

A Message from the CEO



Corporate Philosophy

ORIX is constantly anticipating market needs and working to contribute to society by developing leading financial services on a global scale and striving to offer innovative products that create new value for customers.

Management Policy

1. ORIX strives to meet the diverse needs of its customers and to deepen trust by constantly developing superior services.
2. ORIX aims to strengthen its base of operations and achieve sustained growth by integrating ORIX's resources to promote synergies amongst different units.
3. ORIX makes efforts to maintain a corporate culture that encourages a sense of fulfillment and pride by developing personnel resources through corporate programs and promoting professional development.
4. ORIX aims to attain stable medium- and long-term growth in shareholder value by implementing these initiatives.

Action Guidelines

Creativity

ORIX encourages its employees to constantly strive to be creative and innovative in their work.

Integration

ORIX requests its employees to enhance the strength of ORIX by actively exchanging knowledge, ideas and experiences.

Dear Stakeholders

Reflecting on the Fiscal Year Ended March 31, 2013

Net income attributable to ORIX Corporation shareholders in the fiscal year ended March 31, 2013 was ¥111.9 billion, a 34% increase compared with the previous fiscal year, while ROE increased to 7.4% from 6.2%. Beginning with the announcement in February 2013 of our acquisition of the major Dutch asset management company Robeco completed in July, we believe that we have steadily achieved our goal of accelerating “Finance + Services.” While maintaining a certain defensive position, we have taken an offensive stance where necessary. Moving forward, we will continue to take an offensive stance while maintaining a solid defense.

ORIX Business Model Combining Expertise and Business Cooperation

ORIX was established 49 years ago in 1964 as Japan's first full-fledged leasing company. Guided by the underlying principle of self-reliance and the spirit to take on new challenges, ORIX extended its business beyond conventional leasing, expanding into neighboring fields and acquiring a wide range of expertise. At present, while centered on its financial services business, ORIX has grown into a company involved in a broad spectrum of businesses with a wide reaching network spanning not only Japan but also Asia, the Middle East, the United States and Europe. Within ORIX, there are many businesses each of which possesses a high level of expertise capable of standing alone in its own right. However, ORIX is not a group of independent businesses like in a conglomerate. It is both a characteristic and strength of ORIX that each business is organically connected to the others and, as a result, they are able to further capitalize on their strengths to produce new added value. This is a result of ORIX continuing to expand and naturally build a diverse business portfolio while maintaining cross connections between each ORIX business. In addition, by diversifying our business portfolio, we have been able to achieve high stability from the point of view of risk management to continuously post profits since the year after our founding. We believe that ORIX has a unique business model unlike any other in the world.

At ORIX, we place importance on acting nimbly while capitalizing on a high level of expertise. Moreover, we believe that ORIX should take necessary risks to achieve growth (“good risk”). We can strengthen our decision-making ability to ascertain good risk if we enhance our expertise. We will aim to enhance our expertise even further to capture good risk ahead of our competitors in order to achieve growth.

Promoting the Acceleration of “Finance + Services”

Since the financial crisis, the financial markets have changed significantly. The financial industry is headed in the direction of tightening regulations and is unlikely to return to the conventional environment. Accompanying the change in the external environment, ORIX has lowered the leverage. To further strengthen its business base, ORIX has promoted the strategy of accelerating “Finance + Services,” shifting to a business that can grow revenues without increasing assets. Although uncertainty in the business environment continues, we believe that we are gradually drawing closer to the direction of earning fees by providing services or earning revenues by operating our own business and away from the direction of growth through increasing leverage to increase asset size. The acquisition of shares in Robeco completed in July 2013 is the largest strategic acquisition in ORIX’s history. Robeco engages in a fee business that leverages its expertise relative to other finance-related businesses which is an operation ORIX is currently not involved in. Involvement in Robeco will make a large contribution to the acceleration of ORIX’s “Finance + Services.” In addition, we believe that Robeco’s European and U.S. centered business will contribute to the expansion of ORIX’s global business base, which is centered on Asia and the United States but is weak in Europe.

Considering the current environment, we believe that a 10% ROE is required for ORIX to become a globally valued financial services company. In the medium- to long-term, we are working to become a company that is highly regarded by achieving 10% ROE in the fiscal year ending March 31, 2016, and maintaining this level while aiming for further improvement thereafter.

Until now, ORIX has aimed to enhance its expertise and continue to grow through the creation of new markets and expansion into new fields. To make the ORIX of tomorrow better than the ORIX of today, we will achieve further growth through repetitive creative deconstruction, a process of throwing away the old and creating the new. ORIX will not let itself be put in a box. We will take dynamic and nimble actions in accordance with the changes in the world around us to capture business opportunities across the world. We believe there are no end to the corporate activities. As a Group, we will continue to challenge ourselves to establish the business model known as “ORIX,” which is unlike any other in the world.

Corporate Governance

Since the establishment of an Advisory Board in 1997, we have worked to strengthen our corporate governance system with the goal of improving management transparency by the separation of operation and oversight functions, the introduction of the outside director system and the switch to a “Company with Committees” board model. In particular, regarding the outside directors, all outside directors meet the “Conditions for Director Independence” defined by our Nominating Committee. In addition, all three committees, including the Nominating, Audit and Compensation commit-

tees, are composed solely of outside directors. In this way, ORIX has actively strengthened those functions aimed at monitoring its management. This is a strict framework for management, but at the same time, we believe that it is the safest framework from the point of view of both management as well as ORIX as a whole.

Capital Management Policy

The dividend per share in the fiscal year ended March 31, 2013, returned to the level before the financial crisis increasing from 90 yen in the fiscal year ended March 31, 2012, to 130 yen. We have shown our shareholders that ORIX's profitability and stability has recovered to a point sufficient in raising the dividends back to the former levels in the form of a 40 yen increase in dividend. We will consider future shareholder returns while keeping in mind the business environment and remaining conscious of investment for growth and financial stability. We would like our shareholders to follow ORIX's growth from a medium- to long-term point of view.

Business Management Leveraging Human Resources to Increase Corporate Value

We believe that the value of a company's existence depends on the acceptance of the economic fruits produced through its economic activities. ORIX's role is to create new products and new markets through finance and services, and doing so contribute to society as a valued company that vitalizes the economy. The result of this becomes profit. We shall conduct this kind of business activity.

Based on the concept of "Keep Mixed," ORIX aims to become a company that optimizes the various abilities and expertise of its employees regardless of their nationality, age, gender or work history. ORIX was founded as a company of 13 people but has grown into a company of more than 19,000 employees in 28 countries. We believe that what has supported this growth and allowed us to be accepted all over the world is our spirit to take on new challenges. By maximizing the efforts of individual employees, we will continue to engage in activities that deepen our contribution to society and shareholders, as well as achieve growth for ORIX.

We remain committed to satisfying the expectations of stakeholders by further increasing our corporate value.

July 2013

Yoshihiko Miyauchi

Director, Representative Executive Officer
Chairman and Chief Executive Officer

