

A Message from the CEO



Reflecting Back on FY2015.3

Net income attributable to ORIX Corporation shareholders in the fiscal year ended March 31, 2015 (FY2015.3) was 234.9 billion yen, a 25% increase from the previous fiscal year. Since the global financial crisis, we have achieved profit growth in six consecutive years, and the result of FY2015.3 has exceeded the previous record high net income of 195.3 billion yen in FY2007.3. The ROE for FY2015.3 was 11.5%, making it the second consecutive year with ROE above 10%.

Specifically, Robeco, the core operating unit of ORIX Group's asset management business, has expanded its AUM and contributed stable fee revenues throughout the year.

In the environment and energy field, we have secured total solar power generation capacity of approximately 700 MW from the projects that we have been developing, of which around 180 MW are in operation and the remaining to commence operation gradually.

We have made a number of investments including Hartford Life Insurance K.K. and Yayoi Co., Ltd. in Japan, and Hyundai Logistics Co., Ltd. in Korea. On the divestment side, we have sold our shares in Monex Group, Inc., and STX Energy Co., Ltd. (currently GS E&R), a Korean company. We have also made investments in vessels, purchased and sold aircraft, and sold real estate properties.

Overall, as illustrated above, we have made decent accomplishments whether they are new investments for future profit growth or timely turnover of asset portfolio while the market condition is favorable.

Medium Term Strategic Directions – Focus on Profit Growth, Capital Efficiency and Financial Soundness

After the global financial crisis, our profitability has swiftly recovered and we have also improved the Company's financial condition. Under the environment where there are constant changes in the financial market and zero interest monetary policy adopted by central banks around the world, we have controlled our D/E ratio, improved our Asset-Liability-Management by shifting our short term funding to ones with longer maturity, and also moved our core business away from finance business to non-finance business. Compared to FY2007.3, revenue streams have been replaced while business diversification continued, and as a result, earning stability has been remarkably improved. Similarly, financial soundness of the Company has also strengthened. Under the new mid-term target, we are currently striving to grow our full year net income from 234.9 billion yen of FY2015.3 to the level exceeding 300 billion yen by the end of FY2018.3 in three years' time.

Total assets of the Company exceeded 11 trillion yen as of the end of FY2015.3, and I think we need to recognize the importance of profit growth, capital efficiency and financial soundness more than ever before in the way we manage the Company going forward. Furthermore, we will build a business portfolio that generates stable profit of over 300 billion yen.

In addition, we will maintain our ROE at 11% or more as the target for capital efficiency. Without sacrificing the Company's financial soundness as we pursue the aforementioned targets, we will continue to maintain our credit rating in the single A range.

Contributing to the Society and Economy on a Global Basis with the “ORIX” Business Model

Makoto Inoue

Director
Representative Executive Officer
President and Chief Executive Officer



Accelerate the Expansion in Non-Finance Businesses –Organic Growth–

We will accelerate our expansion in the non-finance businesses as part of our new mid-term strategic directions.

We would like to achieve such a goal through continuing efforts in growing our existing businesses, as well as new investments in key areas.

Our initiative to grow our existing businesses will focus on our auto-related business, domestic corporate business, overseas, and life insurance business.

For the auto-related business we will pursue expansion in our business both in Japan and abroad. ORIX Auto Corporation is an auto-leasing industry leader with a fleet management operation handling 1,170,000 vehicles as of the end of FY2015.3, and provides a wide variety of automobile-related services. We will expand our auto-related business further by extending ORIX Auto Corporation’s services and know-how to various Asian countries.

For our domestic corporate financial services business, we will capitalize on the business platform of Yayoi, a new subsidiary we acquired in December 2014. We also intend to strengthen the services that meet the needs of Yayoi’s customers who are mainly small enterprises, and further enhance ORIX’s existing customer base and revenue streams. Further diversification of our overseas business will be pursued. I believe there is still room for new business development outside of the auto-related business, if we leverage our other domestic business know-how into our overseas subsidiaries’ businesses in Asia.

In the life insurance business, the number of insurance policies held by ORIX Life Insurance Corporation has been

growing steadily. We will work on expanding our product offering in the first as well as the third sector while diversifying our sales channels in order to accelerate the growth and expansion of business.

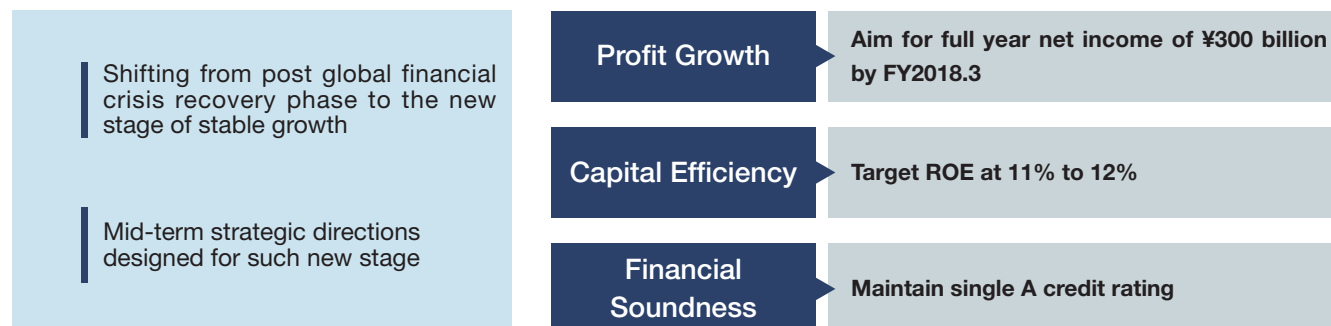
Accelerate the Expansion in Non-Finance Businesses –Investment in Key Areas–

In our initiative to invest in key areas, we will position asset turnover as a cornerstone for our strategy to divest low profitability and low growth assets while making investments in new business areas, namely environment and energy, Asia, asset management, and principal investment.

In the environment and energy-related business, we have already secured solar power projects with a total power generation capacity of approximately 700 MW, which are expected to be fully operational in the coming three years. Our current business target in the solar power business is to have a total of approximately 900 MW commercialized, and become one of the largest solar power business operators in Japan by the end of FY2018.3. Apart from solar power, we will also explore a variety of other forms of renewable energies including geothermal, wind power, and biomass. Furthermore, as a power producer and supplier (PPS), by leveraging our domestic sales network, we are considering to enter into the business of providing electric power to customers in the low-voltage market after full deregulation of the electric power retailing market which will take place in April 2016. In order to ensure stable power sources for these new businesses, we plan to build coal-biomass co-firing power plants.

A Message from the CEO

Medium Term Strategic Directions



In Asia, we will expand our investments that lead to a strengthened network. We have been developing leasing business in Asia since the 1970s, targeting mostly local customers. We would like to make investments that contributes to further business expansion, and to improve ORIX's product and service offerings in Asia.

In the asset management business, we will strive to achieve a dramatic growth in the AUM of Robeco, through M&A if necessary.

In principal investment, we will continue to be selective in overseas projects. Despite the investment environment seeing acquisition prices trending downward somewhat in recent years, we have yet to identify attractive investment opportunities. Nevertheless, we will continue to search thoroughly for potential deals with our trusted local partners. In terms of other long-term strategic investments, deregulation and changing business environment in medical, agricultural, and venture businesses such as IT and robotics are areas where we intend to make our entry into the future, together with continuing investment in business rehabilitation projects that we have been engaged in the past. We consider leveraging our domestic sales network to identify investment opportunities in Japan. We will strengthen our market intelligence capability and collectively seek business opportunities in a wide range of industries.

Throughout these business investments both in Japan and abroad, we aim to identify the next core business opportunity, and nurture it to become a new earning source for the ORIX Group.

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. We have ensured that 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 targets and increasing corporate value. Through these designs, ORIX has actively strengthened management oversight functions. This is a strict framework for the management, but at the same time, we believe that it is the safest framework from the perspective of both the management and ORIX together.

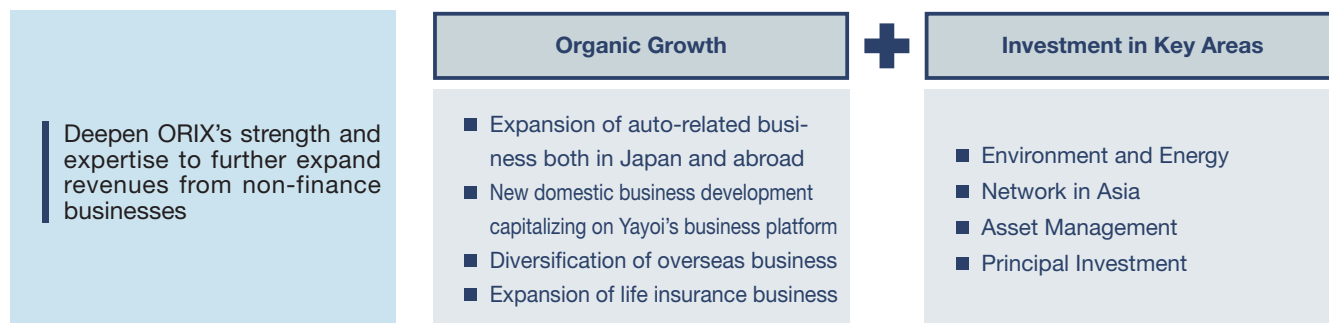
Effective from June 2015, Directors Takeshi Sasaki and Haruyuki Urata have stepped down from their respective positions. Mr. Sasaki has been an Outside Director since June 2006, and has contributed to the Company's management tremendously with his wealth of knowledge in a wide range of issues in politics and society in general.

Mr. Urata has committed himself to strengthening the Company's financial base and risk management system since he became CFO in January 2009. The new CFO Mr. Kazuo Kojima has accumulated high-level managerial experience as the divisional head in almost all business divisions in the Company during his career at ORIX. Mr. Kojima and I will continue to drive the ORIX Group forward and build a business portfolio that can produce sustainable growth in the long run.

Capital Management Policy

The dividend per share for the FY2015.3 increased by 13 yen from 23 yen during the previous fiscal year to 36 yen per share. Each business segment has displayed stable profit growth, and we have accordingly raised the dividend payout ratio from 16% in FY2014.3 to 20% in FY2015.3. In addition, we will distribute an interim dividend beginning from FY2016.3. The interim dividend for FY2016.3 is projected at 22 yen.

Expansion in Non-Finance Businesses



Our basic philosophy is to use the capital primarily for growth. In terms of shareholders' return, we will aim for stable dividend distribution based on the optimal balance between business growth and financial soundness.

As a Global Company

Having the appropriate organization and the right human capital in order to achieve further advancement as a global company, is undoubtedly one of the management's important tasks.

Along with the growth of the Company, ORIX currently has around 30,000 employees in the group world-wide, representing a diverse human capital of different nationality, age, sex, and work experience. Maximizing each individual's skills and expertise to the fullest extent leads to the growth of these very individuals and consequently to the growth of the Company. Therefore, we have been making changes to our personnel system and improving the work environment to build a professionally fulfilling work place that respects diversity and is relevant to the current social situation. We also have been enhancing our "global professional" training program, and we ensure that those challenge-seeking employees will be assigned with job opportunities they ask for.

We also have been strengthening our internal control framework. Within which, we will build a system that thoroughly supervises each business division through the checking and balancing functions including compliance and auditing. As a global company, we are fully aware of the weight of the social responsibility that we carry as we conduct our business activities.

The "ORIX" Business Model

Since its founding, ORIX has upheld two basic philosophies; one of which is "creating new value." ORIX has its origin in being the pioneer to introduce "leasing," a new and un-

usual financing method in Japan during the time. Although we have since then steered the Company towards diversification and globalization, we 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 philosophy is "standing on our own two feet," or simply, self-reliance. Upholding this philosophy requires a management system that is constantly under strong tension arising from the crisis mentality that any ill-judged decision may endanger the very survival of the Company. Creation of new value and self-reliance are the two major characteristics that represent the "ORIX-way" and they will continue to be the core elements of the ORIX DNA going forward.

ORIX has evolved drastically over the past 50 years, and such process is still continuing as of this day. The business model developed by ORIX, which is centered on finance but also branches out into a diverse array of different businesses, is a truly unique creation, which I believe is becoming a proven business model that continues to evolve without a final form.

A company realizes its meaning of existence when it is needed by its customers, and when the products or services of value that it provides are recognized. Through such business activities, the company contributes to the society and economy, and earns profits in return. The business environment and customers' needs will continue to change in the future, and we must continue to change ourselves along with the changing environment if we were to continue contributing to the society and the economy with services of higher value.

Going forward, in response to the high expectations of our stakeholders, we will strive to become an even better company that not only represents Japan but also sets examples for the global economy and society to follow.

July 2015