

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

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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

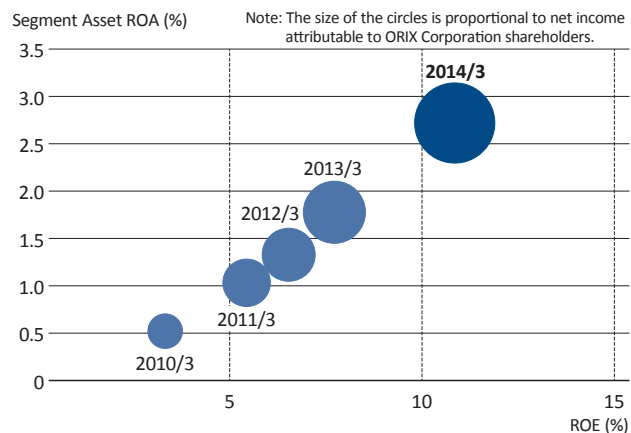
look to assess and select transactions that are conducive to ORIX’s future growth from our ample pipeline. In the FY2014.3, we executed investments in Mongolia, Cambodia, and the Middle East. Going forward, we hope to cultivate our partnerships with the investees as a foothold to entering the emerging 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.

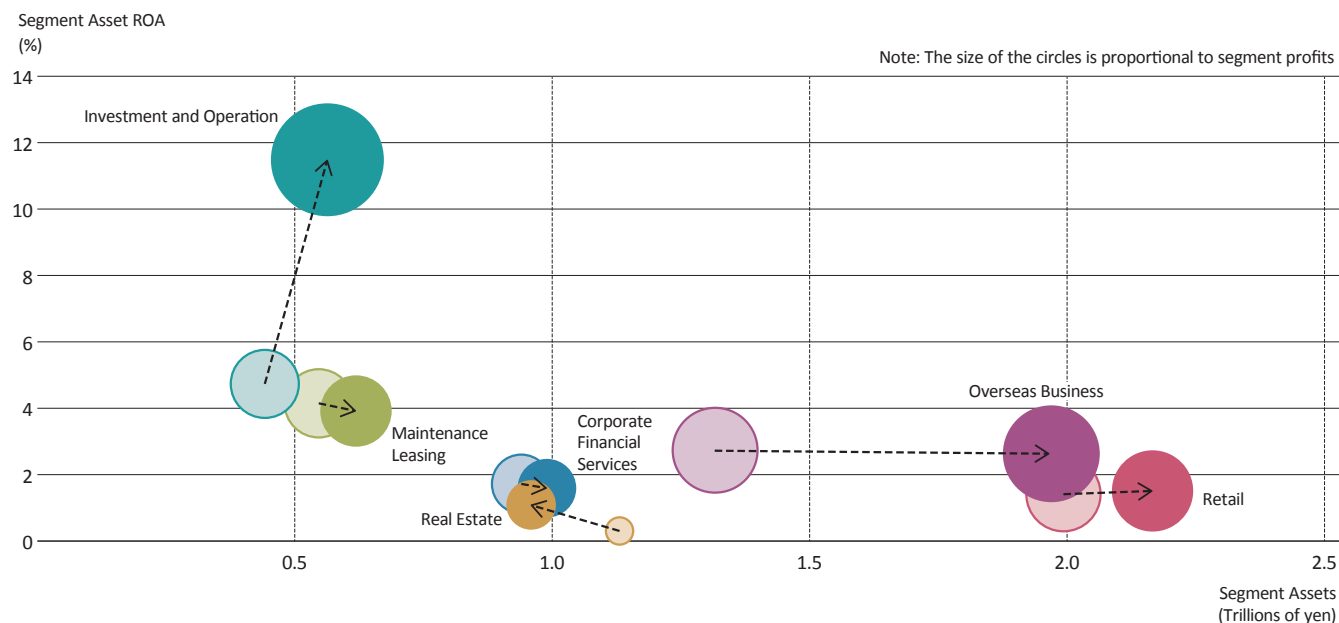
In comparison with the FY2007.3 when ORIX recognized record profits, ORIX today has a much more diversified portfolio, different profit streams, and radically improved profit stability. Moving forward, we will continue to promote the acceleration of “Finance + Services” strategy and aim to achieve sustainable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

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