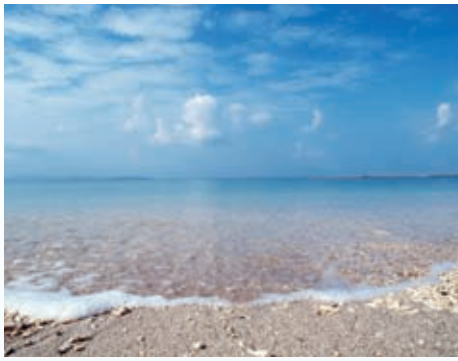
ORIX

ORIX Group



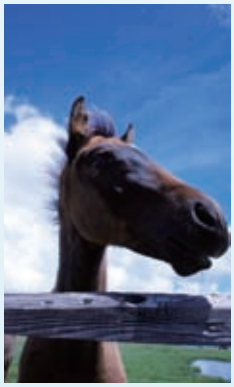




Environmental Report 2010-2011










The ORIX Group will Contribute to Society by "Solving Environmental Issues through Business."

The international community has joined together in working toward our shared long-term goal of addressing the issue of global warming. In Japan, both the government and manufacturers have stated that they will play a major role with their accumulated technological capabilities. Management at corporations have initiated a shift towards becoming more conscious of their respective carbon footprints, and are working hard at setting realistic goals to tackle this issue from a medium- to a long-term standpoint.

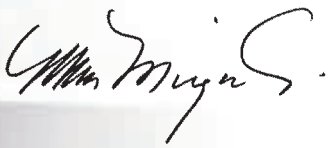
Environmental issues are the result of accumulated business activities, which means that we should also be able to find the solution to them in business. Above all, we need to capitalize on the various functions and resources of corporations to work toward realizing a "sustainable society."

The ORIX Group has been developing its environmental business since the mid-1990's and is committed to achieving a low carbon society by providing various eco services that contribute to CO_2 reductions for both customers and society in general. We intend to continue our proactive efforts to reduce our own CO_2 emissions while at the same time seeking to practice carbon neutral business activities together with society and our customers who use our eco services.

By positioning the environment as an area of focus for our business, we can incorporate an environmental viewpoint into every business of the ORIX Group. We strive to contribute to building a social infrastructure for a low carbon society and next generation business with a combined Group effort across all business areas including Automobile and Real Estate operations.

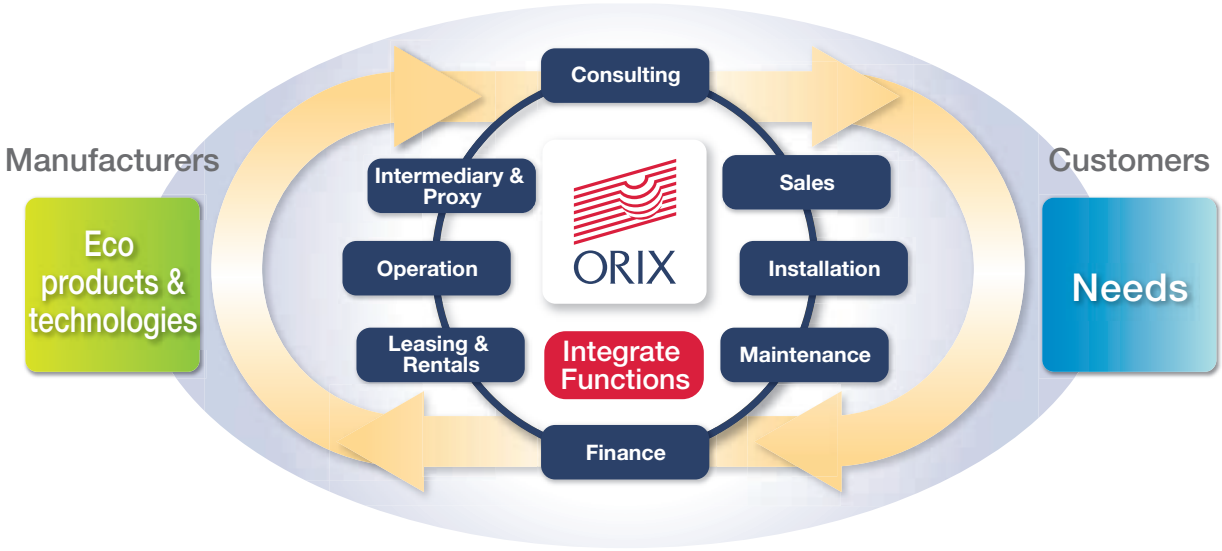
Furthermore, we will contribute to creating a global low carbon society by popularizing and spreading Japan's top-notch "eco-products" both in Japan and overseas, particularly in Asian countries.

The ORIX Group will continue to create economically rational and sustainable business as an "Eco Services Integrator" in order to meet expectations of society and stakeholders.



Chairman and Chief Executive Officer

Eco Services Integrator



ORIX Group is an Eco Services Integrator that comprehensively provides a variety of functions to meet customers' needs for environmental products and technologies.

Contents

The ORIX Group is harnessing its collective strengths to promote environmental businesses.

ORIX held a round table discussion with four leaders of key ORIX Group divisions and special guest Mr. Eiichiro Adachi, Research Chief of The Japan Research Institute, Limited. Mr. Adachi is actively engaged in industry research and corporate assessments from the standpoint of corporate social responsibility. The discussion covered a range of topics, including the ORIX Group's activities in the environmental field and its outlook for the future.

*Katsunobu Kamei assumed the position of President on January 1, 2011.

Role of the ORIX Group in Linking Environmental Solutions to Finance

Adachi: Today, I'll be discussing a variety of topics with the top management from key divisions of the ORIX Group.

In its Environmental Report last year, ORIX asserted that, "Environmental issues can only be solved through business." Globally, there is a clear movement afoot to address environmental issues as a means to stimulate and promote economic growth and development. These efforts, though, require tremendous capital. The Japanese government estimates that by 2020 some ¥12 trillion in funds will be needed in connection to next-generation automobiles, and another ¥8 trillion for solar power generation. Of course, these capital needs cannot be met through public funding alone. Attention has thus turned to private sector funding and finance functions. In Japan, the term "Environmental Finance" has yet to be widely recognized, but in the United States books are being written on the subject. This suggests to me that finance activities that encourage environmental action must be promoted more aggressively in Japan.

The ORIX Group has a distinct position in the finance sector. As such, how has the Group worked to address environmental issues?

Obara: The ORIX Group got its start in leasing, which can be thought of as finance in the broadest sense. From there, we developed business from a "Finance + Services" perspective. You mentioned "Environmental Finance," but merely offering a menu of finance services or a lineup of environmental products is no guarantee of success, no matter how good they are. The key is to figure out how best to integrate finance services, environmental products and other elements. In other words, this is the essence of the "Eco Services Integrator" concept described in last year's Environmental Report—a company that strives to create eco services by considering how best to combine these products and services.


Mr. Eiichiro Adachi

We have a presence in the finance sector, but we aren't a bank or a securities firm; neither are we a manufacturer or trading company. We consistently maintain a neutral position, and have strengths in selecting and providing the most appropriate services to our customers. Consequently, this position allows us to develop unique eco services.

Adachi: The "Eco Services Integrator" approach is, I think, an extremely timely one. In Japan, if you say "environmental technology," the first thing that springs to mind is "manufacturing." However, in essence, the operation itself—how can one apply technology to reduce environmental load—is most important. The main point is then whether one could create a competitive business model in this sense. I feel that the commitment to "Provide functions, develop services and transform these into viable businesses" is already a well-embedded approach in the ORIX Group. Vice President Kojima, could you describe how ORIX has arrived at this point?

Kojima: Economic activity is really about the extent to which one can boost productivity through efficient use of limited resources. Finance attaches a clear logic to how things unfold, and serves as a lubricant of sorts for helping to make industry more efficient. From an environmental standpoint, one could say that finance acts to align economic rationalization with environmental rationalization. When an eco-friendly service requires a lot of capital, our finance function is to propose leasing and rentals to encourage a wider range of customers to use these services.


Mr. Kazuo Kojima

Until recently, we developed eco services that were essentially an extension of our core finance services, or that were focused on areas like automobiles and real estate. Details of these services can be found in "ORIX Group Eco Services" (see P8 and 9). In the future, we will further expand the scale of these services, developing them in Asia and other overseas countries and clarifying the fields where we excel.

Adachi: This is just my theory, but I think that there are five types of environmental businesses. The first type is business made possible due to regulations. Alternatives and new methods emerge in order to clear regulatory hurdles. The second is cases in which the government intervenes in pricing systems. As we saw with eco-car subsidies, the government reduces the actual price in an attempt to spark new demand. The third is markets that simply crop up from public funding. It is possible that we will one day see public-sector demand arising from the issue of preserving biodiversity, in the same way as public-sector demand arises from road construction and upkeep. The fourth type is businesses that use technological innovation to provide cash or energy savings, like LED and ESCO businesses. The fifth is cases in which consumers themselves choose eco products. For instance, environmental awareness among consumers is probably critical to making car sharing work.

As senior executives, what do you keep in mind in your respective businesses?

Vital Points in Environmental Businesses

[Efficient Car Use Leads to Eco Performance]

Mitani: The merits of car sharing include both cost savings and more efficient use of resources. If, for example, you own your own car, you have to pay for a parking space and taxes even if you drive just a few times a month. With car sharing, if you use it with the same frequency as you would use your own car, the cost benefits will be obvious. In environmentally advanced countries like France, Paris offers free parking for car sharing. In Japan too, with the cooperation of national and local governments, we would be able to establish car sharing sites at highly convenient locations at even more affordable prices, helping car sharing to become more widespread.

Because automobiles are a source of CO_2 emissions, they also require measures to address global warming. Companies own approximately one-third of the 76 million automobiles in Japan. However, when compared to the 500 kilometers driven by individuals in a given month, companies log an average of 2,000 kilometers, or nearly four times as much driving per month. As a result, companies now account for roughly 70% of CO_2 emissions from automobiles. Zeroing in on this phenomenon, we propose ways for companies to curb their carbon emissions and optimize their vehicle fleets.

The ORIX Telematics Service allows us to monitor driving behavior, such as idling time, as well as daily usage for a given vehicle, distance driven and other data. This information makes usage for a specific vehicle more visible. It allows us to promote eco driving and propose fleet reductions to customers by switching to rental cars and/or car sharing. While the role of automakers is to produce low carbon-emitting cars, we are proposing ways to reduce CO_2 through smarter car use.


Mr. Eiji Mitani

Adachi: Being responsible for operations is effectively synonymous with creating social systems. As with the Paris example, I suppose that much will depend on how smoothly the responsibilities are shared with local governments and other entities.

What points has ORIX turned its attention to in real estate, which is also part of the social infrastructure, as with automobiles?

[Concept-based Real Estate Development is Also Environmentally Friendly]

Yamaya: In residential housing development, our guiding concept is to build towns that generations of people will call home. If the facilities of a town, such as condominiums and single-family homes, child day-care centers and nursing homes, are all planned in advance, then the same people who purchase a condo can choose to move into, say, a single-family home within the same area. In the same way, a child day-care center is present when those people are raising children, and nursing care facilities are available for when they grow old. Real estate developed with the concept of long-term habitation in mind is very likely to be treated with care by residents. I believe this is an important approach to take in real estate development.

In contrast, there is now some concern as to investment efficiency when it comes to investment in offices, commercial facilities and other projects. To use a good example, last year we won a bid to turn an event hall in Osaka operated by The Employees' Pension Welfare Corporation into a hall (Well City Osaka) that could accommodate over 1,000 people. When it came time for redevelopment, the question arose of what to do with the 2,400-person capacity hall that has already stood on the site for four decades. The decision to opt for renovation over rebuilding looks set to cut investment cost by around half. So incorporating the concept of long-term usage in real estate development has the potential to maintain efficiency when it comes to investment as well.

The typical image of real estate development is that it puts an added burden on the environment. However, considering soil contamination as an example, we actually pay the cost to clean up the soil prior to development, and this is just one of the environmental measures we pursue. We still have to find ways to realize return on investment while adding not only new costs, such as solar panel installation, but also past costs of the type I described. If you try to tackle development without a solid concept in mind, all you end up doing is developing glass, steel and concrete, not buildings with a viable future.


Mr. Yoshiyuki Yamaya

Adachi: I suppose a major point here is whether real estate prices include environmental features, rather than just reflecting supply and demand. Although there are indicators out there like CASBEE for evaluating environmental characteristics for buildings, it seems to me that the technology and know-how for the environmental evaluation of existing structures in Japan have not evolved very far.

Yamaya: That's exactly right, and the U.S. and other countries are a step ahead in this regard. Creating the criteria for environmental evaluation is about more than just tax breaks, grants and other kinds of economic evaluation. Going forward, we need to consider whether this should include customer evaluations of the property, and even whether this should extend to an evaluation of the fund procurement aspects of the project.

Strengths Inherent to the ORIX Group

Obara: As head of ORIX's Energy and Eco Services Business, I would say that the main feature of the ORIX Group's environmental businesses is that our core operations consist of automobiles, real estate, and the IT operations that enable them. For instance, when we actually install solar panels on self-owned buildings, we can investigate economic rationalization and other essential points for turning this into a business all within the confines of the Group. The results of our own research can then be used to propose options to customers and the public, which I think underscores ORIX's advantages. Our environmental policy is to lower our own carbon footprint, then that of customers, and finally that of society at large. The steps we take in our environmental businesses thus align perfectly with this policy.

Furthermore, we have a client base of approximately 400,000 companies across Japan. This allows us to make proposals to customers from a broad range of industry sectors, regions and business sizes. It also

enables us to do something that others find difficult—to popularize the technology of customers that have been unable to link the good technology that they possess to viable businesses.

Kojima: Of the major trends in society today, we really regard the environment as a substantial business opportunity. However, since society to date has focused so heavily on economic rationalization, there is a tendency to equate environmental measures with cost. Our customers are mainly small and medium-sized enterprises. So while they recognize the importance of the environment, they often find it hard to shoulder the cost burden given the stiff competition they face. That's why we compile information on government grant programs and a host of other data important to proposing schemes that are less burdensome for customers to implement, or that contribute to the customer's strategies and profitability in the long term. This is also something on which we ourselves are actually focused.

Adachi: The idea that business opportunity can arise from attempts to address combinations of different needs is a point that I personally recognize almost every day. I have high hopes that the ORIX Group will continue to remain at the forefront of this trend.

To change topics slightly, our discussion today has yielded up several key ideas. The first involves taking action as an "Eco Services Integrator." Another is tackling new business opportunities with a high degree of sensitivity and the desire to change mechanisms deeply rooted in society. There is also the fact that real estate and automobiles are core operations; in other words, that ORIX has a foundation and competitive advantages in reducing its carbon footprint in core business domains. ORIX's capacity for networking with customers in Japan constitutes another strength. Given these advantages, what is your outlook for the coming years?

Future Outlook for the ORIX Group

Mitani: I would say we hope to create a successful community-based model in the years ahead. Working in collaboration with local governments and public transportation agencies, we can create towns that allow community residents to make optimal use of automobiles, all while paying close attention to global warming countermeasures and traffic congestion issues. If we bring the strengths of each Group company to bear in this area, we will very likely become the No. 1 corporate entity for solving environmental issues through business as an "Eco Services Integrator."

Yamaya: Even if we develop real estate based on the specific concept mentioned earlier, we cannot establish a brand as an environmentally advanced company without customer recognition. Creating a brand also takes time, so another challenge is figuring out how to harmonize this with the expectations for short-term growth that shareholders have for the company. There's no telling how many years it will take, but we will strive to have customers recognize ORIX as an environmentally advanced company.

Adachi: What are ORIX's prospects for overseas expansion?

Mr. Shinichi Obara

Obara: Expansion overseas, particularly in China and other parts of Asia, is one of the ORIX Group's key management priorities. Urbanization is gaining momentum in China. And with environmental issues projected to grow in severity, this opens up the opportunity to sell Japanese technology in this market. Other likely scenarios include leveraging our alliance with the Chinese Academy of Sciences in environmental businesses, and serving as an intermediary for joint ventures between Japanese and Chinese companies.

Kojima: Right now, the ORIX Group is at the stage of applying more selectivity and focus to its environmental businesses. Conducting environmental businesses overseas will bring ORIX into close contact with the governments of many countries. This means that not only do we need to create viable businesses that match customer needs when expanding these operations overseas, but that it is critical to have a grand design firmly laid out that we then systematically develop.

Adachi: On any given day, I typically find myself working fairly closely with the banking and securities sectors. I would like to thank you for teaching me so much today about new possibilities in "Environmental Finance." I look forward to witnessing how the ORIX Group, armed with the concept of becoming an "Eco Services Integrator" and continuously facing the related challenges, will transform itself in the years ahead. Thank you all for speaking with me today.

The ORIX Group has constantly pursued new businesses based on global trends. We will continue to tackle the challenge of creating eco services in the environmental and energy fields.

Finance + Services

Low Carbon Society

CO_2 reductions

Carbon Offset Service
ORIX

Sales of Carbon Credits
ORIX

Energy conservation

ESCO Fund
ORIX

Environment-related Equipment Rental
ORIX Rentec

ESCO Business
ORIX

Energy Management System "BX-Office"
Ubiteq

Recycling-based Society

Resources

Area Recycling Systems
ORIX Eco Services

Payment Agency Services
ORIX Eco Services

Important Document Disposal System "ECO Box"
ORIX Eco Services

On-site Waste Processing Facility
ORIX

Symbiotic Society

Biodiversity

Energy

Renewable Energy

Solar Power System Integrator
ORIX

Supply of Biomass Fuel
ORIX

Development of Biomass Fuel Plants
ORIX

Electricity Business
ORIX
ORIX Electric Power

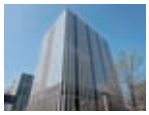
Existing Service

Future Priority

Automobiles	Real Estate	Environmental Facilities

Leasing and Rental of Electric and Hybrid Automobiles
ORIX Auto

Eco-friendly Real Estate Development
ORIX Real Estate



Biomass Power Generation
Agatsuma Bio Power

Eco Mobility Management

Car Sharing
ORIX Auto

Rental of Electric-assist Bicycles “e-bike”
ORIX Auto

ORIX Telematics Service
ORIX Auto

Making Buildings Energy Efficient

Certified Used Car Sales
ORIX Auto

Eco Maintenance
ORIX Auto

Soil Contamination Countermeasures
ORIX Eco Services

Sophisticated Waste Processing Facilities (Gasification Furnace)
ORIX Environmental Resources Management

Industrial Waste Processing, Collection and Transportation
Funabashi Eco Services

Water-related Business

Aquarium Operation
ORIX Real Estate

The ORIX Group has been fully engaged in the environmental and energy business since the mid-1990s. We are harnessing our expertise in this business to help customers reduce their carbon footprint.

ORIX Group Eco Services History

1995
- Investment in a wind power company

1998
- Establishment of ORIX Eco Services Corporation

2000
- Investment in an onsite power generation company
- Start of ESCO Business
- Start of "ECO Box" Service

2002
- Establishment of ESCO joint venture
- Start of car sharing business
- Establishment of Energy and Eco Services Department at ORIX Corporation
- Establishment of ORIX Environmental Resources Management Corporation

2003
- Start of Area Recycling Systems business

2004
- Start of Enoshima Aquarium operation as a PFI business

1995～ 2000～

Developments Around the World

1995
- Electric Utility Industry Reform (Liberalization of electricity wholesaling business in Japan)

1997
- Adoption of the Kyoto Protocol

1998
- Law Concerning the Promotion of the Measures to Cope with Global Warming

1999
- Law Concerning Special Measures Against Dioxins

2000
- The Basic Act for Establishing a Sound Material-Cycle Society

2001
- Act on Ensuring the Implementation of Recovery and Destruction of Fluorocarbons Concerning Designated Products

2004
- Law Concerning the Promotion of Business Activities with Environmental Consideration by Specified Corporations, etc., by Facilitation Access to Environmental Information, and Other Measures

Glossary of Main Environmental Terms Used in this Report

- **Renewable energy**
  Renewable energy collectively refers to lasting sources of energy other than fossil fuels. Examples include solar and wind power.
- **Biomass**
  Biomass refers to renewable organic resources derived from plants and animals, including livestock waste, food waste and wood chips.
- **Carbon neutral**
  "Carbon neutral" refers to the process of balancing the emission and absorption of CO_2 so as to achieve zero net emissions over the entire lifecycle of products and services. For example, CO_2 emissions resulting from burning plant biomass are offset by CO_2 absorption by plant matter through photosynthesis during their growth. As a result, the burning of plant biomass has no net impact on atmospheric CO_2 levels.
- **Smart grids**
  Smart grids refer to next-generation power grids that raise power transmission and distribution efficiency and maximize the use of renewable energy. Power supply and demand is automatically controlled by incorporating IT in the power transmission grid.
- **NEDO (New Energy and Industrial Technology Development Organization)**
  Japan's New Energy and Industrial Technology Development Organization.
- **Act Concerning the Rational Use of Energy**
  Enacted in 1979, this law mandates energy conservation measures at plants and other facilities that consume large amounts of energy. From April 2010, energy management measures previously implemented at individual plants and business sites must be carried out across the board. Regulations were also expanded to franchise chain operators and other entities.

2005～

2005
- The Kyoto Protocol enters into force
- Creation of Japan's Voluntary Emissions Trading Scheme (JVETS)
- Opening of the Japan Electric Power Exchange

2008
- Amendment to the Act Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides and Particulate Matter from Automobiles in Specified Areas
- Start of the First Commitment Period of the Kyoto Protocol
- Amendments to the Law Concerning the Promotion of the Measures to Cope with Global Warming and the Law Regarding the Rationalization of Energy Use
- Start of trials for integrated domestic market for emissions transactions

2006
- Start of operations at ORIX Environmental Resources Management's Yorii Plant
- Start of "ORIX Telematics Service"
- Start of Environmentally Friendly Loan Guarantee System

2007
- Start of electricity trading business

2008
- Acquisition of Agatsuma Electric Power Co., Ltd. (Now Agatsuma Bio Power Co., Ltd.)
- Acquisition of Kanematsu Kankyo Co., Ltd. (Now Funabashi Eco Services Corporation)
- Start of carbon offset service
- Start of Environmentally Friendly Investment (ESCO Fund)

2010～

2010
- Strategy for becoming an environmental and energy superpower incorporated in Japan's New Growth Strategy
- Start of "Challenge 25 Campaign"
- The Act Concerning the Rational Use of Energy enters into force
- The Revised Tokyo Metropolitan Environmental Security Ordinance enters into force
- Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity Nagoya, Aichi Prefecture, Japan (COP 10)

2009
- Establishment of Energy and Eco Services Business Headquarters at ORIX (approx. 400 employees as of March 31, 2010)
- Joined Limited Liability Partnership Global Water Recycling and Reuse System Association, Japan

2010
- Start of electric-assist bicycle rentals
- Establishment of strategic alliance with the Chinese Academy of Sciences
- Establishment of ORIX Electric Power Corporation
- Investment in Ubiteq, INC.

- **CASBEE (Comprehensive Assessment System for Built Environment Efficiency)**
  With the support of the Ministry of Land, Infrastructure, Transport and Tourism, CASBEE was established in 2001 to gauge the environmental performance of buildings. In terms of assessment methods, CASBEE employs two assessment categories: building environmental quality and performance (Q: Quality) and building environmental loadings (L: Loadings). Assessments span more than 50 different items with 5 possible rankings, from S (highest possible) to A, B+, B– and C.

- **Act Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides and Particulate Matter from Automobiles in Specified Areas**
  Enacted in 2001, this law governs the emission of air-polluting nitrogen oxides and particulate matter from automobiles. Following amendments in January 2008, measures to mitigate local pollution and the influx of vehicles from outside regulated areas have been strengthened.

- **Rare metals**
  Rare metals collectively refer to non-ferrous metals for which reserves are scarce or non-ferrous metals produced only in small quantities due to mining and extraction difficulties. These metals are essential to precision measuring equipment, home electronics and other items.

- **PCB (polychlorinated biphenyl)**
  This compound was previously used in electronic components such as transformers and capacitors for its superior thermal stability and electrical insulation properties. However, because of PCB's toxicity and bioaccumulation properties, PCB production, import and use were banned, in principle, in 1972. The law also stipulates business PCB storage and waste management procedures.

Renewable Energy

ORIX is actively promoting the use of renewable energy sources, including the installation of solar power generation systems and the supply of biomass fuels, to enable Japan to lead the world in becoming a low carbon society.

Demand for Renewable Energy in Japan

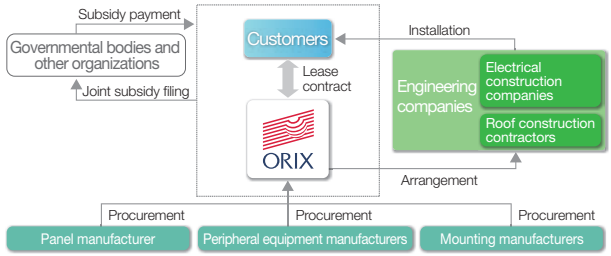
Compared to fossil fuels, the dominant features of renewable forms of energy are that they are virtually inexhaustible and have a minimal environmental impact (CO_2 emissions) when consumed. Growth in emerging markets is expected to lead the demand for energy and drive up fossil fuel prices worldwide. For a country like Japan with few resources of its own, reducing its dependency on imported resources will be critical to the country's energy security. Doing so has the added benefit of promoting environmental industries and creating new employment opportunities. This point is spurring national and local governments to throw their support behind renewable energy measures.

Solar Power System Integrator

Among renewable energy sources, solar power generation systems have made the furthest strides in technological development and commercialization. As such, these systems are playing a vital role in the formation of a low carbon society.

With prices falling and the pace of adoption of these systems quickening, ORIX has its sights on providing one-stop services in this area beyond equipment sales and system installation finance. Leveraging the functions of the ORIX Group, services will cover the spectrum from system adoption to end-of-life processing. These will include promoting the reuse of older systems following equipment upgrades, and encouraging the retail commercialization of environmental value through Certification of Green Power.

■ Solar Panel Business Framework (Adoption via Lease)

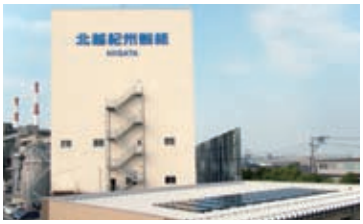


Example of Service Provided to Customers

Installation at Employee Training Facility

Hokuetsu Kishu Paper Co., Ltd., a company that emphasizes environmentally sound management, searches for technological solutions to reduce the environmental impact of the manufacturing processes at its mills, and takes assertive steps to curb carbon emissions across its production sites.

As a new method to cut CO_2 levels, the company was quick to adopt a solar power generation system. As a result, Hokuetsu Kishu Paper is projecting a reduction of some 3 t-CO_2 in emissions each year. ORIX's efforts to contain investment costs related to panel installation and other aspects of the project were particularly well received.



Solar power generation system installed on the employee training facility (Niigata City, Niigata Prefecture)

Customer Feedback

Hokuetsu Kishu Paper Co., Ltd.
General Manager
Environmental Management Div.
Niigata Mill
Toshihiko Koshino

At the Niigata Mill, we actively use black liquor and wood biomass from the pulp manufacturing process, with the aim of running an eco-friendly, clean energy mill. The employee training facility where we recently installed the solar equipment also functions as a site for tours given to local elementary schoolchildren and as a visitor center, which is why we have also installed a large TV monitor to show how much solar power we are generating.

We look forward to hearing a variety of other proposals from ORIX on how we can save energy.

Biomass Fuel Conversion

Biomass Fuel Plant Development

ORIX, as part of a five-company consortium*, is developing a production plant for biodiesel fuel that will serve as an alternative to conventional light oil. This production plant utilizes a new, catalyst-free technology (Superheated Methane Vapor Bubble Method), enabling lower implementation and operating costs than conventional production plants.

*Consortium consisting of ORIX, Kajima Corporation, JFE Engineering Corporation, Rainbow Phoenix Corporation, and National Food Research Institute.

Biodiesel fuel production plant

Biomass Fuel Supply

ORIX is working to procure and supply biomass fuel produced overseas (Indonesian and Malaysian palm kernel shells) in Japan to provide fuel alternatives to coal and other fossil fuels. In contrast to fossil fuels, biomass fuels are carbon neutral sources of energy. Among the variety of wood-derived biomass fuels available, palm kernel shells (PKS) have several outstanding features. PKS generate comparatively high levels of heat, prevent corrosion in boilers and other equipment thanks to low chlorine content, and are easier to handle to due to their relatively uniform size and shape.

Process for obtaining PKS

Biomass Power Generation Business

ORIX has been promoting a wood chip biomass power business since taking an equity interest in Agatsuma Bio Power Co., Ltd. in March 2008.

ORIX is currently constructing a 13,600 kW power plant for power generation using wood chip biomass in Agatsuma County, Gunma Prefecture. The wood chips are produced from crushed biomass resources such as pruned branches and waste materials. The business also received investment from Tokyo Gas Co., Ltd.

Wood chip biomass power plant currently under construction

Electric Power Business

The ORIX Group is striving to normalize renewable energy by leveraging functions and expertise gained from its electric power business.

■ Electric Power Trading Business

ORIX supplies affordably priced electric power mainly to facilities and business sites in need of high-voltage power within the transmission area of the Tokyo Electric Power Company, Incorporated and Kansai Electric Power Co., Inc. We hope to expand this business while striving to raise the share of renewable energy in our procurement mix.

■ Bulk Electric Power Purchasing Service

Established in May 2010, ORIX Electric Power purchases affordably priced, high-voltage bulk electric power from power companies, then redistributes it as low-voltage power to customers residing in apartments and condominiums. This service results in lower charges for customers on their utility bills.

ORIX Electric Power minimizes facility investment costs by implementing and maintaining equipment for bulk power reception. This leads to cost savings for customers. Going forward, ORIX Electric Power is seeking to roll out more eco-friendly services, including the installation of solar power generation systems on condominium and apartment buildings receiving service, and compatibility with smart grid technology.

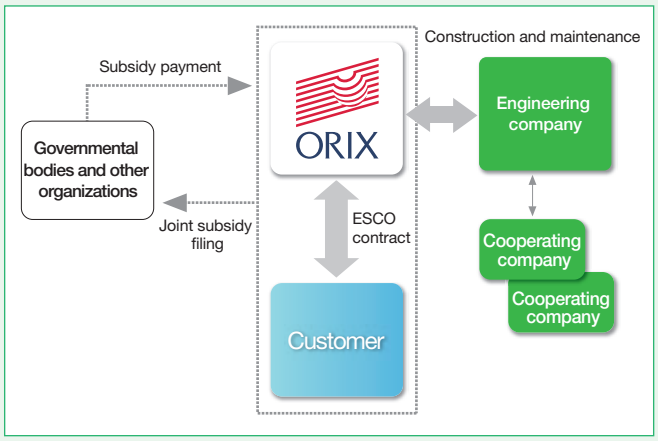
Energy Conservation

By utilizing new energy and introducing energy-efficient equipment, ORIX is providing optimal methods to meet customers' energy needs based on an understanding of their energy usage. ORIX is helping customers to reduce both their CO_2 emissions and costs.

ESCO Business

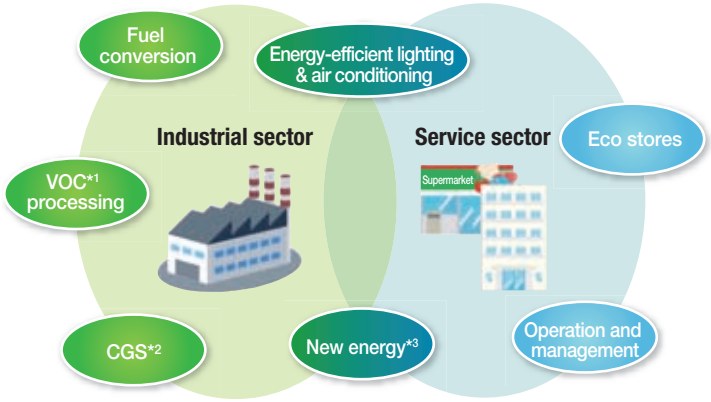
ESCO (Energy Service Company) businesses provide comprehensive services pertaining to energy efficiency for factories and buildings, thereby achieving energy conservation without compromising the existing use of each facility. In the ESCO business, energy cost reductions attributable to the ESCO business itself cover various costs, including installation costs for energy-efficient equipment, equipment maintenance costs, and the cost of assessing the energy conservation benefits. The ESCO business model has been embraced by many private-sector companies and local governments as a means of simultaneously conserving energy and reducing running costs.

ESCO Business Framework



Features of ORIX's ESCO Business

- ORIX offers one-stop services ranging from energy assessments to determine customer energy usage, to the proposal and implementation of energy conservation solutions.
- Expertise gained in this area over the years, coupled with alliances with a host of companies involved in energy efficiency allows ORIX to offer a wide-ranging menu of energy conservation services.
- ORIX also has ESCO service menus tailored to specific business formats and equipment, and effectively combines these to achieve both better environmental performance and cost benefits.
- In order to maximize energy conservation benefits, ORIX selects the best equipment and items given the customer's specific needs, without being limited to a particular manufacturer.
- After the ESCO service is introduced, ORIX provides continuous support, such as operation and maintenance of equipment, energy conservation assessment and operations consulting.



*1 VOC (Volatile Organic Compounds)
VOC refers to substances such as ethyl acetate and toluene found in paints, adhesives and other products. These substances are believed to cause photochemical smog, a form of air pollution.

*2 CGS (Co-generation System)
CGS promotes more efficient energy use by simultaneously supplying electricity and heat by utilizing waste heat released during power generation and other by-products.

*3 New Energy
New energy refers to energy sources that could significantly contribute to the promotion of alternatives to petroleum-based fuels, but have not been widely adopted due to economic reasons. One example is solar power.

Industrial Sector (Factory) ESCO

Fuel Conversion ESCO

ORIX proposes options for helping customers convert the main fuel for their factories from heavy oil to environmentally sound alternatives like LNG (liquefied natural gas), refuse paper and plastic fuel (RPF), and wood chips. As an ESCO operator, ORIX is responsible for supplying costly LNG satellite tanks and boiler modifications, as well as subsequent maintenance and upkeep. The end result is simultaneous cost reductions and improved environmental performance.

Example of ESCO Adoption

LNG Fuel Conversion ESCO

For Otsuka Pharmaceutical Factory, Inc., ORIX is conducting an ESCO project to convert fuel used at the company's Matsushige Plant (Itano County, Tokushima Prefecture) from heavy oil to environmentally sound LNG (liquefied natural gas). Specifically, ORIX has installed satellite tank equipment for LNG storage on the factory grounds, which can be converted to gas and supplied as boiler fuel according to demand. A high energy-efficiency, gas turbine-based co-generation system has also been installed onsite, supplying power while effectively utilizing the waste heat produced. ORIX, as the ESCO business operator, is fully responsible for securing the funds required for ESCO service adoption, as well as subsequent equipment upkeep and management.

LNG satellite tank facility

Customer Feedback

Otsuka Pharmaceutical Factory, Inc.

Utility Manager, Engineering Section, Matsushige Plant

Yasuhiro Fujisawa

Otsuka Pharmaceutical Factory is one of the top names in the intravenous solutions industry. It aims to reduce CO_2 emissions at its factories to the level in fiscal 1990 by fiscal 2012.

For the current project at the Matsushige Plant, we collaborated with ORIX to receive equipment subsidies from the New Energy and Industrial Technology Development Organization (NEDO), Japan's Ministry of the Environment and the Toshi-gas Shinko Center. This assistance allowed us to implement a fuel conversion/gas turbine co-generation system project at the factory. Along with converting the heavy oil used for the steam boiler over to LNG, the introduction of a gas turbine-based co-generation system to enhance energy efficiency is set to reduce CO_2 emissions by some 20% annually. The electricity produced by the gas turbine enables the factory to cover roughly half of the power it consumes annually.

Example of ESCO Implementation

RPF Fuel Conversion ESCO

ORIX is involved in a project with Kaga Paperboard Manufacturing Co., Ltd. to convert the fuel used at its head office factory (Kanazawa City, Ishikawa Prefecture) from heavy oil to RPF. Specifically, ORIX installed a boiler specially modified to burn RPF and a steam-powered turbine, with the volume of steam required for the factory generated solely by RPF. A type of fuel created from waste materials, RPF is stably supplied for the project by ORIX Eco Services. Because the RPF boiler used requires substantial investment, ORIX assumes full responsibility for the funds needed and subsequent upkeep and management of the equipment.

RPF boiler facility

Customer Feedback

Kaga Paperboard Manufacturing Co., Ltd.

From left:

Section Chief, Facilities Section, **Sotoo Yamamura**

Plant Manager, **Masaki Shimizu**

Assistant Section Chief, Facilities Section, **Toru Nakamura**

At Kaga Paperboard, we decided to adopt a dedicated RPF boiler as an ESCO project proposed by ORIX. This has helped us to reduce the heavy oil usage to almost zero at our factory. Aside from reducing the several hundred million yen we spend annually in fuel costs, this boiler has cut our CO_2 emissions by roughly 15%.

In the past few years, our company has faced historically high prices for fossil fuels. Fossil fuel prices have since remained relatively high. So for a company like ours, with substantial fuel consumption needs, making the break away from fossil fuels is a key priority for stabilizing business operations. Also from the standpoint of helping to stop global warming, installing the RPF boiler is in line with our corporate policy of working to reduce our carbon emissions.

Service Sector (Building) ESCO

ESCO Business for Transport and Warehousing Operators

Due in part to the widespread use of energy-efficient equipment, energy consumption remained largely unchanged among factories and other areas in the industrial sector, but roughly doubled in the transportation sector from fiscal 1997 to fiscal 2008. In April 2010, Amendments to the Act Concerning the Rational Use of Energy came into effect, with the goal of boosting energy efficiency in Japan even further.

ORIX assesses the unique features of energy usage among transport and warehousing operators in order to propose energy conservation plans tailored to the industry.

Example of ESCO Adoption

High-Efficiency Lighting Facilities

Tonami Transportation Co., Ltd. installed high-efficiency lighting fixtures and other innovations at its Urawa Branch (Saitama City, Saitama Prefecture) in fiscal 2008. This move resulted in a 17.1% (104.1 t-CO_2) reduction in CO_2 emissions from fiscal 2007.

As a follow-up to this well-received project, the company plans to make the same changes at its Osaka Central Logistics Center (Osaka City, Osaka Prefecture) in fiscal 2010.

Costs for the initiative were mitigated thanks to NEDO approval as a project supporting businesses subject to energy rationalization restrictions, which enabled the installation of high energy-efficiency equipment and also led to lower CO_2 emissions.

Osaka Central Logistics Center

Customer Feedback

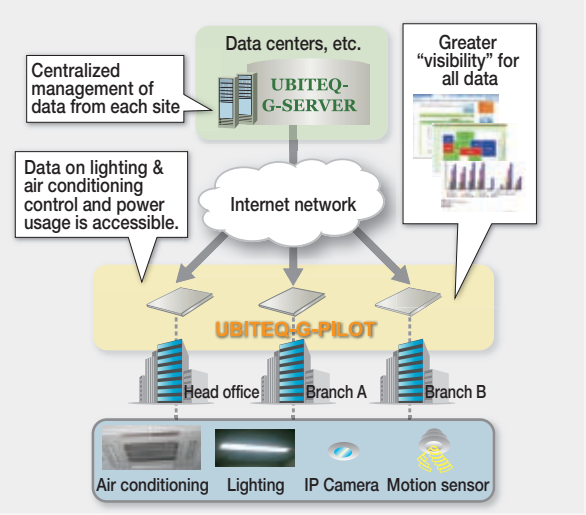
Tonami Transportation Co., Ltd.
Director of Property,
Custody Dept.
Kenji Taki

Tonami Transportation has set a five-year goal for curbing total CO_2 emissions. To this end, we are taking a variety of steps to comply with Amendments to the Act Concerning the Rational Use of Energy, including eco driving, rethinking transport and delivery routes, and modal shifts in transportation methods whenever possible. Based on a proposal from ORIX, we installed energy-efficient equipment at our Urawa Branch in fiscal 2008, and will also install such equipment at our Osaka Central Logistics Center. Together, these changes are expected to cut our carbon emissions by approximately 190 t-CO_2 compared to fiscal 2008. Going forward, we intend to look for ways not only to curb CO_2 in transport and delivery, but also to find ways to conserve energy at our offices.

Energy Management System

■ BX-Office (SaaS TYPE*)

With the entry into force of Amendments to the Act Concerning the Rational Use of energy, energy usage must be monitored at the level of individual business operators. Against this backdrop, Ubiteq is offering BX-Office, a solution for controlling lighting, air conditioning, surveillance equipment and other office machinery via IP networks. Ubiteq has also begun offering UBITEQ-G-SERVER, a data management server, and UBITEQ-G-PILOT, a solution that compiles data on lighting control, power usage and other parameters and transmits this data directly to the management server. SaaS TYPE, meanwhile, allows for the centralized aggregation, management and analysis of energy usage data for multiple sites at low cost. By making energy usage more visible, Ubiteq is committed to mitigating the environmental impact of companies by encouraging greater consciousness around energy conservation in the office environments of its customers.



*SaaS TYPE (Software as a Service): A Web-based system for providing clients with the specific functions necessary via the Internet.

Real Estate

ORIX Real Estate develops environmentally friendly real estate that includes office buildings, residences and other properties defined by excellent energy and environmental performance. Also, ORIX Real Estate actively strives to reduce the environmental burden posed by facilities under management, such as hotels and golf courses.

Environmentally Conscious Real Estate Business

There is a strong connection between the environment and the real estate business, with every aspect of a building's lifecycle, from its design, construction, and remodeling to its removal, impacting the environment in some way. At the same time, there are public calls to strengthen energy-efficiency measures for homes and structures in the consumer sector (businesses and households), where energy consumption has dramatically increased, as a means of promoting countermeasures against global warming. Therefore, the real estate developers who provide buildings to tenants and homebuyers assume a great responsibility. ORIX Real Estate develops properties with high environmental performance in mind. In addition to steps to make buildings more energy efficient and reduce CO_2 emissions, ORIX Real Estate proposes options for making environmental performance more visible to customers. We are also conducting facility management in a manner that encourages a recycling-based society in harmony with nature.

Energy Efficiency in Condominiums

Development of Individual Solar Power Generation Systems for Condominiums

ORIX Real Estate is planning to develop condominiums equipped with individual solar power generation systems.

These individualized systems turn every resident in a condominium complex into a potential energy producer by enabling each unit to sell the excess solar power generated to electric power utilities. Compared to the typical gas and electric home, the sale of excess electric power created during the day will reduce lighting and heating costs by as much as 50%*, while lowering carbon emissions and enhancing energy efficiency. Every unit with the system will also have a monitor showing the amount of energy produced and electricity used for the day, as well as other data. This increased visibility around energy usage will boost the benefits of energy efficiency from the system.

ORIX Real Estate has a number of condominiums compatible with the "Eco-points System for Housing." This system allows homebuyers who purchase newly built homes that meet certain energy-efficiency criteria to qualify to exchange eco-points for a host of merchandise and services.

*ORIX Real Estate estimate.

Sanctus Musashinosekimae

Energy Efficiency in Office Buildings, Commercial and Logistics Facilities

Acquisition of CASBEE Certification

ORIX Real Estate seeks to reduce the environmental impact of its buildings. The Minatomirai Center Building (Yokohama City, Kanagawa Prefecture), completed in June 2010, has attained an "S" ranking, the highest level under the CASBEE Yokohama certification system. Also, The Tower Osaka (Osaka City, Osaka Prefecture) condominium complex has received an "A" ranking under the CASBEE Osaka certification system.

CASBEE, an acronym for Comprehensive Assessment System for Built Environmental Efficiency, is a system for objectively ranking the environmental performance of buildings. ORIX Real Estate, for its part, strives to attain the highest CASBEE rankings for the condominiums, office buildings, commercial facilities, logistics facilities, and other properties that it develops.

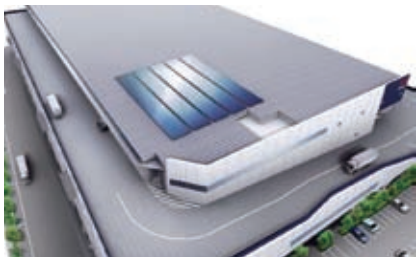
Minatomirai Center Building has obtained CASBEE Yokohama S-rank certification

Cross Garden Kawasaki has obtained CASBEE Kawasaki A-rank certification

February 2011 will see the scheduled completion of the ORIX Honmachi Building (tentative name). Located in the heart of Osaka, the building is expected to consolidate the functions of the ORIX Group's Osaka Head Office. The roof of the roughly 130-meter high building will have a solar power system designed specifically for skyscrapers installed in an effort to obtain a CASBEE Osaka certification system "S" rank as a cutting-edge, eco-friendly building.

ORIX Honmachi Building (tentative name)

In the area of large logistics facilities, ORIX Real Estate has opted to install solar power generation systems that will partially cover electric power usage at three different facilities. System installation will occur in conjunction with several other measures, including the installation of LED lighting and rooftop/wall greenery, with the goal of realizing energy-efficient, eco-friendly logistics facilities that can obtain CASBEE rankings.

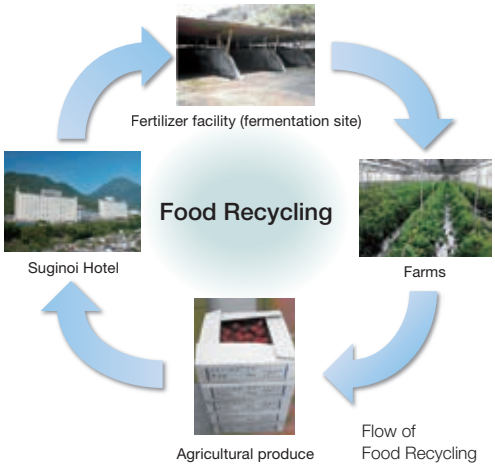


Ichikawa Chidori-cho Logistics Center has obtained CASBEE A-rank certification

Reducing Environmental Burden at Hotels

Food Recycling Project at the Suginoi Hotel

The Suginoi Hotel (Beppu City, Oita Prefecture), owned by the ORIX Group, is carrying out a food recycling project. All food waste generated by the hotel is collected and converted to fertilizer by Oasis Japan Ltd. The fertilizer is then used on the company's own farm and by partner farmers to produce a wide range of agricultural produce. The Suginoi Hotel then buys the produce in an effort to raise the recycling rate for food waste and completely offset the cost of waste collection and processing.



Environmental Consciousness at Golf Courses

Promoting Low Carbon Emissions at Golf Courses

ORIX Golf Management Corporation (OGM) operates 39 golf courses (810 holes) and 2 driving ranges nationwide (as of September 30, 2010).

Aiming for golf course management that poses minimal environmental impact, the company initiated the "GOLF de ECO" project in April 2010.

Current measures being taken under the project are highlighted below.

Contribution to a low-carbon society = Reduction of CO_2 emissions to 1,000 t-CO_2 (fiscal 2008 level) over 3 years

- OGM will comprehensively review electric power, water and fossil fuel usage, and adopt eco-friendly facilities and equipment. Most notably, lighting equipment, which consumes significant electric power, will be replaced with approximately 37,000 lights with energy-efficient lighting over a 3-year period.
- Since October 2010, OGM has performed construction work to install energy-efficient equipment (LED lighting, water heater upgrades, installation of new heat pumps) at the Rotary Golf Club and Narawakakusa Country Club. The work is paid for by subsidies under Japan's Voluntary Emissions Trading Scheme (JVETS) from the Ministry of the Environment. The changes will cut annual CO_2 emissions by roughly 400 t-CO_2 (total for both courses; 13% of overall emissions). The company is formulating measures to reduce energy usage at its other courses as well, including the installation of new heat pumps and construction to upgrade air conditioning systems.
- In February 2011, OGM plans to install solar power generation systems at the Musashi OGM Golf Club and Narawakakusa Country Club, using subsidies from the Ministry of the Environment's Solar Environmental Value Buyback Scheme.

Contribution to a recycling-based society = Use of and conversion to fertilizer of at least 50% of the cut grass collected from all courses by fiscal 2012

- OGM initiated this measure at more than 20 courses in fiscal 2010. The goal of this measure is to use and convert to fertilizer at least 20% of the total volume of cut grass collected from all golf courses.
- The Fuji OGM Excellent Club Ise Ootori Course has seen the trial adoption of a dedicated food waste processor to reduce the volume of waste and promote the reuse (as fertilizer) of leftover food.

GOLF de ECO

Environmentally Conscious Aquariums

"Enosui ECO" Environmental Measures at the Enoshima Aquarium

Enoshima Aquarium opened in April 2004 in Fujisawa City, Kanagawa Prefecture. Enoshima Aquarium is pursuing what it terms "Enosui ECO," a set of environmental measures consisting of ecology and environmental activity components. Through fun ecological and environmental learning programs, Enosui ECO has activities that seek to convey to children the importance of life and the environment. Under the theme, "Let's Work Together to Keep Our Coastlines Beautiful and Pollution Free," the aquarium, in collaboration with NPO Kanagawa Coastal Environmental Foundation and other entities, conducts monthly beach cleanings. Going forward, the aquarium is committed to advancing activities that preserve biodiversity by sharing the environmental message that its role as an aquarium allows, and through careful consideration of enjoyable ways to pursue this task with aquarium visitors.

Big Sagami Bay Tank

Enosui ECO Activities

えのすいeco FOR THE SAGAMI BAY

- Enosui ECO Day Beach Cleaning and Combing
- Bottle cap collection for the Ecocap Movement
- Recycling of a portion of the waste generated by the aquarium (cardboard, used paper, bottles and cans, styrene foam, etc.)
- Discounts on drinks for patrons who bring their own drink containers at the aquarium café
- Environment-themed, hands-on programs utilizing waste materials
- Eco-friendly temperature settings in rooms
- Lighting timer optimization and partial introduction of LED lighting inside the aquarium

*Enoshima Aquarium is a joint project of the ORIX Group and Enoshima Marine Corp.

Adoption of Solar Power Generation System at the Kyoto Aquarium (Tentative Name)

2012 is scheduled to see the opening of Kyoto Aquarium, Japan's first large-scale inland aquarium, in Umekoji Park (Kyoto City, Kyoto Prefecture). Designed as an eco-harmonious aquarium, Kyoto Aquarium hopes to be a place of environmental learning beyond the classroom, as well as a center for cultural exchange and events frequented by local residents.

The aquarium will be managed in ways that control CO_2 emissions, and will include the adoption of solar power generation systems, as well as advanced ventilation systems and LED lighting in structures on site.

Automobiles

ORIX Auto will reduce CO_2 emissions in every stage of the vehicle lifecycle by offering one-stop eco-friendly services. In addition, ORIX Auto aims to reduce society's overall carbon footprint through Eco Mobility Management.

Environmental Issues in a Motorized Society

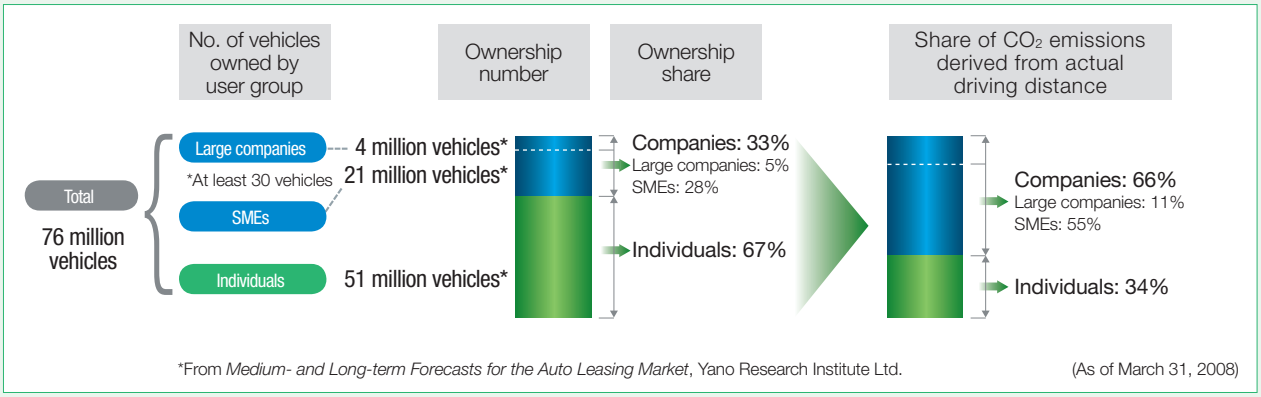
To mitigate the large environmental impact of automobiles, Japan has strengthened global warming countermeasures through the enforcement in 2006 of Amendments to the Act Concerning the Rational Use of Energy. Tougher emissions standards and vehicle operation rules have also been enforced. In 2008, Amendments to the Act Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides and Particulate Matter from Automobiles in Specified Areas entered into force. As a result, the entry of air-polluting diesel freight vehicles into certain cities has been restricted. In these and other ways, the regulatory environment for automobiles has become stricter year by year.

Japan has a total of 76 million vehicles. Companies account for 33% of total vehicle ownership, compared with 67% for individuals. However, the former accounts for roughly 66% of total CO_2 emissions derived from actual driving distance.

Therefore, one effective means of countering global warming is to reduce CO_2 emissions from automobiles used by companies.

CO_2 Emissions by User Group

Estimated from monthly average driving distance (2,000 km for corporations and 500 km for individuals; based on ORIX Auto's track record)



*From *Medium- and Long-term Forecasts for the Auto Leasing Market*, Yano Research Institute Ltd. (As of March 31, 2008)

Companies own only 33% of all vehicles in Japan → But they account for 66% of total CO_2 emissions.

CO_2 emissions reductions → Effective if targeted at corporate users (especially SMEs)

Upgrading Services in Step With the Times

Companies that operate large numbers of vehicles must now implement comprehensive risk management encompassing not only CO_2 emissions reductions, but also compliance and safety management.

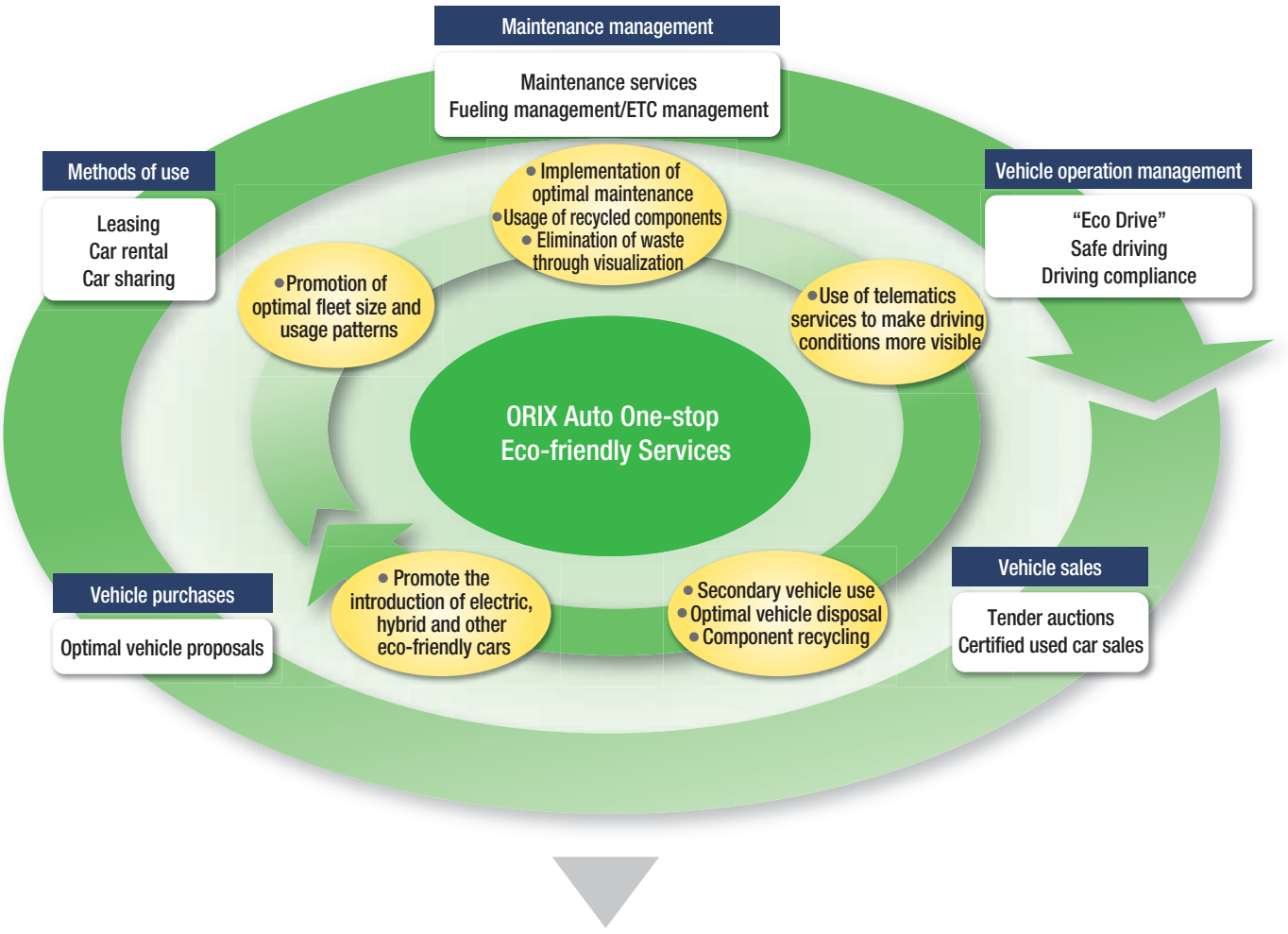
ORIX Auto will continue to upgrade its services to satisfy evolving needs.

Decade/Market Needs	Services	Customer benefits
1970s Cost reductions	● Finance leases	● Cost advantages ● Tax advantages
1980s Maintenance	● Maintenance services and accident response ● 24-hour customer support	● Labor savings in vehicle management operations
1990s Outsourcing	● Risk management service ● Vehicle management system ● Fueling management system	● Greater operating efficiency and safety measures through total outsourcing of vehicle management operations
2000s Consulting	● Logistics consulting ● Proposals for introducing optimal vehicle types	● Optimize vehicle use through consultation on management initiatives related to automobiles
2010s Environmental considerations	● Eco Mobility Management	● Measures combining environmental activities with CSR priorities ● Fostering environmental awareness, contributing to a low-carbon society

Eco-friendly Total Services

ORIX Auto operates the largest vehicle fleet in Japan's auto leasing sector, with roughly 835,000 vehicles under management (as of March 31, 2010). ORIX Auto provides services that help to reduce environmental impact and CO_2 emissions, as well as foster environmental awareness throughout the lifecycle of automobiles, from automobile purchases to methods of use, operation and maintenance, vehicle operation management and vehicle sales.

By providing eco-friendly one-stop services to SMEs as well as large companies, ORIX Auto will work to further reduce society's overall CO_2 emissions. Eco-friendly one-stop services will also help to foster individual environmental awareness, while reducing the carbon footprint of society as a whole.

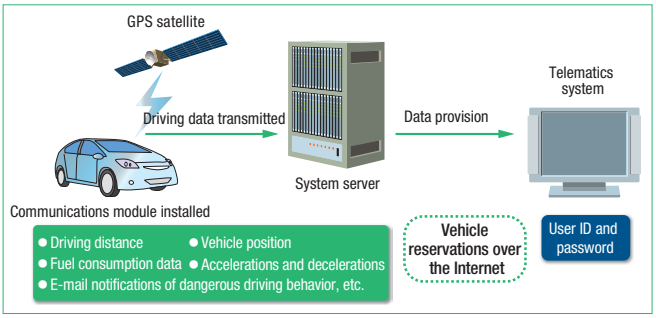


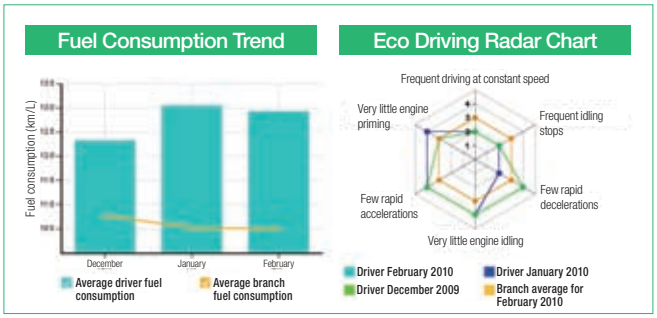
Enabling total environmental management for automobiles
→ Supports the CSR activities of clients

Developing environmental awareness = Contributes to a low-carbon society

Telematics Service

The ORIX Telematics Service enables customers to monitor detailed driving data by installing specialized equipment with communications and GPS functions in vehicles. The system is used to monitor accelerations or decelerations, fuel consumption and CO_2 emissions, as well as driving distance and vehicle position. Fleet managers and drivers can monitor data from PCs at offices and other sites. This data is useful for promoting eco driving and labor management through the automatic generation of daily driving logs. The system also helps compliance management and establishment of safe driving systems, in addition to addressing the environment.





Customer Feedback

Canon Marketing Japan Inc.
General Affairs Planning Dept.
General Affairs Div.
Toshiko Kai

Canon Marketing Japan has deployed the telematics service since February 2009. Information on dangerous driving behavior, such as rapid accelerations and decelerations, has helped us advise our drivers on safe, eco-friendly driving. As a result, we have reduced the number of traffic accidents and violations. The telematics service has also enhanced employee awareness of safe, eco-friendly driving.

Car Rental Business

In the car rental business, ORIX Auto began actively renting electric vehicles (EVs) in 2010, joining hybrid vehicles in its fleet.

ORIX Auto has deployed around 1,600 hybrid vehicles at nationwide ORIX Rent-A-Car, Rent-A-Car Japaren and X Rent-A-Car locations. EVs have been deployed at Iriomote Island, Okinawa Prefecture; Eco Mobility Center, Kyoto Prefecture; Sumida Ward, Tokyo; and Yakushima, Kagoshima Prefecture. Going forward, ORIX Auto will work to further increase its EV fleet and deployment areas.

"i-MiEV" rental EV on Iriomote Island, Okinawa Prefecture

Rental of Electric-assist Bicycles "e-bike"

ORIX Auto is developing a rental business for electric-assist bicycles aimed at reducing environmental impact and providing an efficient means of transportation for customers. Currently, ORIX Auto has deployed a total of 146 electric-assist bicycles at 31 ORIX Rent-A-Car and Rent-A-Car Japaren locations in Tokyo as well as Kanagawa, Kyoto, Osaka, Shimane, Hiroshima, and Okinawa prefectures.

eチャリ

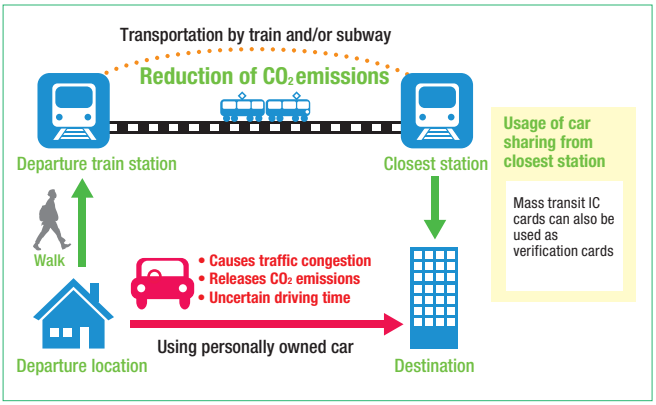
"e-bike"

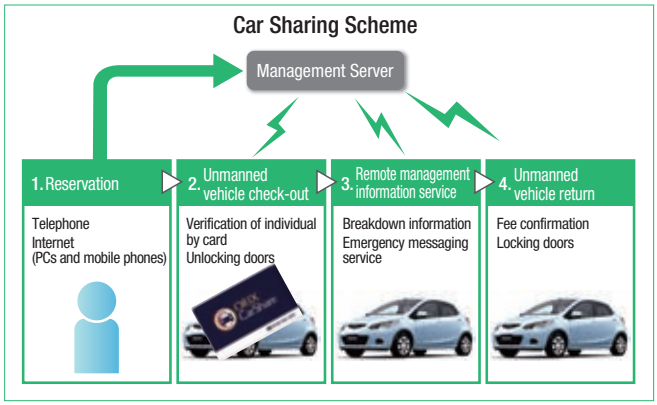
Car Sharing

"Car sharing" is a car rental system in which many members share the use of several cars. Compared with individuals or companies owning cars, car sharing enables customers to save money because running costs such as insurance premiums, taxes, and car inspections are included in the car sharing fee.

In recent years, more and more companies have been adopting car sharing services. These companies combine rail transport with car sharing. Employees ride trains to the station closest to their destination, and then use car sharing services from nearby car stations. This approach shortens driving time and reduces environmental impact.

ORIX Auto is taking further steps to reduce its carbon footprint by implementing carbon offsets with ORIX Eco Services and deploying EVs at certain car stations.





Customer Feedback

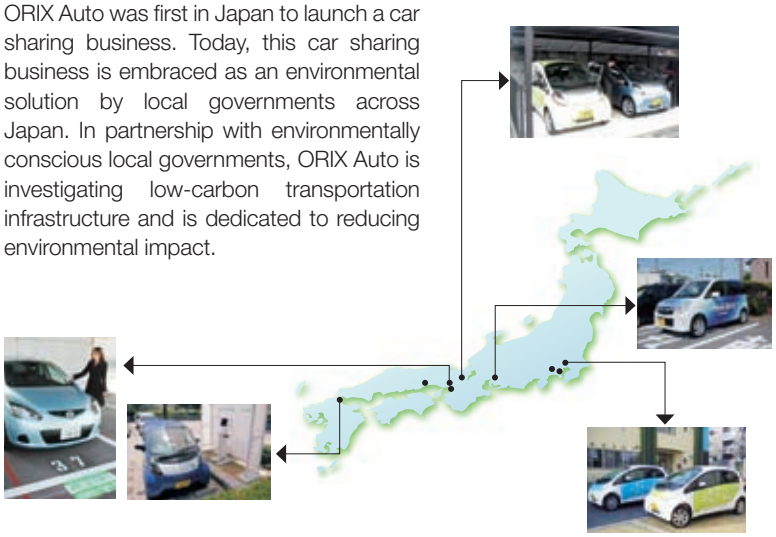
Sohgo Security Services Co., Ltd. (ALSOK)
General Manager of
General Affairs Department,
Kawasaki Branch
Michiaki Fukuda

ALSOK's management philosophy is based on a spirit of gratitude towards society. Based on this tenet, we are engaged in social contribution programs such as ALSOK ANSHIN Classes (crime-prevention workshops for school children), and global environmental protection measures. In this context, the Kawasaki Branch utilizes car sharing services as a means of lowering its environmental impact. Notably, ORIX Auto's car sharing services incorporate carbon offsets, and we believe that this facet of its car sharing services will allow us to reduce our environmental impact even further going forward.

Implementation Examples

Ties With Communities

ORIX Auto was first in Japan to launch a car sharing business. Today, this car sharing business is embraced as an environmental solution by local governments across Japan. In partnership with environmentally conscious local governments, ORIX Auto is investigating low-carbon transportation infrastructure and is dedicated to reducing environmental impact.



● Kyoto Prefecture
In November 2008, ORIX Auto and Kyoto Prefecture began looking at the environmental benefits of popularizing car sharing services through studies at the Kyoto Prefectural Government offices. Trials achieved an overall 15% reduction in driving.

● Toyonaka City, Osaka Prefecture
In January 2010, ORIX Auto began field trials with Toyonaka City. Car sharing vehicles are provided at the city's terminal train station. Coordination between car sharing and public transportation will be examined.

● Arakawa Ward, Tokyo
In March 2010, ORIX Auto jointly launched an EV car sharing business with Arakawa Ward, the first initiative of its kind within Tokyo's 23 wards. EVs are available to Arakawa Ward residents and local government staff on weekdays, and residents only on weekends.

● Ministry of the Environment (Next-generation Vehicle Implementation Promotion Project)
Aiming to accelerate the uptake of next-generation vehicles, the Ministry of the Environment conducted field trials by loaning EVs to 6 local governments (Kanagawa, Aichi, Osaka and Hyogo prefectures as well as Yokohama City and Kitakyushu City). ORIX Auto's car sharing services were incorporated into these trials.

Resources and Waste

The ORIX Group reduces its environmental impact by promoting reuse and recycling of materials. At the same time, we provide a range of solutions to assist the creation of a recycling-based society.

Toward a Recycling-based Society

A recycling-based society is one in which people use only what they need, using things as long as possible and reusing or recycling items that are no longer usable. Items that are ultimately no longer useful are disposed properly as waste. In this way, a recycling-based society aims to promote cycling of resources and to minimize the environmental burden of gathering and disposing of resources.

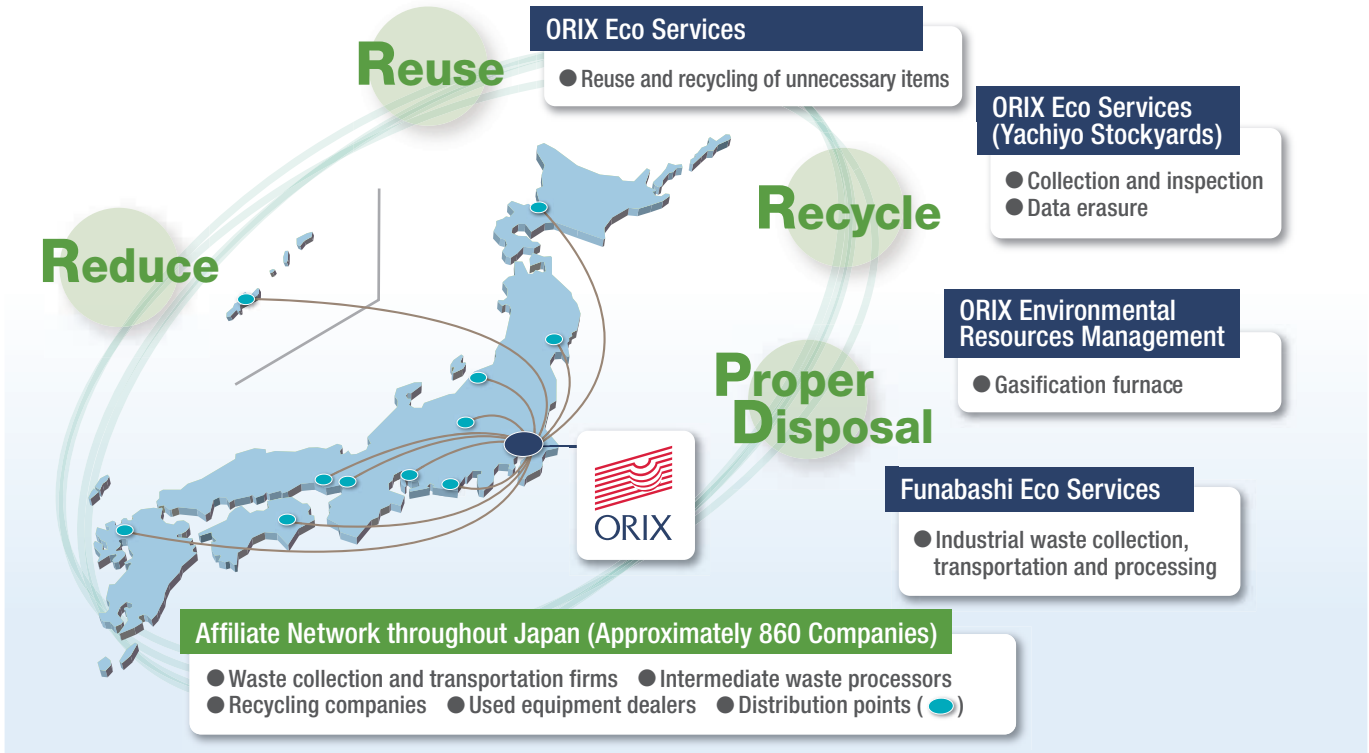
The "3Rs" are the common thread running through such a society. They stand for Reduce (reduce waste emissions), Reuse and Recycle.

ORIX Group's "3R + Proper Waste Processing" Business Practice

Leasing & Rentals is one of the core businesses of the ORIX Group. This business provides customers with a way to use equipment "only as needed, for only as long as it is needed," and helps them cut down on purchasing more equipment than they need.

Moreover, since ORIX in its capacity of property owner takes responsibility for either the used sales or scrapping of the equipment after the lease or rental expires, we can contribute to "Reusing" and "Recycling" as well as ensuring "Proper Waste Processing." In so practicing "3R+ Proper Waste Processing" ourselves, the ORIX Group supports customers' efforts to promote the 3Rs. Moreover, we also utilize this expertise to help customers with issues such as disposal of unnecessary property and proper waste processing by offering services that promote "3R+Proper Waste Processing," particularly the Reuse and Recycle aspects. In so doing, we are helping to create a recycling-oriented society.

Meeting Needs for "3R+Proper Waste Processing" Throughout Japan



Sophisticated Waste Processing Facility

The Core Zero-emission Plant at the Sai-no-kuni Resources Recycling Facility

ORIX Environmental Resources Management operates the core zero-emission plant at the Sai-no-kuni Resources Recycling Facility* in Yorii-machi, Saitama Prefecture through a PFI partnership. Zero-emission refers to a system that recycles resources by making effective use of all waste as raw material, without emitting any unusable waste.

Utilizing the latest thermal decomposition and gasification methods, the plant recycles waste without releasing any incinerator soot or airborne ash whatsoever. The facility's defining feature is that it enables almost all of the waste to be recycled by melting it at roughly 2,000°C and using a variety of processes. Recycled materials include not only slag and metals, but also refined syngas, which is used as fuel for highly-efficient power generation at an onsite generator. The sophisticated system suppresses dioxin emissions to a minimum, and ORIX Environmental Resources Management has voluntarily set dioxin limits for the site at one-tenth the legal limit (0.01ng-TEQ/m^3N).

The plant can process 450 tons of waste daily, one of the largest processing volumes among private-sector facilities in Japan. In addition to industrial waste from factories and offices, the plant can also handle general urban waste including household waste. As such, it provides waste processing services for many local governments.

The plant is also in compliance with various recycling laws, and has been certified by government institutions as a recycling facility for auto shredder dust under the Law for the Recycling of End-of-life Vehicles, and as a producer of products recycled from plastic containers and packaging under the Law for the Promotion of Sorted Collection and Recycling of Containers and Packaging.

We aim to develop a deeper understanding in the community about the processes for recycling using the latest technologies. We are therefore open for visits not only by corporations and local residents, but also by local elementary school children to play a part in their environmental education.

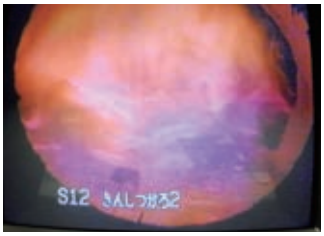
*To further promote proper processing and recycling of waste, Saitama Prefecture has gathered together privately operated recycling facilities that use advanced technologies in its Environmental Management Center in Yorii-machi to create a model comprehensive resource recycling facility.

The core zero-emission plant at the Sai-no-kuni Resources Recycling Facility

Gas engine

Boiler

High temperature reactor



Inside the reactor

Uses for Recycled Substances

Recycled substance		Use
Refined syngas		Fuel for power generation Onsite fuel
Slag		Construction materials (blocks and paving material)
Metals		Steel production feedstock and copper material

Recycled substance		Use
Sulfur		Sulfuric acid feedstock
Metal hydroxide		Zinc refinement feedstock Lead refinement feedstock
Industrial salt		Caustic soda feedstock

Recycling Resources

Metal resources have risen in price in recent years due to shortages in supply and uneven distribution of metal-producing countries. Many metals, including rare metals, are used in electronic equipment and information terminals, as well as in rechargeable batteries, which are expected to become even more widespread in the future. This situation has given rise to unprecedented needs for recycling, throwing a spotlight on the recovery of metal resources from so-called “urban mines” of discarded electric appliances, PCs and machinery.

A safe, cost-efficient system for collecting products that are no longer wanted from every region in Japan is essential for efficiently recycling these limited resources.

ORIX Eco Services (OES) has a logistics system for collecting approximately 400,000 end-of-lease assets belonging to ORIX from all over Japan each year. By using this collection system network to efficiently collect unnecessary property from around Japan, and then skillfully extracting valuable metals from it, we are helping to recycle limited resources.

Office IT Equipment Collection

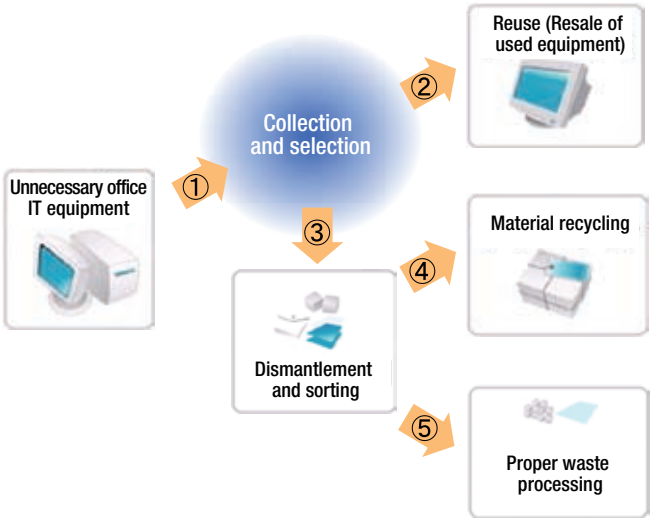
① Office IT equipment that has been collected is aggregated at OES Yachiyo Stockyard (Yachiyo Town, Chiba Prefecture) for management and selection. Here, OES sorts equipment into reusable assets and other assets.

At the request of customers, OES provides a data erasure service covering collected PCs and servers. Hard disks are removed from PCs that cannot be reused, or those in which data cannot be erased due to malfunctions or other problems, and physically destroyed.

② OES reuses (resells) equipment and end-of-lease assets that can be resold. OES has formed a network of multiple used equipment dealers for each category of asset to ensure that assets are resold at a high price.

③④ OES has put in place a system for dismantling non-reusable assets and sorting the parts and components of such assets for recycling. This is to ensure that the company can maximize its contribution to environmentally sound material recycling.

⑤ OES properly processes as waste those materials that ultimately cannot be recycled.




Office IT equipment scheduled for reuse (resale)


PC data erasure

Office IT Equipment Component Recycling

Since rare metals can be recovered from office IT equipment, we operate a yard for manually dismantling unnecessary equipment in partnership with recycling companies in the Tokyo metropolitan area. We are currently preparing to open a similar yard planned for Chiba prefecture.

Carefully sorting components by manually dismantling them leads to a higher recovery rate of materials, mainly the small amounts of embedded rare metals. In this way we can improve our contribution to resource recycling.


Sorting office IT equipment by manual dismantlement

Area Recycling Systems

OES tries as much as possible to reuse and recycle unnecessary property that is scheduled for disposal as waste. When neither reuse nor recycling is feasible, OES provides waste processing assistance. OES performs the complex clerical work involved in selecting a waste processor and contractual procedures, and provides other assistance as part of a one-stop service for customers. In doing so, OES has unified its customer service desk for management operations related to waste processing, and is working to prevent improper waste processing by promoting the smooth collection of unnecessary property from customers and the resale and recycling of pre-owned equipment.

Moreover, our nationwide network of waste processing facilities can perform recycling at a unified standard of quality. As a result, our area recycling systems are optimal for processing the following types of unnecessary property from multiple business locations.

- Trade-in items from equipment and machinery manufacturers
- Product disposal due to expiry dates or a switch to new products
- Disposal of items such as signage and uniforms showing corporate logos, due to replacement
- Disposal of printed materials showing corporate logos, such as pamphlets and manuals, due to replacement

Operations at the processing facility

Waste Processing Plants Network

Waste processing companies
Collection and transportation companies/storage facilities

Funabashi Eco Services

Funabashi Eco Services (Funabashi Town, Chiba Prefecture) is a general waste processing firm providing integrated services ranging from waste collection and transport, selection of waste for pulverization, and waste incineration. Waste brought into the company is primarily construction type industrial waste from construction sites around the Kanto region. It is carefully selected for either recycling or incineration. Metals, wood and paper scraps are fully recycled while all other materials are incinerated. The incinerator facility can process 150 tons per day in two 75 ton batches. It uses a rotary kiln (a cylindrical furnace set on an incline) and can process all forms of burnable industrial waste including non-construction-related waste.

Environmental measures include keeping the temperature inside the incinerator at over 850°C to control dioxin emissions, and the use of various apparatus that effectively remove soot, nitrogen oxides, hydrogen chloride, sulfur oxides and other harmful substances from the incinerator's exhaust gas.

Part of Funabashi Eco Services processing facility

Metal Recycling Business at Funabashi Eco Services Plant

Funabashi Eco Services plans to use its expertise in pulverization, selection, compacting and other aspects of waste processing to start a metal recycling business together with OES.

OES currently operates a recycling business with allied recycling companies. Developing this business with Funabashi Eco Services, a member of the ORIX Group, will enable ORIX to consolidate full processing within the Group. Moreover, Funabashi Eco Services possesses strengths in sorting and separating that should enable recovery of high quality metal materials that can be easily recycled.

Metal materials recovered from waste

Water

Water-related Business

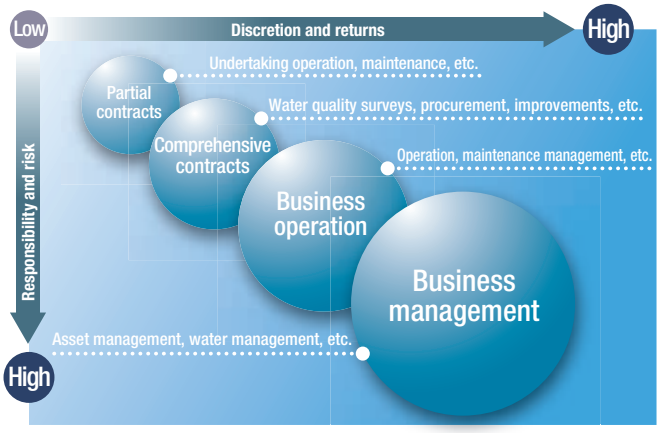
Developing the Water Infrastructure Business

Most of the Earth's water resources (97.5%) are comprised of seawater, and only 0.01% of the planet's water is available to meet the needs of agriculture, daily life and industry. The 21st century has been hailed as the "age of water," as water becomes a sought-after resource. With issues surrounding water growing more acute, the world's water markets are expected to grow to ¥80 trillion by 2025. The water business, (business management and management of operation and maintenance), is expected to account for ¥70 trillion of this.

Meanwhile, there is increasing demand in Japan to renew aging water supply and sewerage facilities and strengthen them against earthquakes. Private industry is being called to invest funds and expertise to meet this need.

ORIX will tackle the issue of water in Japan and other countries by combining the capabilities of its core finance business with the water-related business. In particular, we will focus our initiatives on the water infrastructure business, which plays an integral part in our daily lives.

■ ORIX Roadmap for Developing the Water Infrastructure Business



Participation in the Global Water Recycling and Reuse System Association, Japan

The Limited Liability Partnership Global Water Recycling and Reuse System Association, Japan was established in November 2008. With issues relating to water becoming more serious globally, the association draws together Japanese corporations involved in the water-related business and enlists cooperation from government and universities. The goal is to harness Japanese technology and expertise from all sectors to develop a water recycling and reuse system, and to promote this system around the world.

ORIX has been an enthusiastic participant in the association since joining in July 2009.

Finance and the Environment

Environmentally Friendly Investment

ESCO Fund

The ESCO Fund is an investment scheme targeting only eco-friendly capital expenditures. Through the fund ORIX teams up with The Shiga Bank, Ltd, The Kiyo Bank, Ltd and other local financial institutions to make joint investments to contribute to the strategic growth of customers.

When local customers seek to install eco-friendly facilities, ORIX combines its expertise in ESCO (Energy Service Company) operations with the regional information networks of financial institutions, ORIX and its partners to identify customers' demands efficiently and provide long-term financial support. Going forward, ORIX will continue partnering with financial institutions through the ESCO Fund to contribute to the local economy and reduce CO_2 emissions in regional communities.

Green Servicizing

Environment-related Equipment Rental

"Servicizing" means providing customers with high-value-added service rather than selling them a product. "Green Servicizing" refers to forms of servicizing that offer outstanding environmental performance.

ORIX Rentec promotes "Green Servicizing" by allowing customers to rent the equipment they need for only the time that they need it. This service helps reduce the use of precious resources. Moreover, ORIX Rentec promotes the reuse and recycling of equipment by cleaning up the returned devices and returning them to the rental cycle.

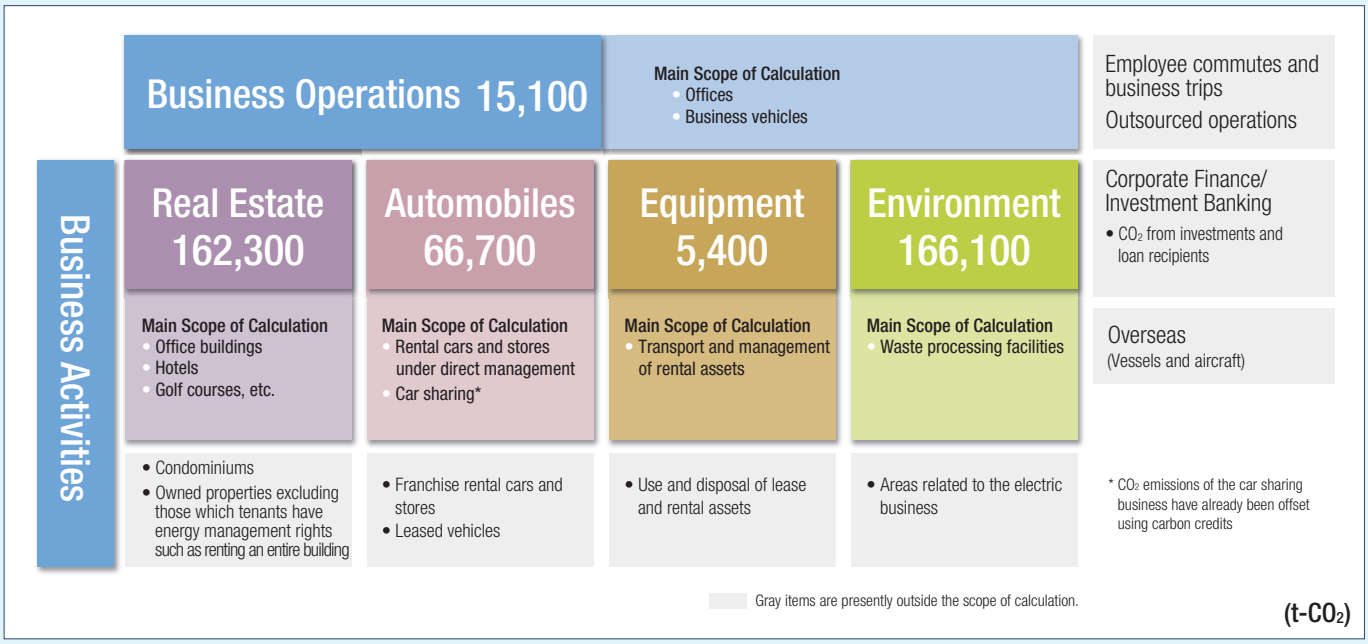
ORIX Rentec also handles rentals of environmental equipment, including items that contribute directly to reducing CO_2 emissions such as LED lighting and quick-chargers for electric vehicles, as well as equipment for use in smart grids. To meet needs for event and exhibition lighting, we supply rental LED lights to fit fluorescent light fittings for periods as short as five days.


Environmental analysis equipment

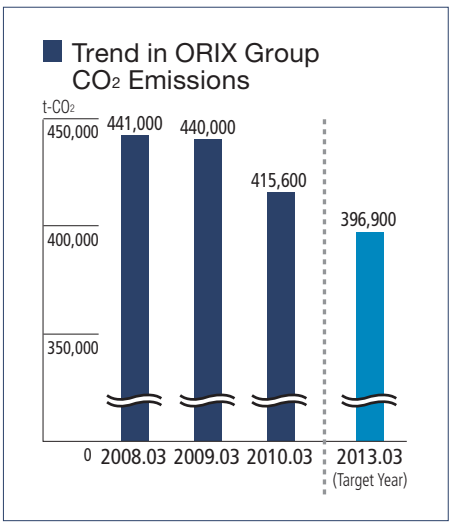

LED lighting

The ORIX Group aims to be a carbon neutral business by providing eco services that reduce customer's and society's CO_2 emissions by more than the amount emitted through ORIX Group activities.

CO_2 Emissions from ORIX Group Business Activities during the Fiscal Year Ended March 31, 2010: 415,600 tons of CO_2 (a 5.8% reduction compared to the fiscal year ended March 31, 2008)



Customer CO_2 emissions that were reduced by ORIX Group eco services during the fiscal year ended March 31, 2010: 146,400 tons of CO_2



Calculating the 415,600 t-CO_2 Emissions from ORIX Group Business Activities during the Fiscal Year Ended March 31, 2010

[Scope of Calculation]

- Business operations: Emissions from business operations of 136 business sites (previous fiscal year: 110 sites) for which energy-use data could be obtained from the ORIX Group's business sites, and emissions from operation of 1,607 business vehicles (previous fiscal year: 1,804 vehicles) used by Group employees.
- Real estate: Emissions from 236 (previous fiscal year: 180) buildings and facilities such as office buildings, golf courses, hotels and seminar facilities, sports stadiums, and an aquarium, including tenanted properties, owned and operated in the real estate business (Excludes properties where the tenant has all the energy management rights).
- Automobiles: Emissions from the use of rental cars at directly managed stores and emissions from business operations of 124 directly managed stores (previous fiscal year: 112 stores). CO_2 emissions of 562 t-CO_2 from the use of car sharing have already been offset using carbon credits.
- Equipment: Emissions from the transport of rental equipment at ORIX Rentec, and emissions from electricity consumption, etc. at two ORIX Rentec Technology Centers.
- Environment: Emissions from waste processing facilities (2 locations).

[Calculation Method]

- CO_2 emissions are calculated based on the "Ministerial Ordinance Concerning Calculation of Greenhouse Gas Emissions Associated with Business Activities of Specified Emitters."

Calculating the 146,400 t-CO_2 Customer CO_2 Emission Reduction by ORIX Group Eco Services during the Fiscal Year Ended March 31, 2010

[Scope of Calculation]

- Four of the eco services provided by the ORIX Group during the fiscal year ended March 31, 2010 for which customer CO_2 reductions can be calculated.

[Calculation Method]

- ESCO business: CO_2 reductions are recorded for ESCO contracts in which CO_2 reductions can be discerned.
- Eco car rental: Calculated by multiplying the difference between the CO_2 emission (catalog figures) of hybrid vehicles used at ORIX Auto's directly managed stores and the CO_2 emission (catalog figures) of gasoline vehicles of the same class by the total distance driven by hybrid vehicles (8,105,798 km).
- Car sharing: Based on the assumed reduction of CO_2 = "1.89 t-CO_2/year-person" as a result of switching from a privately owned car to car sharing according to the "Report on the Effect of Reduction of Environmental Burden by Car Sharing and Review of Measures for Dissemination" by the Foundation for Promoting Personal Mobility and Ecological Transportation.

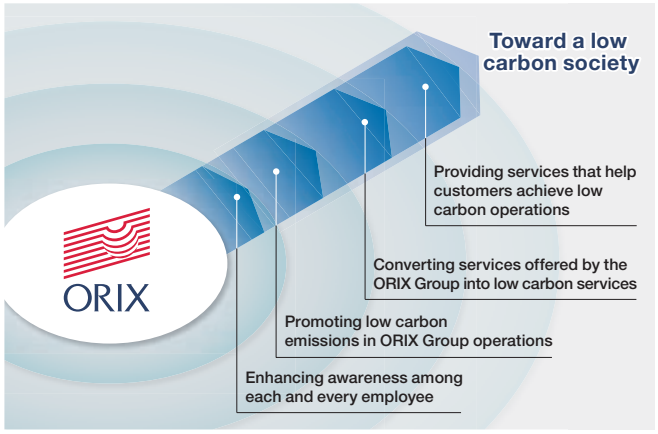
The ORIX Group is promoting ECORIX2012, an environmental policy that will guide its efforts through fiscal year 2012 (Ending March 31, 2013).

ORIX Group Environmental Policy (Drafted September 25, 2008)

For the sake of our newest stakeholders, that means future generations, we aim to become a corporate group that encourages greater carbon efficiency by:

- Contributing to the emergence of a low carbon society
- Helping customers achieve low carbon operations
- Promoting initiatives to lower our own carbon emissions

President and COO



ECORIX2012 Action Targets

Contributing to the emergence of a low carbon society

As members of society, each ORIX Group employee takes every available opportunity to reduce environmental impact.

Helping customers achieve low carbon operations

We support efforts by customers to reduce their environmental impact and achieve low carbon operations through ORIX Group services and products.

Promoting initiatives to lower our own carbon footprint

We are taking steps to reduce carbon dioxide generated by ORIX Group activities in order to achieve low carbon operations.

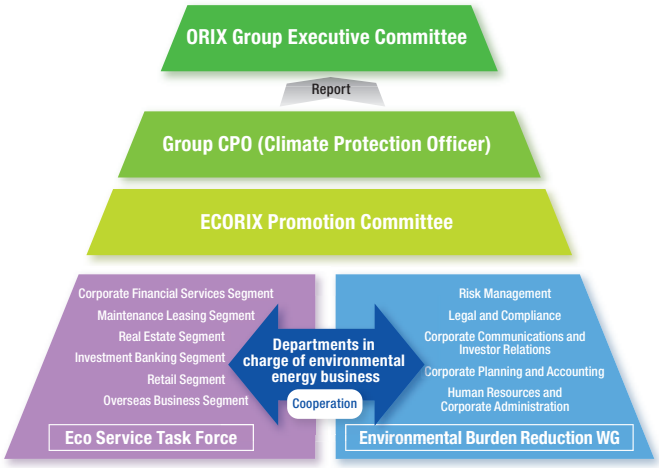
[Aims for Fiscal Year 2012 (Ending March 31, 2013)]

- Reduce CO_2 emissions resulting from ORIX Group business operations and business activities by 10% compared to the fiscal year ended March 31, 2008.
- Reduce paper usage by 30% compared to the fiscal year ended March 31, 2008.
- Strive to develop new services to help customer's efforts to lower their carbon footprint.
- Strive to establish a foundation that promotes the reduction of carbon in social systems.
- Strive to provide data on the CO_2 emission of our products and services as well as information on results of customer's CO_2 reductions.
- Establish targets and promote activities tailored to each division (Promote activities in line with voluntary action plans in related industries where available)
- Raise employee awareness and knowledge through environmental training.
- Proactively carry out activities to promote carbon reductions at home and in the community.

ECORIX2012 Framework

The ECORIX Framework is as follows:

- A Group CPO (Climate Protection Officer) has been established in order to identify, respond to, and monitor environmental risks focusing on climate change as well as to promote environmental business. This position will be executed by the President of ORIX Eco Services Corporation.
- An ECORIX Promotion Committee has been established consisting of environmental officers and corporate planners selected from each business unit and related administrative departments, and this committee shall promote activities and share information throughout the Group.
- The environmental officers shall establish activity policies and targets for each business unit and work to spread efforts internally. In addition, environmental officers shall determine and calculate the environmental burden for each business unit.
- ORIX Eco Services Corporation shall serve as organizer for activities, monitor the environmental burden of the entire Group, engage in employee education, and create environmental reports.
- The Eco Service Task Force was inaugurated in November 2009 by representatives from the sales departments as a flexible and speedy body that transcends the framework of Group companies in preparation for a new eco service composition. At the same time we continue to work toward the goals of the ECORIX2012 program by reorganizing existing activities as the "Environmental Burden Reduction Working Group (WG)."



ECORIX2012 Activities

June	2007	ECORIX2012 announced
September	2008	ORIX Group Environmental Policy established
October	2009	Environmental Report 2009–2010 published • Declared goal of becoming an Eco Services Integrator • Clarified Eco Services business domains and four priority areas
November	2009	"Eco Service Taskforce" established within the ECORIX Promotion Committee
December	2009	Exhibited at Eco-Products 2009
March	2010	Exhibited at Eco-products International Fair 2010 (Jakarta, Indonesia)
August	2010	Established and started operation of Group energy management platform
August	2010	Exhibited at 2010 China International Environmental Protection Fair (Dalian, China)
October	2010	Exhibited at IGEM 2010 (Kuala Lumpur, Malaysia)

A report on the ECORIX2012 activities for fiscal year 2009.

Main Activities during Fiscal Year 2009

■ Construction of Platform Compliant With the Act Concerning the Rational Use of Energy

ORIX constructed an energy management framework covering the entire Group to comply with the revisions to Japan's Act Concerning the Rational Use of Energy and various local government ordinances to counteract global warming, including those of the Tokyo Metropolitan Government.

The ORIX Group has approximately 740 business sites in Japan that are subject to measurement and controls under the Act Concerning the Rational Use of Energy. These sites include offices, real estate for lease such as office buildings, hotels and Japanese inns, and baseball stadiums. In order to manage energy use at these sites collectively, we phased in a multi-facility energy management support system (Multi-ESS). The system was developed by Flexible Energy Services Co., LTD, a joint venture of ORIX and major Japanese engineering firm Nippon Koei Co., Ltd. The system will allow us to manage and analyze energy usage at our business sites.

Multi-facility energy management support system (Multi-ESS)

■ Stronger Compliance with Environmental Laws and Regulations

The ORIX Group is involved in various businesses that encounter many environmental laws and regulations.

To counter environmental risk, the Group had the ECORIX Promotion Committee check compliance with the Waste Management and Public Cleansing Law at each Group company in fiscal year 2009.

■ Participation in Environmental Expositions

The ORIX Group participated for the first time in Eco-Products 2009, Japan's largest environmental exposition held in December 2009. Our goal was to showcase ORIX Eco Services and our environmental initiatives to our stakeholders.

We also exhibited at the Eco-products International Fair 2010 (Jakarta, Indonesia) in March, and at environmental expositions in Dalian, China in August, and Kuala Lumpur, Malaysia in October. In this way we promoted the development of ORIX Eco Services in Asia, and expanded our business network.

Eco-Products 2009

Eco-products International Fair 2010

Environmental Performance in Fiscal 2009

■ Industrial Waste Emitted

The ORIX Group emitted a combined total of 33,924 tons of industrial waste in fiscal 2009. This represents a 17.7% decrease over the fiscal 2008 figure of 41,233 tons.

Contributing to this result was a decrease in waste emitted from the waste processing business, which outweighed an increase in waste emitted from the administrative departments due to relocation of offices.

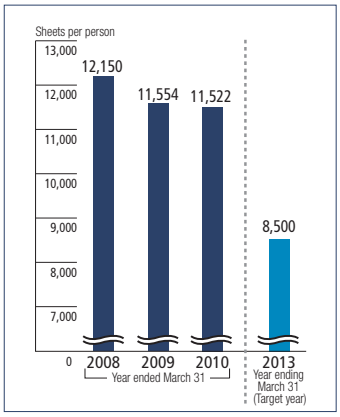
■ Proper Management of Polychlorinated Biphenyls (PCB) Wastes

The Group owns many items of electrical equipment that contain high concentrations of PCB, including transformers, capacitors and fluorescent ballast. We register such items with the Japan Environmental Safety Corporation (JESCO), an organization created under the supervision of the Japanese government. We will manage these items strictly in accordance with the legally stipulated methods, and ensure proper waste processing.

We also plan to detoxify electrical equipment that is contaminated with trace amounts of PCB.

■ Paper Usage

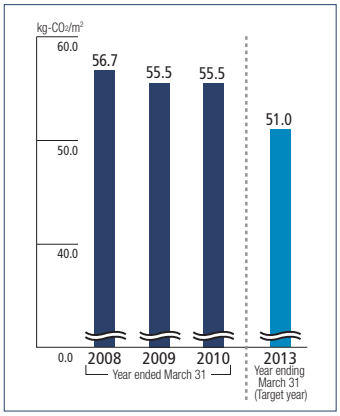
The 34 companies of the ORIX Group used the equivalent of 11,522 sheets of A4 paper per employee in fiscal 2009. This represents a 5.2% reduction on the 12,150 sheets per employee used in fiscal 2007.



Participation in Domestic Emissions Trading System

ORIX is participating as a target participant in the trial implementation of an integrated domestic market for emissions trading by the Japanese government (Domestic Emissions Trading System).

ORIX has set the goal of reducing CO_2 emissions from electricity use per floor area in the ORIX Head Office building by 10% in the year ending March 31, 2012 compared with the year ended March 31, 2008. CO_2 emissions for the past three years are shown in the graph to the right.



Calculation Method
Calculated by multiplying energy consumption by the default values of emissions coefficients stipulated by the "Ministerial Ordinance on Calculation of Greenhouse Gas Emissions by Specified Emitters."

The ORIX Group as a member of society is engaged in activities aimed at making society sustainable, including the preservation of biodiversity.

Project to Save the Coral Reefs of Okinawa, "SANGO ORIX"

ORIX Real Estate (ORE) launched SANGO ORIX, a project to save the coral reefs of Okinawa Prefecture in 2008, which was designated as the International Year of the Reef. The project aims to protect the abundant capacity of coral reefs to sustain biodiversity and pass pristine oceans on to future generations. At present, the project is planting coral off the shores of Nakijin Village, Okinawa Prefecture. ORE is continuing its coral reef preservation and restoration activities, including surveys to monitor and confirm the growth of coral reefs, in partnership with Okiden Kaihatsu Company, Inc, a group company of the Okinawa Electric Power Company, Inc. In all, 1,800 coral seedlings had been transplanted as of fiscal year 2009, as part of a schedule to transplant 10,000 seedlings in five years.

SANGO ORIX
オリックス不動産「沖縄サンゴ礁再生プロジェクト」

ORIX Golf Management's Participation in SANGO ORIX

ORIX Golf Management (OGM) also participates in the SANGO ORIX project to save coral reefs in Okinawa. Specifically, OGM transplants coral seedlings using donations from customers at all the facilities it manages and from funds raised by collecting and recycling lost golf balls.

Revenues from donations and recycling activities this year will go toward the transplanting of coral, as well as various other environmental undertakings.

Fiscal Year 2010 Track Record

Total donations: ¥942,782*1
Lost golf balls collected: 159,254
Coral seedlings for transplant in fiscal year 2010: 200*2

*1: Donations include ¥530,000 in proceeds from converting 85,000 of the lost golf balls collected as of July 2010 into cash
*2: Coral seedlings transplanted as of September 2010

Donation box


Golf ball collection box


Coral planting

Participation in Food Banking Activities with Donation of Emergency Bivouac Kits

The ORIX Group co-sponsors food bank activities along with other individual and corporate donors. Food banks provide the needy, elderly, children and disaster victims with food taken off market distribution for reasons other than quality—for instance because they didn't meet normal distribution requirements. When ORIX unpacks, refreshes and restocks its emergency bivouac kits in about three years from now, surplus food left unpacked yet edible will be donated to Second Harvest Japan, a non-profit organization.

As a part of the Group's business contingency planning, emergency bivouac kits consisting of packages of emergency food and sundries are stocked for the use of ORIX Group officers and employees in the event of a calamity. We make secondary usage of kits possible by including emergency food and drinking water that are easy for welfare institutions throughout Japan to accept and distribute. This is just one of the ongoing ways the ORIX Group serves society both locally and at large, by helping to form a recycling-based society.

Emergency bivouac kit

ORIX Buffaloes "Mawaru Project"

In 2009, the ORIX Buffaloes professional baseball team recycled some of its old team banners and uniforms as ecofriendly reusable bags to raise charitable funds. This was a joint undertaking with the Osaka campus of Vantan Design Institute, a design school. Approximately 100 old uniforms and 30 banners were turned into eco-friendly reusable bags. The proceeds from the sale of these bags were used for laurel tree-planting activities at the Hiyoshi Elementary School (public school in Osaka Prefecture), nearby the Kyocera Dome Osaka.

Through its Mawaru Project, the ORIX Buffaloes will continue to explore what it can do as a professional baseball team to rethink resource consumption and take initiative in environmental activities.


Eco bag sale at a fan rally


Daisuke Kato, Satoshi Komatsu and Keiji Obiki planting a laurel tree

Energy Conservation in ORIX Living Nursing Homes

All ORIX Living-operated Good Time Living nursing homes in the Tokyo Metropolitan and Kansai regions have active energy conservation programs. Since June 2009, the programs have used better time management to reduce power consumed for air conditioning, lights and television sets and other amenities, as well as reducing water and gas consumption by adjusting the intervals between residents' baths.

At Good Time Living Shin-Urayasu (Urayasu City, Chiba Prefecture) for instance, the occupants themselves have taken the lead in forming an Eco sub-committee, which meets periodically to discuss how to promote energy conservation activities in coordination with the staff.


Good Time Living Shin-Urayasu

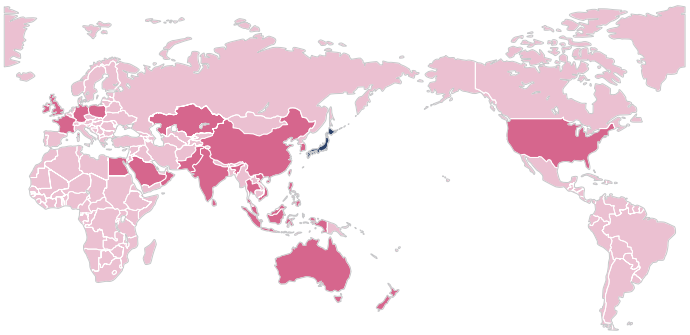
ORIX Group Overview

Company Name	ORIX Corporation
Established	April 1964
Location	Mita NN Bldg. 4-1-23 Shiba, Minato-ku, Tokyo, Japan
Representatives	Chairman and CEO: Yoshihiko Miyauchi President and COO: Makoto Inoue
End of Fiscal Year	March
Shareholders' Equity	¥1,279,800 million
Employees	18,049 (14,550 in Japan; 3,499 overseas)

Issued Shares	110,231,840
Stock and Security Exchange Listings	Tokyo Stock Exchange, First Section Osaka Securities Exchange, First Section (Securities Code: 8591) New York Stock Exchange (Trading Symbol: IX)
Main Business	Diversified Financial Services
Group Companies	Consolidated: 798 / Affiliated: 104
URL	http://www.orix.co.jp

Network

Japan	1,114 locations
Overseas	(26 countries and regions) 270 locations



Business Segments	Main Business	Main Service Provider Companies	
Corporate Financial Services	Leasing, lending, commission business for the sale of financial products, and environment-related business	● ORIX ● ORIX Eco Services ● NS Lease ● ORIX Environmental Resources Management	● Funabashi Eco Services ● Agatsuma Bio Power ● ORIX Electric Power ● Ubiteq
Maintenance Leasing	Automobile leasing and rentals, car-sharing, and precision measuring equipment and IT-related equipment rental and leasing	● ORIX Auto ● ORIX Rentec	
Real Estate	Development and rentals of office buildings and commercial real estate, condominium development and sales, hotel, golf course, and training facility operation, senior housing development and management, REIT asset management and real estate investment advisory services	● ORIX ● ORIX Real Estate ● ORIX Asset Management	● ORIX Golf Management ● ORIX Living ● ORIX Real Estate Investment Advisors
Investment Banking	Real estate finance, commercial real estate asset securitization, loan servicing (asset recovery), principal investment, M&A advisory, venture capital and securities brokerage	● ORIX ● ORIX Capital ● ORIX Investment	● ORIX Asset Management & Loan Services ● ORIX M&A Solutions ● ORIX Wholesale Securities
Retail	Life insurance, trust and banking business, card loan business and online securities brokerage	● ORIX Life Insurance ● ORIX Trust and Banking ● ORIX Credit	
Overseas Business	Leasing, lending, investment in bonds, investment banking, real estate-related operations, ship and airplane-related operations	● ORIX ● ORIX USA Corporation ● ORIX Australia Corporation Limited	● ORIX Asia Limited ● ORIX Leasing Malaysia Berhad ● PT. ORIX Indonesia Finance

(As of September 30, 2010)

Editorial Policy

The “Environmental Report 2010–2011” has been published to familiarize stakeholders with the ORIX Group’s various environmental services and activities.

Ever since formulating its environmental policy in 2008, the ORIX Group has been pressing ahead with ECORIX2012, a set of environmental initiatives designed to assist in the development of a low carbon society.

The ORIX Group, which conducts a diverse array of businesses centered on the financial sector, is working to help bring about a low carbon society through its own activities, as well as by offering customers services that help them to reduce their environmental impact.

For this reason, the bulk of this report is dedicated to introducing the Group’s actual Eco Services, without strict adherence to environmental reporting guidelines. Currently, the ORIX Group is working to increase the cohesiveness of its organization across Group companies and departments, with the aim of maximizing added value in the environmental field.

ORIX comprehensively provides a variety of functions as an Eco Services Integrator.

- Intended Readership:
  This report has been published for the benefit of a broad range of stakeholders, particularly customers, stockholders and other investors, and Group employees

- Scope:
  The ORIX Group’s Eco Services and environmental activities

- Period Covered by the Report:
  Fiscal 2009 (April 1, 2009 to March 31, 2010)
  The report also includes some information pertaining to the period beyond the above-stated period.

- Publication Month:
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Independent Oversight

Furthermore, continuing on from fiscal 2008, Dr. Hidefumi Kurasaka, a professor in the Faculty of Law and Economics at Japan’s Chiba University, provides an independent review of this report. In addition to heightening reporting transparency, we hope to reflect his input in our management going forward. His views can be accessed at the following URL.
http://www.orix.co.jp/grp/co_e/environment/index.htm

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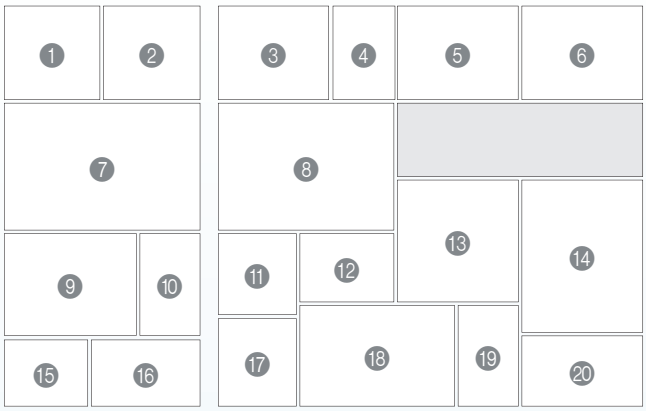

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