

# Management Strategies Explained

## ORIX's Business Portfolio

In 37 countries and regions, ORIX conducts a diverse array of businesses including leasing, loan, investment, life insurance, banking, asset management, auto-related business, real estate, and environment and energy. We manage this business portfolio by dividing it into six segments (Table 1).

To better comprehend ORIX's mid-term strategic directions, growth trajectories and business evolution, in FY2016.3 we also began grouping the business portfolio into the three categories of "Finance," "Operation" and "Investment" (Table 2).

We believe that the combined picture of the three categories together with the six segments allows a deeper understanding of ORIX (Table 3).

**Table 1: Six Segments**

ORIX currently manages its businesses in a portfolio divided into six segments.

Segment	Main Business
<b>Corporate Financial Services</b>	Leasing, loan and fee business for small and medium-sized enterprises (SMEs)
<b>Maintenance Leasing</b>	Auto-related, test and measurement instruments and other equipment rental
<b>Real Estate</b>	Real estate development and rental, facilities operation, REIT asset management, real estate investment and advisory services
<b>Investment and Operation</b>	Environment and energy business, private equity investment, concessions, loan servicing
<b>Retail</b>	Life insurance, banking, card loan business
<b>Overseas Business</b>	Leasing and loan through overseas subsidiaries, ship and aircraft-related operations, private equity investment, investment in bonds, asset management

**Table 3: Our Business Portfolio Matrix of Six Segments and Three Categories**

The following table presents ORIX's business portfolio matrix of six segments and three categories.

		Finance		
		Credit risk		
		Low		
		Japan	Ex-Japan	Environment / Infrastructure
Six Segments	<b>Corporate Financial Services</b>	Leasing / Loan / Fee business		
	<b>Maintenance Leasing</b>			
	<b>Real Estate</b>			Real estate facility operation
	<b>Investment and Operation</b>			Environment and energy / Concession
	<b>Retail</b>	Banking / Consumer finance		
	<b>Overseas Business</b>		Leasing / Loan	

**Table 2: Three Categories**

From FY2016.3, we began grouping our business portfolio into three categories that take risk and capital requirements into account.

Three Categories	Main Risk	Capital Requirement	Main Business
Finance	Credit risk	Low	<ul style="list-style-type: none"> <li>Primarily business involving credit risk, including leasing, loan, housing loans and card loans in Japan and overseas</li> <li>Includes most of the Corporate Financial Services segment, banking and consumer finance businesses in the Retail segment, and the overseas corporate business in the Overseas Business segment.</li> </ul>
Operation	Operation risk Business risk	Medium	<ul style="list-style-type: none"> <li>Environment &amp; Infrastructure: Real estate facilities operation, environment &amp; energy, concessions and other businesses we assume operation for</li> <li>Financial Services: Asset management business and life insurance business</li> <li>Maintenance Services: Auto-related businesses and the rental business</li> <li>Others: New businesses that we will launch and grow</li> </ul>
Investment	Market risk	High	<ul style="list-style-type: none"> <li>Fixed Income: Investments in non-performing loans and bonds</li> <li>Tangible Assets: Investment in real estate, aircraft, and ships</li> <li>Equity: Private equity investments in Japan and overseas</li> </ul>

**Three Categories**

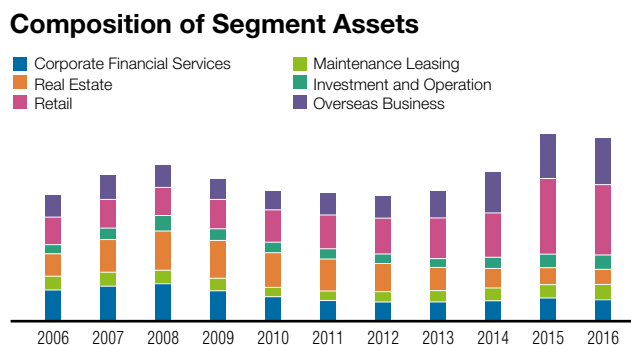
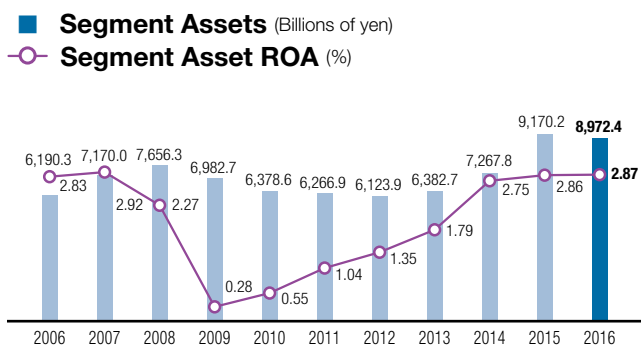
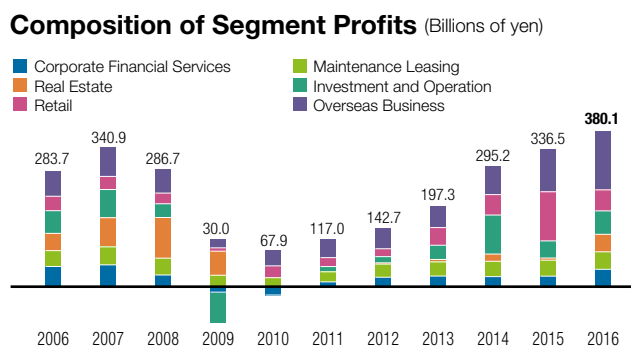
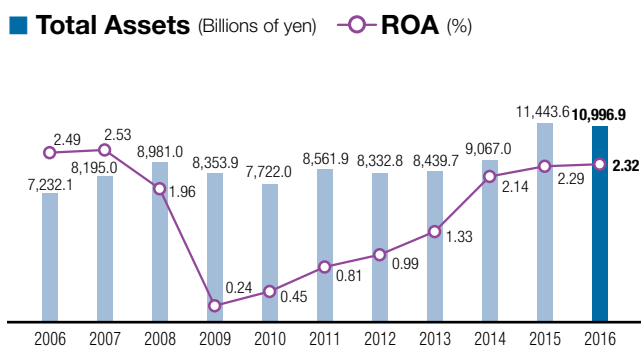
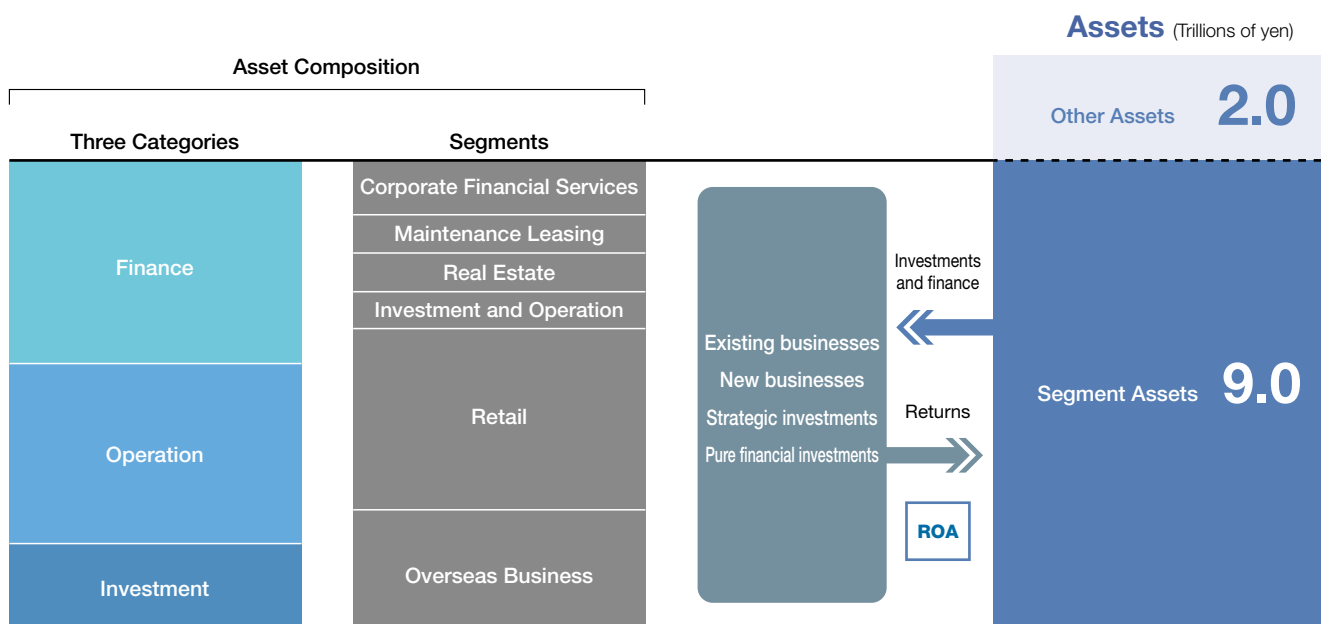
Operation			Investment		
Operation risk and business risk			Market risk		
Medium			High		
Financial Services	Maintenance Services	Others	Fixed Income	Tangible Assets	Equity
		Yayoi / New business development			
	ORIX Auto / ORIX Rentec				
REIT / Real estate investment advisory				Real estate investment	
			Loan servicing		Private equity investment / Daikyo
Life insurance / HLIKK					
Robeco / Houlihan Lokey			Bond investment	Aircraft / Ships	Private equity investment

# Management Strategies Explained

## ORIX from a Balance Sheet Perspective (As of March 31, 2016)

### Assets

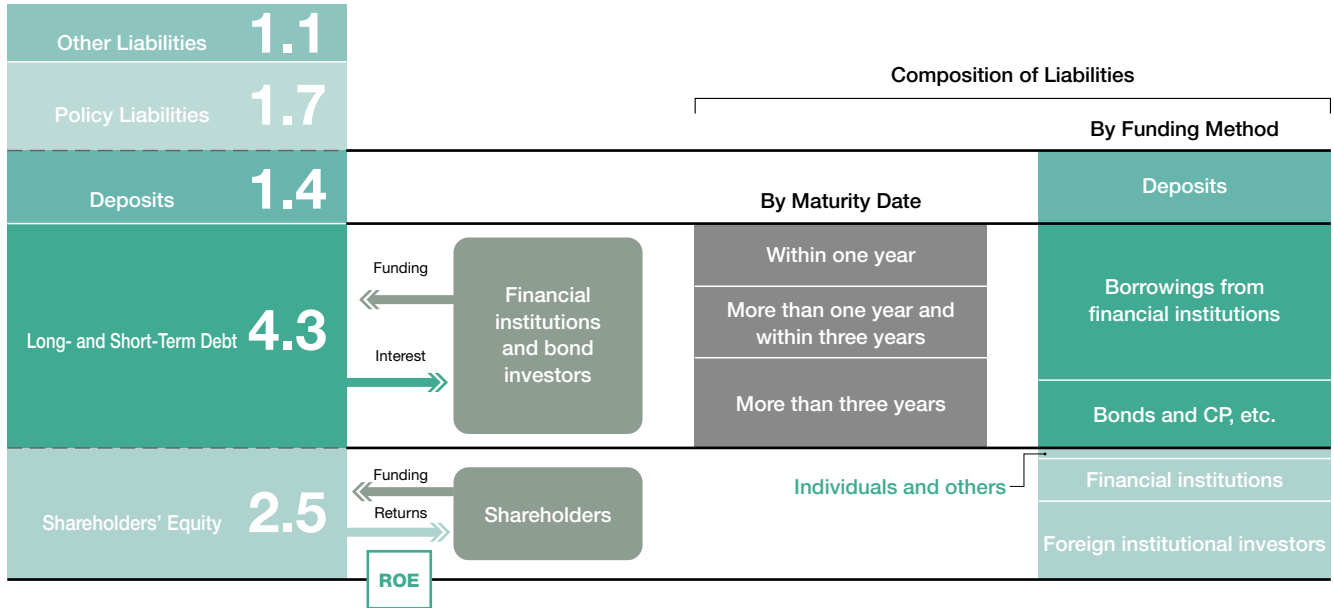
- “Finance,” “Operation,” and “Investment” in the ratio of 2:2:1.
- Continue to focus on “Operation” and “Investment” given the current low-interest-rate environment.



## Liabilities and Shareholders' Equity

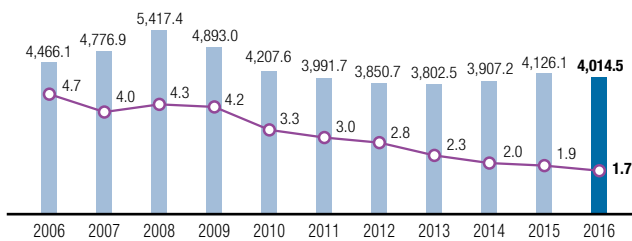
- Diversify funding sources and lengthen funding structure.
- Based on financial leverage that enables us to maintain our single A credit rating, we aim to achieve ROE of 11%-12%.

Liabilities and Shareholders' Equity (Trillions of yen)

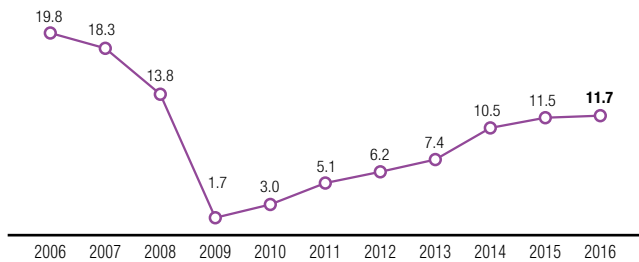


■ Adjusted Long- and Short-Term Debt (excluding deposits)\* (Billions of yen)

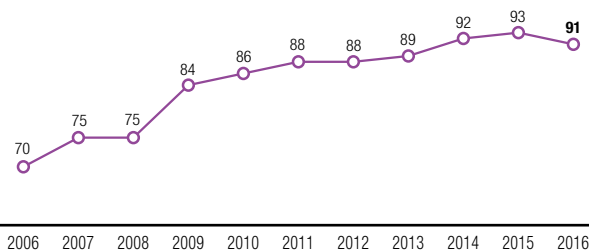
○ Adjusted Debt/Equity Ratio\* (Times)



○ ROE (%)

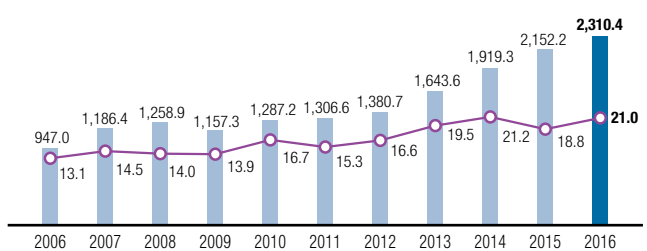


○ Adjusted Share of Long-Term Debt\* (%)



■ ORIX Corporation Shareholders' Equity (Billions of yen)

○ Shareholders' Equity Ratio (%)



\* Adjusted long- and short-term debt (excluding deposits), adjusted debt/equity ratio and adjusted share of long-term debt show the figures after adjustment that exclude the impact of certain liabilities and retained earnings attributable to the consolidation of the VIEs. For an explanation of the most directly comparable financial indicators calculated and presented in accordance with U.S. GAAP and Non-GAAP financial indicators, please refer to pages 80-81.

# Management Strategies Explained

## CEO Inoue on Strategy



**Makoto Inoue**

Director

Representative Executive Officer

President and Chief Executive Officer

### Overview of FY2016.3

#### Solid Start Toward Our Medium-Term Targets for FY2018.3

Net income for FY2016.3 increased 10.8% year-on-year to ¥260.2 billion. This was the second consecutive year of record net income, and the seventh consecutive year of net income growth. Return on equity (ROE) was 11.7%, higher than the previous fiscal year and above 11% for the second consecutive year. FY2016.3 was therefore a solid start toward our FY2018.3 target for net income of ¥300.0 billion. As for our other FY2018.3 targets, we have already achieved ROE between 11% and 12% and have maintained our single A credit rating.

The first half of FY2016.3 was strong, with the Nikkei average recovering to the ¥20,000 range for the first time in 15 years. The second half, however, brought dizzying change to the economies of the world. Falling oil prices had a pronounced effect, while stock prices declined worldwide because of unsettling developments in China and the forecast for the global economic growth rate was downgraded. In Japan, rating agencies downgraded Japanese government bonds and the Bank of Japan implemented negative interest rates.

Given this environment, we successfully implemented our medium-term strategy of expanding non-finance businesses by investing in growth, turning over assets through divestitures that were well-timed with market conditions, entering new businesses such as the concession business, and generating organic growth.

#### FY2016.3 Review

Expansion in Non-Finance Businesses		
Organic Growth	+	Investment in Key Areas
<b>Environment &amp; Energy</b>	<ul style="list-style-type: none"> <li>Secured 890MW of solar power generation capacity, of which 410MW commenced operation as of the end of FY2016.3</li> <li>Invested in a large-scale wind power project in India with a total capacity of 1,000MW</li> <li>An investment fund we jointly established with Robeco/ADB closed its first investment</li> </ul>	
<b>Private Equity Investment</b>	<ul style="list-style-type: none"> <li>Acquired SMS, an auto-loan company in Indonesia</li> <li>Increased investment in ACLEDA, a Cambodian commercial bank</li> <li>Established a new private equity investment company in the United States, which closed its first investment</li> </ul>	
<b>Network in Asia</b>	<ul style="list-style-type: none"> <li>Decided on private equity investments to acquire Cosmolife and Kyoto Biken</li> </ul>	
<b>Concession Business</b>	<ul style="list-style-type: none"> <li>Obtained rights to operate Kansai International Airport and Osaka International Airport</li> </ul>	
<b>Organic Growth</b>	<ul style="list-style-type: none"> <li><b>Auto</b> Vehicles under management increased from 1.17 million to 1.23 million units</li> <li><b>Life Insurance</b> Number of new policies exceeded 500,000 for the third consecutive year</li> <li><b>Yayoi</b> Acquired Misoca to further strengthen cloud-based business</li> </ul>	

## Business Portfolio in Three Categories

Categories	Finance	Operation	Investment
Main Risk	Credit risk	Operation risk and business risk	Market risk
Capital Requirement	Low	Medium	High

		Japan	Ex-Japan	Environment/Infrastructure	Financial Services	Maintenance Services	Others	Fixed Income	Tangible Assets	Equity
Segments	Corporate Financial Services	Leasing, Loan, Fee business					Yayoi, New business development			
	Maintenance Leasing					ORIX Auto, ORIX Rentec				
	Real Estate			Facilities operation	REIT, RE investment advisory				Real estate investment	
	Investment and Operation			Environment and energy, Concession				Loan servicing		Private equity investment, Daikyo
	Retail	Banking, Consumer finance			Life insurance, HLIKK					
	Overseas Business		Leasing, Loan		Robeco, Houlihan Lokey			Bond investment	Aircraft, Ships	Private equity investment

## Strategy through FY2018.3

### Grow by Concentrating on Operation and Investment

Our medium-term strategic direction through FY2018.3 remains unchanged. We will concentrate on expanding non-finance businesses by generating organic growth and investing in key areas.

From FY2016.3, in addition to our existing structure of six segments, we began explaining our business portfolio and future strategy using the three categories of Finance, Operation and Investment. These categories represent the respective risk profiles and capital requirements of our businesses, and I would like to use them to explain how we intend to grow.

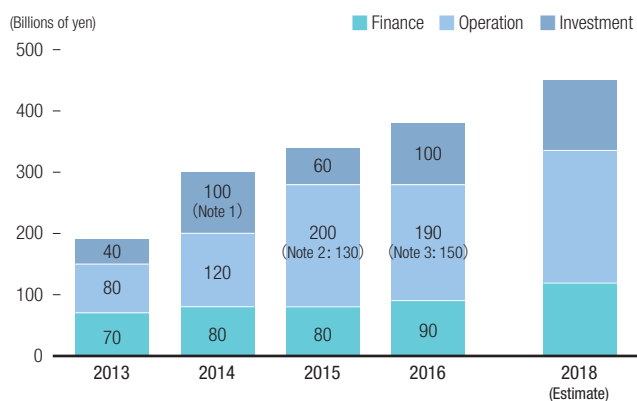
Adequate returns on loans and finance leases are difficult to obtain in the current low interest rate environment, and excessive interest rate competition is not in our interest. We therefore intend to grow by investing greater financial and human capital in Operation and Investment, which already support earnings.

Looking at the three categories, the share of pretax profits and segment assets from Operation increased steadily during the three years through FY2016.3. Pretax profits from

Operation excluding non-recurring items increased by approximately ¥70 billion, while Operation assets increased by approximately ¥1 trillion, both significantly outpacing growth in Finance and Investment. The acquisition of Robeco in July 2013 was the primary factor driving growth. Other key factors included steady growth in the maintenance leasing, life insurance, and environment and energy businesses, and the December 2014 acquisition of Yayoi.

Investment encompassed assets totaling ¥1.6 trillion as of March 31, 2016. Investments in fixed income involving investment in bonds and non-performing loans totaled about ¥300 billion, investment in tangible real estate assets totaled about ¥550 billion, investments in ships and aircraft totaled about ¥250 billion, and private equity investments in Japan and overseas totaled about ¥500 billion. Our Investment portfolio is diversified by asset class and market to avoid significant concentrations of risk. We have rebalanced our portfolio since FY2013.3 by decreasing real estate investment and increasing aircraft and domestic private equity investment.

## Pretax Profits by Category



Note 1: Excludes valuation gains (approximately ¥58.4 billion) associated with consolidation of Dai-ichi Kangyo Bank.  
 Note 2: Excludes bargain purchase gains (approximately ¥36.1 billion) and ordinary profit/loss contribution associated with HLIKK, and capital gains (approximately ¥15 billion) from the sale of Monex shares.  
 Note 3: Excludes capital gains/valuation gains (approximately ¥39.6 billion) associated with the IPO of Houlihan Lokey and ordinary profit/loss contribution from HLIKK.

We expect Operation to continue making the largest contribution to pretax profits and assets during the three years through FY2018.3. Our focus for growth in each of the three categories will be as follows.

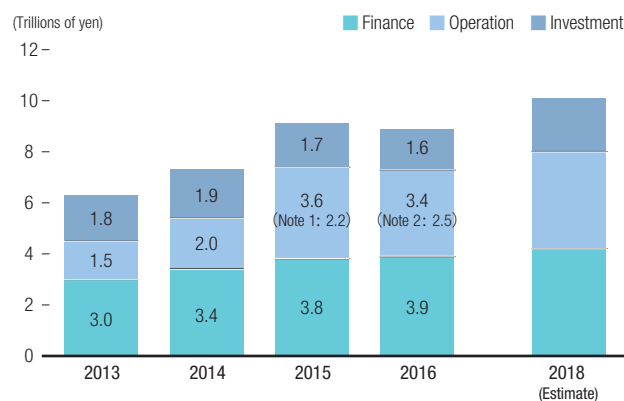
In Finance, we will move beyond traditional loans and leases in the Corporate Financial Services segment to reorient our earnings structure from finance revenues to services income by continuing to enhance our electronic payment services and our lineup of fee-based services such as low-cost money transfer services. As another measure that will require somewhat more time before we see a full-scale contribution to earnings, we will aggressively enter markets in which we forecast growth as a result of deregulation and changes in the business environment, as exemplified by our recent entry into agricultural businesses.

In the Operation category, our environment and energy business is making steady progress in developing mega-solar projects and captive power capacity. Internationally, we entered the wind power generation business in India in March 2016, and intend to establish ORIX as a renewable energy company in Asia, the United States and elsewhere.

Inquiries about concession business projects have been increasing because of our track record in acquiring concessions at Kansai International Airport and Osaka International Airport. The concession business is promising and we intend to nurture it into a core operation.

The outlook for the real estate business is expected to

## Segment Assets by Category



Note 1: Excludes assets of HLIKK (approximately ¥1.4 trillion)  
 Note 2: Excludes assets of HLIKK (approximately ¥1.0 trillion)

remain favorable because the facilities operation business is benefitting from growth in inbound demand. We are highly selective in making new investments as a matter of policy. However, we expect inbound needs to increase and will screen and investigate new investments in Japanese inns and hotels.

ORIX Life Insurance has always had highly competitive products. However, we expect price competition to intensify and are therefore developing direct sales channels that we will service using our own sales personnel, improving product proposal capabilities, and differentiating ORIX from other companies.

ORIX Auto and ORIX Rentec are both industry leaders that are highly profitable and generate stable cash flow. We will continue to aggressively add assets, broaden auto-related services such as telematics services, and expand rental products such as AI equipment. We will also expand our auto-related business internationally, primarily in Asia, through local subsidiaries that deploy the extensive expertise we have acquired in Japan.

In the Investment category, we will add assets, particularly by investing in tangible assets and making equity investments. We believe the market for tangible real estate assets is near its peak, and intend to focus on developing our land bank rather than significantly increasing new real estate investment. Our focus in making aircraft investments will remain on the narrow-body type.

Our equity investment operations will sell portfolio assets because the price of private equity investments in Japan remains high. At the same time, we will avoid competition while investing in the core areas of health care, IT, food, and lifestyle-support services. Overseas, we will make investments using the investment management company established by Mariner Investment Group in the United States. We intend to uncover good investments in Asia, mainly through tie-ups with powerful partners.

We view the two years through FY2018.3 as the time to achieve our medium-term targets and firmly position ORIX for continued growth thereafter. We will concentrate on Opera-

tion and Investment, and increase the share of stable earnings from Operation. We will also execute well-timed asset sales. In addition, we will aggressively take on the challenge of new businesses and intend to identify businesses that will be new pillars of growth for ORIX. At the same time, we will conduct our businesses prudently, giving full consideration to the increasingly uncertain outlook inside and outside Japan, instability in financial and capital markets, and rising political and geopolitical tensions in some regions. The growth of Operation will entail facing an increasing number of previously nonexistent risks, so we will heighten our emphasis on risk management.

### Value Creation through FY2018.3

<b>Finance</b>	• Transition to services income by enhancing lineup of fee-based services	
<b>Operation</b>	<b>Environment/ Infrastructure</b>	<ul style="list-style-type: none"> <li>• Focus on completing mega-solar projects and increasing captive power capacity</li> <li>• Strengthen market position as a major renewable energy player in markets including Asia and U.S</li> </ul>
	<b>Financial Services</b>	• Expand direct distribution channels in the life insurance business
	<b>Maintenance Services</b>	• Use competitive advantage to further develop value-added services and expand in Asia
<b>Investment</b>	<b>Tangible Assets</b>	• Real estate and aircraft leasing businesses: focus on existing real estate development projects and narrow-body aircraft investments
	<b>Equity Investment</b>	• Add investments in healthcare, IT, food and lifestyle-support businesses

## The ORIX Business Model

### The ORIX Way and Our Strengths

We have built the ORIX business model over the 50 years since the Company was established, and it will continue to evolve in step with our operating environment. But even as the ORIX business model evolves, the ORIX Way and our strengths will remain constant. I would like to share our perspectives on the ORIX Way and our strengths to deepen understanding of how we will achieve our medium-term targets over the coming two years and subsequently generate steady growth.

Two features of our organizational operations are strong leadership by management and formation of cross-departmental teams. These features enable agile business activities.

The Group aggregates all information for senior man-

agement, including me. ORIX therefore constantly identifies current realities at Group divisions and companies. ORIX also looks within the Group with a focus on its sales network in Japan largely to collect information on deals and projects, again aggregating this data for senior management. Depending on the project, I bring together people from within the Group to make up a team. This way, senior management gains project and market information, and becomes aware of the people assigned to the project before it can offer well-informed instructions. Because senior management can see the big picture, they can make appropriate decisions and give instructions quickly. Good deals can disappear in a day or two, so we must always be on the lookout for information



so that we do not miss out.

Our decision-making bodies centralize authority and share information. The Investment and Credit Committee approves deals. The Committee discusses and assumes authority for decisions for debt deals that exceed ¥600 million and equity deals that exceed ¥5 million. Although the deals decided by senior management are quite small, discussing these projects enables a timely understanding of sales and market conditions. The Group Executive Officer Committee acts as a forum for sharing information. Senior management and Executive Officers gather to share important matters such as the progress of Group strategies.

The ORIX Group has a team work mindset that is well entrenched. People who have specialized knowledge work in ORIX's broad portfolio of businesses. Each division works toward its objectives in its day-to-day operations, but each is also deeply aware that it is part of the ORIX Group. When forming teams for certain projects as described above, we bring together multifaceted real estate, business investment, accounting, legal and treasury professionals who immediately begin working together with a unified team mindset. Working together with ORIX's national sales network generates substantial strengths. We have become a leader in Japan's solar power business because of the contribution of our salespeople in Japan, who understand the importance of promoting this business as a group. We emphasize fully exercising our strengths as a team through intradivisional collaboration that links our respective knowledge and expertise. This gives ORIX a strength that none of its competitors can match and contributes substantially to its growth.

An organization cannot function with strong senior management alone. Moreover, talented people will not generate strengths as a group if they each move in their own separate directions. Organizational management becomes more complex as a company grows and its businesses become more diverse, but I expect ORIX to continue making the best use of its strengths in leadership and team formation.

ORIX makes various investments including pure financial investments and strategic investments. Our approach to investing is as follows.

We do not feel we should pay a premium for strategic investments. We rigorously consider entry price. We make both pure financial and strategic investments after discussing internal rate of return (IRR) with the assumption that we

will sell them in five to seven years. Investments involve the risk of impairment if the profitability of the investment is less than expected. We therefore make sure we are not paying the wrong entry price when considering deals, and reject deals without hesitation if price competition drives entry price above our limits. The fact is, unreasonable investments will eventually go bad, and we do not want to waste shareholder capital.

A good partnership with stakeholders is vital to the success of any investment. We take a hands-on approach for virtually every investment we make in Japan. ORIX makes consensual investments after discussions with the management of the investee to preclude problems after we invest. We value a relationship of mutual trust with our investees. ORIX takes the same approach with overseas investments, in many cases creating long-lasting relationships based on mutual trust. We work with blue-chip local partners so that we can accommodate the various cultural considerations we encounter internationally. Well-managed deals with partners and management we trust do not require us to send individuals from Japan. About 8,200 employees are involved in our Overseas Business segment, and only 75 of them are Japanese employees stationed abroad. We believe the best approach is to let trustworthy local management and personnel handle local business. Investment ultimately comes down to people. We therefore devote time to speaking with our partners and deepening mutual understanding to make our investments successful.

ORIX makes mostly pure financial and strategic investments. In some cases, if we see synergy with our investee we change the strategy we decided upon initially to transform a pure financial investment into a strategic investment. The converse also happens. We need to review our investment strategy to accommodate changes in our operating environment. Our mindset is flexible and we review our strategies as needed. Moreover, we always consider our exit strategy regardless of our investment strategy. We are ready to sell at any time, which helps make sure we do not miss opportunities to sell when we review our strategy. This mindset applies to ORIX's entire portfolio, not just its investments. We always consider the price we could get for each of our businesses, not just when actually deciding whether or not to sell. And we certainly do sell if the timing is right. That is in fact management's job.

## Our People and Our Relationship with Society

### Individual Contributions Not Only to the Group, but Also to Society through Business Activities

We have added employees as our businesses have grown, and the Group now employs more than 30 thousand people. Hiring and nurturing people at the same speed at which we are expanding has become an issue for us. When I was a young employee at ORIX, the Company was not as big as it is now, so I was often assigned to important roles with substantial responsibility. Quintessentially, on-the-job training at the front lines of the business is the best way to nurture people, but ORIX's current scale and diverse business portfolio present difficulties for individually relevant on-the-job training. We therefore want to further enhance our commitment to personnel training. ORIX has traditionally hired many specialized professionals from outside the Company. They generally hit the ground running and excel, but sometimes they are initially confused by our corporate culture that eschews routine work and requires people to think and act independently. However, they soon realize that

this corporate culture provides them with ample flexibility to achieve what they wish, stimulating them and their colleagues to energetically exercise their capabilities. ORIX's operations will also become more global. We will enhance the global facility of our people so that each employee feels part of the global ORIX Group, well-motivated by their work, and even more committed to contributing to the Group.

ORIX prioritizes contributing to society through its business activities. Our growth has enhanced public awareness of ORIX and our presence in the community. Of note, we have greater contact with individuals because of our recent expansion in business-to-consumer operations. I want these individuals and all other stakeholders to view their relationship with ORIX favorably. How can ORIX help society? What does society think and expect of ORIX? Is ORIX making itself a vital part of society? We will constantly keep these questions in mind as we go about our business.

## Shareholder Returns

### An Optimal Balance between Investments in Sustainable Growth and Stable Returns to Shareholders

Dividends per share for FY2016.3 increased 27% year on year to ¥45.75. The payout ratio increased to 23% from 20% for the previous fiscal year. In addition, the interim dividend for FY2017.3 will increase to ¥23.00 from ¥22.00 for the FY2016.3 interim dividend. Our focus on using our capital to invest in sustainable growth has not changed, but neither has our commitment to stable shareholder returns.

I serve as an outside director for an ORIX investee, which makes me a shareholder asking that company to pay dividends and repurchase its shares. However, the question

preceding that request is whether the investee has a growth strategy. Companies without a growth strategy and limited prospects for growth should think about returning capital to shareholders. On the other hand, ORIX is trying to achieve its medium-term targets and subsequently maintain sustainable growth. We will maintain this commitment to our medium-term targets and continue to grow this company with an optimal balance between investment and returns to shareholders.

## Management Strategies Explained A Message From the CFO



### Proper Capital Controls and Deeper Dialogue with Stakeholders

**Kazuo Kojima**

Director  
Representative Executive Officer  
Deputy President and  
Chief Financial Officer

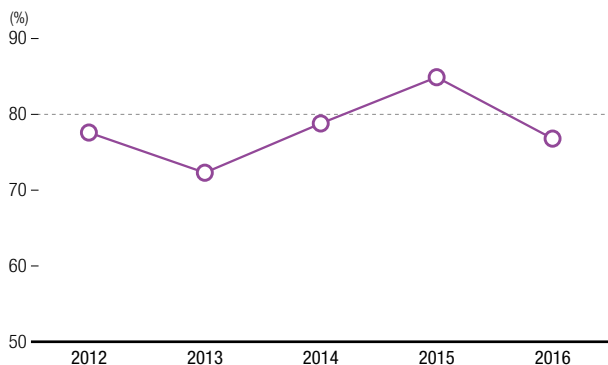
#### Building a Powerful Financial Base So That We Are Ready for Changes in the External Environment

ORIX diversifies funding sources, lengthens durations, levels out maturity ladder and ensures proper liquidity to support earnings growth and strengthen its finances. We need to build an even stronger financial base in view of current economic changes, particularly growing foreign exchange and interest rate market volatility and rising geopolitical risk. ORIX's business structure itself is changing dynamically, so we will use funding methods that fit with our business portfolio. We will enhance funding aligned with our global operations, expanding local bank funding and continuing to raise money from local capital markets. Our objective is to optimize funding as a Group with approaches such as the effective use of project finance in business fields that are growing.

#### Ensuring Soundness and Increasing Corporate Value with Proper Capital Controls

For financial soundness, we emphasize proper capital controls with a medium-term objective of maintaining our credit rating in the single A range. While we are aggressively considering M&A for future growth, we will carefully assess the impact any large-scale transaction may have on our credit rating. An employed capital ratio in the 80 percent range is right for ORIX to ensure financial soundness and the flexibility to make new investments, and it was at that level as of March 31, 2016 (Graph 1). Graph 2 shows how we are properly controlling capital throughout our business portfolio in ways such as reducing capital employed in the Real Estate segment and redeploying it for future growth. We have also taken new approaches to funding by obtaining a subordinated term loan, or hybrid loan, totaling ¥94.0 billion in May 2016. Although a hybrid loan is recognized as a liability under accounting standards, certain credit rating agencies

### Employed Capital Ratio\* (Graph 1)



\* ORIX calculation (Risk Capital/Shareholders' Equity)

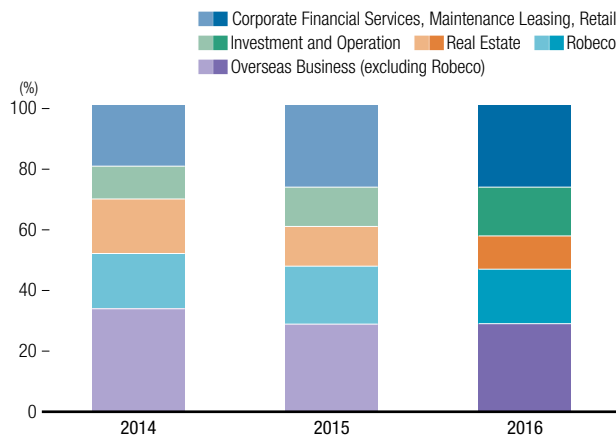
will regard it as equity in their rating calculation because it is junior to all of the capital we employ except common stock. Funding with a hybrid loan maintains financial soundness and better ensures our capacity to make new investments.

ORIX makes decisions about each investment and credit transaction after confirming that its returns are commensurate with risk and exceed the cost of capital, and retains this mindset in monitoring the transactions after they are executed. We will increase corporate value by remaining circumspect in monitoring capital employment, risks and returns by segment and business units while identifying good risks among various new business opportunities.

### Deeper Dialogue with Medium- and Long-Term Horizons

I have been communicating with Japanese and foreign shareholders and investors on the important topic of sustainable growth since becoming the Group CFO in June 2015. My focus during these dialogues is helping shareholders and investors understand the fundamental strengths that enable ORIX to successfully create value over the medium and long term. I will continue to value this dialogue with shareholders and investors, who have been

### Capital Employed by Segment (Graph 2)



supporting our business to date. ORIX does not currently announce annual performance forecasts. Instead, we have disclosed our medium-term management targets for the three-year period to FY2018.3. Our rationale is that it is in the interest of our stakeholders to base our dialogue on medium- and long-term management vectors.

In FY2016.3 we began complementing the existing disclosure framework of our six business segments by additionally highlighting certain results in three business categories, consisting of Finance, Operation and Investment. This new framework of three categories is the result of multiple discussions at meetings of Board of Directors, where opinions from our Outside Directors were also reflected. The three categories encompass risk and personnel management as well as finance, and will prove useful in discussions of our business strategies going forward. We will continue to enhance disclosure and deepen discussion to ensure even better understanding of ORIX's approach to value creation.