeavor to comprehensively understand and verify the market risk.

Comprehensive evaluations are made for interest rate risk using such analyses as the 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 reviewed, as required, depending on the situation.

We generally manage exchange rate risk by using foreign currency loans, foreign exchange contracts and currency swaps to hedge exchange rate volatility in our business transactions in foreign currencies and overseas investments. We understand and manage the exchange

rate risk of unhedged foreign currency denominated assets using appropriate indicators such as the VaR (value at risk).

When we use derivative transactions as a means of hedging, we manage counterparty credit risk and other risks involved in hedging derivative transactions in accordance with internal rules on derivative transaction management.

For assets under management of the banking business, the life insurance business and our U.S. operations, while regularly monitoring monetary policies, macroeconomic indicators and securities and financial market trends, we manage our asset portfolios by analyzing on a daily basis individual security price movements and gains and losses. Market volatility is managed according to guidelines that include fixed loss amounts and decreases in position. Our risk management departments monitor 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 procure funds at an unusually high rate of interest due to market turmoil, deterioration in the financial condition of the ORIX Group or other reasons.

To reduce liquidity risk, we diversify funding methods and sources and monitor the liquidity on hand. To manage the liquidity on hand, we project future cash flows and analyze liquidity risk in hypothetical stress scenarios. We take necessary measures accordingly so that business may continue undisturbed in the event of environmental 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 steps such as parent-to-subsidiary lending depending on the situation.

ORIX Bank Corporation (“ORIX Bank”) and ORIX Life Insurance Corporation (“ORIX Life Insurance”) are engaged in retail financial activities

for individuals such as accepting deposits and insurance underwriting and are regulated by Japanese financial authorities. Therefore, they are required to manage liquidity risk independently from other ORIX Group companies based on internal regulations formulated according to the relevant regulations.

Specifically, ORIX Bank ensures the necessary liquidity by setting maximum limits for its legal reserve ratio and capital market-based funding, while holding assets with high liquidity such as cash and cash equivalents and securities. Phased liquidity risk management is conducted by assuming several predicament degrees at different cash-strapped phases in addition to regularly monitoring the compliance condition.

ORIX Life Insurance conducts stress tests on insured accidents and ensures the necessary liquidity by holding assets with high liquidity 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.

Risk Management

Legal Risk Management

We define legal risk as the risk of legal responsibility or legal disadvantage arising due to noncompliance with applicable laws and/or regulations in any business or corporate management.

To avoid, prevent and mitigate transactional legal risk in Japan, we generally require that the Risk Management Headquarters and the Group Compliance Department be involved in transactions. In addition to establishing internal rules necessary to observe applicable laws, we implement necessary steps to ensure that we are, and continue to be, in compliance with revisions to laws as they take effect.

For business transactional agreements, we have established an approval process involving the Risk Management Headquarters, in accordance with our prescribed internal rules. In addition, depending on the size and importance of a given transaction, we might also utilize

the expertise of outside lawyers. To ensure that proper legal procedures are followed in connection with legal disputes and litigation, we require that the Group Compliance Department and the Risk Management Headquarters 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 Group Administration Department conducts monitoring to prevent the violation of intellectual property rights and necessary measures would be taken quickly, if and when violations are discovered.

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

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.

Each department of ORIX implements a self-verification program through which material risks at the Group level are addressed. The Group 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 have a negative impact on Group management and strengthens the risk management function through monitoring activities.

The Group Compliance Department supports the implementation of

a self-verification program in each department. The department also has produced a compliance manual and distributed it to all executives and employees in the ORIX Group to increase their awareness of compliance.

ORIX Computer Systems Corporation aims to reduce operational risk through the maintenance and operational administration of internal systems.

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

Individual Business Risk Management

The ORIX Group has a broadly dispersed business portfolio, including financial service operations. We perform complete and transparent monitoring and risk management according to the characteristics of each business operation.

Corporate Financial Services Segment

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 Risk Management Headquarters regularly evaluates customers with large credit balances.

We analyze the current condition and outlook for specific business

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

For problem assets, particularly in transactions collateralized by real estate, we take various measures such as capitalizing on our network of real estate-related departments to sell properties or introduce tenants.

Maintenance Leasing Segment

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

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

Cost fluctuation (prime cost) is the main risk of providing various services such as outsourcing. In response to this, we analyze initial preconditions and performance, monitor 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 changes and diversification of client needs, we monitor our service quality quantitatively and qualitatively and continuously strive to improve our services and make improvements in line with the operating environment.

We also conduct credit examinations against individual transactions before and after execution to manage credit risk.

Real Estate Segment

In the Real Estate segment, the main risk for business involving real estate development, possession and operation is business risk, and the main risks for business involving real estate finance are market risk and credit risk.

With respect to real estate investment, we conduct comparative verification of cash flows of precondition, performance and forecast prior to execution, and monitor investment strategies and schedules after execution. In the case of a major divergence from the initial forecast, we reevaluate our strategy. We invest mainly in small properties and diversify risk by investing in large properties through joint ventures with partners.

For condominiums, we monitor development and sales schedules, unit sales progress and rates of return. For development and leasing properties, we monitor development and retention schedules and NOI

yield. We capitalize on the Group's network in order to improve occupancy rates and promote sales.

Our operation business monitors occupancy rates and rates of return and concentrates on creating manuals and educating employees.

In our real estate finance business, regarding nonrecourse loans, we carefully examine the loan-to-value ratio ("LTV"), the debt service coverage ratio ("DSCR") and other contractual terms and conditions such as the equity provided by other companies, the interest reserve and guarantees to control the relevant risks. Under such environment as extremely reduced liquidity in market, we monitor cash flows from transactions more precisely to implement measures such as revision of financing terms. In addition, depending on the circumstances, we may foreclose on collateral and hold and operate it ourselves, thereby taking on business risk.

Risk Management

Investment and Operation Segment

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

When making investment decisions in the principal investment business, we do a credit evaluation, analyzing the investee's credit risk and assessing its cash flow, as is done for credit examinations. In addition, we perform a multi-faceted evaluation on the characteristics of the operation and investment scheme, in which administrative departments such as the accounting and legal departments are also involved. After the origination of an investment, individual transactions are monitored to check whether they diverge from the initial scenario. Credit risk is emphasized for the companies for which we are raising corporate value due to the focus on cash flow. We also monitor market risk as the time for collection nears, measuring corporate value by referencing the corporate value of similar business types. The frequency of monitoring could increase based on changes in 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 the

ORIX Group, we work to strengthen management through such measures as the dispatch 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, we designate an outside lawyer as a Director and have streamlined our organizational system with legal and compliance-related affairs under the control of the Legal and Compliance Department of ORIX Asset Management and Loan Services Corporation to cope with diversified legal issues, which could occur with any stakeholders, from a professional and multi-faceted viewpoint.

In the environment and energy-related businesses, 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.

Retail Segment

The main risk in the life insurance business is business risk, in particular, the risk associated with underwriting insurance contracts.

When underwriting insurance contracts, while implementing strict assessment standards based on such documents as statement of health conditions and medical examination report, cultivating employees with expert knowledge and hiring sufficient staff, ORIX Life Insurance also 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 representative branch staff and agents to enhance compliance with applicable laws and regulations regarding the privacy of personal information, as well as insurance sales practices, and regularly conducts checks related to these measures.

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

Regarding housing loans (for the purchase of condominiums and

apartments for investment purposes), we conduct screenings, 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. Regarding corporate lending, we make a decision based on an investigation of the client's performance, business plan, the purpose of the loan, the source of repayment and industry trends. We also reduce risks by diversifying the business types and products of our portfolio. The card loan business uses our own scoring system incorporating a credit model. We set interest rates and credit limits in line with each customer's credit risk profile, after evaluating customer 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 Segment

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

Individual transactions in this segment are conducted in a manner similar to those in the domestic business segments. The Risk Management Headquarters 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 problem assets and the clients of particular concern is shared internally.

Risk management in the principal investment business and the automobile 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 environments 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 such as corporate loans and securities investment in the United States.

Regarding credit risk, at the time of origination, we assign an internal credit rating to each investment or loan taking into consideration the credit status and the collateral status and continually monitor the credit status. For any investments and/or loans of which the rating has reached or exceeded the caution level, a management policy shall be determined on the necessity of a provision for doubtful receivables and probable loan losses or an 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 ("Fannie Mae") and the Federal Housing Administration ("FHA"). 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.

Operational risk and business risk are the main risks for the advisory business and the asset management business in the United States.

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. In the asset management business, to manage operational risk we have established an internal compliance system and manage our operations to abide by established compliance standards as an SEC-registered company.

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

For a Sustainable Society, Organization and Environment

—ORIX's Corporate Vision in the 21st Century

Providing new value and continuing to be a corporate entity needed by society

Since its establishment in 1964, ORIX has been guided by the underlying principle of “Creating New Value” and “Standing on Our Own Two Feet.” With the idea of contributing to the economy and society through corporate activities, ORIX has grown through the cycle of profiting from the recognition earned as a result of constantly creating and providing new value to society. We intend to pursue creative innovation to provide new value and continue to be an entity needed by society.

EC21

Excellent Company

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

Pride

A company that takes pride in its activity to create new value that is economically significant and valued by the market

The function of a company in society is to make a positive contribution to the economy reflected in the world around us. This is the true purpose and role of a company. By achieving this purpose at a higher level, ORIX is proud that as a company it contributes to society.

Trust

A company trusted by the people, with strong capabilities to respond to the diverse expectations of society including shareholders, customers and employees, which are matched by high standards of professionalism

It is the stakeholders, including shareholders, customers and employees, that have the most direct and large involvement in supporting the existence and development of a company. At ORIX, we aim to be a company that exceeds international standards by responding not only to the expectations of all of our stakeholders but also the expectations of society as a whole. By responding to these various expectations while maintaining a humble and modest position, we wish to become a company trusted by all.

Respect

A company that earns public respect by adhering to social norms, cultivating excellent corporate culture that follows fair and transparent business practices, and maintaining harmony with society

If a problem occurs that offends social norms during the course of corporate activities, the reputation of company will be harmed. By acting according to higher standards than that of solely abiding by the law and raising these standards as ORIX grows, we would like to create a widely respected corporate culture of excellence.



Social Issues and Value Creation Initiatives Addressed by ORIX

Social Issues and Needs

Revitalization of SMEs

Regional Revitalization

Diversification of Financial Needs

Change in Value from Ownership to Utilization

Aging Society

Stabilization of power supply and promotion of energy management

Creation of recycling-based society

Value Creation Initiatives Addressed by ORIX

- Provision of business fund for SMEs leveraging the ORIX branch network nationwide
- Loan guarantees to regional financial institutions to facilitate financing to SMEs
- Provision of solutions to help SMEs resolve their management issues and/or business succession
- Assistance to overseas expansion and expansion of operational area

- Rehabilitation of Japanese inns nationwide to invite more tourists
- Job creation by establishing a plant factory using abandoned regional school
- Use of former airport site for mega-solar business in collaboration with local municipality
- Revitalization of Kansai economy through operation of KNOWLEDGE CAPITAL, an intellectual creation base

- Provision of new financial services:
 - Project financing
 - Card loans
 - Housing loans for real estate investment
 - Jointly operated designated money trust
 - B2B payment settlement service
 - Asset-backed lending

- Provision of car leasing with maintenance services for corporations
- Provision of "My car" leasing, which offers a choice of different cars and terms for individuals
- Car sharing service as a convenient way to use vehicle for a short time
- Provision of a wide variety of rental equipment with more than 30 thousand choices

- Operation of private nursing homes with livelihood/nursing care/medical treatment services
- Operation of rental housing for the elderly targeting active senior citizens
- Policy of promoting Group's senior employees' involvement (career design training and in-house staff recruitment system)
- Implementation of a mandatory retirement system at 65 years old and increased choices of working patterns

- Promotion of renewable energy business (For more details, please refer to p.59)
- Provision of comprehensive service related to energy saving of factories and buildings (ESCO)
- Provision of affordable electric power for business operators (electric power trading)
- Provision of bulk electric purchasing services to reduce electricity cost for condominium residents

- Operation of cutting edge processing facilities in which waste can be fully recycled
- Operation of metal waste processing facilities in which quality metal materials can be sorted out
- Establishment of networks to provide collection, recycling, and proper disposal of waste items nationwide
- Sales of used rental equipment of good quality, sales of used cars with full lease period as "ORIX Certified Used Cars"

For a Sustainable Society, Organization and Environment

Environmental and Energy-related Initiatives

ORIX Contributes to Society through Business Operations by “Creating” and “Using”



Mega-Solar Power Generation Business Nationwide

ORIX is conducting power generation business by developing large scale solar power facilities (mega-solar) with a maximum output of 1 MW each by lending idle properties nationwide owned by municipalities and corporations. We had embarked on the development of 214 projects for a combined maximum output of 425 MW by the end of March 2014. The projected annual power generation is approximately 465,210 thousand kWh for all these projects, which is equivalent to the annual power consumption of approximately 129,200 households.*

*Calculation based on consumption of 3,600 kWh a year per household
Source: Electricity Statistics Information, The Federation of Electric Power Companies of Japan

Promoting Geothermal, Wind and Other Renewable Energy Businesses

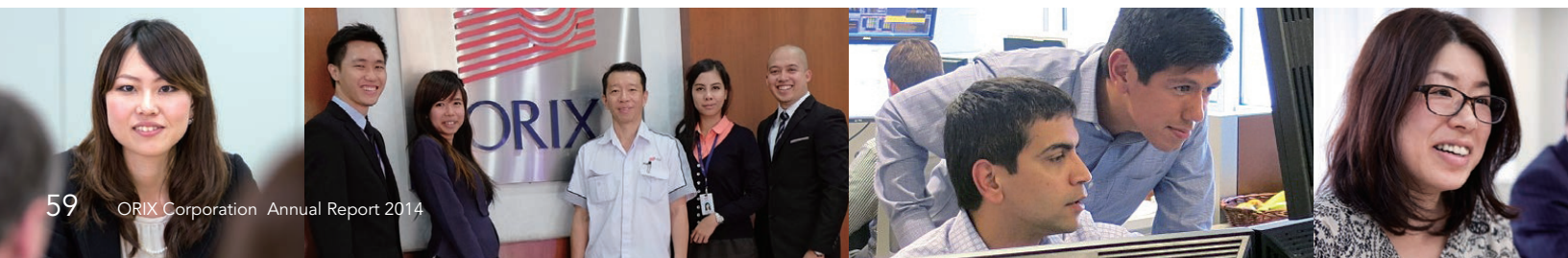
ORIX is active in promoting power generation businesses using renewable energy sources such as geothermal, wind and biomass in addition to solar. The Suginoi Hotel (Beppu City, Oita Prefecture), operated by the ORIX Group, owns and operates one of the largest private geothermal power generating facilities in Japan with a maximum output of 1.9 MW. In Gunma Prefecture, we operate the Agatsuma Biomass Power Plant, a wood chip-fired thermal power station.



Sales of Solar Power Generation Systems

ORIX provides support for customers investing in solar power generation systems at comparatively low prices by leveraging economies of scale using its network of installation companies nationwide and procuring equipment directly from manufacturers. ORIX assists customers with the smooth introduction of systems by providing everything from equipment installation to post-installation maintenance on a one-stop basis. This includes selecting appropriate equipment from multiple manufacturers and funding measures appropriate to the customers including leasing, installment loans, financing and rental, as well as other services such as providing support for obtaining facility certification for the feed-in-tariff system.

Create:
Addressing the Challenge of Inexhaustible Energy



Environmental Policy

The ORIX Group will contribute to resolving environmental and energy issues through its business operations, that meet the needs of customers and society.

This commitment will direct our efforts as we continue to expand the range of our business and grow.

For ORIX Group Eco Services and Activities, please refer to the following:

● Eco Service Guide ▶▶▶ http://www.orix.co.jp/grp/en/env_soc/environment/report.html

Storage Battery System Rental Service

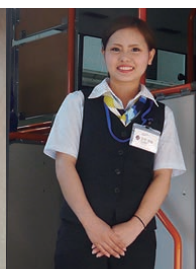
ONE Energy, a joint venture established by ORIX, NEC Corporation and EPCO Co., Ltd., is developing a home energy service combining storage battery rental and applications that support visualization of electricity use and energy conservation. Besides serving as a source of electricity in emergencies, the service will help to reduce electricity charges and peak daytime electricity demand through visualization of electricity use and providing optimal ways of using electricity.

**One-Stop Eco-Friendly Services for Automobiles**

With the largest vehicle fleet in Japan's auto leasing sector and roughly 1.08 million vehicles under its management, ORIX Auto Corporation proposes the most reasonable use of vehicles by combining a wide variety of services according to custom use needs including car leasing, rental and sharing. ORIX Auto provides comprehensive services that help to reduce environmental impact and CO₂ emissions, as well as foster environmental awareness throughout a vehicle's life cycle. This includes everything from the maintenance services needed to keep a vehicle running to telematics services that promote eco-friendly driving and vehicle disposal.

Eco-Friendly Real Estate Business

ORIX is developing eco-friendly real estate, including residences, office buildings, commercial facilities, logistics centers and other properties with excellent environmental performance through means such as, installing solar power generation systems, converting walls and exteriors of building with greenery, and using natural lighting and introducing long-life luminary. At operating facilities such as golf courses and hotels, ORIX is also actively involved in reducing the environmental impact. For golf courses, ORIX is upgrading air-conditioning, water heating equipment and night-time golf facilities, switching to LED lighting, and converting grass cuttings into fertilizer for use on plants on courses. Furthermore, its hotels collect food waste that was generated at these facilities to convert them into fertilizer. The hotels will then purchase agricultural products with the use of this fertilizer to improve their food waste recycling rate. In this way, ORIX is helping to build a recycling-based society in harmony with nature by energy saving measures for buildings and reduction of CO₂ emissions.



For a Sustainable Society, Organization and Environment

Source of Value Creation—Organizations and Human Resources

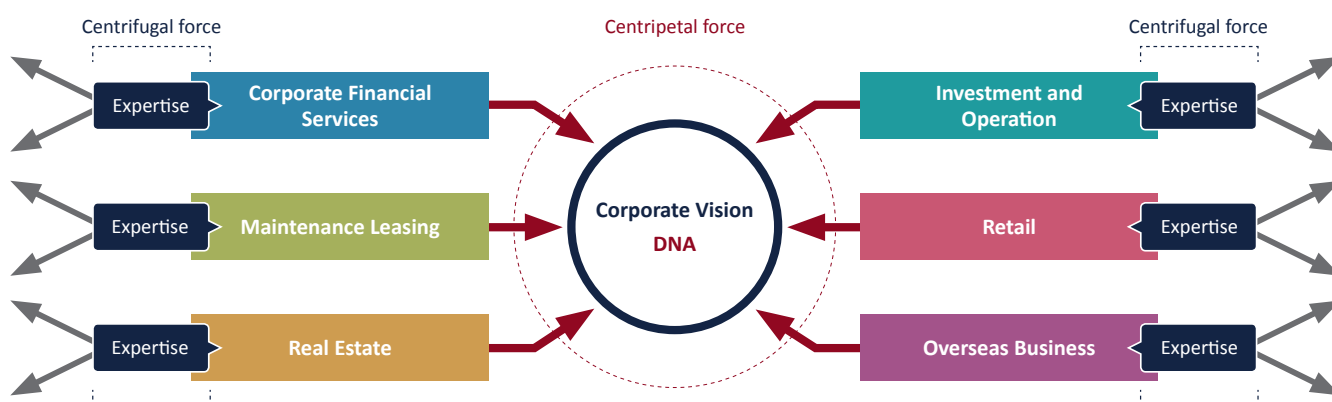
Creating New Value through the Seamless Coordination of Diversified Individual Characteristics

Original Organizational Structure Unlike a Conglomerate

ORIX engages in many businesses that respectively have its own strong expertise. However, it is not an aggregate of independent businesses like a conglomerate. The primary feature and strength of ORIX businesses is the seamless coordination thereof to exert synergies to create new value. We therefore encourage our employees with strong expertise to fully demonstrate their talents as team players in terms of organizational operation. We at ORIX will strike a balance between the centrifugal force that moves beyond the existing business field due to growing expertise in each business field and the centripetal force that centers around the key concept of

ORIX's DNA, and aim to create greater added value.

Along with the expansion of business portfolio, those with various expertise other than in the financial area such as facilities operation business and environment and energy-related businesses have joined the ORIX Group and are now actively involved in their respective areas. The number of employees who joined the Group through mid-career recruitment for the FY2014.3 is 227*1 and comprises 40%*1 of the total number of employees at the end of March 2014.

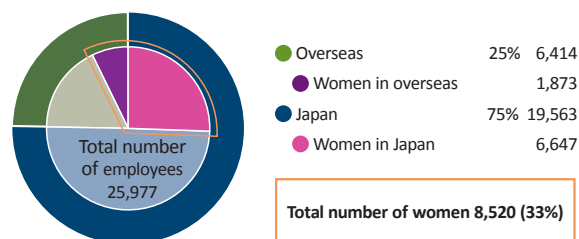


Promoting Women in the Workplace

Even before the Equal Employment Opportunities Law was introduced in 1986, ORIX had actively recruited women as part of its important human resources strategy. In March 2014, ORIX was selected as a "Nadeshiko Stock" by the Tokyo Stock Exchange in recognition that it is a company that promotes women playing an active role in the work-

place. It received high appreciation especially due to a high percentage of women in managerial positions and for the appointment of one female Outside Director and one female executive officer.

Employee Composition (March 31, 2014)



Percentage of female managers*1, 2

14%

Percentage of female employees who are working mothers*1, 3

31%



*1 For ORIX and domestic Group companies (a total of ten companies) at the end of March 31, 2014

*2 Percentage of female managers to total number of managers

*3 Percentage of female employees who are working mothers to female employees



For a Truly Affluent Society—Activities of the ORIX Miyauchi Foundation

Doing What We Can for a Better Society and for Our Children

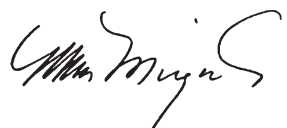
A Message from the Representative Trustee

Sixty years have passed since the end of the Second World War, and Japan, having grown to become one of the largest economies in the world, has come to enjoy economic affluence. However, society is plagued with heinous crimes that previously would have been unimaginable, leaving us to ponder what a truly affluent society is.

The ORIX Group promotes its business with the aim of responding to society's needs for creating new value and the environment. Furthermore, looking for ways to contribute in areas such as social welfare, support for children and youth and environmental protection, which are not reached by our business activities, ORIX established the ORIX Social Fund in April 2006 (changed to a public interest incorporated

foundation in 2010) and has since engaged in various support activities. Social responsibilities are not borne solely by corporations; each of us as a citizen of society has responsibilities. I believe that society will change if responsible adults act more consciously, and it is the role of corporations to contribute to and be an extension of those activities. As a foundation established by the ORIX Group, we will continue our contribution activities with the aim of contributing to the realization of a truly affluent society.

Yoshihiko Miyauchi,
Representative Trustee
ORIX Miyauchi Foundation



Inviting children from foster homes, children and adults with disabilities, and families directly affected by the Great East Japan Earthquake to professional baseball games, aquariums and hotels

ORIX invites children, adults and children with disabilities and those directly affected by the Great East Japan Earthquake to ORIX Buffaloes' regular-season professional baseball games; the ORIX Buffaloes' Fan-Festa event held annually; and the Sumida, Enoshima and Kyoto aquariums and hotels operated by the ORIX Group. Employee volunteers participate in the aquarium events to assist with tours for the invited guests.



Enoshima Aquarium



Children launch rocket balloons while watching a professional baseball game

Support activities overseas

In cooperation with EDF-Japan, ORIX built ORIX Education Development Centers at two schools in northeast Thailand in the FY2007.3 and 2008.3. Since the FY2010.3, ORIX has also provided the Darunee ORIX Scholarship program to children studying at these schools, offering scholarships for students until they graduate from junior high school. In the FY2013.3, Typhoon Haiyan struck the central area of the Philippines. To support relief efforts, the ORIX Foundation and ORIX METRO Leasing and Finance Corporation, a joint venture in the Philippines, together donated a total of 4.3 million pesos (approximately 10 million yen) as relief money to be used in the rescue of those affected by the disaster and the ongoing recovery of the disaster area.



An award ceremony in a school supported by ORIX



Children supported by the scholarship program

Please see below for more details:

• Social Contribution Activities ▶▶▶ http://www.orix.co.jp/grp/en/env_soc/social/



Financial Section

Eleven-Year Summary

ORIX Corporation and Subsidiaries
Years Ended March 31

	2004	2005	2006	2007
Financial Position				
Investment in Direct Financing Leases	¥ 1,453,575	¥ 1,451,574	¥ 1,437,491	¥ 1,258,404
Installment Loans	2,234,940	2,386,597	2,926,036	3,490,326
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(128,020)	(115,250)	(97,002)	(89,508)
Allowance/Investment in Direct Financing Leases and Installment Loans (%)	3.5	3.0	2.2	1.9
Investment in Operating Leases	536,702	619,005	720,096	862,049
Investment in Securities	551,928	589,271	682,798	875,581
Other Operating Assets	72,049	82,651	91,856	152,106
Total Assets	5,617,664	6,060,035	7,232,094	8,194,991
Short-Term Debt, Long-Term Debt and Deposits	3,859,180	4,146,322	4,925,753	5,483,922
ORIX Corporation Shareholders' Equity	559,339	723,017	946,961	1,186,366
Revenues and Expenses				
Total Revenues	¥ 754,458	¥ 880,310	¥ 899,679	¥ 1,101,323
Total Expenses	671,290	750,800	692,774	824,758
Provision for Doubtful Receivables and Probable Loan Losses	47,728	39,498	16,227	13,807
Income before Income Taxes and Discontinued Operations	100,550	152,529	241,691	310,478
Income from Continuing Operations	50,242	85,513	147,579	186,510
Net Income Attributable to ORIX Corporation Shareholders	54,039	90,447	165,459	195,323
ROA (%)	0.94	1.55	2.49	2.53
ROE (%)	10.2	14.1	19.8	18.3
Per Share Data (Yen):				
Net Income Attributable to ORIX Corporation Shareholders				
Basic Earnings per Share	¥ 64.57	¥ 107.53	¥ 187.34	¥ 216.40
Diluted Earnings per Share	60.17	99.09	178.04	208.84
ORIX Corporation Shareholders' Equity per Share	668.34	827.36	1,053.46	1,300.36
Cash Dividend	2.50	4.00	9.00	13.00
Operations				
Direct Financing Leases:				
New Equipment Acquisitions	¥ 713,240	¥ 767,672	¥ 800,802	¥ 636,723
Installment Loans:				
New Loans Added	1,124,276	1,545,517	1,834,192	2,226,282
Operating Leases:				
New Equipment Acquisitions	189,737	248,327	317,645	348,561
Investment in Securities:				
New Securities Added	122,066	244,600	235,932	331,055
Other Operating Transactions:				
New Assets Added	186,265	129,604	132,017	215,409
Number of Employees	12,481	13,734	15,067	16,662

Notes: 1. As a result of the recording of "discontinued operations" in accordance with FASB Accounting Standards Codification (ASC) 205-20 ("Presentation of Financial Statements—Discontinued Operations"), results of operations that meet the criteria for discontinued operations, of which related amounts that had been previously reported, have been reclassified as discontinued operations. Included in reported discontinued operations are the operating results of operations for the subsidiaries, the business units and certain properties sold or to be disposed of by sale without significant continuing involvements.

Millions of yen

2008	2009	2010	2011	2012	2013	2014
¥ 1,098,128	¥ 914,444	¥ 756,481	¥ 830,853	¥ 900,886	¥ 989,380	¥ 1,094,073
3,766,310	3,304,101	2,464,251	2,983,164	2,769,898	2,691,171	2,315,555
(102,007)	(158,544)	(157,523)	(154,150)	(136,588)	(104,264)	(84,796)
2.1	3.8	4.9	4.0	3.7	2.8	2.5
1,019,956	1,226,624	1,213,223	1,270,295	1,309,998	1,395,533	1,375,686
1,121,784	926,140	1,104,158	1,175,381	1,147,390	1,093,668	1,214,576
197,295	189,560	186,396	219,057	206,109	233,258	312,774
8,981,012	8,353,852	7,722,017	8,561,910	8,332,830	8,439,710	9,069,392
6,263,017	5,919,639	5,263,104	6,075,076	5,828,967	5,560,847	5,374,878
1,258,906	1,157,269	1,287,179	1,306,582	1,380,736	1,643,596	1,918,740
¥ 1,101,364	¥ 1,014,289	¥ 887,290	¥ 938,852	¥ 964,779	¥ 1,055,764	¥ 1,341,651
926,837	961,003	856,326	866,586	842,564	904,911	1,140,673
33,223	77,015	71,857	31,065	19,186	10,016	13,834
235,075	11,195	56,748	90,271	127,515	172,572	283,726
141,496	15,054	35,723	65,437	82,907	118,890	186,490
168,454	20,674	36,512	66,021	83,509	111,909	186,794
1.96	0.24	0.45	0.81	0.99	1.33	2.13
13.8	1.7	3.0	5.1	6.2	7.4	10.5
¥ 184.81	¥ 23.25	¥ 35.83	¥ 61.42	¥ 77.68	¥ 102.87	¥ 147.30
180.57	22.07	30.58	51.83	65.03	87.37	142.77
1,391.10	1,294.48	1,197.55	1,215.44	1,284.15	1,345.63	1,465.31
26.00	7.00	7.50	8.00	9.00	13.00	23.00
¥ 574,859	¥ 364,734	¥ 232,629	¥ 351,116	¥ 405,660	¥ 455,433	¥ 560,665
2,331,331	1,055,014	598,046	721,189	743,113	918,579	1,034,726
465,909	426,715	189,915	297,954	246,822	295,765	325,930
688,148	374,614	519,769	791,054	699,709	758,292	930,526
152,480	76,269	24,186	40,763	37,876	12,931	39,108
18,702	18,920	17,725	17,578	17,488	19,043	25,977

2. 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.
3. Cash dividend represents the amount of dividend per share for the corresponding fiscal year.

Financial Section

Consolidated Balance Sheets

ORIX Corporation and Subsidiaries

For the Years Ended March 31, 2013 and 2014

		Millions of yen	Millions of U.S. dollars*
		2013	2014
ASSETS			
Cash and Cash Equivalents	¥ 826,296	¥ 827,299	\$ 8,038
Restricted Cash	106,919	86,690	842
Time Deposits	8,356	7,510	73
Investment in Direct Financing Leases	989,380	1,094,073	10,630
Installment Loans	The amounts of ¥16,026 million of installment loans as of March 31, 2013, and ¥12,631 million (\$123 million) of installment loans as of March 31, 2014, are measured at fair value by electing the fair value option under FASB ASC 825. 2,691,171	2,315,555	22,499
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(104,264)	(84,796)	(824)
Investment in Operating Leases	1,395,533	1,375,686	13,367
Investment in Securities	The amounts of ¥5,800 million of investment in securities as of March 31, 2013, and ¥11,433 million (\$111 million) of investment in securities as of March 31, 2014, are measured at fair value by electing the fair value option under FASB ASC 825. 1,093,668	1,214,576	11,801
Other Operating Assets	233,258	312,774	3,039
Investment in Affiliates	326,732	314,300	3,054
Other Receivables	196,626	239,958	2,332
Inventories	41,489	136,105	1,322
Prepaid Expenses	50,323	61,909	602
Office Facilities	108,757	126,397	1,228
Other Assets	475,466	1,041,356	10,118
Total Assets	¥ 8,439,710	¥ 9,069,392	\$ 88,121

*The translation of the Japanese yen amounts into U.S. dollars is included solely using the prevailing exchange rate at March 31, 2014, which was ¥102.92 to \$1.00.

	Millions of yen		Millions of U.S. dollars*
	2013	2014	2014
LIABILITIES			
Short-Term Debt	¥ 420,726	¥ 309,591	\$ 3,008
Deposits	1,078,587	1,206,413	11,722
Trade Notes, Accounts Payable and Other Liabilities	312,922	443,333	4,308
Accrued Expenses	121,281	190,414	1,850
Policy Liabilities	426,007	454,436	4,415
Income Taxes:			
Current	11,651	22,342	217
Deferred	131,406	277,167	2,693
Security Deposits	146,402	158,467	1,540
Long-Term Debt	4,061,534	3,858,874	37,494
Total Liabilities	6,710,516	6,921,037	67,247
Redeemable Noncontrolling Interests	41,621	53,177	517
Commitments and Contingent Liabilities			
EQUITY			
Common Stock:	194,039	219,546	2,133
Authorized	2,590,000,000 shares		
Issued	1,248,714,760 shares as of March 31, 2013 and 1,322,777,628 shares as of March 31, 2014		
Additional paid-in capital	229,600	255,449	2,482
Retained earnings	1,305,044	1,467,602	14,260
Accumulated other comprehensive income (loss):			
Net unrealized gains (losses) on investment in securities	28,974	38,651	376
Defined benefit pension plans	(9,587)	(6,228)	(61)
Foreign currency translation adjustments	(53,759)	(31,987)	(311)
Net unrealized gains (losses) on derivative instruments	(1,891)	(434)	(4)
Sub-Total	(36,263)	2	0
Treasury stock, at cost:	(48,824)	(23,859)	(232)
27,281,710 shares as of March 31, 2013 and 13,333,334 shares as of March 31, 2014			
ORIX Corporation Shareholders' Equity	1,643,596	1,918,740	18,643
Noncontrolling interests	43,977	176,438	1,714
Total Equity	1,687,573	2,095,178	20,357
Total Liabilities and Equity	¥ 8,439,710	¥ 9,069,392	\$ 88,121

Financial Section

Consolidated Statements of Income

ORIX Corporation and Subsidiaries

For the Years Ended March 31, 2012, 2013 and 2014

			Millions of yen	Millions of U.S. dollars*
	2012	2013	2014	2014
Revenues				
Direct financing leases	¥ 50,934	¥ 54,356	¥ 57,483	\$ 558
Operating leases	282,875	296,329	324,083	3,149
Interest on loans and investment securities	147,888	155,963	130,680	1,270
Brokerage commissions and net gains on investment securities	29,337	34,814	27,183	264
Life insurance premiums and related investment income	126,907	138,726	155,406	1,510
Real estate sales	61,029	38,804	23,139	225
Gains on sales of real estate under operating leases	2,222	5,816	5,872	57
Revenues from asset management and servicing	12,908	15,265	126,492	1,229
Other operating revenues	250,679	315,691	491,313	4,774
Total revenues	964,779	1,055,764	1,341,651	13,036
Expenses				
Interest expense	109,872	100,966	82,859	805
Costs of operating leases	181,404	194,429	215,889	2,098
Life insurance costs	93,178	98,599	108,343	1,053
Costs of real estate sales	59,534	39,430	27,059	263
Expenses from asset management and servicing	493	593	36,150	351
Other operating expenses	152,521	194,693	310,775	3,019
Selling, general and administrative expenses	194,956	224,948	313,631	3,047
Provision for doubtful receivables and probable loan losses	19,186	10,016	13,834	134
Write-downs of long-lived assets	15,167	17,896	23,421	228
Write-downs of securities	16,470	22,838	7,989	78
Foreign currency transaction loss (gain), net	(217)	503	723	7
Total expenses	842,564	904,911	1,140,673	11,083
Operating Income	122,215	150,853	200,978	1,953
Equity in Net Income of Affiliates	1,983	13,836	17,825	173
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	3,317	7,883	64,923	631
Income before Income Taxes and Discontinued Operations	127,515	172,572	283,726	2,757
Provision for Income Taxes	44,608	53,682	97,236	945
Income from Continuing Operations	82,907	118,890	186,490	1,812
Discontinued Operations				
Income (Loss) from discontinued operations, net	1,775	(179)	12,182	118
Provision for income taxes	1,219	347	(4,681)	(45)
Discontinued operations, net of applicable tax effect	2,994	168	7,501	73
Net Income	85,901	119,058	193,991	1,885
Net Income (Loss) Attributable to the Noncontrolling Interests	(332)	3,164	3,089	30
Net Income Attributable to the Redeemable Noncontrolling Interests	2,724	3,985	4,108	40
Net Income Attributable to ORIX Corporation Shareholders	¥ 83,509	¥ 111,909	¥ 186,794	\$ 1,815

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, and those related amounts that had been previously reported are reclassified.

2. Revenues and Expenses from asset management and loan servicing business have been separately presented from fiscal 2014 with the acquisition of Robeco as, "Revenues from asset management and servicing" and "Expenses from asset management and servicing". The amounts in fiscal 2012 and 2013 have been reclassified for this change.

			Yen	U.S. dollars*
Amounts per Share of Common Stock for Income attributable to ORIX Corporation Shareholders				
Basic:				
Income from continuing operations	¥ 72.24	¥ 103.09	¥ 141.55	\$ 1.38
Discontinued operations	3.44	(0.22)	5.75	0.05
Net income attributable to ORIX Corporation Shareholders	77.68	102.87	147.30	1.43
Diluted:				
Income from continuing operations	62.23	87.55	137.20	1.33
Discontinued operations	2.80	(0.18)	5.57	0.06
Net income attributable to ORIX Corporation Shareholders	65.03	87.37	142.77	1.39
Cash dividend	9.00	13.00	23.00	0.22

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

*The translation of the Japanese yen amounts into U.S. dollars is included solely using the prevailing exchange rate at March 31, 2014, which was ¥102.92 to \$1.00.

Consolidated Statements of Comprehensive Income

ORIX Corporation and Subsidiaries

For the Years Ended March 31, 2012, 2013 and 2014

			Millions of yen	Millions of U.S. dollars*
	2012	2013	2014	2014
Net Income	¥ 85,901	¥ 119,058	¥ 193,991	\$ 1,885
Other comprehensive income (loss), net of tax				
Net change of unrealized gains (losses) on investment in securities	5,121	13,330	10,603	103
Net change of defined benefit pension plans	(3,247)	4,759	3,572	35
Net change of foreign currency translation adjustments	(1,392)	50,979	36,869	358
Net change of unrealized gains (losses) on derivative instruments	(1,170)	268	1,487	14
Total other comprehensive income (loss)	(688)	69,336	52,531	510
Comprehensive Income	85,213	188,394	246,522	2,395
Comprehensive Income (Loss) Attributable to the Noncontrolling Interests	(849)	7,394	15,256	148
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	2,409	9,209	8,207	80
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥ 83,653	¥ 171,791	¥ 223,059	\$ 2,167

*The translation of the Japanese yen amounts into U.S. dollars is included solely using the prevailing exchange rate at March 31, 2014, which was ¥102.92 to \$1.00.

Financial Section

Consolidated Statements of Changes in Equity

ORIX Corporation and Subsidiaries

For the Years Ended March 31, 2012, 2013 and 2014

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, 2011	¥143,995	¥179,137	¥1,128,800	¥(96,180)	¥(49,170)	¥1,306,582	¥21,687	¥1,328,269
Contribution to subsidiaries						0	21,503	21,503
Transaction with noncontrolling interests		52		(20)		32	(502)	(470)
Comprehensive income (loss), net of tax:								
Net income			83,509			83,509	(332)	83,177
Other comprehensive income (loss)								
Net change of unrealized gains on investment in securities				4,642		4,642	479	5,121
Net change of defined benefit pension plans				(3,245)		(3,245)	(2)	(3,247)
Net change of foreign currency translation adjustments				(98)		(98)	(979)	(1,077)
Net change of unrealized gains (losses) on derivative instruments				(1,155)		(1,155)	(15)	(1,170)
Total other comprehensive income (loss)						144	(517)	(373)
Total comprehensive income (loss)						83,653	(849)	82,804
Cash dividends			(8,599)			(8,599)	(2,104)	(10,703)
Conversion of convertible bond	3	3				6	0	6
Exercise of stock options	28	27				55	0	55
Acquisition of treasury stock					(1)	(1)	0	(1)
Other, net		4	(1,260)		264	(992)	0	(992)
Balance at March 31, 2012	¥144,026	¥179,223	¥1,202,450	¥(96,056)	¥(48,907)	¥1,380,736	¥39,735	¥1,420,471
Contribution to subsidiaries						0	2,229	2,229
Transaction with noncontrolling interests		98		(89)		9	(143)	(134)
Comprehensive income, net of tax:								
Net income			111,909			111,909	3,164	115,073
Other comprehensive income (loss)								
Net change of unrealized gains on investment in securities				12,829		12,829	501	13,330
Net change of defined benefit pension plans				4,758		4,758	1	4,759
Net change of foreign currency translation adjustments				42,020		42,020	3,735	45,755
Net change of unrealized gains (losses) on derivative instruments				275		275	(7)	268
Total other comprehensive income (loss)						59,882	4,230	64,112
Total comprehensive income						171,791	7,394	179,185
Cash dividends			(9,676)			(9,676)	(5,238)	(14,914)
Conversion of convertible bond	49,840	49,933				99,773	0	99,773
Exercise of stock options	173	172				345	0	345
Acquisition of treasury stock					(3)	(3)	0	(3)
Other, net		174	361		86	621	0	621
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						0	89,396	89,396
Transaction with noncontrolling interests		239				239	2,058	2,297
Comprehensive income, net of tax:								
Net income			186,794			186,794	3,089	189,883
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				3,359		3,359	213	3,572
Net change of foreign currency translation adjustments				21,772		21,772	10,998	32,770
Net change of unrealized gains on derivative instruments				1,457		1,457	30	1,487
Total other comprehensive income						36,265	12,167	48,432
Total comprehensive income						223,059	15,256	238,315
Cash dividends			(15,878)			(15,878)	(2,099)	(17,977)
Conversion of convertible bond	25,066	24,878				49,944	0	49,944
Exercise of stock options	441	422				863	0	863
Acquisition of treasury stock					(19)	(19)	0	(19)
Acquisition of Robeco			(5,471)		24,880	19,409	27,850	47,259
Other, net		310	(2,887)		104	(2,473)	0	(2,473)
Balance at March 31, 2014	¥219,546	¥255,449	¥1,467,602	¥2	¥(23,859)	¥1,918,740	¥176,438	¥2,095,178

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, 2012, 2013 and 2014

Millions of yen Millions of U.S. dollars*

	2012	2013	2014	2014
Cash Flows from Operating Activities				
Net income	¥ 85,901	¥ 119,058	¥ 193,991	\$ 1,885
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	164,185	177,280	206,640	2,008
Provision for doubtful receivables and probable loan losses	19,186	10,016	13,834	134
Increase in policy liabilities	6,421	20,990	28,429	276
Equity in net income of affiliates (excluding interest on loans)	(889)	(12,874)	(17,619)	(171)
Gains on sales of subsidiaries and affiliates and liquidation losses, net	(3,317)	(7,883)	(64,923)	(631)
Gains on sales of available-for-sale securities	(8,919)	(17,252)	(14,149)	(137)
Gains on sales of real estate under operating leases	(2,222)	(5,816)	(5,872)	(57)
Gains on sales of operating lease assets other than real estate	(14,721)	(14,032)	(17,820)	(173)
Write-downs of long-lived assets	15,167	17,896	23,421	228
Write-downs of securities	16,470	22,838	7,989	78
Decrease (Increase) in restricted cash	(5,188)	33,852	22,506	219
Decrease (Increase) in trading securities	55,173	(16,264)	21,300	207
Decrease in inventories	26,830	37,918	11,707	111
Decrease (Increase) in other receivables	(7,893)	20,782	(6,719)	(65)
Increase (Decrease) in trade notes, accounts payable and other liabilities	22,760	(8,715)	47,090	458
Decrease in accrued expenses	(10,040)	(2,207)	(9,076)	(88)
Other, net	(25,910)	15,717	30,264	294
Net cash provided by operating activities	332,994	391,304	470,993	4,576
Cash Flows from Investing Activities				
Purchases of lease equipment	(603,060)	(736,373)	(859,169)	(8,348)
Principal payments received under direct financing leases	348,549	381,080	459,003	4,460
Installment loans made to customers	(741,570)	(918,777)	(1,035,564)	(10,062)
Principal collected on installment loans	918,565	1,193,884	1,264,649	12,288
Proceeds from sales of operating lease assets	174,139	173,890	251,567	2,444
Investment in affiliates, net	17,808	(19,206)	(46,942)	(456)
Proceeds from sales of investment in affiliates	2,864	3,280	15,426	150
Purchases of available-for-sale securities	(654,873)	(684,870)	(897,246)	(8,718)
Proceeds from sales of available-for-sale securities	279,367	417,534	318,697	3,097
Proceeds from redemption of available-for-sale securities	361,881	373,729	473,126	4,597
Purchases of held-to-maturity securities	(182)	(46,567)	(8,519)	(83)
Purchases of other securities	(44,654)	(26,855)	(24,761)	(241)
Proceeds from sales of other securities	24,832	40,568	26,501	257
Purchases of other operating assets	(17,282)	(15,152)	(52,550)	(511)
Acquisitions of subsidiaries, net of cash acquired	(9,252)	(43,223)	(94,395)	(917)
Sales of subsidiaries, net of cash disposed	7,554	(171)	0	0
Other, net	(22,929)	12,886	8,011	79
Net cash provided by (used in) investing activities	41,757	105,657	(202,166)	(1,964)
Cash Flows from Financing Activities				
Net decrease in debt with maturities of three months or less	(59,769)	(20,507)	(105,784)	(1,028)
Proceeds from debt with maturities longer than three months	1,488,111	1,365,827	1,210,209	11,759
Repayment of debt with maturities longer than three months	(1,782,081)	(1,790,616)	(1,497,689)	(14,552)
Net increase in deposits due to customers	40,288	6,623	127,610	1,240
Cash dividends paid to ORIX Corporation shareholders	(8,599)	(9,676)	(15,878)	(154)
Contribution from noncontrolling interests	20,258	1,133	11,089	108
Cash dividends paid to redeemable noncontrolling interests	(1,079)	(5,763)	(1,224)	(12)
Net decrease in call money	(10,000)	0	(5,000)	(49)
Other, net	(5,606)	(14,214)	2,088	20
Net cash used in financing activities	(318,477)	(467,193)	(274,579)	(2,668)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,509)	9,636	6,755	66
Net Increase in Cash and Cash Equivalents	54,765	39,404	1,003	10
Cash and Cash Equivalents at Beginning of Year	732,127	786,892	826,296	8,029
Cash and Cash Equivalents at End of Year	¥ 786,892	¥ 826,296	¥ 827,299	\$ 8,039

*The translation of the Japanese yen amounts into U.S. dollars is included solely using the prevailing exchange rate at March 31, 2014, which was ¥102.92 to \$1.00.

Financial Section

Breakdown of Assets and Revenues by Segment

Fiscal year ended March 31, 2014

Segment Assets

Millions of yen

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
Segment Assets	¥ 992,078	¥ 622,009	¥ 962,404	¥ 565,740	¥ 2,166,986	¥ 1,972,138	¥ 7,281,355
Investment in Direct Financing Leases	450,295	149,965	17,541	14,702	4,679	332,635	969,817
Installment Loans	470,684	0	42,757	118,848	1,276,837	246,845	2,155,971
Investment in Operating Leases	26,184	467,983	527,065	12,756	76,873	263,978	1,374,839
Investment in Securities	21,337	892	25,074	95,196	776,091	323,288	1,241,878
Other Operating Assets	2,524	443	166,646	53,589	0	89,570	312,772
Inventories	667	340	19,418	111,736	0	3,888	136,049
Advances for Investment in Operating Leases	41	383	61,575	378	0	17,541	79,918
Investment in Affiliates	18,909	1,718	62,504	76,734	10,971	143,454	314,290
Advances for Other Operating Assets	40	0	18,732	4,693	0	27,066	50,531
Goodwill and Other Intangible Assets Acquired in Business Combinations	1,397	285	21,092	77,108	21,535	523,873	645,290

Segment Revenues

Millions of yen

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
Segment Revenues	¥ 76,877	¥ 251,366	¥ 198,450	¥ 178,532	¥ 211,468	¥ 416,226	¥ 1,332,919
Direct financing leases	21,776	9,395	1,648	824	21	22,550	56,214
Interest on loans and investment securities	15,029	0	3,724	17,223	50,300	33,083	119,359
Operating leases	24,569	177,103	50,586	1,399	0	74,021	327,678
Brokerage commissions and net gains on investment securities	777	57	1,353	9,734	1,203	15,813	28,937
Life insurance premiums and related investment income	0	0	0	0	155,644	0	155,644
Real estate sales	0	0	23,139	0	0	0	23,139
Gains on sales of real estate under operating leases	1,164	0	13,778	87	0	2,570	17,599
Revenues from asset management and servicing	135	0	3,821	2,383	34	120,120	126,493
Other operating revenues	13,427	64,811	100,401	146,882	4,266	148,069	477,856

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.

Concerning the Breakdown of Assets and Revenues by Segment

- Details on major segment assets of more than 10 billion yen and segment revenues of more than 1 billion yen are provided.
- Operating revenues such as "Direct financing leases," "Interest on loans and investment securities" and "Operating leases" are recorded according to the operating transactions in "Investment in Direct Financing Leases," "Installment Loans," "Investment in Operating Leases" and "Investment in Securities."
- Life insurance business assets are included in each item of segment assets. Gains (Losses) from these assets are included as related investment income under "Life insurance premiums and related investment income."
- Revenues from "Real estate sales" are derived from assets held under the consolidated balance sheet item "Inventories."
- "Gains on sales of real estate under operating leases" includes gains on sales of all leased real estate assets in "Investment in Operating Leases."

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	Auto leasing	Real estate leasing	Leasing of energy-saving equipments	—	Leasing and hire purchase of local subsidiaries
Installment Loans	Corporate loans	—	Non-recourse loans	Purchased loans from loan servicing	Housing loans, card loans, and ORIX Life Insurance's operating assets	Corporate loans in the US
Investment in Operating Leases	Lease renewal and real estate leasing	Leasing, rental, lease renewal of auto and precision measurement equipments	Real estate rental	Collateralized real estate acquired in loan servicing business	ORIX Life Insurance's operating assets (real estate)	Auto leasing in local subsidiaries and aircraft leasing
Investment in Securities	Investment in listed shares	—	Investment in specified bonds and preferred securities	Investment in listed shares, PE funds, preferred shares, and CMBS	Corporate and government bonds, listed shares	Investment in municipal bonds and CMBS in the US, investment in funds in the US, Europe and Asia, PE investment in Asia
Other Operating Assets	—	—	Operating facilities including hotels, Japanese inns, aquariums, golf courses, etc.	Environment and energy-related facilities and equipment	—	Mortgage servicing rights in the US
Inventories	—	—	Condominiums	Daikyo's condominiums	—	—
Advances for Investment in Operating Leases	—	—	Rental properties under development	—	—	Rental properties under development
Investment in Affiliates	Investment in joint leasing company with regional banks	—	Joint development of condominiums and rental properties	PE investment	—	Investment in joint leasing company in Asia, the ME, and Africa, and PE investment in Asia
Advances for Other Operating Assets	—	—	Operating facilities 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
Direct financing leases	Corporate leasing revenues	Auto leasing revenues	Revenues from real estate leasing	Leasing revenues from energy-saving equipment	—	Leasing and hire purchase revenues from local subsidiaries
Interest on loans and investment securities	Interest revenues from corporate loans	—	Interest revenues on non-recourse loans and specified bonds	Gains on loan collection in loan servicing, interest and gains on maturity of CMBS	Interest revenues from housing loans and card loans	Interest revenues from corporate loans and CMBS in the US and loan arrangement fees from RED Capital
Operating leases	Lease renewal revenues, revenues from real estate leasing	Auto and measurement equipment leasing, rental, and leasing renewal revenues	Rental revenues from rental properties	Rental revenues from collateralized real estate acquired in loan servicing business	—	Auto leasing revenues from local subsidiaries and aircraft leasing revenues
Brokerage commissions and net gains on investment securities	—	—	Dividends from preferred shares	Dividends/equity income/gains on sales of listed shares, PE funds, and preferred shares	Gains on sales of corporate and government bonds Dividends from listed shares	Gains on sales of municipal bonds in the US, equity income from PE investment in the US and Asia, dividends/gains on sales of PE investment in Asia
Life insurance premiums and related investment income	—	—	—	—	Life insurance premiums and related investment income	—
Real estate sales	—	—	Gains on sales of condominiums	—	—	—
Gains on sales of real estate under operating leases	Gains on sales of rental properties	—	Gains on sales of rental commercial facilities, office buildings, and logistics centers	—	—	Gains on sales of rental properties
Revenues from asset management and servicing	—	—	Asset management fees and real estate investment advisory fees	Loan servicing fees	—	M&A/financial advisory and asset management fee revenues
Other operating revenues	Insurance agency commissions and guarantee fees	Revenues from vehicle maintenance services and fuel cards, and ETC card fees	Revenues from operating facilities such as hotels, Japanese inns, aquariums, golf courses, etc.	Revenues from PE investment, solar power generation systems sales and electric power trading	Guarantee fees on other financial institutions' card loans	Auto maintenance revenues from local subsidiaries

Financial Section

Guide to Non-GAAP Financial Measurement

(1) Key Ratios

Years ended March 31

		2004	2005	2006	2007
Short-Term Debt		¥ 903,916	¥ 947,871	¥1,336,414	¥1,174,391
Long-Term Debt	a	2,662,719	2,861,863	3,236,055	3,863,057
Deduct: Payables under Securitized Leases, Loan Receivables and Investment in Securities		97,707	60,281	106,333	260,529
Adjusted Long-Term Debt	b	2,565,012	2,801,582	3,129,722	3,602,528
Short- and Long-Term Debt (excluding deposits)	c	3,566,635	3,809,734	4,572,469	5,037,448
Adjusted Long- and Short-Term Debt (excluding deposits)	d	3,468,928	3,749,453	4,466,136	4,776,919
ORIX Corporation Shareholders' Equity	e	559,339	723,017	946,961	1,186,366
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		0	0	0	0
Adjusted ORIX Corporation Shareholders' Equity	f	559,339	723,017	946,961	1,186,366
Debt/Equity Ratio (Times)	c / e	6.4	5.3	4.8	4.2
Adjusted Debt/Equity Ratio (Times)	d / f	6.2	5.2	4.7	4.0
Share of Long-Term Debt (%)	a / c	75	75	71	77
Adjusted Share of Long-Term Debt (%)	b / d	74	75	70	75

(2) Base Profit by Segment

Years ended March 31

Millions of yen

	Segment Profit Details	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Segment Total	Consolidated Financial Statement Adjustment	Total
2012	Base Profit* ¹	26,142	33,054	18,341	22,409	32,848	40,350	173,144	(15,985)	157,159
	Capital Gains* ²	385	26	14,195	5,294	345	21,247	41,492	309	41,801
	Provisions	(2,461)	173	(2,988)	(7,481)	(1,128)	(3,811)	(17,696)	(1,490)	(19,186)
	Impairments* ³	(1,077)	0	(28,199)	(4,239)	(12,713)	(8,018)	(54,246)	1,987	(52,259)
	Segment Profit	22,989	33,253	1,349	15,983	19,352	49,768	142,694	(15,179)	127,515
2013	Base Profit	26,069	34,891	25,013	29,128	42,147	37,494	194,742	(18,039)	176,703
	Capital Gains	273	17	16,545	18,972	3,673	19,276	58,756	(4,916)	53,840
	Provisions	(331)	77	449	(5,532)	(2,611)	(2,438)	(10,386)	370	(10,016)
	Impairments	(79)	(72)	(36,425)	(7,631)	0	(1,576)	(45,783)	(2,172)	(47,955)
	Segment Profit	25,932	34,913	5,582	34,937	43,209	52,756	197,329	(24,757)	172,572
2014	Base Profit	22,111	38,660	22,940	29,949	49,494	65,596	228,750	6,264	235,014
	Capital Gains	1,941	57	22,485	68,559	3,862	20,870	117,774	(14,522)	103,252
	Provisions	974	(363)	(2,079)	(2,615)	(3,485)	(5,673)	(13,241)	(593)	(13,834)
	Impairments	(152)	(1,292)	(25,390)	(1,782)	0	(11,105)	(39,721)	(985)	(40,706)
	Segment Profit	24,874	37,062	17,956	94,111	49,871	69,688	293,562	(9,836)	283,726

*1 Base Profit = Segment Profit – Capital Gains – Provisions – Impairments

*2 Brokerage commissions and net gains (losses) on investment securities, real estate sales (net of cost), gains (losses) on sales of real estate under operating leases, gains (losses) on sales of subsidiaries and affiliates and liquidation losses, net, and equivalent amount of real estate joint venture equity method profit for equity in net income (loss) of affiliates.

*3 Impairment losses for write-downs of long-lived assets, write-downs of securities, and equivalent amount of costs of real estate sales and equity in net income (loss) of affiliates.

Millions of yen

2008	2009	2010	2011	2012	2013	2014
¥1,330,147	¥ 798,167	¥ 573,565	¥ 478,633	¥ 457,973	¥ 420,726	¥ 309,591
4,462,187	4,453,845	3,836,270	4,531,268	4,267,480	4,061,534	3,858,874
374,920	358,969	202,224	1,018,190	874,705	679,766	253,827
4,087,267	4,094,876	3,634,046	3,513,078	3,392,775	3,381,768	3,605,047
5,792,334	5,252,012	4,409,835	5,009,901	4,725,453	4,482,260	4,168,465
5,417,414	4,893,043	4,207,611	3,991,711	3,850,748	3,802,494	3,914,638
1,258,906	1,157,269	1,287,179	1,306,582	1,380,736	1,643,596	1,918,740
0	0	0	(21,947)	(19,248)	(16,593)	(5,195)
1,258,906	1,157,269	1,287,179	1,328,529	1,399,984	1,660,189	1,923,935
4.6	4.5	3.4	3.8	3.4	2.7	2.2
4.3	4.2	3.3	3.0	2.8	2.3	2.0
77	85	87	90	90	91	93
75	84	86	88	88	89	92

This Annual 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.

(1) Our management believes these Non-GAAP financial measures provide investors with additional meaningful comparisons between our financial condition as of March 31, 2014, 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.

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.

(2) Our management believes that in comparing segment information for the year ended March 31, 2014, compared with prior periods, the provision of the Non-GAAP financial measure of base profit that excludes capital gains, allowance for doubtful receivables and probable loan losses, and impairments may provide investors with additional meaningful insight regarding segment profit trends.

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 Annual Report for the periods provided.

About ORIX

Group Companies (As of March 31, 2014)

	Principal Business	Established (Acquired)	Direct / Indirect Investment
Corporate Financial Services			
ORIX Corporation Domestic Sales Headquarters	Leasing, Lending, Other Financial Services		
Momiji Lease Corporation	Leasing, Other Financial Services	(Mar. 2002)	95%
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%
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 (Singapore) Pte. Limited. (Singapore)	Rental and Leasing of Test and Measurement Instruments and IT-Related Equipment	Oct. 1995	100%
ORIX Rentec (Malaysia) Sdn. Bhd. (Malaysia)	Rental and Leasing of Test and Measurement Instruments and IT-Related Equipment	Nov. 1996	100%
ORIX Rentec (Korea) Corporation (South Korea)	Rental and Leasing of Test and Measurement Instruments and IT-Related Equipment	Apr. 2001	100%
ORIX Rentec (Tianjin) Corporation (China)	Rental, Leasing	Aug. 2004	100%
Beijing Oriental Jicheng Co., Ltd. (China)	Rental and Sales of Precision Measuring Equipment	(Mar. 2006)	34%
Real Estate			
ORIX Corporation Real Estate Headquarters	Real Estate Development and Rental, Financing		
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	REIT Asset Management	Sep. 2000	100%
ORIX Golf Management LLC	Golf Course Management	(Nov. 2004)	100%
ORIX Living Corporation	Senior Housing Management	Apr. 2005	75%
ORIX Real Estate Investment Advisors Corporation	Real Estate Investment and Advisory Services	Sep. 2007	100%
ORIX Aquarium Corporation	Aquarium Operation	Apr. 2011	100%
OA Farm 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-related 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 and Loan Services Corporation	Loan Servicing	Apr. 1999	100%
ORIX Environmental Resources Management Corporation	Waste Recycling	Sep. 2002	100%
ORIX Loan Business Center Corporation	Personal Loan Related Asset Management, Customer Relations	May 2009	100%
ORIX Electric Power Corporation	Provision of Electricity to Condominiums	May 2010	86%
Ubiteq, INC.	Electric Equipment Business, Mobile and Ubiquitous Business	(Jul. 2010)	60%
ONE Energy Corporation	Trading and Rental of Storage Batteries, Energy Related Services	Mar. 2013	70%
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 Callcenter Corporation	Contact Center, Business 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%

Since April 2014, the following company has joined the ORIX Group.

● From July 2014, Hartford Life Insurance K.K. (Japan, Life Insurance, 100% owned by the ORIX Group)

Hartford Life Insurance K.K. is now a member of the ORIX Group and has no affiliation with The Hartford Financial Services Group, Inc. or its affiliates.

	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, Ship-Related Services, Aircraft-Related Services, Alternative Investment		
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%
Houlihan Lokey, Inc.	USA	Investment Banking	(Jan. 2006)	54%
RED Capital Group	USA	Loan Servicing	(May 2010)	83%
Mariner Investment Group LLC	USA	Fund Operation and Management	(Dec. 2010)	59%
Enovity, Inc.	USA	Building-Related Energy Management Services	(Sep. 2013)	80%
ORIX Brazil Investments and Holdings Limited	Brazil	Equity Investment	Aug. 2012	100%
ORIX Asia Limited	Hong Kong	Leasing, Automobile Leasing, Lending, Investment Banking	Sep. 1971	100%
ORIX Taiwan Corporation	Taiwan	Leasing, Hire Purchase, 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 China Corporation	China	Leasing	Aug. 2005	98%
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, Hire Purchase, 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 Leasing Malaysia Berhad	Malaysia	Leasing, Lending, Hire Purchase	Sep. 1973	100%
ORIX Car Rentals Sdn. Bhd.	Malaysia	Automobile Rentals	Feb. 1989	35%
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%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Automobile Leasing, Lending	Jun. 1977	40%
ORIX Auto Leasing Philippines Corporation	Philippines	Automobile Leasing	Sep. 1989	40%
Global Business Power Corporation	Philippines	Electric Power Business	(Jun. 2013)	20%
Thai Orix Leasing Co., Ltd.	Thailand	Leasing, Automobile Leasing and Rentals	Jun. 1978	97%
Indochina Capital Corporation	Vietnam	Fund Operation and Management, Real Estate Development	(Nov. 2010)	25%
Lanka Orix Leasing Company PLC	Sri Lanka	Leasing, Automobile Leasing, Hire Purchase, Lending	Mar. 1980	30%
ORIX Leasing Pakistan Limited	Pakistan	Leasing, Automobile Leasing	Jul. 1986	50%
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	India	Infrastructure Investment, Investment Banking	(Mar. 1993)	23%
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing	Mar. 1995	100%
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	29%
Al Hail Orix Finance PSC	UAE	Leasing, Automobile Leasing, Lending	Mar. 2002	38%
SK Leasing JSC	Kazakhstan	Leasing	(Jun. 2005)	40%
The Mediterranean and Gulf Insurance & Reinsurance Company B.S.C.	Bahrain	Non-Life Insurance, Life Insurance, Reinsurance	(Jun. 2013)	26%
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. Name of countries and regions indicates the countries in which the bases are located.

2. Orix Corporation's Global Business and Alternative Investment 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 centered on the Asia, Oceania and Europe regions.

About ORIX

Corporate Profile (As of March 31, 2014)

Company Name	ORIX Corporation	Shareholders' Equity	¥1,918,740 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	701
		Affiliates	92
		Number of Employees	25,977
		Global Network	1,818 locations in 36 countries and regions worldwide
		Japan	1,274 locations
		Overseas	544 locations

Stock Information (As of March 31, 2014)

Number of Shares

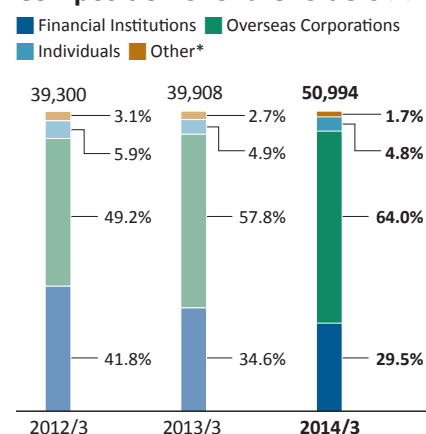
Total Number of Shares Authorized	2,590,000,000 shares
Total Number of Shares Issued and Outstanding	1,322,777,628 shares
Number of Shareholders	50,994

Major Shareholders

Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	107,429	8.12
The Master Trust Bank of Japan, Ltd. (Trust Account)	85,020	6.42
JP Morgan Chase Bank 380072	56,369	4.26
The Chase Manhattan Bank 385036	36,589	2.76
State Street Bank and Trust Company	33,110	2.50
Japan Trustee Services Bank, Ltd. (Trust Account 9)	24,208	1.83
State Street Bank and Trust Company 505225	22,644	1.71
The Chase Manhattan Bank, N.A. London Secs Lending Omnibus Account	18,785	1.42
The Bank of New York Mellon SA/NV 10	16,517	1.24
CITIBANK, N.A.-N.Y, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	16,192	1.22

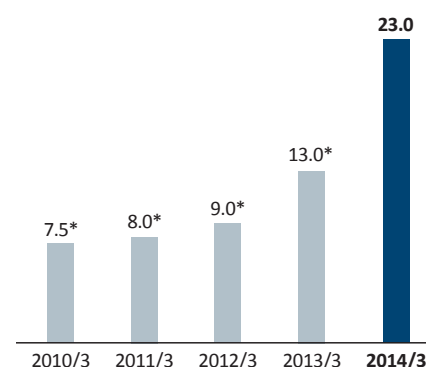
Note: In addition to the above, ORIX Corporation holds 13,333 thousand shares (1.01%) of treasury stock.

Number of Shareholders / Composition of Shareholders (%)



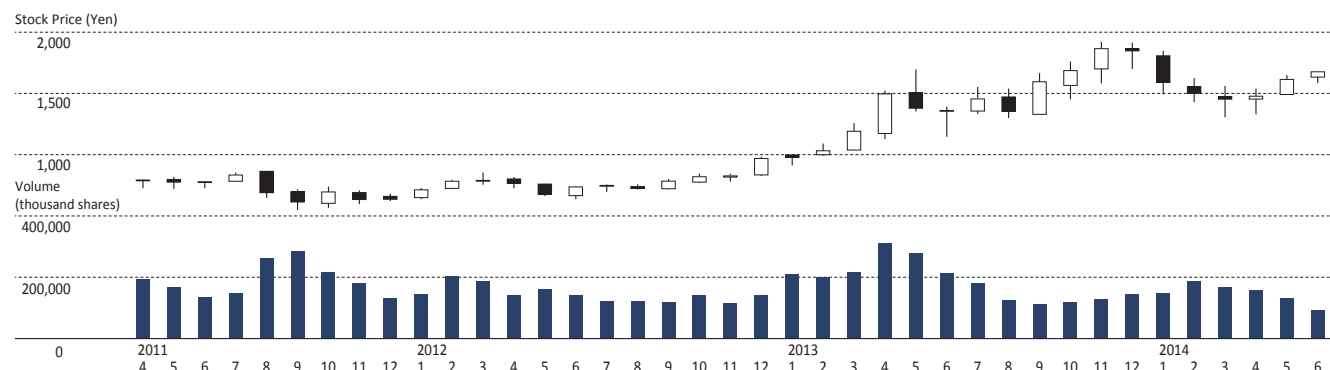
*Other includes treasury stock.

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, 2014)

Transfer Agent for Common Shares

Mitsubishi UFJ Trust and Banking Corporation

Transfer Agent Dept.

Tel: 0120-232-711 (toll-free in Japan)

Stock Exchange Listings

Tokyo Stock Exchange

First Section

Securities Code: 8591

New York Stock Exchange

Trading Symbol: IX

Depositary and Registrar for American

Depositary Receipts

Citibank, N.A., Shareholder Services

P.O. Box 43077

Providence, RI

02940-3077

USA

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, 2014, is referred to throughout this Annual Report as the “FY2014.3” 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.

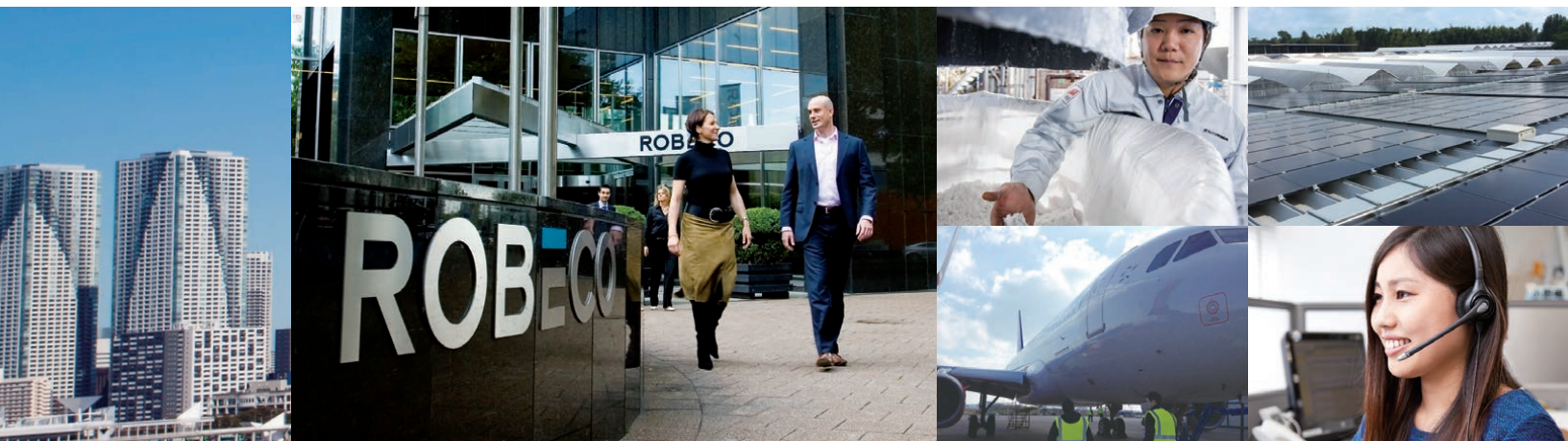
ORIX Corporation

Corporate Planning Department

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



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