

# Corporate Financial Services

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

## Businesses

**Loan, leasing and fee business**

## Portfolio by Category

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

### Strengths & Advantages



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

### Opportunities



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

### Risks



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

## Successfully Delivering Value

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

## Growth Strategies

### ORIX's Sales Platform for Proposing and Providing Optimal Solutions

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

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

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

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

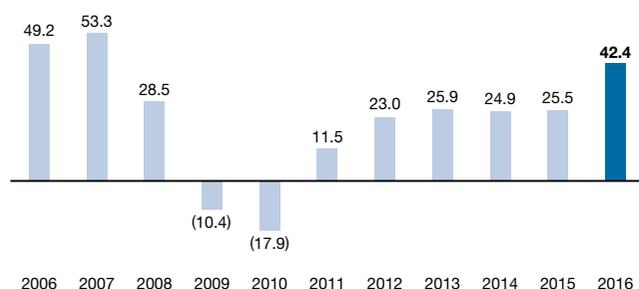
### Examples of Products and Services

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

## Segment Profits and Assets

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

Segment Profits (Billions of yen)



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



## Initiatives for Sustainable Growth

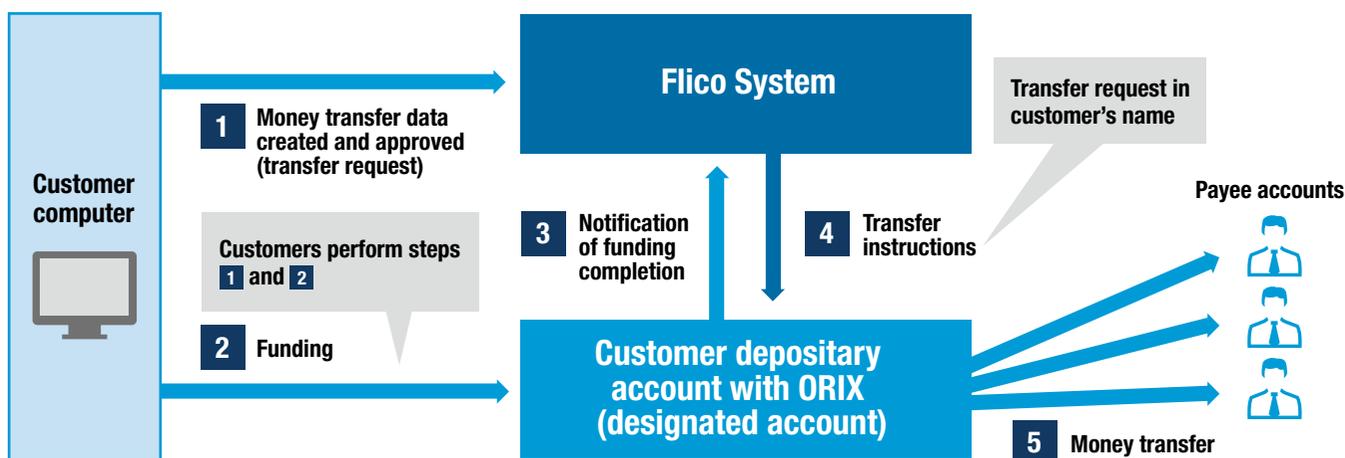
### Responding to Various Customer Needs in Ways Such as Expanding Sales through Payment Services, Raising Operating Efficiency, and Reducing Costs

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

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

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

#### Flico's Structure



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

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

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

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

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





# Maintenance Leasing

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

## Businesses

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

## Portfolio by Category

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

### Strengths & Advantages



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

### Opportunities



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

### Risks



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

## Successfully Delivering Value

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

## Growth Strategies

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

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

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

product lineup and sales channels in serving individuals.

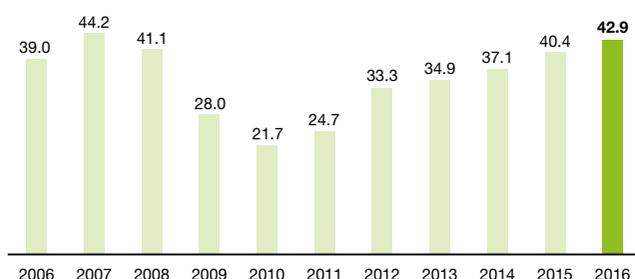
Our rental business provides rental services that address a range of needs in various markets including test and measurement instruments, scientific and environmental analysis equipment and IT-related equipment. Our rental products and services encompass 33 thousand types and 1.62 million units (as of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

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

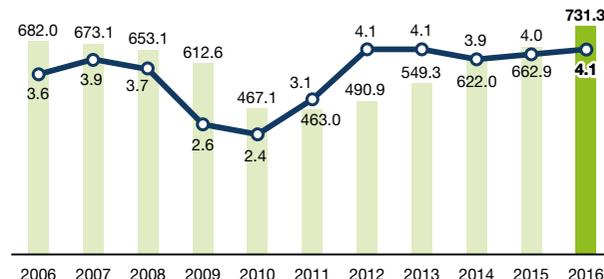
## Segment Profits and Assets

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

**Segment Profits** (Billions of yen)



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



## Initiatives for Sustainable Growth

### Telematics Services Address Compliance, the Environment, and Safety Issues

ORIX Auto Corporation provides the e-Telema and e-Telema Pro telematics services that give real-time insights into vehicle operation. A special device with communication and GPS functions mounted in customer vehicles provides real-time information about driver behavior including speed and sudden acceleration or deceleration along with data such as fuel economy and CO<sub>2</sub> emissions.

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

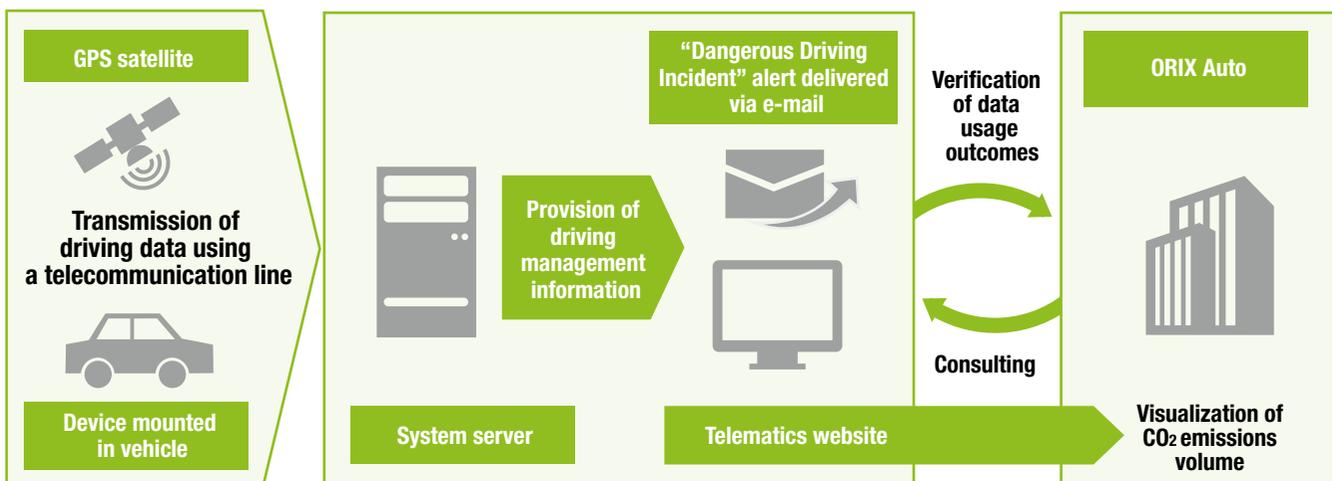
addition, analysis of the various data contributes to the environmental benefits of eco-friendly driving, reduced CO<sub>2</sub> emissions and reduction of surplus vehicles.

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

We will help to solve environmental issues with services that help to reduce environmental burden and CO<sub>2</sub> emissions and foster environmental awareness.

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

### Framework for Telematics Services



### Developing Special Vehicles with Specifications Tailored to Customer Needs

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

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

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

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



# Real Estate

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

## Businesses

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

## Portfolio by Category

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

### Strengths & Advantages



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

### Opportunities



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

### Risks



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

## Successfully Delivering Value

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

## Growth Strategies

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

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

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

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

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

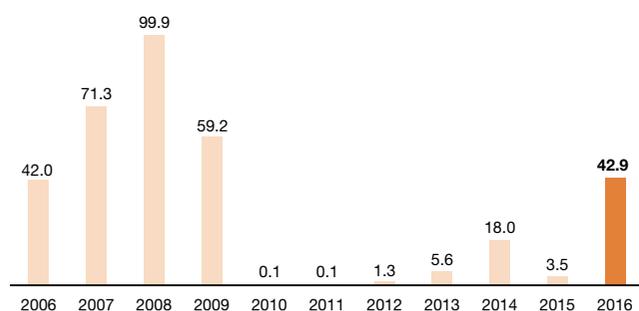
The facilities operation business develops and manages properties including hotels, Japanese inns, aquariums, nursing homes, senior residences, golf courses, multipurpose stadium and theater. We aim to create facilities customers want to revisit by improving services and creating value that only ORIX's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



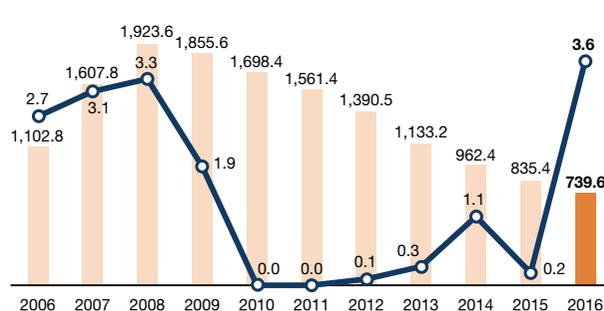
## Segment Profits and Assets

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

Segment Profits (Billions of yen)



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



## Initiatives for Sustainable Growth

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

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

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

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



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

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

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

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





# Investment and Operation

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

## Businesses

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

## Portfolio by Category

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

### Strengths & Advantages



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

### Opportunities



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

### Risks



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

## Successfully Delivering Value

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

## Growth Strategies

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

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

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

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

network both in Japan and abroad and its business expertise.

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

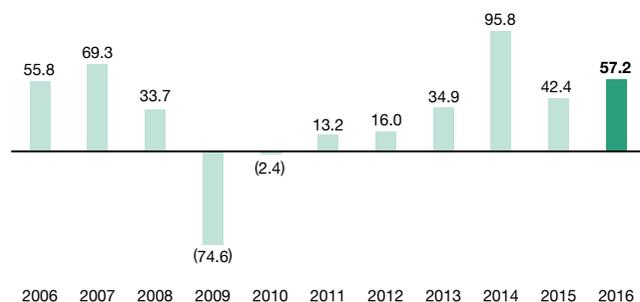
### Investment Strategy of the Principal Investment Business

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

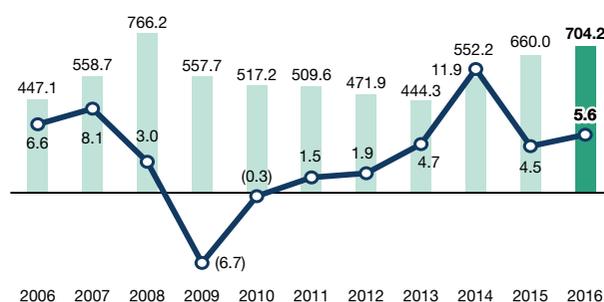
## Segment Profits and Assets

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

Segment Profits (Billions of yen)



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



## Initiatives for Sustainable Growth

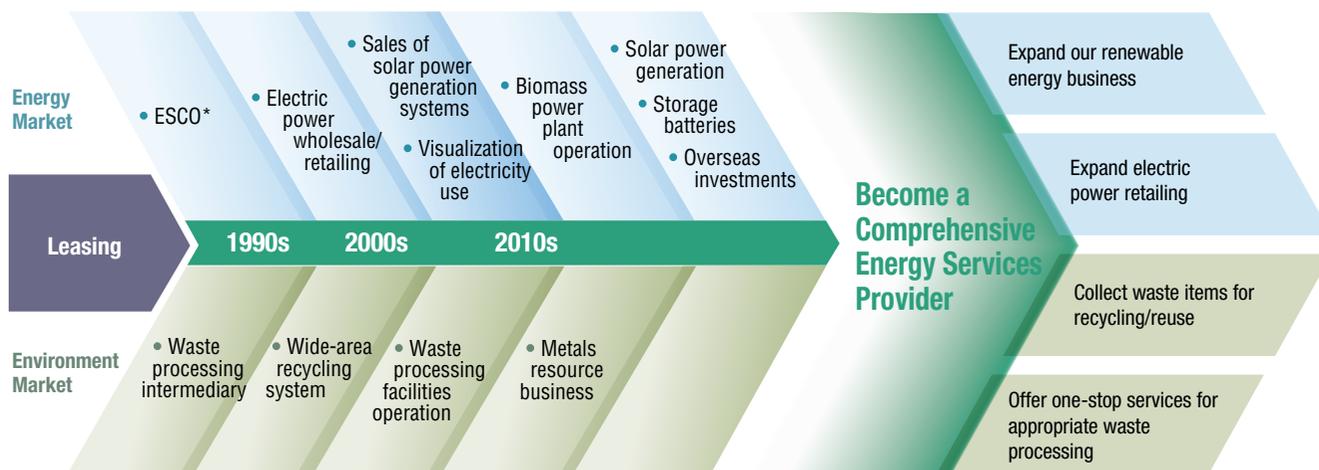
### Become a Global Comprehensive Energy Services Provider

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

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

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

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



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

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

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

growth, efficiency and international competitiveness of the airports.

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

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





# Retail

## We operate three distinctive retail financial businesses.

### Businesses

**Life insurance, banking and card loan**

### Portfolio by Category

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

### Strengths & Advantages



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

### Opportunities



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

### Risks



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

### Successfully Delivering Value

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

## Growth Strategies

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

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

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

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

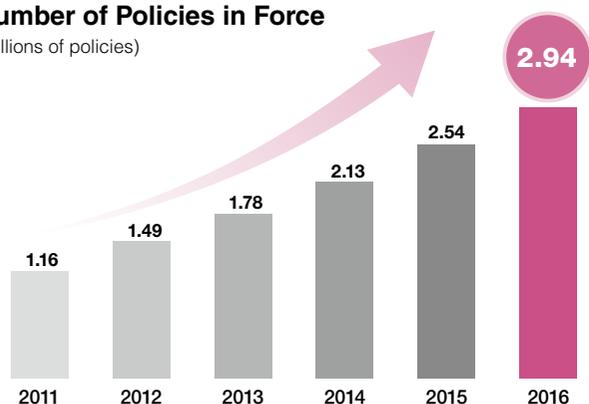
In the banking business, ORIX Bank is an internet-based bank that handles transactions that do not require a physical presence. For instance, deposits, card loans, and money trusts can all be offered by internet or telephone. It also has salespeople who meet with customers to provide optimal solutions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

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

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

#### Number of Policies in Force

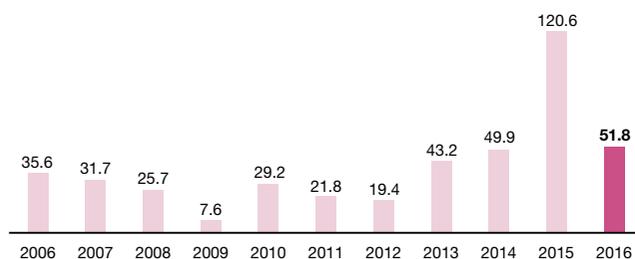
(Millions of policies)



## Segment Profits and Assets

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

#### Segment Profits (Billions of yen)



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



## Initiatives for Sustainable Growth

### Providing Simple, Clear Insurance Products That Address Real Customer Needs

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



### Praise for Our Products

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

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

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





# Overseas Business

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

## Businesses

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

## Portfolio by Category

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

### Strengths & Features



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

### Opportunities



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

### Risks



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

## Successfully Delivering Value

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

## Growth Strategies

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

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

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

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

overseas operations and expand earnings.

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

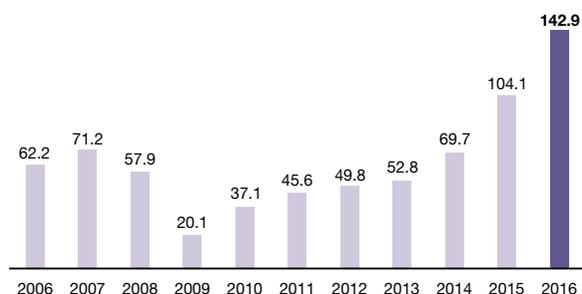
Our ship-related business leases ORIX-owned vessels to domestic and overseas shipping companies. It also arranges investments in ships for investors in Japan.

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

## Segment Profits and Assets

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

**Segment Profits** (Billions of yen)



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

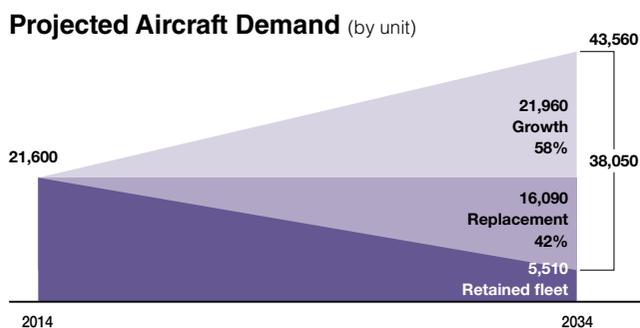


# Initiatives for Sustainable Growth

## Demonstrating Expertise in the Growing Aircraft Industry

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

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



Source: Boeing Current Market Outlook 2015

## Subsidiaries in Asia Will Expand the Auto Leasing Business

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

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

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

