

A Message from the CFO



A Well Balanced Risk Management that Supports Sustainable Growth

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Identify and Take the Right Risks

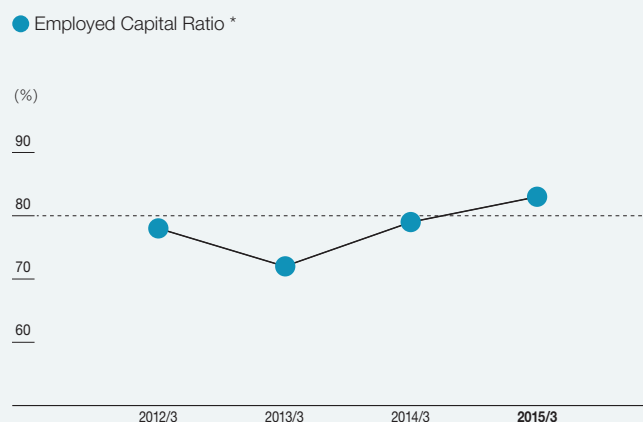
ORIX is a Company that has grown to where it is today by repeatedly taking on new challenges and delivering innovations to respond to the increasingly diverse customer needs and ever changing market environment. In the path of growth, identifying and taking the right risks, as well as maintaining financial soundness are the two major pillars of ORIX's risk management.

Prudent risk taking is one characteristic of ORIX. Even small size transactions are thoroughly discussed among the top management before the final decision is made. After execution, diligent monitoring continues until the investment is fully

recovered, and with group-wide resources we aim to increase transaction value or maximize the transaction's collection amount. The top management monitors the Group's business by each individual business unit (business headquarters or group companies) rather than the broader six major business segments. Monthly meetings are held where the top management receives reports from each business unit head and conduct strategic discussion where necessary adjustments on strategies are made to respond swiftly to changing business environment.

This framework ensures that risks are being treated diligently from front line staff to the top management. In the future, as we explore new business opportunities aggressively, we

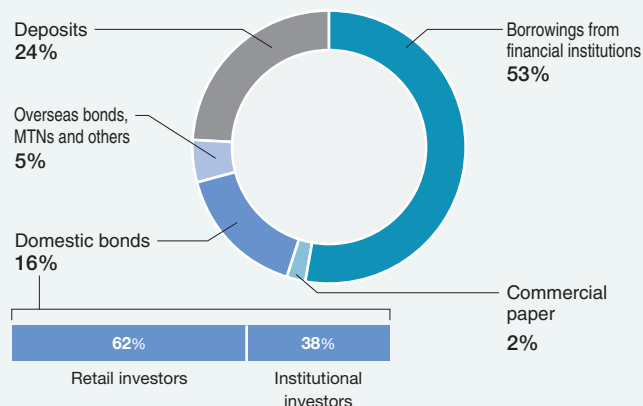
Employed Capital Ratio [Figure (1)]



*ORIX calculation (Risk Capital/Shareholders' Equity)

Breakdown of Funding Sources

(As of March 31, 2015, excluding ABS and CMBS) [Figure (2)]



continue to identify and take the right risks that eventually lead to growth.

Fortify Financial Soundness and Enhance Corporate Value

From the perspective of financial soundness, ORIX places strong emphasis on its capital employment and earning stability. In addition, maintaining single A credit rating is one of our targets under the current mid-term strategic directions. We acquired Hartford Life Insurance K.K. and Yayoi Co., Ltd. during FY2015.3, but such investment decision was made after diligent evaluation of the investments' potential impacts to our credit rating. Furthermore, we consider roughly 80% capital employment is the reasonable level. [Figure (1)]

Under the existing favorable business environment, we have been turning over low profitability and low growth assets, and transforming our business portfolio to one with greater growth potential. In doing so, we pay particular attention to our capital adequacy and maintain the Company's financial soundness, and at the same time, we evaluate capital allocation and capital usage level, and risk and return profiles of each segment and individual business, and ultimately aim for further enhancement of the corporate value.

Maintain Solid Financial Standing

Furthermore, we have been strengthening our financial soundness through initiatives such as diversification of

funding sources, lengthening and leveling out of maturity ladder, and securing adequate levels of liquidity.

Currently, our funding is based on diversified sources including borrowings from financial institutions, bond issuances in various capital markets, as well as deposits collected by ORIX Bank Corporation. We have credit transactions with over 200 financial institutions, and maintaining stable relationships with them is an important part of our funding strategy. [Figure (2)]

In the initiative of lengthening and leveling out of our maturity ladder, we minimize the refinance risk by lengthening borrowings from financial institutions, and issuing domestic long term bonds. [Figure (3)]

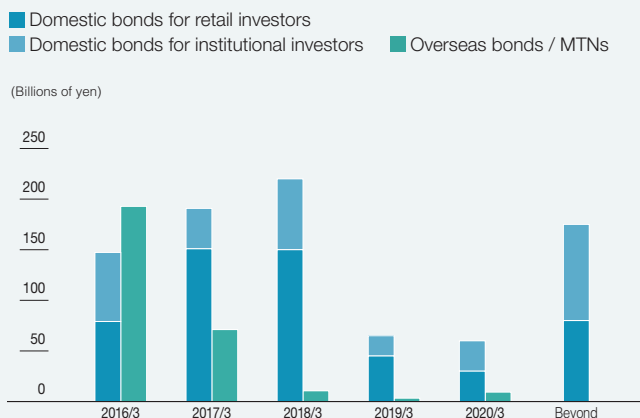
We also monitor closely liquidity risk and secure an adequate amount of liquidity is on hand to ensure that business can continue even if the funding environment deteriorates. [Figure (4)]

Moreover, we plan to strengthen our funding operation in response to our global business expansion, namely by increasing borrowings from local banks and tapping the local capital markets. We will take advantage of project finance for our growing investment businesses such as the environment and energy-related business.

By implementing a well balanced risk management that involves taking the right risks and maintaining strong financial soundness, we aim to achieve sustainable growth.

Straight Bond Maturity Ladder

(As of March 31, 2015) [Figure (3)]



Liquidity versus Short-term Liabilities

[Figure (4)]

