



INTEGRATED REPORT 2018

# ORIX by the Numbers

## Net Income

**¥313.1 billion**

Net income for FY2018.3 increased 15% year on year to ¥313.1 billion. This was our ninth consecutive year of profit growth and our fourth consecutive year of record net income.

## Segment Assets

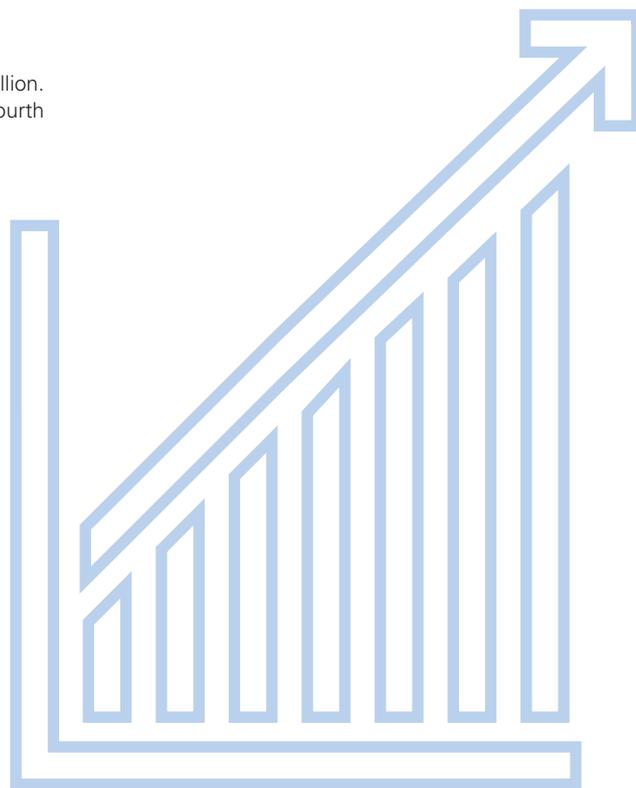
**¥9 trillion**

Without overstressing our asset size, we have been focusing on improving profitability and strengthening financial soundness. Furthermore, we adjust our asset mix flexibly for different times and environments.

## Dividend Growth Rate

**7 consecutive years of double-digit growth**

We have generated double-digit dividend growth for seven consecutive years since FY2012.3. We remain committed to stable returns while making new investments for sustained profit growth.



## History

**54 years**

Since we introduced “leasing” to Japan in 1964, we have been providing a wide variety of innovative solutions highly valued by the market. In return, we have been rewarded with more than 50 years of continuous profitability and a longstanding reputation.

## Global Network

**38 countries and regions**

We have expanded our global network since launching operations in Hong Kong in 1971. We characteristically partner with outstanding in-market companies, localize management, and build a customer base of companies from the areas we serve.



## Number of Employees

**31,890**

The company has grown from a 13-person venture into one of Japan’s largest non-*keiretsu* affiliated multinational corporations. It is home to a large and diverse organization of dedicated professionals.

**New Investment**


About **¥740** billion

We invested about ¥740 billion during FY2018.3 in key businesses worldwide including environment and energy, financial services, fixed income, aircraft, ships, real estate, and equity investments.

→ Page 42, Environment and Energy

**Renewable Energy**


About **3** GW of capacity secured

We are involved in solar, wind, geothermal, hydro, biomass and other renewable energy projects worldwide with a total capacity of about 3GW. We are a leader in the solar power generation business in Japan, with secured capacity of about 1,000MW and about 700MW online as of March 31, 2018.

→ Page 42, Environment and Energy

**Individual Insurance Policies**


About **3.94** million

ORIX Life Insurance had a portfolio of approximately 3.94 million individual insurance policies as of March 31, 2018. We have generated double-digit growth for 12 consecutive years since 2005 by enhancing our product lineup to address customer needs.

→ Page 48, Life Insurance

**Assets under Management at ORIX Europe**


About **¥38** trillion

ORIX Corporation Europe N.V. (formerly Robeco Groep N.V.) had EUR 288.7 billion in assets under management as of March 31, 2018 (about ¥37.8 trillion at EUR 1 = ¥130.94). In addition, the ORIX Group's overall assets under management are steadily increasing through the acquisition of an asset management company in the Americas and growth in the real estate asset management business in Japan.

→ Page 46, Asset Management

**Driving Data Collected**


**7** laps around the Earth  
(per hour)

ORIX had approximately 1.66 million vehicles under management, one of the largest fleets in the world, as of March 31, 2018. Driving data collected from the telematics service we provide corresponds to about seven laps around the Earth per hour.

→ Page 50, Automobiles

**Aircraft under Management**


Approximately **200**

We have been in the aircraft business for almost 40 years. Our competitive strengths stem from our expertise including market insight, access to lessee airlines and investors, and strong aircraft management capabilities.

→ Page 52, Aircraft

## ORIX Helps Create a Vibrant Society through a Range of Activities

At ORIX we're helping create a vibrant society by giving new energy to the economy and people's lives.

We're working to understand our customers as deeply as possible so we can assist them with all of their needs and challenges in life, and in doing so build truly reliable relationships.

We aspire to be a source of discovery and joy by working closely with specialists from many different fields and offering ideas from a unique perspective.

Every day we're dedicated to providing the best service and most thorough attention so that we'll always be the top choice for our customers.

Bringing our society "alive" — this is ORIX's continuing challenge.

### 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 providing superior services.
2. ORIX aims to strengthen its base of operations and achieve sustained growth by integrating its resources to promote synergies amongst different units.
3. ORIX makes efforts to develop a corporate culture that shares 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.

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### Editorial Policy

In addition to financial information, ORIX Integrated Report 2018 contains other important information on subjects such as ESG (environment, society and governance). This report is intended to help our diverse stakeholders including shareholders and investors to understand ORIX's sustainable growth from a multifaceted perspective. We hope this report provides valuable insight into ORIX's fundamental belief in contributing to the economy and society through its business activities as well as its strategies for continuing to create value over the medium and long term.

### Action Guidelines

#### Creativity

Develop the flexibility and foresight to constantly take actions that are creative and innovative.

#### Integration

Enhance ORIX Group strength by actively exchanging knowledge, ideas, and experiences.

### EC21

At ORIX, we have defined "EC21" which clarifies "ORIX's Corporate Vision" as an "Excellent Company in the 21st Century."

**EC21** *Excellent Company*

<https://www.orix.co.jp/grp/en/company/philosophy/ec21/>

### Participation in the United Nations Global Compact

ORIX became a participant in the United Nations Global Compact in July 2014. We support the ten principles in the four fields of human rights, labor, the environment and anti-corruption, and we are promoting initiatives in each of these fields.

WE SUPPORT



## A Message from the CEO

# Bringing Our Society “Alive” – This Is ORIX’s Continuing Challenge.

“Who is ORIX?” Stakeholders often ask me this question. Since making our start in the leasing business upon our foundation, we have constantly expanded the scope of our operations into adjacent fields and have grown into a global company encompassing a variety of businesses. The diversity of our businesses makes ORIX a unique company without peers worldwide. It may be difficult to understand, but the unique ORIX business model transcends industry categories.

ORIX has thrived by quickly recognizing changes in society and markets and turning them into opportunities. Going forward, we will continue to change. As a global company, we will accelerate further development of our operations by bringing business from abroad to Japan.

Our management philosophies of Creating New Value and Standing on Our Own Two Feet have been steadfast over the years and are the source of our sustained growth. Taking initiatives by seriously thinking about how ORIX can create new value in response

to society’s issues and needs, and working for society while maintaining autonomy without relying on others are crucial for us. These management philosophies, unchanged since our inception, have led to the growth of ORIX and our contribution to society.

At ORIX, we are helping to create a vibrant society through our diverse efforts. By expanding our business and growing as a company, ORIX has assumed a great social responsibility. We will fulfill that social responsibility by continuing to think about the interests of our stakeholders and contributing to the revitalization of the economy and people through our business activities. We thank all our stakeholders for their continuing support of ORIX.



**Makoto Inoue**

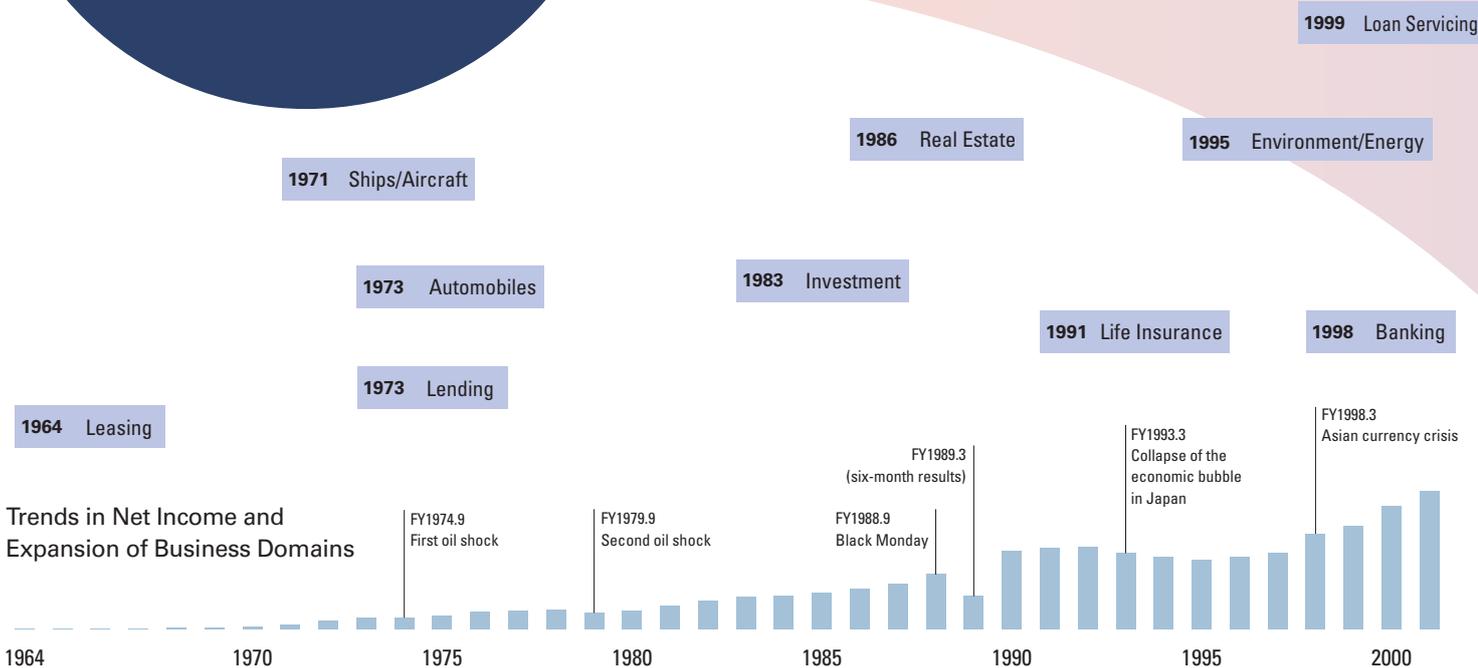
Director  
Representative Executive Officer  
President and Chief Executive Officer



# ORIX Value Creation

## Three Strengths Born from Our Management Philosophies

Since its inception in 1964 as a leasing company, ORIX has stayed true to its management philosophies of Creating New Value and Standing on Our Own Two Feet. They are the source of our unique strengths – Flexibility, Strong Platform, and Disciplined – that were created by taking on challenges and innovating while adapting to diversifying needs and changing environments.



## Our Three Strengths

### Flexibility

Since introducing leasing to Japan in 1964, ORIX has not been content with leasing alone, and set its sights higher to grow. Our adaptability in all aspects of business, such as how we develop business and leverage talent, created our strength of flexibility.

### Strong Platform

We have expanded our business platform overseas while flexibly broadening our business portfolio. At the same time, we strengthened our platform by having the discipline to enhance our financial base and governance system. Through this process, ORIX has developed a strong platform.

### Disciplined

ORIX has pursued an independent approach since its foundation. Our self-discipline to promote management independent of shareholder companies and our risk management capabilities that adapt to business growth and changing environments are what make us disciplined.



# Our Business Model

## Inputs (Our Strengths)

**Flexibility**

**Strong Platform**

**Disciplined**

## Value Creation Process

### Identify changes and transform them into opportunities

Astute moves, flexibility and adaptability are fundamental to our business operations. Each ORIX employee has the ability to identify change and the mindset that change means opportunities, so there are limitless opportunities for growth as long as the world continues to change.

### Collaborate among diverse people

We do not focus on having a portfolio of individual businesses that are growing, but on horizontal collaboration that generates growth for the Group as a whole. We link diverse human resources with expertise to identify new business opportunities and improve the level of human resources by sharing know-how.

### Turn over assets at the right time

Since ORIX does not have a core business, we identify global trends and constantly rotate assets in order to keep growing. We have built a business portfolio attuned to social change using our speedy decision-making and execution capabilities.

### Maintain portfolio liquidity

ORIX always maintains vigilance over the assets it holds and leverages the expertise of the Group to build value. We maintain the liquidity of our business portfolio in this way so that assets are always ready to be sold.

### Identify and take healthy risks

We cannot grow if we do not take risks. Effective risk identification and control lets us continue to grow. We are focusing on developing and strengthening a system that allows us to take risks.



## Outputs

### A Multifaceted Business Portfolio from Identifying Changes Worldwide

- New investments of approximately ¥740 billion
- Enter new businesses and markets, and create new products and services
- Generate stable earnings

### Providing Services to a Broad Array of Customers

- Operations in 38 countries and regions
- Services provided to small, medium-size and large corporations
- Involved in businesses from local to global

## Outcomes (Value Creation)

### Sustainable Improvement in Corporate Value

#### Economic Value

#### Sustainable Earnings Growth

- Profitability for 53 consecutive years, and earnings growth for 9 consecutive years
- Record high earnings for 4 consecutive years

#### Social Value

#### Contributing to Society through Our Businesses

- Transition to a carbon-free society
- More efficient use and supply of energy
- Creation of a society that reuses and recycles
- The aging society/Achieving secure and healthy lifestyles
- Regional revitalization
- A smart and resilient society
- Vitalizing small and medium-size enterprises

→ Page 42, Business Areas for Further Growth

#### People Who Support Sustainable Growth

- About 32,000 diverse employees
- People who consistently take the initiative in creating new businesses
- Highly skilled people who continuously take on challenges

→ Page 58, Relationship with Employees

Link value creation to strengths

# ORIX's Three Strengths

## Flexibility

- Astuteness, Flexibility and Adaptability
- Horizontal Group Collaboration
- Diverse People

Since introducing leasing to Japan in 1964, ORIX has not been content with leasing alone, and set its sights higher to grow. Our adaptability in all aspects of business, such as how we develop business and leverage talent, created our strength of flexibility.

### Astuteness, Flexibility and Adaptability

Astuteness, flexibility and adaptability are fundamental to our business activities. We are sensitive to change and adapt quickly to it, which is why ORIX has grown – and will continue to grow.

### Horizontal Group Collaboration

The ability of diverse people with specialized expertise to work together in challenging businesses through horizontal Group collaboration encourages the growth of both our people and the Group. We are particularly good at boldly taking on the challenge of new business

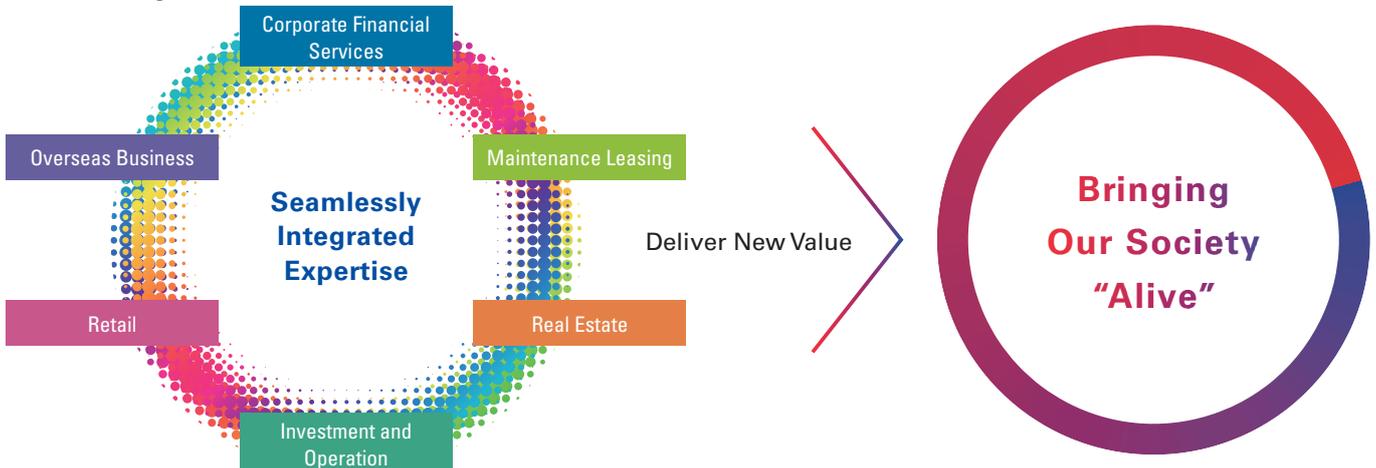
opportunities through teamwork and collaboration among relevant departments.

### Diverse People

Diverse people support ORIX's wide-ranging projects and embody the concept of "Keep Mixed." We hire diverse human resources regardless of nationality, age, gender or work history, integrating their various values and expertise within our concept of a Fusion of Intelligence to create new value by raising the capabilities of each employee.

→ Page 58, Relationship with Employees

### A Flexible Organization



## Value Creation Case Study:

# Horizontal Group Collaboration

## Concession Business: Horizontal Group Collaboration to Enter a New Business

ORIX captures business opportunities through horizontal Group collaboration. In the concession business, where growth is forecast, we have built our operations in this way.

In the concession business, private companies handle the management and operation of airports, roads, water supply, sewerage and other public facilities that public institutions continue to own. Established by a consortium led by ORIX and VINCI Airports of France, Kansai Airports was the first full-fledged airport concession in Japan and began operating Kansai International Airport and Osaka International Airport in April 2016.

The concession business may have a high social profile today, but the lack of precedents and the scale of operations made large companies and other potential participants hesitant when Japan began its move toward concessions in 2011. This project required multifaceted consideration ranging from concession fees in trillions of yen and ultra-long-term management over 30 to 40 years to enhanced security and smooth relations with neighboring communities. The airport management involved encompasses a broad array of businesses including sales to airline companies, route expansion and the food, beverage, merchandise sales, parking, hotel and other

passenger-related services of the terminal building business. ORIX initially examined the concession business in the Real Estate segment. However, differences from a conventional PFI\* that we identified during our initial process of investigation made us realize that the concession business is more akin to hybrid M&A and business succession because of its complexities.

Senior management recognized the social significance of the concession business and its importance to ORIX as a new business, and therefore called on experts from Group divisions involved in real estate, business investment in Japan and abroad, finance, and credit evaluation. The project team ultimately had more than 50 members.

After organizing the project team and submitting our bid, we had to conduct various consultations, due diligence and proposal preparation in a short time. We still had an enormous amount of work to do by the date designated for the start of operations,

and team members had to take on specified tasks as soon as they joined the project. However, the conditions engendered by horizontal collaboration enabled team members to act independently while moving quickly toward a single goal as a team.

Organizational flexibility is a unique ORIX strength. We can execute projects to capture new growth opportunities by forming cohesive teams of highly skilled people from various businesses without the constraints of divisional boundaries. We are proud that the extensive expertise we have acquired has enabled us to pioneer multifaceted businesses, and our goal is to continue generating new vitality for society.

→ Page 44, Concession

\* Private finance initiatives (PFI) provide public services by using private funding and expertise to design, construct, maintain and operate public facilities.



# Strong Platform

- Global Network
- Solid Financial Base
- Sound Governance System
- Diverse Business Portfolio

We have expanded our business platform overseas while flexibly broadening our business portfolio. At the same time, we strengthened our platform by having the discipline to enhance our financial base and governance system. Through this process, ORIX has developed a strong platform.

## Global Network

Starting in Hong Kong in 1971, ORIX has expanded internationally using expertise acquired in Japan without setting limits on businesses or countries. Today, ORIX has a global network that spans 38 countries and regions.

## Solid Financial Base

ORIX aligns fund procurement methods with its portfolio because its business structure is always changing dynamically. We are strengthening procurement in conjunction with our global business portfolio and continue to expand borrowings from banks and to procure funding from capital markets in the countries we serve.

→ Page 28, Financial and Capital Strategies

## Sound Governance System

ORIX proactively enhances oversight of its managers. Our framework is demanding on managers and simultaneously ensures safety to strengthen corporate management.

→ Page 30, Corporate Governance

## Diverse Business Portfolio

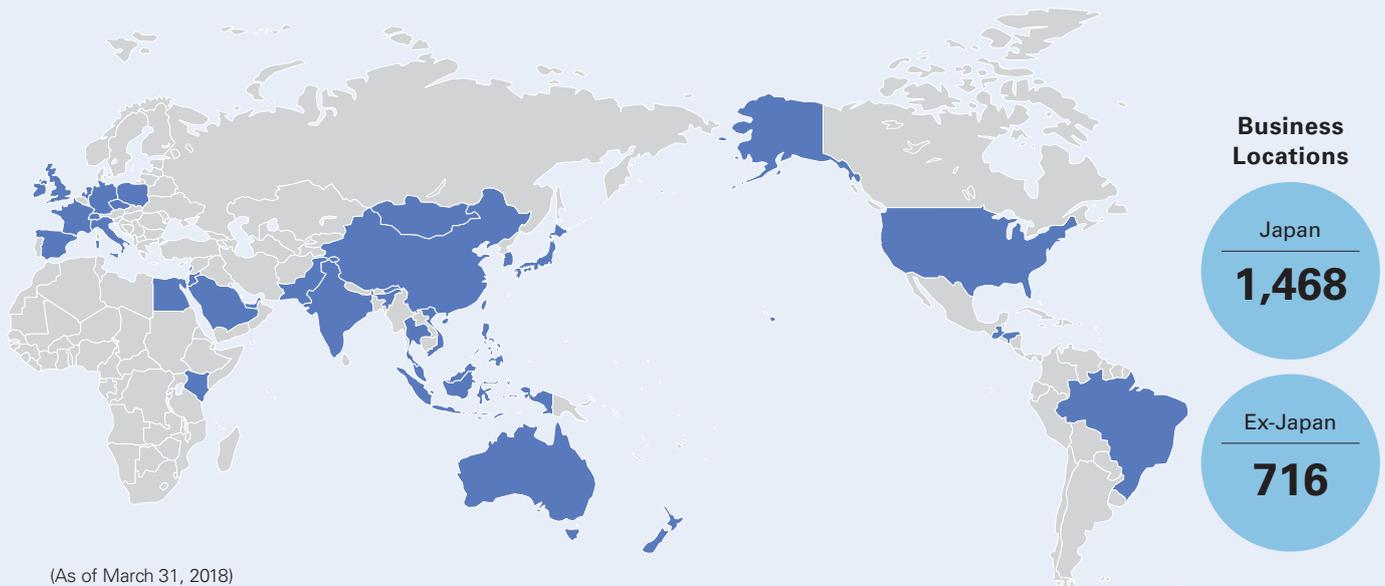
We have enhanced our expertise in finance and tangible assets arising from leasing as we have expanded into adjacent markets. Our expansion into diverse businesses disperses risk and increases opportunities to create new value.

## An Expanding Network and Business Portfolio

1970s	1980s	1990s	2000s	2010s
Countries and Regions in Our Global Network				
7	12	18	26	38
Expanded global network with emphasis on leasing in Asia		Continued to expand global network Diversified into aircraft-related and equity investment businesses		Expanded our business portfolio by acquiring Robeco and entering the environment and energy business

## Value Creation Case Study:

# Global Network



(As of March 31, 2018)

## Building New Business Models from an Expanding Network of Locations Worldwide

ORIX's global network spans 38 countries and regions. We originally focused on the finance lease business in expanding internationally, then broadened the markets we serve as we expanded our business portfolio in Japan. Today, we operate in a diverse array of businesses in Japan and around the world, including automobile leasing, aircraft-related, investment in bonds, equity investment, asset management, and environment and energy.

A strength of our overseas operations is that they involve local partners, local management, local clients, and local staff. We partner with leading

companies in the countries we serve, localize management, and build a customer base of local companies. We assign few expatriates from Japan, and local employees are primarily responsible for conducting business.

Global expansion rooted in local economies has supported optimum local performance. Localized management enables proactive development of business aligned with local needs, without being bound by Japanese ideas. We are therefore autonomously building businesses attuned to each of the countries and regions we serve.

For example, in Australia we specialize in automobile leasing. Our customers are corporate fleet users, primarily multinational corporations. Our strengths are a well-established structure for maintenance leases and high-quality IT systems. We also offer

a highly convenient web-based vehicle and contract management system that keeps profitability high. This business model is tailored to the Australian market, with its many large-scale users. We have recently begun to adapt its services to our automobile leasing operations in other countries to meet even larger vehicle management needs. This exemplifies how ORIX uses its global network to create new products and services.

ORIX does not bifurcate business opportunities domestically and internationally. Our strong platform allows us to take on the challenge of attractive markets without creating artificial barriers. As a truly global company, we will leverage the strengths of our global network to simultaneously create and operate new business in multiple countries.

# Disciplined

- Risk Management Capabilities
- Self-Discipline That Supports Independence

ORIX has pursued an independent approach since its foundation. Our self-discipline to promote management independent of shareholder companies and our risk management capabilities that adapt to business growth and changing environments are what make us disciplined.

## Risk Management Capabilities

ORIX is an independent company that does not belong to a capital-based corporate group, so it is free to conceptualize and design bold strategies. At the same time, we assess risk very carefully. We consistently stress prudent, careful business decisions and expert assessment of the risks we should take to grow.

## Self-Discipline That Supports Independence

Self-discipline has helped ORIX chart its own course since day one. We have ensured management tension to avoid erroneous decisions that could put ORIX out of business. We have therefore been able to overcome changes in our operating environment, thus enabling ORIX to remain profitable for 53 consecutive years since its inception.

### Establishing an ERM\* System: Risk Management Enhancements

#### Enterprise Risk Management Headquarters Established in June 2017

We are concentrating on upgrading systems to empower us to judge, control and manage risk appropriately to enable further dynamic growth.

<p><b>Mission</b></p>	<ul style="list-style-type: none"> <li>• Create mechanisms to properly report management information to top management.</li> <li>• Focus on enhancing global compliance and internal controls.</li> </ul>
<p><b>Examples of Specific Initiatives</b></p>	<ul style="list-style-type: none"> <li>• Comprehensively assess all investments, including assessment of non-financial risks such as reputation risk.</li> <li>• Strengthen overseas departments and upgrade our framework for global risk management.</li> </ul>

\* ERM: Enterprise risk management

## Value Creation Case Study:

# Risk Management Capabilities

## A System for Taking Healthy Risks

ORIX has expanded its businesses and grown by taking on challenges and innovating in order to address diversifying customer needs and changes in its operating environment. Risk management entails two crucial components: taking risks after assessing their potential impact on growth and

maintaining soundness. This approach forms the basis of ORIX's risk management.

We have established a system to appropriately identify and manage the characteristics of various risks related to Group businesses. The following are our eight primary risks, and we manage each of them according to their features.

## Main Risks and Methods for Managing Them

Main Risks	Risk Definition	Examples of Risk Management Methodologies
<b>Credit risk</b>	Uncertainty regarding future recovery of investments caused by fluctuations in cash flow from debtors and investees.	<ul style="list-style-type: none"> <li>• Obtain adequate collateral and guarantees.</li> <li>• Securitize receivables.</li> <li>• Diversify debtors and their business types.</li> </ul>
<b>Business risk</b>	Uncertainties related to new business areas, potential obsolescence of the products or services we offer or a decline in their quality, and variability in market prices for the types of products or services we offer.	<ul style="list-style-type: none"> <li>• Conduct scenario analyses and stress testing.</li> <li>• Monitor business plans and operations.</li> </ul>
<b>Market risk</b>	The risk of changes in the fair value of assets and liabilities caused by changes in market variables, such as interest rates, exchange rates and stock prices.	<ul style="list-style-type: none"> <li>• Set Groupwide rules for comprehensive asset and liability management (ALM).</li> <li>• Comprehensively understand and verify market risks.</li> </ul>
<b>Liquidity risk (risk relating to fund procurement)</b>	The risk that we will be unable to obtain required funds or that we will be forced to procure funds at an unusually high rate of interest due to market turmoil, a sharp decline in the financial condition of the ORIX Group or other reasons.	<ul style="list-style-type: none"> <li>• Diversify fund procurement methods and sources.</li> <li>• Manage liquidity on hand and analyze liquidity risk using hypothetical stress scenarios.</li> </ul>
<b>Compliance risk</b>	The risk of financial loss, regulatory sanction or damage to our reputation resulting from a failure by the ORIX Group to comply with applicable laws and regulations regarding the ORIX Group's business activities or corporate philosophy, internal policies, social norms, rules and procedures which may also encompass legal risk when applicable laws and regulations are violated.	<ul style="list-style-type: none"> <li>• Formulate and implement an annual compliance plan.</li> <li>• Raise awareness for compliance matters among executives and employees by establishing and disseminating various regulations.</li> </ul>
<b>Legal risk</b>	Legal restrictions on business activities and legal liability as well as disadvantages that may arise due to laws and regulations applicable to ORIX Group's business and corporate management, the establishment and amendment of such laws and regulations and regulatory oversight.	<ul style="list-style-type: none"> <li>• Involve the credit department, the legal department and the compliance department to avoid, reduce and conduct measures to prevent risks.</li> <li>• Employ outside legal counsel.</li> </ul>
<b>Information asset risk</b>	The risk of loss caused by destruction, damage or leakage of information or failure of our information systems.	<ul style="list-style-type: none"> <li>• Establish policies for information management systems.</li> <li>• Maintain and manage internal systems to reduce the risk of system failure and cyber-attacks.</li> </ul>
<b>Operational risk</b>	The risk of loss resulting from damages, losses, adverse effects or damage to our reputation caused by inadequate or failed internal processes for business execution or prevention of human error or by a failure in operations due to external events such as natural disasters.	<ul style="list-style-type: none"> <li>• Maintain internal rules to manage risks associated with natural disasters.</li> <li>• Monitor based on an annual internal audit plan.</li> </ul>

For detailed information on risks, please refer to the following:  
Form 20-F filed with the U.S. Securities and Exchange Commission

▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/>

# Management Strategies

## ORIX's Business Portfolio

In 38 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, 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. [→ Page 68, Segment Overview](#)

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, concession, loan servicing
<b>Retail</b>	Life insurance, banking, card loan business
<b>Overseas Business</b>	Leasing and loan through overseas subsidiaries, aircraft and ship-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		Environment/Infrastructure
<b>Main Risk</b>		Credit risk		
<b>Capital Requirement</b>		Low		
		Japan	Ex-Japan	Environment/Infrastructure
<b>Six Segments</b>	<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/Guarantee		
	<b>Overseas Business</b>		Leasing/Loan	

**Table 2: Three Categories**

From FY2016.3, we began grouping our business portfolio into three categories that take the main risks 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 - High	<ul style="list-style-type: none"> <li>Environment and Infrastructure: Real estate facilities operation, environment &amp; energy, concession 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> </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 Investment: Private equity investments in Japan and overseas, new businesses that we will launch and grow</li> </ul>

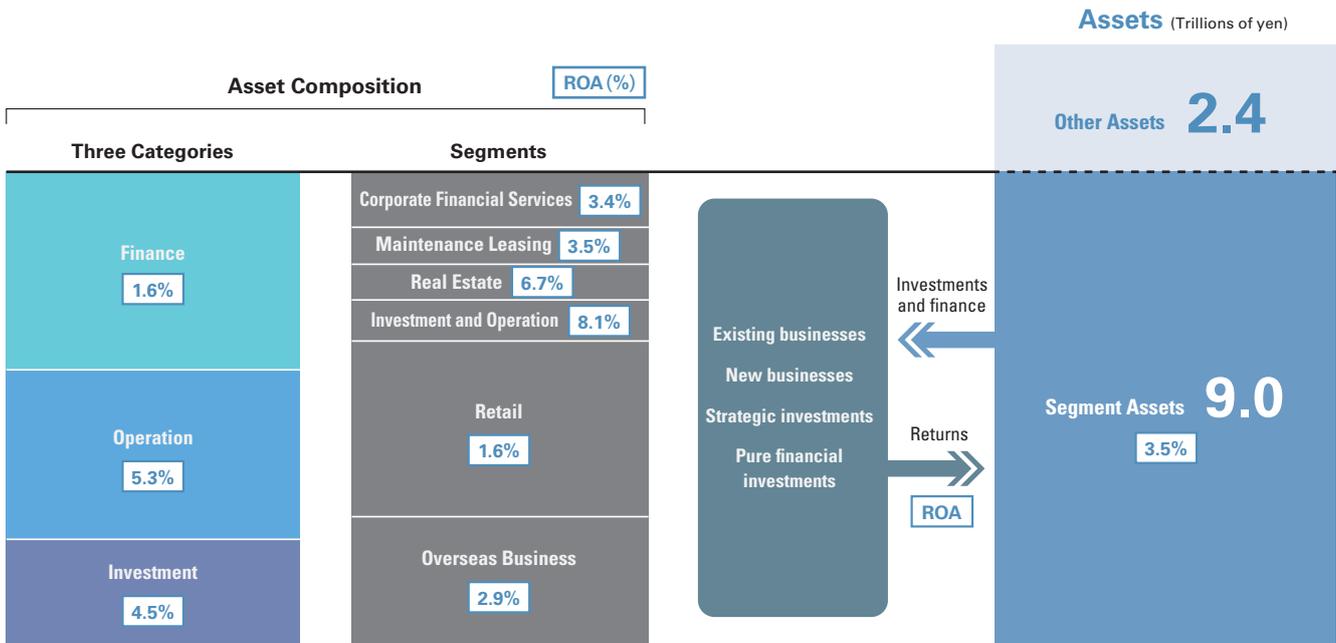
**Three Categories**

Operation			Investment		
Operation risk and business risk			Market risk		
Medium - High			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					
Asset management/ Houlihan Lokey			Bond investment	Aircraft/Ships	Private equity investment

# ORIX from a Balance Sheet Perspective (As of March 31, 2018)

## Assets

Actively invest in businesses for which we expect sustainable growth and suppress the addition of low-return assets.



→ Page 20, ROA

## Assets

### Our Three Categories

- Given the current low-interest-rate environment, we are focusing greater new investment on Operation and Investment than on Finance.
- New investment in Operation and Investment in FY2018.3 totaled approximately ¥740 billion.

### By Segment

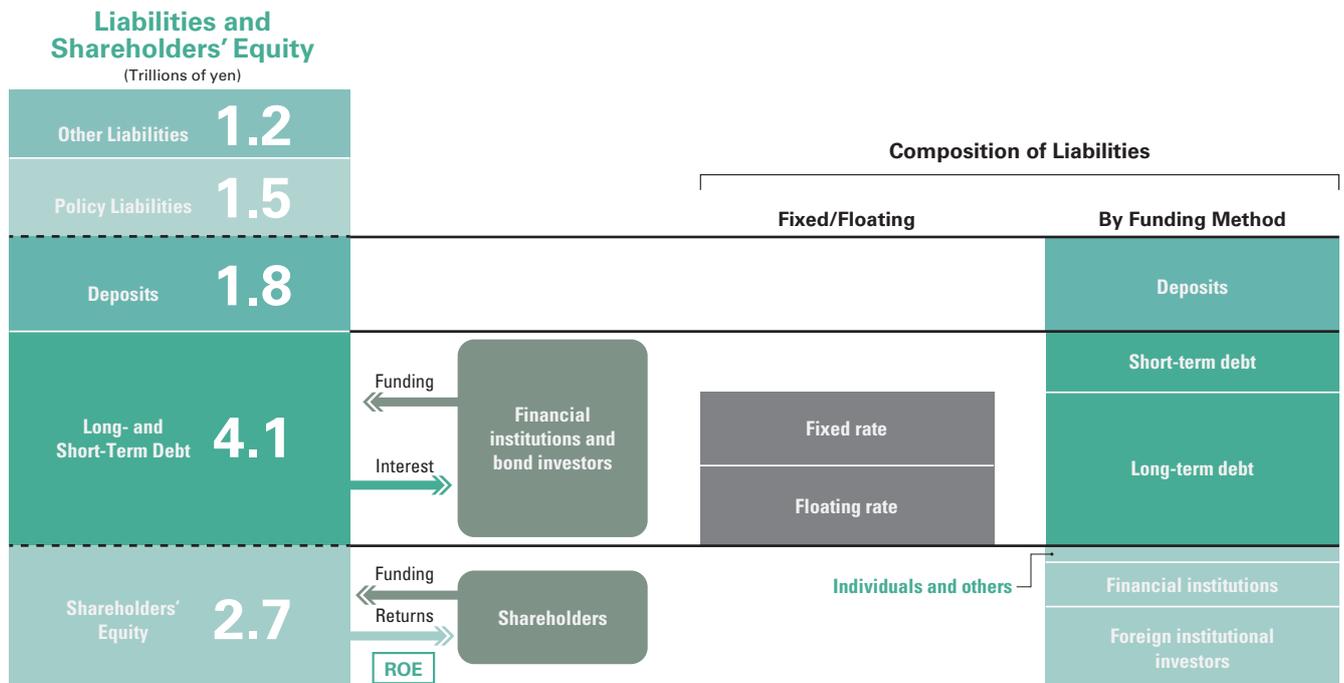
- Aircraft, ships (Overseas Business), environment and energy (Investment and Operation) and banking (Retail) were primarily responsible for growth in segment assets as of March 31, 2018.
- The Real Estate segment accounted for 7% of assets as of March 31, 2018 (25% as of March 31, 2008).

## Total Assets and ROA



## Liabilities and Equity

**Aim for ROE of 11% or higher with financial leverage that can maintain our single A credit rating.**



### Liabilities

- We diversified funding, lengthened maturities and laddered repayment to ensure adequate liquidity on hand.
- The total of cash, cash equivalents and unused commitment lines at the end of March 2018 was ¥1.7 trillion. The share of long-term debt (excluding deposits) was 93% (77% as of March 31, 2008).
- The D/E ratio (including deposits) as of March 31, 2018 was 2.2 times (5.0 times as of March 31, 2008).

### Equity

- Share repurchases will take into consideration the necessary level of retained earnings, and we will respond flexibly and agilely to changes in the operating environment, trends in share prices, financial conditions, and target business indicators.

→ Page 28, Financial and Capital Strategies

### ORIX Corporation Shareholders' Equity and Shareholders' Equity Ratio



## CEO Inoue on Strategy

# We Will Transition to a More Mature Business Platform as a Truly Global Company

### Overview of FY2018.3

In FY2018.3, we posted net income of ¥313.1 billion, surpassing the mid-term net income target of ¥300 billion we announced in 2015. We have achieved average growth of 10% in net income over the past three years and set record highs for four consecutive years. Return on equity (ROE) as of March 31, 2018 was 12.1%, and above 10% for the fifth consecutive year. We also demonstrated our financial soundness by maintaining our single A credit rating. We have reached all the

targets for profit growth, capital efficiency, and financial soundness announced in our mid-term strategic directions in 2015.

In our new investments, we expanded business in the Operation category by investing in a geothermal power company and acquiring a mortgage servicing company for seniors in the United States. Overall, we made new investments of around ¥740 billion in the Operation and Investment categories in FY2018.3, an increase of more than 20% from the roughly ¥600 billion we invested in the previous fiscal year.

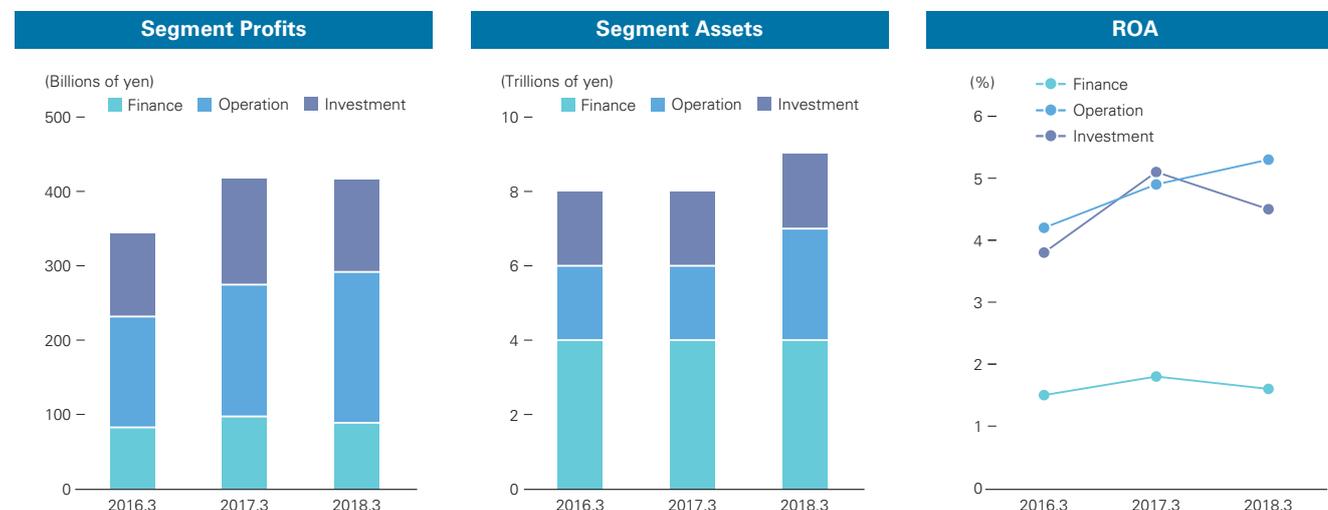
### Review of Previous Mid-Term Directions

	FY2015.3 Results		FY2018.3 Targets	FY2018.3 Results		Evaluation
Profit Growth (Net Income)	¥234.9 billion		¥300.0 billion	¥313.1 billion		Achieved
Capital Efficiency (ROE)	11.5%		11%-12%	12.1%		Achieved
Financial Soundness (Long-Term Credit Rating)	R&I	A+ (Stable)	Single A	R&I	A+ (Stable)	Achieved
	S&P	A- (Negative)		S&P	A- (Negative) <sup>1</sup>	
	Fitch	A- (Stable)		Fitch	A- (Stable)	
	Moody's	Baa1 (Stable)		Moody's	A3 (Stable) <sup>2</sup>	

1. Outlook changed from stable to negative as of August 10, 2018.

2. Upgraded from Baa1 to A3 as of April 16, 2018.

### Results in Our Three Categories



Notes: 1. FY2016.3 Operation category profits exclude capital gains/valuation gains (approximately ¥39.6 billion) associated with the IPO of Houlihan Lokey and ordinary profit/loss contribution from HLIKK.

2. FY2017.3 Operation category profits exclude ordinary profit/loss contribution from HLIKK.

3. FY2018.3 Operation category profits exclude capital gain from the sale of Houlihan Lokey shares and ordinary profit/loss contribution from HLIKK.

## Management Strategies

## New Investment in Key Areas in FY2018.3: Approximately ¥740 billion

Operation	Environment and Infrastructure ¥120 billion	<ul style="list-style-type: none"> <li>The environment and energy business expanded in Japan and is also investing overseas</li> <li>Overseas: New investment in geothermal energy business (Ormat Technologies Inc.)</li> <li>Japan: Additional investment in mega solar and other, construction of power plants</li> </ul>
	Financial Services, Maintenance Services ¥130 billion	<ul style="list-style-type: none"> <li>New investments in the Americas, including acquisition of Lancaster Pollard Holdings LLC, a mortgage servicing company</li> <li>Acquired Yodogawa Transformer Co., Ltd., the largest renter of power receiving and transforming facilities and equipment in Japan</li> </ul>
Investment	Fixed Income ¥140 billion	<ul style="list-style-type: none"> <li>Primarily investments in municipal bonds and CMBS in the Americas</li> </ul>
	Tangible Assets ¥310 billion	<ul style="list-style-type: none"> <li>Purchased 68 aircraft (including joint venture investments) and invested in ship mortgage loans</li> <li>New investments in logistics centers and others</li> </ul>
	Equity Investment ¥40 billion	<ul style="list-style-type: none"> <li>Concentrated on new business opportunities expected to result from changing social needs</li> <li>Japan: Information processing service</li> <li>Americas: Traffic control services and products</li> <li>Asia, Greater China: Vehicle dispatch service, fintech services</li> </ul>

### Mid-Term Strategic Directions (FY2019.3 to FY2021.3)

For the three years from FY2019.3, our business objectives are to achieve annual net income growth between 4% and 8% and ROE above 11%, and to maintain our single A credit rating. Moreover, we consider it important to conduct management based on the three elements of profit growth, capital efficiency, and financial soundness while keeping a balance among them.

In order to achieve these strategic directions, an important growth strategy for us is to continue business development

in new fields, new investments and M&As, in addition to organic growth. At the same time, it is necessary to avoid unreasonable investments where risk and return do not match, and we will continue to be selective in making good investments around the world.

**Makoto Inoue**  
Director  
Representative Executive Officer  
President and Chief Executive Officer



Over the past three years, we have achieved high growth in the categories of Finance, Operation, and Investment, and have established a well-balanced portfolio in terms of both profits and assets. However, given the current low interest rates it will be difficult to substantially grow financial revenues in the Finance category. As such, we will continue to focus on Operation and Investment and be proactive in developing new fields and cultivating the businesses that will become our next mainstays, while steadily increasing revenues. We regard environment and energy, asset management, concession, and life insurance in the Operation category as business areas where further growth can be expected. This also applies to private equity investment, aircraft and ships in the Investment category.

## Expected Growth Areas

The Operation category has been steadily growing for the past three years. Going forward, we aim to expand our portfolio through new investments and M&A.

In the environment and energy business, our solar power business in Japan is coming on line in stages and we expect growth in both income and assets. We are also actively seeking investment opportunities overseas for the renewable energy business.

In the asset management business, we are diversifying business lines and expanding geographical coverage. Our

real estate asset management business in Japan, which includes private equity funds and J-REIT management, is also performing strongly. We expect to grow each of the assets under our management.

In the concession business, in addition to our airport operations, we formed a consortium with the Japanese subsidiary of French company Veolia and other partners and started operating a wastewater treatment plant in Hamamatsu City, Shizuoka Prefecture in April 2018. We will continue to expand the scope of the concession business while setting our sights on a broad range of opportunities overseas.

In the life insurance business, we had approximately 3.94 million individual insurance policies in force as of March 31, 2018, which is a 1.5-fold increase from three years ago. We will expand sales channels and products to take the business to the next stage.

In the Investment category, we intend to expand assets with optimal schemes for each project. For private equity investments, we will continue to enhance the corporate value of existing investees and engage in new investments while diversifying investment methods and reviewing target industries. We will also actively promote investment overseas in the United States, Asia, and elsewhere.

As for aircraft and ships, we will leverage our accumulated experience in this field to continue to increase revenue through asset acquisition and expand gains on sale and fee income from asset management.

### Mid-Term Strategic Directions (FY2019.3 to FY2021.3)

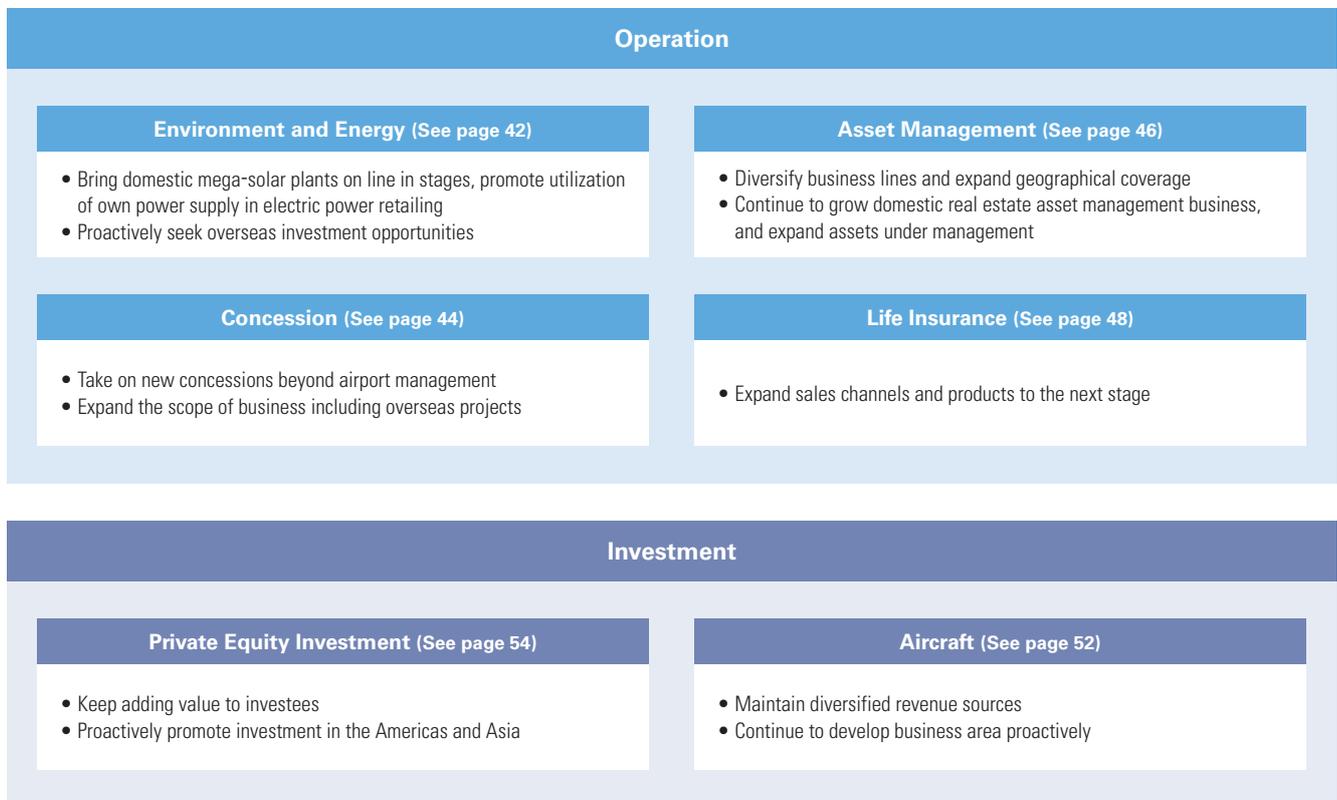
<b>Profit Growth</b>	Annual net income growth between 4% and 8%
<b>Capital Efficiency</b>	ROE above 11%
<b>Financial Soundness</b>	Maintain single A credit rating
ERM with global best practice	

### Shareholder Returns Policy

<ul style="list-style-type: none"> <li>• Dividend payout ratio target of 27%</li> <li>• Share buybacks as proactive capital management</li> </ul>
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## Management Strategies

### Business Areas for Further Growth



### Our Approach to Investment: A Strategy That Supports Sustainable Growth

One investment criterion for new business domains is whether a project can achieve ROE above 11%, as set in our mid-term strategic directions. We will not invest if a business cannot be expected to achieve this figure. Financial, legal, accounting and tax expertise is indispensable for controlling risk and determining the potential of a business we invest in. Our sales headquarters takes primary responsibility, but we have also established expert teams in accounting, legal affairs, taxation and other areas to build a system that enables us to scrutinize investment projects.

Quick decision-making is required, as the more attractive an investment opportunity, the more intense the competition for it. This calls for players who can independently make decisions and negotiate on the spot. Top-down direction of project investments rarely works. A framework in which employees regularly generate projects from the bottom up is key, even if authority for approval is at the top. ORIX has made bad investments before, but we do not penalize those responsible for making them. This is because we believe that failure leads to the next success. What you learn from

failure is equivalent to 100 successes.

For ORIX to be selected as a partner by an investee company, we emphasize an investment process with its long-term growth in mind. In many instances, investors who pursue profit from a short-term perspective harm the corporate value of the investee over the long term. ORIX places importance on supporting the long-term growth of its investee companies and improving their corporate value. For example, we may leverage the ORIX Group's nationwide sales network to support the sale of products by an investee company, and support business succession of the owner-operator. Also, when corporate value has reached a certain level and an investment is to be sold to the next shareholder, we respect the opinion of the investee's management team in selecting the buyer. These accomplishments mean that we are selected as a business partner who earns trust, particularly in the field of corporate revitalization.

Gain on sale is an element of profit growth at ORIX, but this is not profit that is dependent only on the market. That profit is backed by the increased value of the investee. We will continue striving to maximize corporate value by continuously looking at each investment from entry to exit, including the potential for impact from the external environment.

## Our Approach to Corporate Governance: A Management Foundation That Supports Sustainable Growth

Given ORIX's diverse array of businesses and broad and rapidly growing portfolio, ongoing enhancement of our governance system is crucial. We are able to take an aggressive approach to growth by proactively investing overseas because of our effective defenses. In recent years, we have been working on improving our risk management framework overseas with the Enterprise Risk Management Headquarters as the main organization for strengthening governance from a global perspective.

We are also enhancing internal control. As the organization of ORIX matures, I always sense a danger of the organization becoming rigid. Top management cannot make normal decisions if the content of reports from the front lines differs from the facts due to speculation or considerations among concerned parties. Moreover, there is a risk that this could have a substantial negative impact on future profit growth if, for example, due diligence for an M&A project is neglected to prioritize quick decision-making.

As I have already mentioned, in this regard the Enterprise Risk Management Headquarters plays the role of creating a framework that completely eliminates factors that impede sustainable corporate growth. Ignoring a small scandal for the sake of prioritizing growth allows the scandal to become larger in a few years, which may shake the company's management. ORIX will continue to thoroughly decentralize front line, middle, and back office management functions to expand business in order to prioritize growth. ORIX can pave the way for the next stage of growth if it can put in place an organizational structure in which the middle management check function and back office stop function are more effective and work more efficiently on front line operations.

## Our Approaches to Contributing to Society through Our Businesses and Our Employees: Societal Relationships That Support Sustainable Growth

Since its inception, ORIX has had a fundamental commitment to social contribution through its business activities. Generating profit is important to a company, but it is necessary to be aware of the profits of all stakeholders, not just of one individual, but of customers, business partners, investors, employees, local communities and other parties. To that end, we believe that providing new value to and being an integral part of society will result in the profits that enable sustainable growth.

Social issues and needs are business opportunities and profit opportunities. We have grown and contributed to society by thinking about what ORIX can do for each of these issues and needs, and then taking action. Social change gives rise to countless issues and needs. We will continue to contribute to society by proactively identifying social changes that create business and profit opportunities.

The success of our employees is also indispensable to ORIX's continued growth. We are nurturing the people who will contribute to our strategy for global growth, and creating a workplace environment that allows them to energetically demonstrate their capabilities. We launched our Work Style Reform Project under the supervision of the CEO in October 2016 to improve work-life balance. Although we have implemented various measures and made numerous accomplishments, such as reducing overtime, we will continue with improvements so that our reforms fully permeate the workplace.

When our people demonstrate their capabilities to the fullest, we not only grow but also contribute to society as we do so. All of us should think about what ORIX means to society during our day-to-day business activities.

## Management Strategies

## Shareholder Returns

We are striving to increase shareholder value by keeping profit from our business activities primarily as retained earnings, and using it to invest in enhancing our business platform and for growth. At the same time, we offer stable and sustained dividends that reflect our business performance. Under this basic policy, we increased the dividend payout ratio 2% year on year to 27% for FY2018.3. We increased dividends 26% year on year from ¥52.25 to ¥66 per share for FY2018.3 for 1.8-fold growth over the past three years. We also repurchased our own shares in an amount of approximately ¥50 billion during FY2017.3 into the beginning of FY2018.3.

For FY2019.3, we expect to maintain a dividend payout ratio of 27% and forecast an interim dividend of ¥30 per share, as we emphasize an optimum balance between acquiring proactive investment opportunities for profit growth and stable and sustained dividends. Share repurchases will take into consideration the necessary level of retained earnings, and we will respond flexibly and agilely to changes in the operating environment, trends in share prices, financial conditions, and target business indicators.

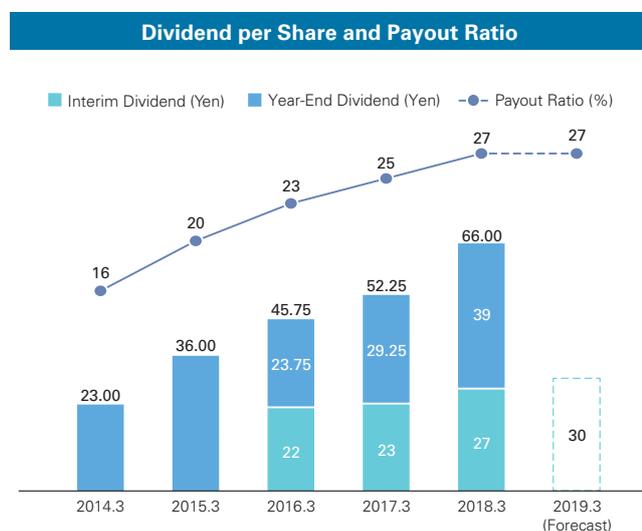
## Future Growth

ORIX has reached its net income target of ¥300 billion, demonstrating that it has grown into a Japanese corporation with top-class profitability. However, ORIX employees never rest on their laurels or take their eye off the ball. We are continuing our efforts to thrive as a company that is constantly growing while maintaining a sense of urgency.

Our next goal is to transition to a more mature business platform as a truly global company. We do not distinguish between Japan and overseas when it comes to business opportunities. While business in Japan currently accounts for much of our operations, we have already made numerous investments in projects in the United States. Although still in the preliminary stage, we have been asked to introduce a business originating overseas in Japan. We are also developing business in Southeast Asia primarily in leasing, and we are seeking to develop business leveraging local fintech and IoT together with the many talented employees of a Chinese investee company. Once we establish local businesses around the world and get them on the path to success, we can call ourselves a truly global company.

There are always new business opportunities on the front lines. It is through our work on the front lines that we constantly accumulate experience and knowledge to find the seeds of the next new business. It is my firm belief that we will meet the expectations and earn the trust of our stakeholders through our diligent efforts at work each day.

## Shareholder Returns



**Shareholder Returns**

(Billions of yen)

	2014.3	2015.3	2016.3	2017.3	2018.3
Total Amount of Dividends	30.1	47.2	60.0	68.3	84.6
Share Buybacks (Based on Acquisition Year)	—	—	—	10.9	39.1
Total Return to Shareholders	30.1	47.2	60.0	79.2	123.7
Total Return Ratio	16%	20%	23%	29%	40%

¥50 billion buyback

## Investment Process

# ORIX's Involvement Maximizes Asset Value and Investee Corporate Value

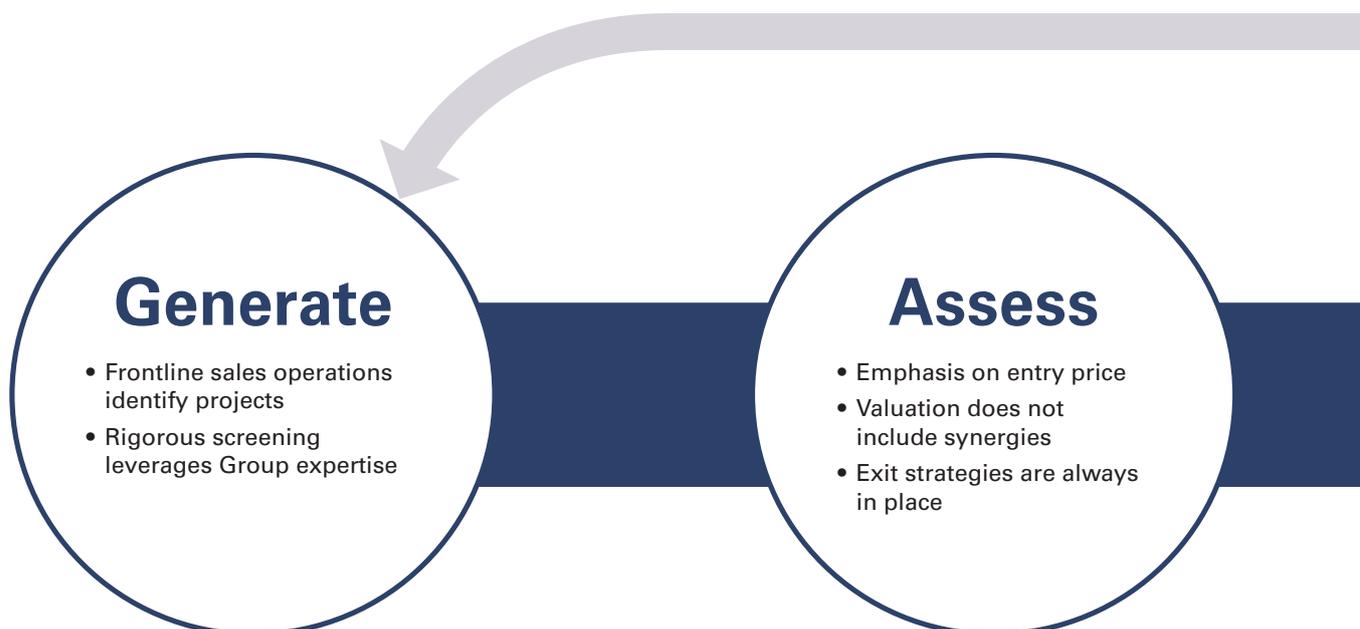
### Frontline Sales Drive Investments

ORIX takes a bottom-up approach to identifying investments. Fundamentally, we use our Group network in Japan and around the world to identify investments driven by frontline sales. We primarily invest on our own in Japan and in collaboration with local partners overseas. In addition, an increasing number of deal proposals come directly to us because of our track record. We do not limit ourselves to a single investment theme or business. We explore a broad range of investments without constraint so that we can adapt quickly to our operating environment.

The knowledge of and expertise in finance and ancillary areas we have developed since our establishment is instrumental to the success of our diverse investment portfolio. We have built a system for screening investment projects that examines investee potential and controls risk. Frontline sales operations lead projects, leveraging specialized financial knowledge in collaboration with teams that have expertise ranging from accounting and law to taxation and compliance.

### Investment Decisions That Emphasize Entry Price

The key to investment is a sharp focus on entry price. Whether we are making a strategic or a pure financial investment, we focus on profitability indicators including internal rate of return and efficiency indicators including ROA and ROE, premised on an exit strategy for five to seven years in the future. We do not incorporate ancillary businesses or synergies in price. We always consider the profitability of the investment itself with rigorous due diligence and entry price validation. ORIX makes investment decisions after confirming that discrete projects will generate returns that are commensurate with their risks and exceed our cost of capital.



## Management Strategies

### Medium-to-Long-Term Growth in Corporate Value and Regular Monitoring

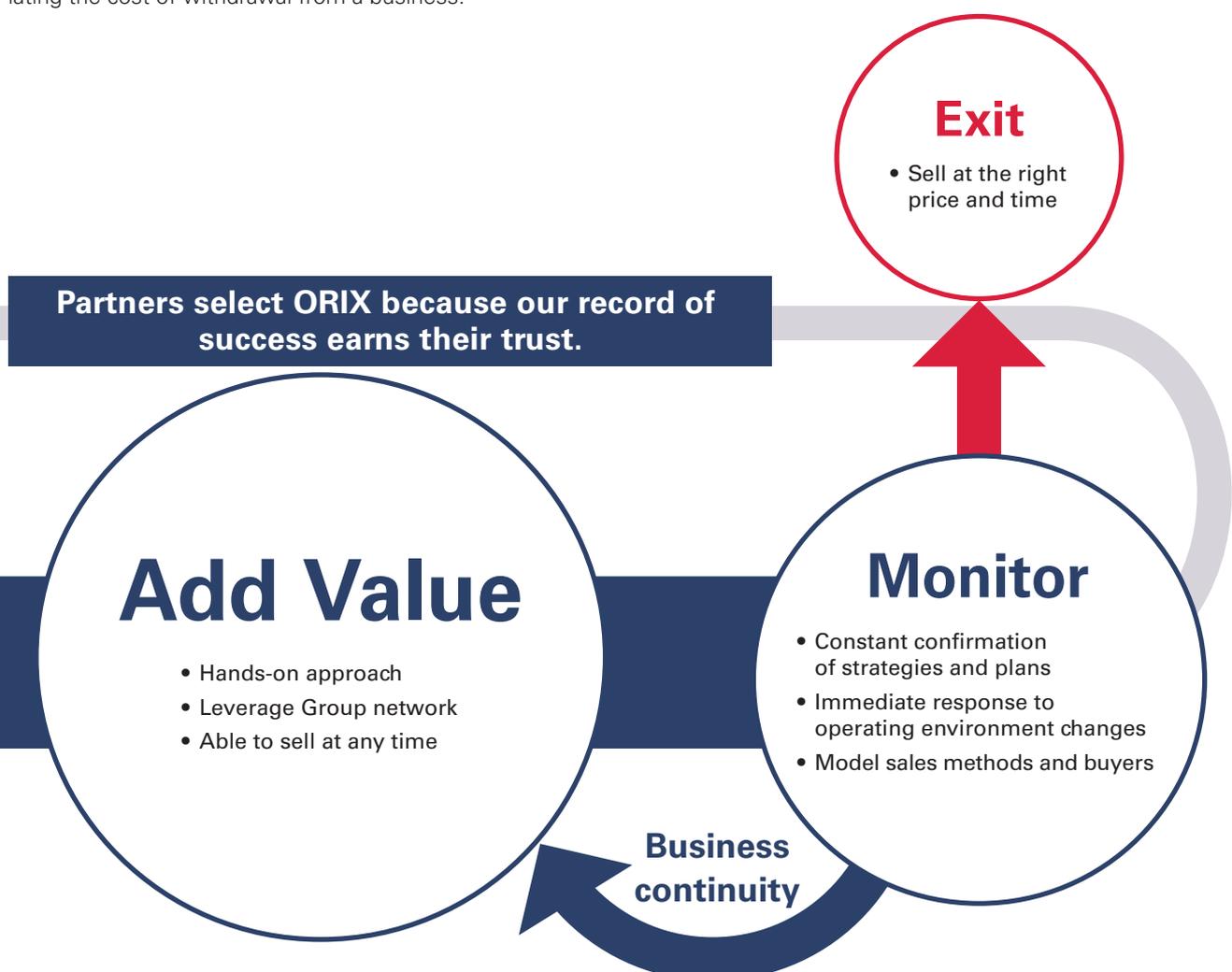
Our investment process emphasizes medium-to-long-term growth in investee corporate value. Unlike some private equity funds, we invest our own capital. We can therefore respond flexibly to changes in investment period or increase our capital commitment, and we can also increase investee value by leveraging our Group network. The latter emphasizes a multifaceted hands-on approach in which we work closely with investees to increase their corporate value. This involves business administration, operational support, deployment of expert personnel, and help from ORIX business units for investees to find new customers and expand sales channels.

Post investment, we conduct periodic checks with the same focus on profitability, asset efficiency and capital efficiency as when making the initial decision to invest. Timely identification of project status enables us to quickly take corrective action if the environment changes. We also appropriately assess risk by testing for impairment and calculating the cost of withdrawal from a business.

### Selling at the Right Price and Time

Our knowhow, experience and expertise empower us to look at markets and pick the right time to sell our investments. This ability is predicated on considering exit strategies for all investments at all times to remain able to sell at any time. We model exit strategies including IPOs and trade sales, and at the time of sale we choose the method and buyer with due respect for the intentions of the investee management team. Over the past several years we have made more investments with long-term time frames exceeding five to seven years, and more investments that are linked to our businesses.

Investees often choose ORIX as a business partner because of our record of results, and our investment pipeline is well stocked. Our capital gains represent our profit from increasing investee corporate value. We will maintain our thoroughgoing focus on each of our projects with the goal of generating sustainable earnings.



## Financial and Capital Strategies

# Optimize Capital Allocation to Increase Corporate Value

### Appropriate Capital Controls

For our mid-term strategic directions from FY2019.3 through FY2021.3, we aim to achieve net income growth of 4% to 8% annually and ROE of 11% or higher, and to maintain our single A credit rating. We will properly control our employed capital ratio to maintain our single A credit rating. ORIX measures the employed capital ratio using a proprietary method that refers to global benchmarks and the assessment methodology of credit rating firms such as risk-adjusted capital (RAC). Our employed capital ratio at the end of FY2018.3 was 84.6%, which we consider reasonable for maintaining financial soundness and flexibility 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. When considering large-scale new investments, we analyze scenarios

as necessary to evaluate the impact on capital beforehand. We continuously monitor risks and returns for existing businesses at the project and business portfolio level.

The interests of shareholders and investors are top priorities in optimizing capital allocation. We consciously enhance understanding of the core strengths that enable us to create value over the medium and long term in our dialogue with shareholders and investors, and we also emphasize capital allocation. I intend to further emphasize our medium-to-long-term perspective in my dialogue with shareholders and investors about our strategic approach to building and restructuring our business portfolio, balance sheet management, and the optimal balance between new investments to generate profit and stable shareholder returns.

### Employed Capital Ratio\*

(Billions of yen)

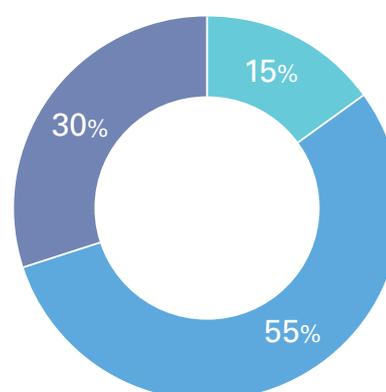
	March 31, 2018
Shareholders' equity	2,682.4
Employed capital	2,269.8
Unemployed capital	412.6
Employed capital ratio	84.6%

\* ORIX calculation (Risk capital ÷ Shareholders' equity)

### Employed Capital Breakdown

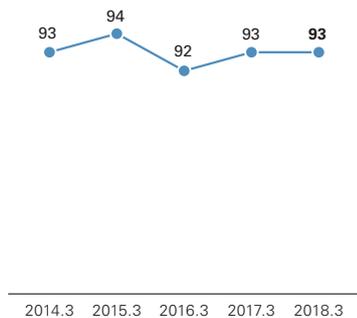
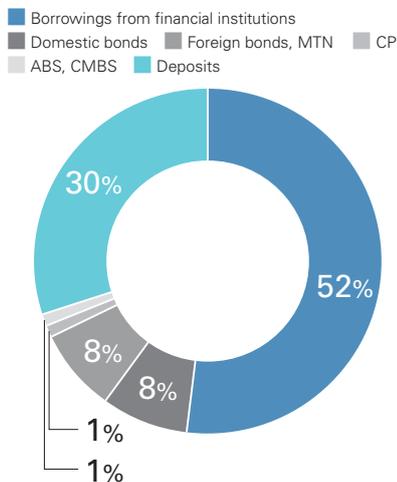
(As of March 31, 2018)

■ Finance ■ Operation ■ Investment



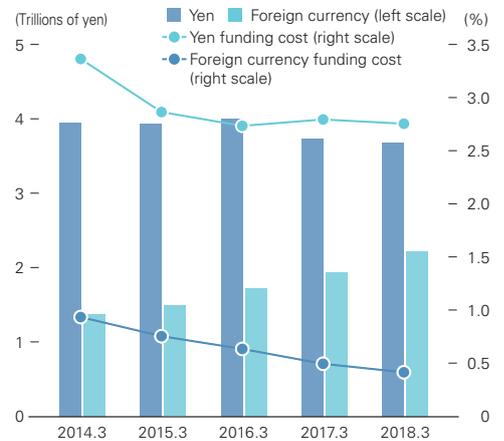
Management Strategies

**Breakdown of Funding Procurement** Share of Long-Term Debt (%)  
(As of March 31, 2018)



Note: Long-term debt ratio: Long-term debt ÷ (Short-term debt + Long-term debt)

**Balance of Long- and Short-term Debt and Deposits by Currency and Funding Cost**



**A Solid Financial Base That Supports Growth Investments**

In its funding procurement, ORIX diversifies funding sources, lengthens durations, levels out its maturity ladder and ensures proper liquidity to maintain a solid base that supports future investments in growth. We will flexibly fund new investments according to business and asset. We will select the best funding methods and schemes for each project, which will include the effective use of project finance according to the nature of the investment.

Foreign currencies account for a greater proportion of funding because we have expanded overseas businesses in recent years. We generally manage exchange rate volatility risk with funding in the same currency we use for business transactions and overseas investments. We are also considering U.S. dollar bond issues to fund asset growth in our U.S. and aircraft businesses. We maintain a policy of funding subsidiaries in Asia with bond issues that take into account the scale of capital markets in the countries we serve. We will flexibly and stably fund projected growth in our overseas operations.

**Addressing Interest Rate Risk**

We control interest rate risk by using the shared asset and liability management (ALM) rules we have established for the Group to comprehensively assess issues including the funding environment and the impact of interest rate fluctuations on periodic profit and loss and the balance sheet. We limit the impact of interest rate fluctuations on periodic profit and loss by structuring liabilities with reference to the fixed and variable interest rates associated with assets and projected future cash flows. We expect higher interest rates in the United States and tighter monetary policy in Europe, but we should be able to limit the overall impact of higher interest rates through additional measures that will include appropriately hedging interest rate mismatches and turning over assets.



**Hitomaro Yano**

Director  
Executive Officer  
Head of Treasury and  
Accounting Headquarters

# Corporate Governance

## Management Team (As of June 26, 2018)

### Directors



#### Makoto Inoue

Age: 65

Director  
Representative Executive Officer  
President and Chief Executive Officer  
Responsible for Group Strategy Business Unit

Joined ORIX in 1975. After serving in positions including Deputy Head of Investment Banking Headquarters and Head of Global Business & Alternative Investment Headquarters, appointed Director, Representative Executive Officer, President and Chief Executive Officer in June 2014.

#### Yuichi Nishigori

Director  
Senior Managing Executive Officer  
Head of Energy and Eco Services Business Headquarters  
Director, Ubiteq, INC.



#### Stan Koyanagi

Age: 57

Director  
Managing Executive Officer  
Head of Enterprise Risk Management Headquarters  
Global General Counsel

Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP in 1985. After serving in positions including Vice President, ORIX USA Corporation (currently ORIX Corporation USA), joined ORIX in 2013. Appointed Director and Managing Executive Officer in June 2017 (to present).



#### Shuji Irie

Director  
Managing Executive Officer  
Head of Investment and Operation Headquarters

### Outside Directors

- Nominating Committee
- Audit Committee
- Compensation Committee

#### Eiko Tsujiyama

Age: 70

- Audit Committee (Chairperson)
- Compensation Committee

- Emeritus Professor, Waseda University
- Corporate Auditor, Lawson, Inc.
- Audit & Supervisory Board Member, NTT DOCOMO, INC.
- Audit & Supervisory Board Member, Shiseido Company, Limited

#### Main Career History

Has served in positions including financial accounting advisor for domestic and foreign governments and institutions and Dean of the Graduate School of Commerce at Waseda University. Appointed Outside Director in June 2010 (to present).

#### Main Area of Expertise

Accounting



#### Robert Feldman

Age: 65

- Compensation Committee (Chairperson)
- Nominating Committee

- Senior Advisor, Morgan Stanley MUFG Securities Co., Ltd.
- Professor, Graduate School of Management and Innovation Studies at Tokyo University of Science

#### Main Career History

Has served in positions including Managing Director and Chief Economist at Morgan Stanley MUFG Securities Co., Ltd. Appointed Outside Director in June 2010 (to present).

#### Main Area of Expertise

Economics and finance



#### Takeshi Niinami

Age: 59

- Nominating Committee
- Compensation Committee

- President and Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Limited.

#### Main Career History

Has served in positions including President, Representative Director and CEO, Lawson, Inc. Appointed Outside Director in June 2010 (to present).

#### Main Area of Expertise

Corporate management

Age: 61

Joined the Japan Industrial Bank, Ltd. (currently Mizuho Bank, Ltd.) in 1980. Joined ORIX in 2003. After serving in positions including Head of Investment and Operation Headquarters, appointed Director and Managing Executive Officer in June 2015. Appointed Director and Senior Managing Executive Officer in January 2016 (to present).



## Kiyoshi Fushitani

Age: 67

Director  
Senior Managing Executive Officer  
Head of Global Business Headquarters  
Head of East Asia Business Headquarters  
Head of Global Transportation Services Headquarters

Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) in 1973. Joined ORIX in 1975. After serving in positions including Deputy President, ORIX USA Corporation (currently ORIX Corporation USA), appointed Director and Senior Managing Executive Officer in June 2016 (to present).



Age: 55

Joined Mizuho Securities Co., Ltd. in 2001. Joined ORIX in 2011. After serving in positions including Deputy Head of Investment and Operation Headquarters, appointed Director and Managing Executive Officer in June 2018 (to present).

## Hitomaro Yano

Age: 55

Director  
Executive Officer  
Head of Treasury and Accounting Headquarters

Joined Seibu Department Stores, Limited (currently Sogo & Seibu Co., Ltd.) in 1985. Joined ORIX in 1989. After serving in positions including Deputy Head of Treasury and Accounting Headquarters, appointed Director and Executive Officer in June 2018 (to present).



## Nobuaki Usui

Age: 77

- Nominating Committee (Chairperson)
- Audit Committee
- Audit and Supervisory Board Member, KONAMI HOLDINGS CORPORATION
- Corporate Auditor, MIROKU JYOHO SERVICE CO., LTD.

### Main Career History

Has served as Administrative Vice Minister, Ministry of Finance and Governor and CEO, National Life Finance Corporation (currently Japan Finance Corporation). Appointed Outside Director in June 2012 (to present).

### Main Area of Expertise

Finance and taxation



## Ryuji Yasuda

Age: 72

- Nominating Committee
- Audit Committee
- Compensation Committee
- Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy
- Outside Director, Yakult Honsha Co., Ltd.
- Outside Director, Benesse Holdings, Inc.
- Outside Director, Kansai Mirai Financial Group, Inc.

### Main Career History

Has served in positions including Director, McKinsey & Company and Chairman, A.T. Kearney, Asia. Appointed Outside Director in June 2013 (to present).

### Main Area of Expertise

Corporate strategy



## Heizo Takenaka

Age: 67

- Nominating Committee
- Audit Committee
- Professor, Faculty of Global and Regional Studies at Toyo University
- Chairman and Director, PASONA Group Inc.
- Director, Academyhills
- Director, Center for Global Innovation Studies at Toyo University
- Outside Director, SBI Holdings, Inc.

### Main Career History

Has served in positions including Minister of State for Economic and Fiscal Policy, Minister of State for Financial Services, Minister of State for Communications and Privatization of Postal Services, and Minister for Internal Affairs. Appointed Outside Director in June 2015 (to present).

### Main Area of Expertise

Economics and finance



## Comments from Outside Directors

### ORIX is backed by effective and functional corporate governance.

The ESG and SDG initiatives of companies around the world are not new concepts for ORIX, which has always built its businesses from the perspective of what is necessary for society. For example, ORIX entered the environment and energy business by identifying the close relationship between social issues and business opportunities. This embodies the SDGs.

ORIX has always been a leader in corporate governance and created a sound and highly transparent corporate governance framework in ways such as transitioning to a company with a nominating committee, etc. in 2003. Checks and balances characterize ORIX's Board of Directors. The mechanisms ORIX has established to incorporate external opinions would be meaningless if management refuses to listen, but CEO Inoue listens attentively to objective opinions and frank advice from external viewpoints. The give and take between the opinions of a CEO who wants to listen and Board Members who want to talk raises the quality of management strategies. This enables deeper discussion that identifies good risks and optimizes resource allocation, among other outcomes.



### ORIX is able to address urgent social issues because its businesses and investments incorporate new technologies.

Many analysts evaluate ORIX and other Japanese corporations by calculating the value for each business of the enterprise and adding up the figures, but they do not seem to take synergies between those businesses into significant account. These synergies make ORIX a company with outstanding value, and that should be a positive addition to its valuation.

ORIX has also explained its medium-term direction by classifying its business portfolio into Finance, Operation, and Investment since FY2016.3. I would hope that investors and analysts will deepen their understanding of ORIX through discussion that draws on these classifications.

I expect further enhancement of corporate value through innovation that is unique to ORIX. ORIX will cultivate new innovations through exchange and friendly competition among Group employees who have excelled in a broad array of businesses. ORIX must also recruit and develop professionals who can use new technologies such as AI and IoT. I also expect ORIX's concentration on businesses and investments that incorporate new technologies to empower it to address problems such as Japan's labor shortage and aging population. ORIX should be able to fulfill its important responsibility to make society more affluent by providing solutions that are uniquely its own.

### ORIX is able to increase corporate value through synergy rather than simple addition.

Robert Feldman

## ORIX's communication and business approaches are oriented toward long-term investors.

ORIX must deal with the issue that people evaluate it only in terms of corporate Japan. However, ORIX has locations in 38 countries and regions and a diverse business portfolio, and so it should be valued in terms of its operating strengths and growth potential as a global company and compared with global peers. ORIX must therefore communicate its sustainable growth potential as a global brand so that investors value it more accurately. ORIX will also be able to earn the trust of long-term investors who emphasize ESG if it understands the deep connection between the SDGs and its businesses and seriously executes relevant initiatives. That is, ORIX will both coexist with the global environment and society and improve profitability by selecting, investing in, and deploying its know-how and expertise in businesses that make the greatest contribution to the SDGs. Cumulatively, such business decisions will generate returns by leading investors to view ORIX as an ESG investment. ORIX should create its own unique virtuous cycle along these lines.

## How should ORIX respond to growing geopolitical uncertainty?

ORIX has taken the initiative in deepening corporate governance over the long term since before Japan's Corporate Governance Code was enacted in 2015. The Board of Directors also engages in wide-ranging discussions with its broadly knowledgeable Outside Directors, and I feel that these discussions are getting even more substantial over time. Companies must now deal with rapid social

change symbolized by the Fourth Industrial Revolution, so we Outside Directors must always advise the Board from new, medium-to-long-term perspectives. For example, we need to fulfill our responsibilities as Outside Directors while asking ourselves whether ORIX is nominating Director candidates who can effectively implement medium-to-long-term strategies, or whether ORIX is looking beyond short-term compensation to structure compensation geared to the medium and long term.

Currently, ORIX must emphasize the risk of political and geopolitical uncertainty. The key to minimizing this risk is for ORIX to leverage its unique and extensive business portfolio to build its global network spanning the world's major countries and regions and its information collection capabilities on par with a general trading company. In that sense, a core point will be how ORIX management and the leaders of local operations expand their relationships with diverse people, starting with key persons involved in and outside of the Group's businesses in countries worldwide, to build relationships of trust with them. ORIX will need people with the power to connect the information gathered through its networks in each country to opportunities, and I expect these people to grow and excel. ORIX has a corporate culture of taking on new challenges, so providing opportunities to the new generation of employees will support substantial progress.

**I expect ORIX to create new value from fresh medium-to-long-term perspectives.**

**Takeshi Niinami**

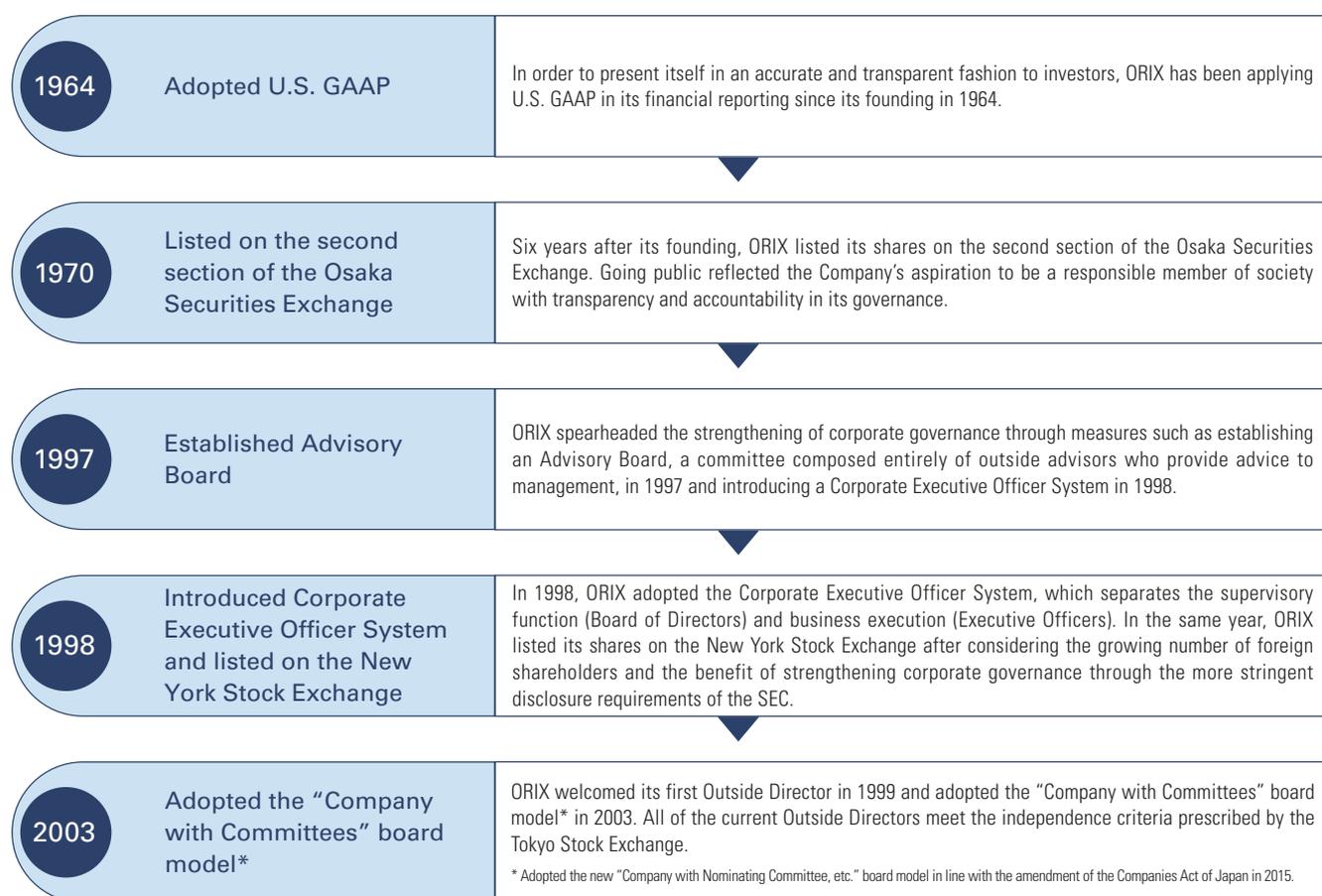


## Corporate Governance at ORIX

### Approach to Corporate Governance

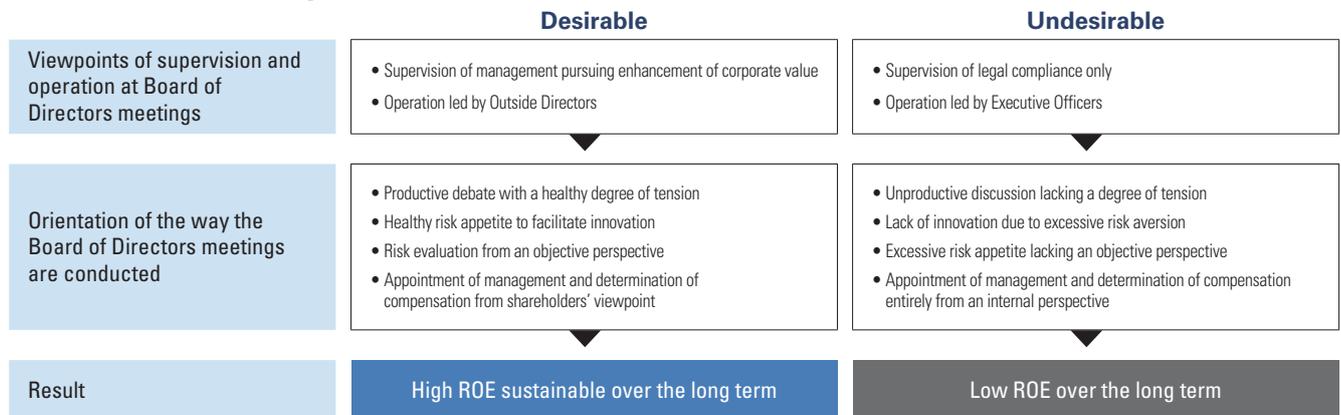
- ORIX believes that a robust corporate governance system is essential for ensuring objective management and carrying out appropriate business activities in line with its core policies. We have therefore established a sound and transparent corporate governance system.
- Corporate governance is a system for management oversight. It involves setting management objectives for managers, performance analysis and evaluation, and supervision in order to ensure that management strives to attain outstanding results. The tension inherent in corporate governance encourages management to perform to the best of its ability and facilitates innovation in pursuit of corporate objectives. Such an approach is conducive to the achievement of consistently high ROE.
- Outside Directors have a crucial role to play in corporate governance. From various perspectives reflecting their diverse professional backgrounds, Outside Directors are able to objectively evaluate management's performance in ways that transcend the industry's conventional wisdom and the company's ingrained practices. Moreover, by virtue of their external perspectives, Outside Directors are in the position to objectively evaluate the risk of management not taking adequate levels of risk.

### Evolution of Corporate Governance

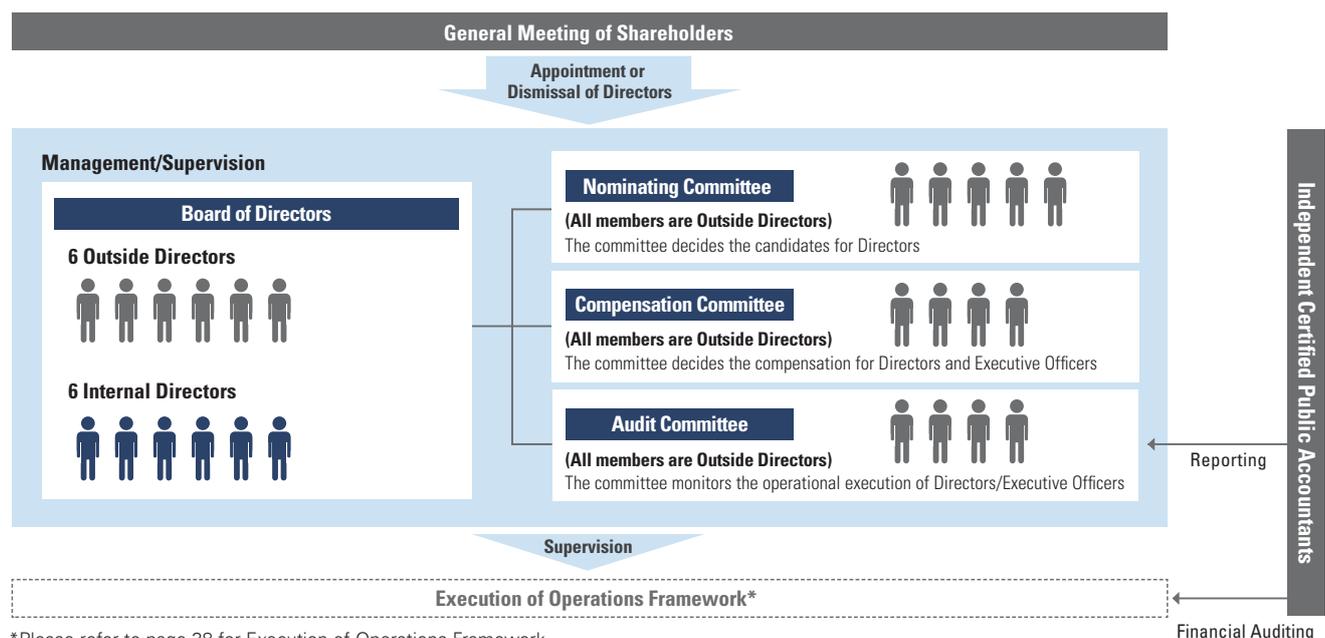


This is how ORIX has been strengthening its management oversight since its founding. The current corporate governance framework requires a high level of discipline from the managers, but we believe this is how corporate governance is supposed to be.

### ORIX's Vision of Corporate Governance



### Corporate Governance Framework (As of June 29, 2018)



\*Please refer to page 38 for Execution of Operations Framework.

### Differences with Respect to the New York Stock Exchange Corporate Governance Standards

ORIX's American Depositary Shares have been listed on the New York Stock Exchange (NYSE) since 1998. As an NYSE-listed company, ORIX is required to comply with certain corporate governance standards under Section 303A of the NYSE Listed Company Manual. However, as a foreign private issuer, ORIX is permitted to follow home country practice. Our corporate governance practices differ in certain respects from those that U.S. listed companies must adopt. A summary of these differences is as follows:

- ORIX is not required to meet the NYSE's independence requirements for individuals on its Board of Directors or its Nominating, Audit and Compensation committees. ORIX's Nominating Committee has determined its own "Conditions for Director Independence."
- ORIX is not required to have the majority of its Board of Directors comprised of Outside Directors nor is ORIX required to compose its committees exclusively of Outside Directors. Of ORIX's twelve Directors, six are Outside Directors. In addition, all members of each committee are Outside Directors.

## Board of Directors

The Board of Directors carries out decisions related to items that, either as a matter of law or pursuant to our Articles of Incorporation, cannot be delegated to Executive Officers, and important items as determined by the regulations of the Board of Directors. The Board of Directors is responsible for deciding and monitoring ORIX's policies on a regular basis, which include corporate planning such as capital management, fund procurement, hiring and recruitment strategies and internal controls.

Aside from such items, the Board of Directors delegates decision-making regarding operations to Representative Executive Officers to facilitate better efficiency and swiftness of such process. The Board of Directors also receives reports from Executive Officers and committees regarding the status of business operations and finances.

The Board of Directors is composed of Directors, including Outside Directors, that possess broad knowledge and experience. The number of Directors on the board is also maintained at the level we consider to be appropriate for effective and efficient Board discussion.

### Board of Directors Evaluation

The Board of Directors conducts a survey of all Directors. The effectiveness of the Board of Directors is evaluated and analyzed and actions to improve the administration of the Board of Directors are implemented.

An overview of the effectiveness of the Board of Directors for FY2018.3 follows.

#### Evaluation Process

- The Secretariat of the Board of Directors provided a questionnaire (details below) to the Directors.
- Based on the results of the questionnaire, the Secretariat of the Board of Directors personally interviewed each Director to gather additional information including opinions not available from the questionnaire alone and requests concerning the operations of the Board of Directors.
- The Secretariat of the Board of Directors reported the results of the questionnaire and interviews to the Board of Directors. The Board of Directors formulated action plans for the issues raised by the report.

#### Process

May 2018: Questionnaire conducted  
 June 2018: Interviews conducted based on the questionnaire  
 July 2018: Final results of the evaluation presented to the Board of Directors, and action plan formulated

#### Questionnaire Contents

- Composition of the Board of Directors
- Operation of the Board of Directors
- Agenda of the Board of Directors and other bodies
- Effectiveness of the Board of Directors discussions
- Board of Directors support system

#### Evaluation Results

- The results of the questionnaire confirmed the effectiveness of the Board of Directors in terms of its composition, operation, agenda, effectiveness of discussion, and support system.
- In addition, the results of the last Board of Directors evaluation for FY2017.3 showed that the Board needed to discuss a detailed management succession plan to fulfill its responsibilities and obligations. Based on this opinion, the Board of Directors created opportunities to discuss a detailed succession plan, and consequently improved the evaluation of this item compared with the previous questionnaire.

#### Action Plan

Based on the results of the above evaluation, the Board of Directors established the following action plan to be carried out in FY2019.3.

- Deepen understanding of our businesses by encouraging interchange between Outside Directors and employees on the front lines, and continue to conduct inspections of business offices, facilities and other locations.
- Stimulate discussions by continuing to provide advance explanation of agenda items and enhance the content of the explanations.
- Promote paperless Board of Directors materials through the use of tablets or other terminals.
- Periodically report the results of communications, such as interviews with investors, to the Board of Directors.

## Nominating Committee, Audit Committee and Compensation Committee

### Nominating Committee

- The Nominating Committee decides and produces proposals to appoint or dismiss Directors, which are then submitted at the general meeting of shareholders (appointment and dismissal of Directors are subject to resolution at the general meeting of shareholders).
- The Nominating Committee also deliberates on the appointment or dismissal of Executive Officers, although this is not required under the Companies Act of Japan.
- The Nominating Committee has determined the “Conditions for Director Independence.”\*
- The Nominating Committee ensures that the Board of Directors possesses the appropriate levels of and diversity in knowledge, experience, and expertise, through “Nomination Criteria for Director Candidates” \* for Directors’ appointments.

\* For detailed information on “Conditions for Director Independence” and “Nomination Criteria for Director Candidates” determined by the Nominating Committee, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission  
▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/>

### Audit Committee

- The Audit Committee monitors the execution of the duties of the Directors and Executive Officers and creates audit reports. The Audit Committee decides the content of proposals to appoint, dismiss or refuse the reappointment of the Company’s Independent Certified Public Accountants, which are submitted to the general meeting of shareholders.

### Compensation Committee

- The Compensation Committee formulates the policy for determining compensation of each Director and Executive Officer (“Policy for Determining Compensation of Directors and Executive Officers”) and also decides the specific compensation for each individual Director and Executive Officer.

### Board of Directors and Committee Meetings in FY2018.3

	Number of Meetings	Attendance Rate
Board of Directors	8	98%
Nominating Committee	3	94%
Audit Committee	9	94%
Compensation Committee	5	100%

## Compensation for Directors and Executive Officers

The Compensation Committee believes that in order to accomplish ORIX’s business objectives, Directors and Executive Officers should place importance not only on performance during the current fiscal year, but also on medium- and long-term results. The fundamental policy is to ensure that compensation is designed in a way that provides effective incentives to Directors and Executive Officers. Based on this principle, the Committee then establishes specific policies for each Director and Executive Officer in accordance with his/her respective role.

### Compensation Policy for Directors

- The compensation consists of fixed compensation and share component of compensation.\*
- Fixed compensation is, in principle, a certain amount that is added to the compensation of the chairperson and member of each committee.
- Share component of compensation is calculated based on the number of points earned and accumulated by the individual while in office until retirement. It is eventually granted to the individual in the form of ORIX shares upon retirement. This compensation is intended to align medium- to long-term results of the Company with the individual’s performance.

\* Share component of compensation is a program in which points are annually allocated to Directors and Executive Officers based upon prescribed standards while in office, and the actual number of ORIX shares calculated based on the number of accumulated points is provided at the time of retirement. Points granted to the members of each position are determined based on the guidelines set by the Compensation Committee.

### Compensation Policy for Executive Officers (including those who concurrently serve as Directors)

- The compensation consists of fixed compensation, performance-linked compensation and share component of compensation.
- Fixed compensation is decided based on the standardized base amount for each position followed by an adjustment in accordance with each position’s respective role and responsibility.
- Performance-linked compensation consists of two components of equal weighting. The first component is derived from the standardized base amount for each position that starts from 50% followed by adjustment within the range of 0% to 200% based on the attainment level of the consolidated net income target for the current fiscal year as a performance indicator. The second component is derived the same way as the first component, except with the subsequent adjustment within the range of 0% to 300% based on the attainment level of his/her division(s)’ performance target for the current fiscal

year. Furthermore, in the case of a Representative Executive Officer, his/her performance-linked compensation is entirely based on a standardized base amount that is adjusted within the range of 0% to 200% based on the attainment level of the consolidated net income target for the current fiscal year as a performance indicator.

- Share component of compensation is calculated based on the number of points earned and accumulated by the individual while in office until retirement. It is eventually granted to the individual in the form of ORIX shares upon retirement.

### Compensation of Directors, Executive Officers and Group Executives (FY2018.3)

	Fixed Compensation		Performance-linked Compensation		Share Component of Compensation		Total Amount Paid (Millions of yen)
	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	
Directors	7	99	—	—	7	16	116
(Outside Directors)	(6)	(67)	—	—	(6)	(13)	(81)
Executive Officers and Group Executives	27	694	27	370	27	492	1,557
Total	34	794	27	370	34	508	1,673

1. There were three new Executive Officers (including those serving concurrently as Directors and Executive Officers) and six resigning Executive Officers (including those serving concurrently as Directors and Executive Officers) in FY2018.3. There were a total of 12 Directors (including six Outside Directors), 17 Executive Officers (including those serving concurrently as Directors and Executive Officers) and four Group Executives as of March 31, 2018. The number of people and amounts paid in the table above include six Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during FY2018.3.
2. At ORIX, no Directors serving concurrently as Executive Officers received compensation as Directors. Total compensation for the six people serving concurrently as Directors and Executive Officers is shown in the Executive Officers and Group Executives line.
3. The amount paid listed in the table above is calculated by multiplying the number of points confirmed to be provided as the portion for FY2018.3 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,544 per share).
4. ORIX did not provide stock options in the form of stock acquisition rights in FY2018.3.
5. Figures shown are rounded down by truncating figures of less than ¥1 million.

## Executive Officers

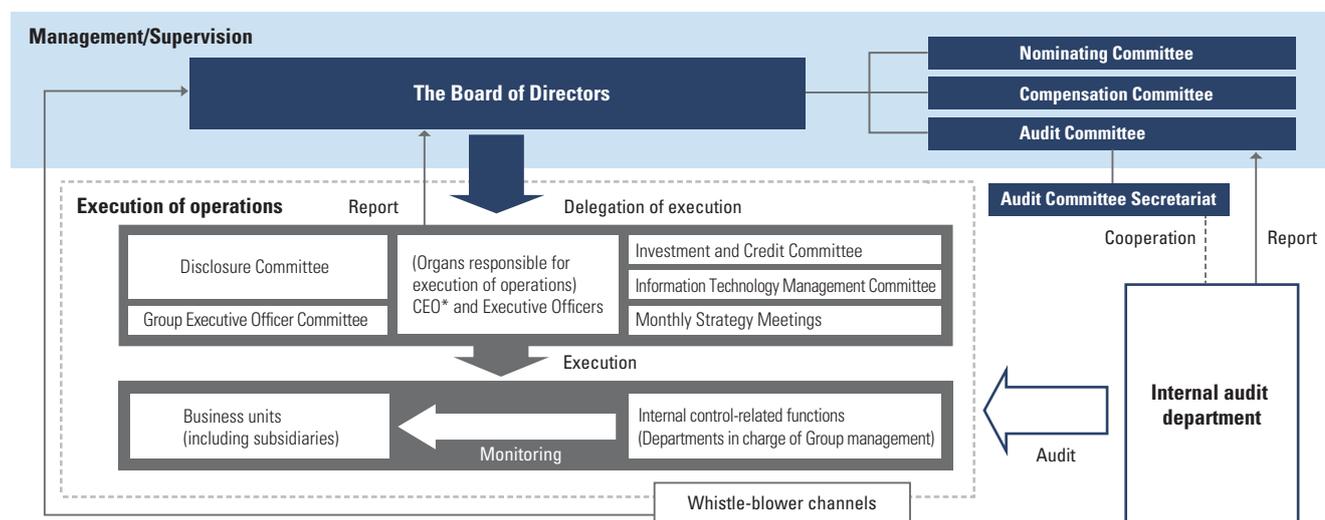
The Representative Executive Officers of ORIX make important business execution decisions after deliberations by the Investment and Credit Committee in accordance with ORIX's various rules.

The duties of Executive Officers are decided by the Board of Directors and the Representative Executive Officers and are carried out in accordance with ORIX's various rules. Group Executives are appointed by the Board of Directors from among the Directors and Executive Officers of the Group companies.

### Characteristics of the Executive Officer System

- Operation and oversight are separated through a "Company with Nominating Committees, etc." board model.
- CEO and CFO are involved in all processes for evaluating individual transactions and monitoring the progress of strategies and plans of business units as well as the progress of strategies and plans of the Group as a whole.
- Executive Officers and Group Executives regularly report and share information with CEO and CFO about progress of strategies and plans of business units they are responsible for.
- Executive Officers and Group Executives along with CEO and CFO share information about strategies and plans of the Group as a whole.

### Execution of Operations Framework (As of June 29, 2018)



\* CEO undertakes the role of CFO.

## Individual Executive Bodies

Important decision-making, monitoring and discussions regarding the execution of business and sharing of information are conducted by the following bodies.

### Investment and Credit Committee (ICC)

Attendees: Top management and Executive Officers involved in projects  
Held: Three times a month in principle

- Meets primarily to deliberate and make decisions on credit transactions and investments that exceed certain specified investment or credit amounts and important matters related to management of the Company and matters that have been entrusted to Representative Executive Officers by the Board of Directors.
- In consideration of their importance, the content of the matters and items decided by the ICC are reported to the Board of Directors as necessary.

### Monthly Strategy Meeting

Attendees: Top management and each divisional head  
Held: Once a month in principle

- Meets to discuss matters such as the state of achievement of strategic targets and changes in the business environment.
- Matters of high importance discussed at the Monthly Strategy Meeting are deliberated and decided by the ICC and reported to the Board of Directors as necessary.

### Group Executive Officer Committee

Attendees: Executive Officers and Group Executives  
Held: Every two months in principle

- Meets to share important information related to the business administration of the ORIX Group.

### Information Technology Management Committee

Attendees: Top management and the Executive Officer in charge of IT systems  
Held: Once a month in principle

- Meets to deliberate and decide important matters concerning fundamental policies for IT operations and IT systems.
- Ensures that IT decisions are consistent with business strategies and works to realize IT investments that contribute to business growth and reduce risk.

### Disclosure Committee

Attendees: CFO (Chairperson) and Executive Officers in charge of Treasury and Accounting Headquarters, Credit and Investment Management Headquarters, Enterprise Risk Management Headquarters, Group Human Resources and Corporate Administration Headquarters and Group Internal Audit Department  
Held: As necessary

- Upon receiving warnings regarding important information from those in charge of individual departments, the Disclosure Committee meets to discuss whether any timely disclosure is required and takes steps to provide appropriate disclosure of such information, if necessary.
- The committee controls information disclosure and facilitates the appropriate and timely disclosure of information to stakeholders.

### Control by Business Unit

- Each business unit evaluates material risks in light of the business strategies and plans, and exercises its own risk management.

### Control by the Internal Control-related Functions (Departments in Charge of Group Management)

- Each department of internal control-related functions assesses not only the material risks but the risks that it controls and manages on an across-the-board basis, and assists in the risk management conducted by each business unit.

### Advisor System

- ORIX appoints advisors when necessary. They are primarily responsible for activities in the business community and other external activities that are important for the ORIX Group.
- Advisors do not take part in deliberative bodies that make decisions for ORIX and are not involved in business execution.
- Compensation for advisors is determined based on rules decided by the Board of Directors after deliberation by the Compensation Committee.
- The following three advisors served in roles including Representative Director and President. Their total compensation was ¥32 million as of June 29, 2018.

Senior Chairman: Yoshihiko Miyauchi

Honorary Advisors: Yukio Yanase and Yasuhiko Fujiki

For more detailed information on corporate governance, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/>
- Corporate Governance ▶▶▶ <https://www.orix.co.jp/grp/en/company/governance>

# EC21 Excellent

ORIX established the corporate conduct charter EC21 to make clear the company it aims to be, in an effort to become an “Excellent Company in the 21st Century.” ORIX draws on EC21 based on a stance of contributing to society through its businesses to deliver value unique to ORIX by energetically addressing social issues and needs.

## Pride

We have pride in creating new value which is highly regarded from the market.

## Trust

We win the trust of all stakeholders by responding professionally to diverse society needs.

## Respect

We earn utmost respect from society with the highest standards of compliance with all laws, morals and a transparent corporate culture.

# Company

## Contributing to society through our businesses + People who support sustainable growth



### Transition to a Carbon-Free Society

We are contributing to the creation of a carbon-free world by bringing renewable energy such as solar power generation into the mainstream.



### More Efficient Use and Supply of Energy

We are contributing to the efficient use and supply of energy by saving energy and reducing energy costs.



### Creation of a Society That Reuses and Recycles

We are contributing to the creation of a society that emphasizes the extended use of things of value and a society that effectively uses and recycles natural resources to reduce the generation of waste and environmental loading.



### The Aging Society/Achieving Secure and Healthy Lifestyles

We are contributing to the formation of a society where people can live with peace of mind by providing a variety of services as Japan's birthrate decreases and its population ages.



### Regional Revitalization

We are contributing to the development of regional economies through our diverse business portfolio in ways such as increasing demand for tourism and creating employment outside major cities.



### A Smart and Resilient Society

We are contributing to the creation of a smart and resilient society in ways such as supporting corporate R&D, disaster response, and operational efficiency.



### Vitalizing Small and Medium-Size Enterprises

We are contributing to the growth and vitality of small and medium-size enterprises, a core customer group, by providing various kinds of support.



### About 32,000 Diverse Employees

We develop highly skilled people who consistently take the initiative in creating new businesses and continuously take on challenges.

→ Page 58, Relationship with Employees

## Business Areas for Further Growth

We consider businesses that are aligned with our strengths and social needs to be our growth markets, and we are aggressively building them.

Environment and Energy .....	42	Automobiles.....	50
Concession.....	44	Aircraft .....	52
Asset Management.....	46	Private Equity Investment.....	54
Life Insurance.....	48	New Businesses .....	56

# Environment and Energy

Finance

Operation

Investment

Environment and Infrastructure

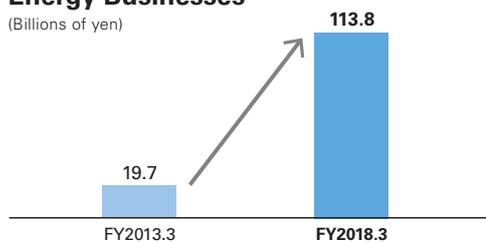


ORIX's broad portfolio includes energy businesses such as energy-saving services, electric power supply and renewable energy power generation, and environment businesses such as waste disposal and metal resources. The proliferation of renewable energy, energy saving and energy cost reduction are making a notable contribution to the transition to a carbon-free society and the efficient use and supply of energy. Backed by our achievements in Japan, we will build businesses overseas with a platform investment\* policy.

\*Platform investment: Investment in companies we expect to generate many business opportunities.

## Revenues from Environment and Energy Businesses

(Billions of yen)



## Contributing to Society through Our Businesses



Transition to a carbon-free society



Creation of a society that reuses and recycles



More efficient use and supply of energy

## Features and Strengths

- One of the largest solar power generation businesses in Japan, with secured capacity of about 1,000 MW
- Increasing ability to stably supply our own electricity, a broadening network, and expanding renewable energy and electric power retailing businesses in line with systemic change in Japan, including the deregulation of power generation and feed-in tariffs
- A single source for services ranging from collection and transportation to final disposal of waste

## Risks

- Stronger regulation of environment and energy businesses; declining profitability due to abolition of favorable government policies; withdrawal from businesses
- Inability to continue operating businesses properly could result in suspension of operations and compensation to stakeholders for damages

## Opportunities

- Leveraging achievements in Japan to expand the renewable energy business overseas
- Deepening of renewable energy businesses including geothermal, wind power and biomass in Japan
- Providing solutions that utilize IoT technology capabilities, storage batteries or other methods to serve the digital society

## Specific Initiatives

### The Renewable Energy Business in Japan

As of March 31, 2018, the solar power generation business in Japan was involved in projects with secured capacity of about 1,000 MW, of which 700 MW is in operation. This makes ORIX one of the largest solar power generation companies in Japan, and we also plan to begin operating a succession of new projects. We have been focusing on secured capacity, and will now shift our focus to the operation of power plants. We will improve our operating structure and add value to our assets while ensuring stable operation over the long term and maximizing earnings.

We will complement our solar power generation business by investing aggressively in renewable energy businesses such as geothermal, wind power, and biomass. The development period for projects is longer in these businesses than in the solar power generation business. However, climate change is less likely to affect projects in these businesses once operation begins, so we expect to benefit from the stable supply of power over the medium and long term. Japan will take a more balanced approach to renewable energy rather than focusing mainly on solar power, and ORIX will continue to fulfill its responsibilities in supporting the transition to a carbon-free society. Our objective is to add geothermal and wind power to our portfolio as a leader in renewable energy in Japan.



Drilling site at Minamikayabe, Hakodate (feasibility study for the construction of a geothermal power plant)

### The Renewable Energy Business Overseas

Our previous stance on the renewable energy business overseas was to focus primarily on financial investments to take minority stakes in such businesses, but we have changed our focus to a policy of platform investment to build a foundation of businesses. In July 2017, we invested approximately ¥70.7 billion to acquire a stake of about 22.1% in Ormat Technologies, Inc. (Ormat) in the United States. As of March 2018, Ormat owned or had installed power plants with gross capacity of 2,500 MW worldwide, and had a top global share of about 82% of binary power equipment installation volume. Outside the United States, Ormat is building businesses in Central America, Africa and elsewhere, and has about 800 MW of capacity. These investments are the first steps in building a global geothermal power generation platform. We will strategically collaborate with Ormat to integrate expertise and business platforms as we build our geothermal power generation business with a focus on Japan and Asia.

Future investment in the overseas renewable energy business will target platform investments similar to Ormat with a focus on Asian and European companies. The proliferation of renewable energy is an important policy issue worldwide from the viewpoint of ensuring energy self-sufficiency and achieving a low-carbon society. We will enhance the fundamentals of our existing businesses while leveraging our expertise in Japan to expand globally.



The McGinness Hills Complex power plant owned and operated by Ormat (Nevada, U.S.A.)

# Concession

Finance

Operation

Investment

Environment and Infrastructure

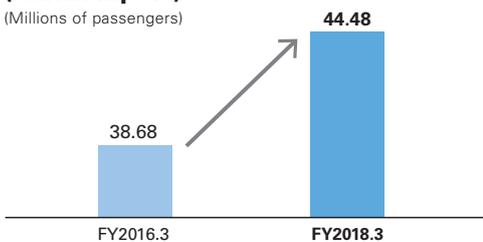


Kansai International Airport

ORIX launched its concession business with the first full-fledged airport management project by the private sector in Japan. We are expanding from airport management into infrastructure businesses including water supply and sewerage to position ORIX as the top concessionaire in Japan while also looking at a broad range of concession opportunities overseas.

## Passengers Using Kansai International Airport and Osaka International Airport (Itami Airport)

(Millions of passengers)



## Contributing to Society through Our Businesses



Regional revitalization

### Features and Strengths

- Broad business management expertise and operating track record
- Extensive relationships with leading companies in Japan and overseas
- Ability to deploy operating and financial expertise as infrastructure assets are monetized

### Risks

- Intensifying competition for concessions in Japan
- Changes in pro concession policies; changes in laws and regulations
- Significant decrease in the number of tourists visiting Japan due to increased geopolitical risk

### Opportunities

- Ongoing increase in number and types of concessions in Japan
- Increasing opportunities to participate in concession projects overseas

## Specific Initiatives

### Operation of Kansai International Airport, Osaka International Airport (Itami Airport) and Kobe Airport

The operation of Kansai International Airport and Osaka International Airport (Itami Airport) is our first concession. Kansai Airports, established by a consortium led by ORIX and VINCI Airports of France, took over the operation of both airports in April 2016. In addition, a wholly owned subsidiary of Kansai Airports called Kansai Airports Kobe took over the management of Kobe Airport in April 2018.

We are structuring a three-in-one airport organization that will support economic development and increase demand for air transport in Kansai. We will prioritize airport safety and security as we fully leverage our private-sector knowledge and expertise to further enhance services.

City privatized operation of the plant for the next 20 years with the intention of raising management efficiency to reduce operating costs.

Water supply and sewerage is a mature business in which many local governments are having trouble improving operational efficiency and are introducing new technology to sustain infrastructure operations in the face of increased renovation costs and reduced demand caused by a decreasing population. On the other hand, the total operating revenues of water supply and sewage systems throughout Japan are estimated at about ¥4 trillion, indicating a large potential market. Water Supply Act revisions are expected to promote broadly based cooperation and public-private partnerships, so water and sewerage concession opportunities may well increase in the future.

### Operation of Public Wastewater Treatment Plant in Hamamatsu City

ORIX began participating in the operation of a public wastewater treatment plant in Hamamatsu City in April 2018, our first water supply and sewerage concession. Hamamatsu Water Symphony operates the plant, and ORIX holds a minority stake in this company that is majority owned by the Japanese subsidiary of French company Veolia. Hamamatsu

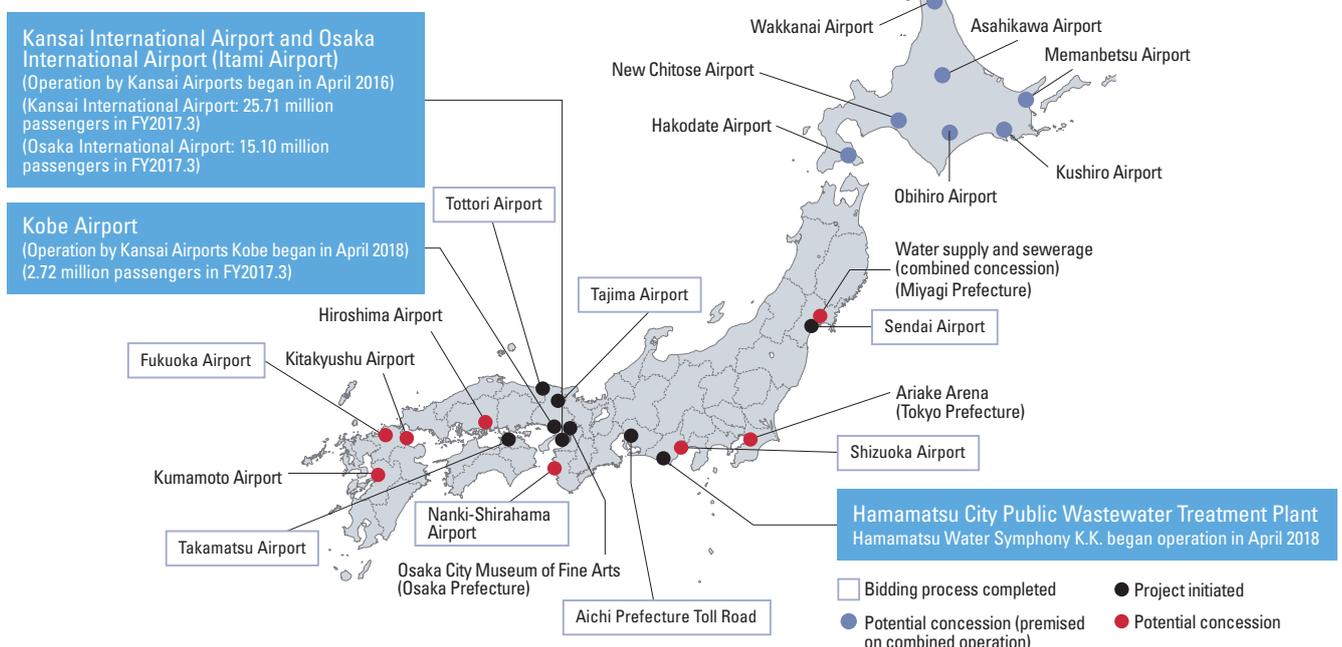
### Future Initiatives and Policies

The total worldwide value of infrastructure investment deals is estimated at US\$337 billion.\* In addition to bolstering its position as the number-one concessionaire in Japan, ORIX is also aggressively taking on the challenge of overseas projects. We will consider infrastructure projects with due consideration of regional characteristics, from Europe where the legal system is clear, transparency is high and cash flow is stable, to Asia where development projects are numerous.

\* Preqin survey (2017)

### Actual and Potential Concessions in Japan

(As of July 2018)



# Asset Management

Finance

Operation

Investment

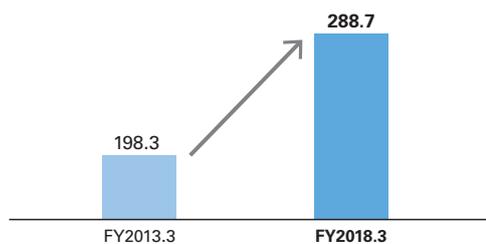
Financial Services



Our asset management business has grown substantially due to changes in the business environment caused by the global financial crisis. Overseas, we operate internationally through asset management companies including Robeco Institutional Asset Management B.V. (Robeco). In Japan, we have established a business foundation for asset management centered on real estate. We will continue to contribute to the sustainable development of society through sustainability investing and to help customers manage their assets reliably and design affluent lives.

## Assets under Management at ORIX Corporation Europe

(Billions of euros)



## Contributing to Society through Our Businesses



The aging society/  
Achieving secure and  
healthy lifestyles

### Features and Strengths

- Broad Groupwide product lineup and investor base
- Extensive experience backed by a long-term track record; outstanding research system
- Comprehensive capabilities from a diversified real estate business encompassing development, leasing, asset management and facility management; access to Group network

### Risks

- Reduction in balance of assets under management due to reduced asset management performance or intensified competition
- Weaker management due to loss of excellent human resources
- Increase in management costs due to tighter regulation of asset managers

### Opportunities

- Increase in alternative asset management opportunities
- Increase in the pool of new investors due to growing investment needs in Asia
- Growing M&A opportunities associated with the reorganization of the asset management industry

## Specific Initiatives

### Diversification and Geographical Expansion of Business

ORIX acquired the asset management company Robeco Groep N.V. (now ORIX Corporation Europe N.V.), headquartered in Rotterdam, the Netherlands, in 2013 for full-scale entry into the global asset management business. Robeco is central to this business. Since its establishment in 1929, Robeco has built a consistent record of performance and investment in new asset management technologies and research. We are now offering a wide range of active investment solutions from equities to bonds.

Robeco offers innovative asset management strategies with a proprietary combination of research in three areas: fundamentals, sustainability, and quantitative investing. It is a pioneer and global leader in sustainability investing and quantitative asset management. Sustainability investing is increasingly popular in Europe and around the world, giving Robeco more opportunities to exercise its competitive advantage. Robeco is committed to providing customers with excellent asset management results over the long term, using a quality-focused process based on research.

U.S. subsidiary ORIX Corporation USA (OCU) is a strategic Group operation in the United States that is involved in businesses including securities investment, real estate and infrastructure finance, private equity investment, and asset management. We are now structuring a unique business model with emphasis on fee businesses including the securitization of rental housing loans and the asset management business.

In 2016, OCU acquired Boston Financial Investment Management, LP, which syndicates Low-Income Housing Tax Credits. In 2017, it acquired Lancaster Pollard Holdings, LLC, a provider of integrated investment banking, mortgage banking, balance sheet lending and private equity services focused on the full continuum of senior living and health-care clients. Our objective is to establish a strong position in the U.S. residential real estate financial services market.

In Japan, ORIX Asset Management manages a J-REIT, and ORIX Real Estate Investment Advisors manages private equity funds. The latter had approximately ¥430 billion in assets under management as of March 31, 2018, ranging from hotels and office buildings to logistics facilities. Its goal is to leverage the expertise and network of the ORIX Group to increase assets under management to ¥650 billion in 2022. In addition, the J-REIT that ORIX Asset Management manages was the sixth largest in Japan in terms of assets as of June 30, 2018. This integrated REIT owns office buildings and various other assets, and will improve the overall quality of its asset portfolio by circumspectly acquiring properties without restricting investment by property type or location and flexibly disposing of properties in consideration of their future competitiveness.

Our asset management business is competitive in a wide range of asset classes. We will also promote collaboration among our operations. We will continue to expand our existing portfolio while diversifying our businesses and expanding them geographically through M&A and new investment.

### Main Group Companies in the Asset Management Business (As of March 31, 2018)

Segment	Company Name	Established/ Acquired	Principal Business
Overseas Business/ ORIX Corporation Europe N.V.	Robeco Institutional Asset Management B.V.	2013	Asset Management
	Transtrend B.V.	2013	Asset Management
	RobecoSAM AG	2013	Asset Management
	Harbor Capital Advisors, Inc.	2013	Asset Management
	Boston Partners Global Investors, Inc.	2013	Asset Management
Overseas Business/ ORIX Corporation USA	RED Capital Group, LLC	2010	Loan Servicing
	Mariner Investment Group LLC	2010	Fund Operation and Management
	RB Capital S.A.	2016	Real Estate Securitization, Asset Management, Real Estate Development and Investment
	Boston Financial Investment Management, LP	2016	Low-Income Housing Tax Credit Syndicator
	Lancaster Pollard Holdings, LLC	2017	Mortgage Banking and Loan Servicing
Real Estate	ORIX Asset Management Corporation	2000	Asset Management of J-REIT
	ORIX Real Estate Investment Advisors Corporation	2007	Real Estate Investment and Advisory Services

# Life Insurance

Finance

Operation

Investment

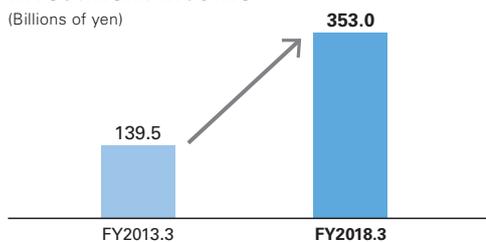
Financial Services



Our life insurance business offers simple and easily understood products and reasonably priced insurance coverage. We offer a full lineup of insurance products, primarily in the third-sector market and also in the first-sector market. Recognized by customers and external observers as insurance professionals, we also research and develop new products so that we can provide optimal insurance aligned with evolving customer needs.

## Life Insurance Premiums and Investment Income

(Billions of yen)



## Contributing to Society through Our Businesses



The aging society/  
Achieving secure and  
healthy lifestyles

### Features and Strengths

- Strong ability to develop products aligned with evolving customer needs
- Omnichannel business development

### Risks

- Contraction of the domestic life insurance market due to the declining population
- Response to the investment environment in Japan, which is subject to factors such as the protracted negative interest rate policy

### Opportunities

- Improving service with a customer-driven management strategy
- Increase in opportunities to acquire policyholders through our omnichannel strategy

## Specific Initiatives

### Expanding Our Product Lineup and Marketing Channels

Since launching our Cure branded medical insurance in 2006, we have been adding policyholders by developing core third-sector insurance products, updating coverage, and focusing on developing first-sector insurance products. We also broadened our marketing channels in 2016 by establishing a direct sales channel so that ORIX Life Insurance employees can make proposals to customers to complement sales through agencies, financial institutions and mail order. We have organically integrated multiple channels with an omnichannel strategy of providing services via channels that customers wish to use. Our consulting service in which we call on customers who have requested information via phone or Internet has been particularly well received. We thoroughly explain insurance products and provide advice about customer needs and risks so that customers can confidently consider our products.

As a result, the number of individual insurance policyholders exceeded 4 million as of May 31, 2018, and the business

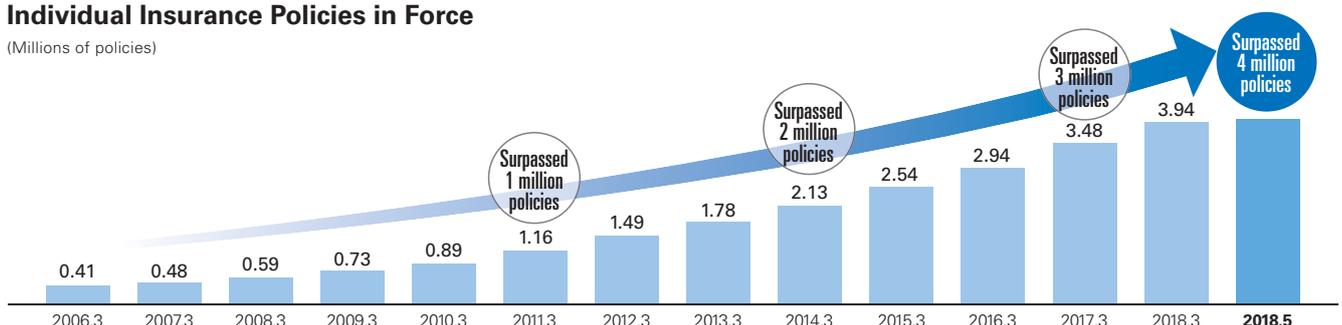
#### Marketing Channels

Agency Sales	We provide a wide range of products to customers through about 6,300 locations,* including insurance agencies that handle life and non-life insurance, drop-in style agencies close to train stations and in large shopping malls, and tax accounting-related agencies that offer consulting that leverages expertise in taxation and other subjects.
Sales through Financial Institutions	We offer insurance products at approximately 5,500 branches* of city and regional banks and credit unions.
Mail Order and Internet Sales	We sell insurance by mail and the Internet.
Face-to-Face Sales via ORIX Employees	ORIX Life Insurance salespeople known as Conserve Advisors sell our products directly to customers.

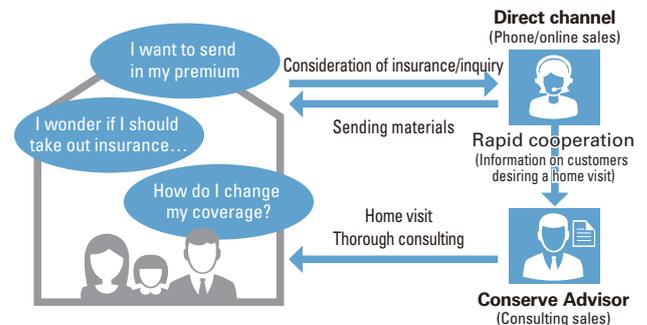
\*As of March 31, 2018

#### Individual Insurance Policies in Force

(Millions of policies)



### Timely Cooperation between Two Channels



has steadily grown, achieving double digit growth for 12 consecutive years since FY2006.3. In the past two years, the pace of growth has accelerated, with the number of policyholders rising from 3 million to 4 million.\* In addition, customer support is widespread, with the number of new policies in force exceeding 500,000 for five consecutive years.

\* The increase in the number of policyholders from 1 million to 2 million took 3 years and 3 months, and the increase from 2 million to 3 million took 2 years and 5 months.

### Customer-Oriented Business Policy

ORIX Life Insurance considers it important to provide products and services with a closer connection to customers to be the life insurance company they continue to choose. In 2017, we established a customer-oriented business policy and established a Customer-Oriented Promotion Department to carry out this policy. Viewing customer-oriented business as a management strategy, ORIX Life Insurance is promoting its companywide penetration to thoroughly maximize the benefit for customers. ORIX Life Insurance aims to fulfill the true interests of customers, not just by developing competitive products but also by improving service quality and building up added value as a company.

# Automobiles

Finance

Operation

Investment

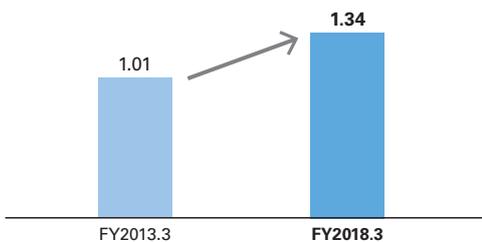
Maintenance Services



Our automobile business has strengths that include extensive expertise and a broad lineup of products and services. It incorporates automobile leasing, rental and car-sharing in comprehensive proposals aligned with various usage conditions such as the customer's length, frequency and purpose of use. We are a one-stop provider of every kind of automobile-related service, including comprehensive vehicle management outsourcing and solutions that meet needs for compliance, environmental friendliness and safety management.

## Vehicles under Management in Japan

(Millions of vehicles)



## Contributing to Society through Our Businesses



Creation of a society that reuses and recycles



A smart and resilient society



The aging society/  
Achieving secure and healthy lifestyles

## Features and Strengths

- Ability to propose comprehensive, optimum service to customers with a service menu aligned with the automobile life cycle from purchase to sale
- A global leader in vehicles under management

## Risks

- Decline in earnings from existing businesses and services and the residual value of vehicles due to structural changes in the automobile industry
- Limited market expansion due to a societal shift from ownership to usage and sharing

## Opportunities

- Growing demand for value-added services such as automobile leasing, vehicle management, and operations support due to corporate cost reduction needs and improved risk management and awareness of compliance
- Development of new products and services that address social demands and technological advances

## Specific Initiatives

### Leasing, Rental and Car-Sharing

ORIX's automobile business provides comprehensive services related to automobiles. We are a leader in the leasing industry with 1,347,000 vehicles under management in Japan as of March 31, 2018. Vehicles under management have been increasing steadily due to the societal trend away from ownership toward usage and sharing. We also leverage our automobile expertise in businesses that use pre-owned vehicles, which makes an important contribution to the creation of a society that reuses and recycles.

ORIX offers a service menu aligned with the automobile life cycle from purchase, use and maintenance to operating management and sale, and we consult with customers to propose optimal services. Our comprehensive services are not available from other companies, and we use this advantage to further expand our business and enhance profitability through economies of scale.

Furthermore, we are deploying the vehicle management expertise we have acquired in Japan at overseas subsidiaries in Australia, India, Southeast Asia, and elsewhere to expand our overseas automobile business. We will enhance our products and services by collaborating with the ORIX Group network while taking the market characteristics of Asian countries into account and strengthening our business platform with enhanced systems and data use.

### Telematics Services

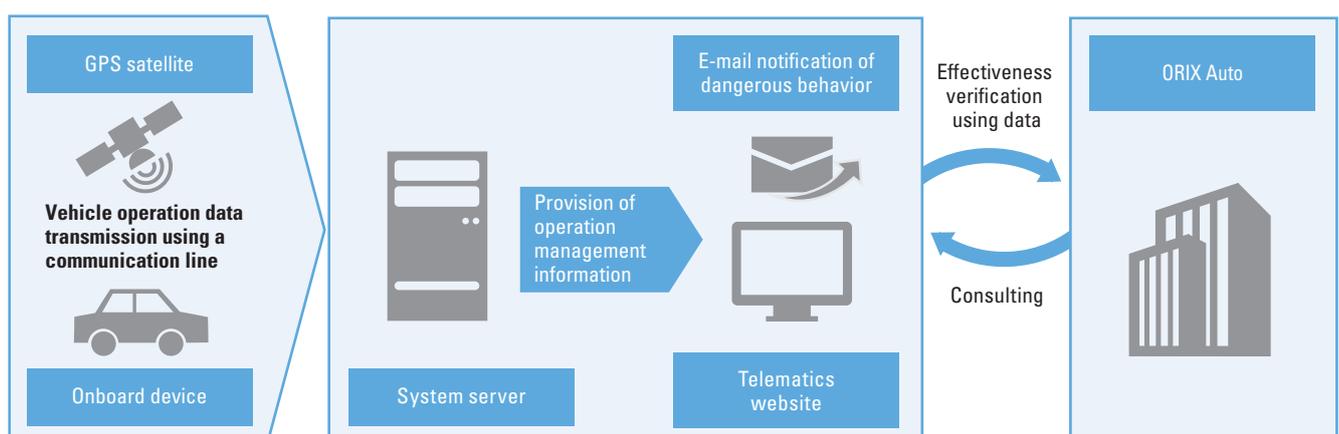
ORIX Auto provides telematics services that visualize the operating status of customer vehicles equipped with an

onboard communication and GPS device. We acquire information such as driving speed and driver behavior including sudden acceleration and deceleration in real time. We use this data to help companies properly manage labor and prevent accidents, which contributes significantly to our stated goal of realizing a smart, resilient society. We also gather vehicle information including fuel consumption, and CO<sub>2</sub> emissions in real time, and analyze these data to encourage safe, ecologically sound driving and reduce the environmental load of vehicle use.

We launched Ever Drive in February 2017. It is a driving monitoring service that uses telematics technology to reduce accident risk for families with elderly drivers. The proportion of elderly people involved in fatal accidents has been increasing year by year. The goal of this service is to identify the signs of dangerous driving and create an environment in which elderly drivers can drive safely by visualizing the driving of seniors. This service has received recognition as a solution for contemporary issues and needs because it offers peace of mind to the families of elderly drivers.

A future goal is to utilize the big data accumulated through the telematics service to provide new value added services. For example, we are planning to further develop the telematics services we have pioneered, such as by collaborating with municipalities and police in using analytical data to restore and expand roads, thus supporting an automobile oriented society that is free of accidents. The structure of the automobile industry is changing dramatically due to changing lifestyles, urban configurations, and government regulations, and the technological transformation of the automobile itself. We will respond flexibly while using our experience and expertise to transform change into new business opportunities.

### The Structure of Our Telematics Services



# Aircraft

Finance

Operation

Investment

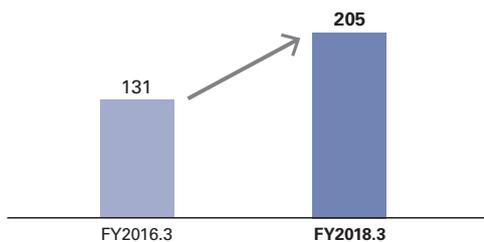
Tangible Assets



Our aircraft business provides a wide array of services from leasing of owned aircraft to asset management for third parties, including sale of aircraft, lease brokerage, and aircraft maintenance monitoring. Given strong demand for aircraft, our goals are to increase earnings by adding assets, increasing gains on sale, and expanding fee income from aircraft management.

## Aircraft Owned and Under Management

(Number of aircraft)



## Contributing to Society through Our Businesses



Creation of a society that reuses and recycles



Regional revitalization

## Features and Strengths

- Diverse services in addition to aircraft leasing including asset management and arranging aircraft investment for investors

## Risks

- Decline in the number of passengers due to economic downturn or reduced demand for logistics
- Sharp decrease in the number of passengers due to increased geopolitical risk

## Opportunities

- Growing demand for aircraft as a result of increased passenger traffic volume worldwide
- Increasing demand for leasing among airlines

## Specific Initiatives

### Providing Aircraft-Related Services Worldwide

ORIX has been acquiring aviation business expertise since entering the aircraft leasing business 40 years ago in 1978. We established ORIX Aviation Systems Limited (OAS) in Ireland in 1991 to lay the foundation for our aircraft operating lease business. Today, OAS is growing as a major aircraft asset manager and leasing company, and is the only aircraft leasing company in the world that has been ranked by Standard & Poor's (S&P) aircraft servicing rating. We not only lease aircraft that we own, but we are also involved in asset management for aircraft owned by investors and funds in Japan and overseas and provide comprehensive management services from purchase of aircraft to various contract procedures for airlines that lease aircraft, monitoring of aircraft operation and maintenance, re-leasing aircraft coming off lease, and selling aircraft. Pre-owned aircraft and the secondary market are another area of strength. We currently own and manage more than 200 aircraft, and our leasing business serves over 70 airlines in more than 30 countries.

### Future Initiatives and Policies

Global demand for aircraft continues to increase with the emergence of international low-cost carriers and the increase in passenger traffic volume spurred by economic growth in emerging countries and elsewhere. Aircraft in operation is projected to increase from 24,400 in 2017 to

48,540 in 2037, and passenger traffic is estimated to grow by an average of 4.7% annually.

Leasing demand is rising among airlines because it enables flexible equipment planning and financing, and about 40% of aircraft currently operating worldwide are under operating leases. The lease ratio is forecast to rise to 50%, suggesting further growth in the future.

The number of aircraft owned and managed by ORIX is steadily increasing. As of March 31, 2018, we owned or managed 205 aircraft, an increase of 56 aircraft from the end of the previous fiscal year.

Future initiatives and policies include opportunistic major purchases while generating stable leasing revenues and turning over our portfolio in response to the market to support sustainable earnings. We generate stable fee income by investing with joint venture partners, arranging aircraft investments for corporate investors in Japan in line with their needs, and leveraging our expertise to provide a broad array of asset management services.



Earnings Opportunities in the Aircraft Business		Leasing Revenues	Gains on Sale	Fee Income
Owned aircraft	Lease aircraft we own to airlines	○	○	
Joint investment	Jointly own aircraft with investors for lease to airlines	○	○	○
	Manage aircraft under contract from joint investors			○
Arranging aircraft investments*	Arrange aircraft investments for investors			○
	Manage aircraft under contract from investors			○

\* We arrange investments designed for investors to receive lease payments from airlines and then recover principal and receive capital gains through the sale of aircraft after several years.

# Private Equity Investment

Finance

Operation

Investment

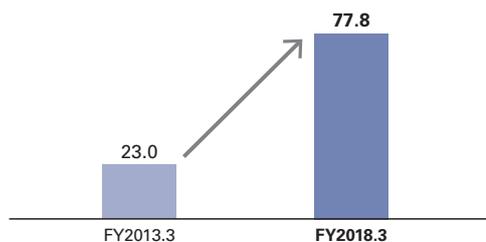
Private Equity Investment



Our private equity investment business makes full use of our Group network and expertise in Japan and overseas to improve the corporate value of investees. We particularly emphasize hands-on investment in Japan, and concentrate on joint investment with reliable partner companies overseas. We resolve management issues for investees and help increase their corporate value by dealing flexibly with business succession and structures that typical private equity funds do not handle well.

## Investment Balance of Private Equity in Japan

(Billions of yen)



## Contributing to Society through Our Businesses



Vitalizing small and medium-size enterprises



The aging society/  
Achieving secure and healthy lifestyles

### Features and Strengths

- A private equity investment business in Japan that emphasizes hands-on investment and helps to increase the value of investees in ways that include developing new customers and sales channels using the Group's sales network
- An overseas private equity investment business that sources deals using specialized teams familiar with in-market businesses; strong relationships with reliable local partners that reduce investment risk

### Risks

- Lack of new investments due to rapidly rising purchase prices
- Dysfunctional management in new businesses
- Potential for impairment of the goodwill recognized at purchase or inability to exit at planned price if investees do not perform well

### Opportunities

- Japan: Increasing business succession needs among SMEs; increasing number of carve outs among listed companies
- Japan and overseas: Major structural changes in industries due to progress of AI and IoT; increase in new investment opportunities due to accelerated industry reorganization

## Business Areas for Further Growth

## Specific Initiatives

### Private Equity Investment in Japan

Unlike some private equity funds, we invest own capital. We can therefore respond flexibly to changes in investment period or increase our capital commitment. Post investment, we leverage our Group network to support investees. This involves deploying experts to provide management, administrative and operational support, and having ORIX business units help investees find new customers and expand sales channels. Our hands-on approach and deep commitment to investee operations and management empower effective

support for a “company rebirth” following business succession and roll ups that are part of industry reorganization.

Acquisition prices are currently rising rapidly in Japan’s M&A market, so we will diversify investment approaches and review target industries while continuing to make new investments. Complementing our traditional focus on industries such as healthcare, IT and information services, business process outsourcing, and lifestyle support services, we are targeting investment in industries such as automobiles and logistics in which we expect structural change.

### Principal Investees in Japan since 2012

Investee	Initial Investment	Industry and Business	Exit
Minori Holdings Co., Ltd.	2012.2	Liquor wholesale	FY2018.3 2Q
KR Food Service Corporation	2012.4	Japanese style restaurant	FY2016.3 1Q
Net Protections, Inc.	2012.12	Deferred payment-type settlement service	FY2017.3 2Q
Asahi Fiber Glass Co., Ltd.	2013.3	Manufacturing and sales of glass wool products	FY2016.3 1Q
Wing Arc1 <sup>st</sup> Inc.	2013.5	Software vendor	FY2017.3 1Q
Net Japan Co., Ltd.	2014.4	Recycling of precious metals and jewelry	Holding
ARRK Corporation	2014.8	Production and sales of industrial design models	FY2018.3 4Q (partly sold)
INNOMEDICS Medical Instruments, Inc.	2015.1	Sales of medical equipment and devices	Holding
Cosmolife Co., Ltd.	2015.10	Producer and distributor of spring water	
Kyoto Biken Laboratories, Inc.	2016.4	Producer of veterinary animal vaccines	
Fujita Pharmaceutical Co., Ltd.	2016.7	Producer of veterinary pharmaceuticals	
Koike Co., Ltd.	2017.3	Manufacturer of electronic materials	
Primagest, Inc.	2017.7	Information processing service	

### Private Equity Investment Overseas

Outside Japan, we primarily invest in the United States and China.

In the United States, aging public infrastructure for roads, water supply, gas and electricity has increased demand for facility replacement and maintenance. Moreover, the Fixing America’s Surface Transportation (FAST) Act was enacted in December 2015 to promote long-term investment in transportation infrastructure such as the U.S. highway and rail transportation network. Outsourcing demand for safety assurance

services is therefore expected to increase for transportation infrastructure and other public works projects. ORIX launched a private equity investment business in 2016 through a U.S. subsidiary and has invested in public infrastructure-related service companies, including transport infrastructure safety services companies and a water supply-related maintenance and management services company. We will steadily act on investment opportunities and expand in businesses that provide public infrastructure services through investees.

In China, the peer-to-peer (P2P) financial market that serves as a loan intermediary linking lenders with borrowers is rapidly expanding in response to robust financial demand among SMEs and individuals that exceeds the ability of commercial banks to provide traditional financial services. We have proactively become involved in China’s expanding fintech market with investments in two fintech-related companies.

### Principal Investees in the United States since 2016

Investee	Initial Investment	Industry and Business
RoadSafe Traffic Systems, Inc.	2016.3	Transportation infrastructure safety services
Protection Services Inc.	2016.11	Transportation infrastructure safety services
Hoffman Southwest Corporation	2017.2	Water supply maintenance and management services
Beth’s Barricades	2017.7	Transportation infrastructure safety services
Peak Utility Services Group	2018.6	Installation and maintenance services for public infrastructure and facilities

### Fintech-Related Investees in China

Investee	Initial Investment	Industry and Business
Dianrong	2018.1	P2P finance
Wecash	2018.3	Individual credit information service

# New Businesses

Finance

Operation

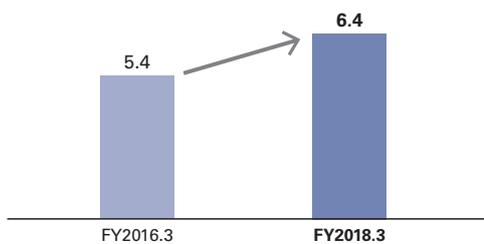
Investment



ORIX is committed to addressing social issues and needs while providing its own unique value through various new businesses including accounting and financial support for SMEs, regional revitalization through agriculture, and preventive care in the healthcare market.

## Yayoi Co., Ltd.\* Segment Profits

(Billions of yen)



\* Acquired in December 2014

## Contributing to Society through Our Businesses



Vitalizing small and medium-size enterprises



Regional revitalization



The aging society/  
Achieving secure and healthy lifestyles

## Features and Strengths

- Utilization of horizontal Group collaboration to flexibly bring together the expertise required to develop new businesses
- Identification of growth opportunities using the ability of the Group's nationwide sales network to gather information

## Risks

- Intensified competition due to an increase in new entrants
- Dysfunctional management in new business areas
- Less-than-expected deregulation-driven expansion of new markets

## Opportunities

- Emergence of new growth businesses (e.g., IT, agriculture, and healthcare) due to deregulation and changes in the business environment
- Ability to take advantage of synergy among existing businesses and new investments to create new businesses

## Specific Initiatives

### Fintech

Yayoi Co., Ltd. is a strategic investee for ORIX. This software services company develops and sells a range of business software and provides after-sales support and services. It has established a strong customer base because of its excellent product development capabilities and the strength of its brand, and it holds the top desktop and cloud share (see graph below) of business software for small businesses.\*

In December 2017, ORIX and Yayoi launched an online lending service through a jointly established entity, Altoa, Inc. This service specializes in small-amount, short-term loans using a new credit model that employs ORIX's credit expertise, Yayoi's accounting big data, and the AI technology of d.a.t. Inc., a partner in the venture. Altoa's credit model is capable of high-precision, real-time data analysis using dynamic data from accounting journals.

ORIX will continue to contribute to the revitalization of the economy by making full use of the Group's comprehensive capabilities to support small businesses with finance and technology.

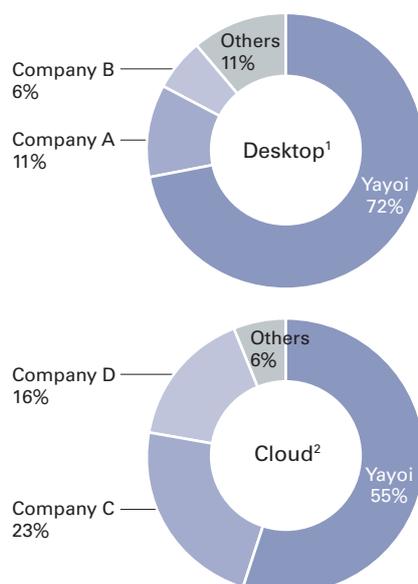
\*Small businesses with 20 or fewer employees, which account for nearly 90% of all Japanese companies.

### Agriculture

ORIX expects that regulatory reforms and business environment changes will make agriculture a growth business over the long term. Our goal is to contribute to regional economic development by building highly competitive, value-added agricultural businesses. We are implementing various initiatives to support the stable supply of agricultural products as consumer needs diversify with the increasing number of seniors, working women, and single-person households.

We have been acquiring experience and expertise in agricultural businesses by operating vegetable production bases in five locations throughout Japan since 2004. We established fruit and vegetable distribution company ORIX Food Supply Corporation in 2016, and purchase and sell both our own produce and the fruit and vegetables produced by affiliates. We also concluded a capital and business alliance with Farmind Corporation in July 2017 to create a nationwide fruit and vegetable distribution network, and launched sales using a wide-area, multifunctional logistics network. We will contribute to the development of agriculture and regional revitalization through full-scale entry into the distribution business.

### Share of Business Software Market for Small Businesses



1. Calculated by Yayoi based on sales data from October 2016 to September 2017 (GfK Japan Survey)

2. MM Research Institute survey (survey of cloud-based accounting software usage as of March 31, 2018)

### Healthcare

Japan has an aging society, and preventive healthcare is expected to grow strongly in conjunction with the advance of medical and other technologies and rising health awareness. In addition, promoting healthy life expectancy through preventive healthcare will help maintain Japan's health insurance system and reduce rising medical expenses.

ORIX concluded a capital alliance with CMC Corporation in July 2017 to expand its support business into the preventive healthcare sector. CMC provides business support services for medical administration at Utsunomiya Central Clinic, which provides services such as medical examinations and check-ups. Specialized management functions such as finance, marketing, and M&A are not sufficiently sophisticated in the healthcare sector, and our experience and expertise should contribute significantly to management efficiency. We will continue to contribute to the development of preventive and regional healthcare in Japan by expanding alliances with clinics and hospitals that specialize in preventive healthcare.

# Relationship with Employees

## Human Resources Initiatives

### Making Maximum Use of the Capabilities and Expertise of Our Employees under the Concept of “Keep Mixed”

People are ORIX’s most important asset. We hire diverse human resources regardless of nationality, age, gender or work history, integrating their diverse values and expertise within our concept of a Fusion of Intelligence to create new value and workplaces where employees can fully use their capabilities. Specifically, we create fulfilling workplaces by establishing a working environment that respects diverse work styles and embraces contemporary social conventions, and by reforming our human resource system. Moreover, we are enhancing training to offer opportunities for employees who embrace challenges and to enable employees to excel internationally.



## Initiatives to Realize Our “Keep Mixed” Concept

ORIX promotes diversity and the creation of workplaces that offer value (improved work-life balance) to realize its concept of “Keep Mixed.”

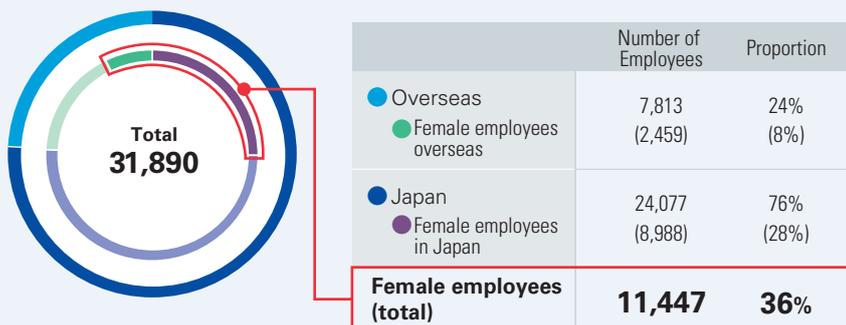
### Promoting Diversity

For ORIX to continue to grow, each of our employees must gain further experience and knowledge, and demonstrate and communicate those strengths on an ongoing basis. At the same time, the need for work style options is increasing due to the globally changing social milieu, including rising retirement ages, the increase in households with working couples, and the enactment of the Act on Promotion of Women’s Participation and Advancement in the Workplace. Our goal is to create workplaces where employees can maximize their abilities and expertise, so we are enhancing the diversity and freedom of work styles that are aligned with the life events of employees to further promote diversity.

Promote the participation and advancement of women in the workplace	Promote the participation and advancement of seniors in the workplace	Promote the employment of people with disabilities	Hire foreign nationals
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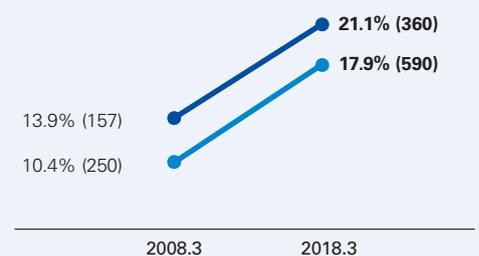
### Employee Composition

(As of March 31, 2018)



### Female Employees in Managerial Positions<sup>1</sup>

● ORIX (non-consolidated)  
● ORIX Group<sup>2</sup>



1. The percentages in “Female employees in managerial positions” represent the ratio of female managers to the total number of managers.

2. Total of 10 ORIX Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services, and ORIX Asset Management & Loan Services

## Improving Labor Productivity

ORIX aims to create workplaces that enable employees to make full use of their abilities and expertise. We respect various work styles to realize that.

### Case Study: ORIX Business Center Okinawa Corporation

ORIX Business Center Okinawa Corporation (OBCO) supports various Group businesses including leasing, rental, automobiles, life insurance, and banking. Originally founded in 1999 as a call center, it is now a shared service center that handles a wide range of sales functions, such as confirming contract conditions and car inspection related work.

OBCO employs a method it established to visualize, measure, and analyze operations as the basis for business process improvement. It uses internally developed



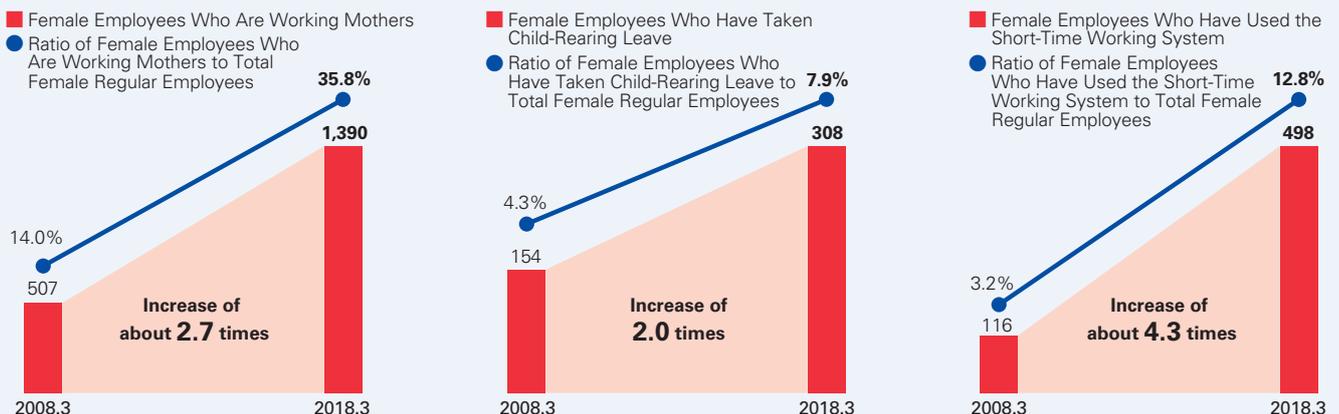
tools to visualize operations, and rigorously manages productivity. It began promoting diverse work styles in 2015, including the introduction of a telecommuting system. Telecommuting often involves management and communication obstacles, which OBCO eliminates through productivity management to realize diverse work styles.

Worker diversity is a current theme at OBCO. The introduction and use of robotic process automation<sup>1</sup> (RPA) is representative. OBCO uses RPA to improve the quality of work and save time by robotizing PCs to handle standardized operating procedures.

OBCO has received recognition for its initiatives and was selected as a New Diversity Management Selection 100<sup>2</sup> company in fiscal 2016. ORIX expects the further use of techniques such as business process improvement throughout the Group.

1. Robotic process improvement (RPA): Automation of the tasks performed by humans using dedicated software (robots).
2. An award presented by the Ministry of Economy, Trade and Industry to companies that have linked diversity promotion to performance.

### Childbirth/Child-Rearing Leave System Use<sup>3</sup>



3. Applies to full-time female employees of 10 ORIX Group companies: ORIX, ORIX Rentec, ORIX Auto, ORIX Credit, ORIX Real Estate, ORIX Computer Systems, ORIX Bank, ORIX Life Insurance, ORIX Eco Services, and ORIX Asset Management & Loan Services

## Workplaces That Offer Value (Improving Work-Life Balance)

We have been improving work-life balance to realize a workplace environment where employees with diverse values can work healthily with peace of mind. We launched our Work Style Reform Project in 2016 under the direct control of the CEO to further improve our workplaces, and we will continue to enhance and improve work style support measures and promote employee awareness.

### Work Style Reform Project Execution Phase

We launched the Work Style Reform Project in October 2016 to create workplaces where diverse human resources can be active and foster a culture that recognizes diverse work styles. More than 200 employees at 10 main Group companies set up committees and considered issues and measures over a six-month period, then proposed approximately 120 measures. We began carefully examining these proposals in April 2017 and started implementing reforms.

We are focusing on improving productivity per hour while maintaining our commitment to improving long working hours during FY2019.<sup>3</sup> Our employee satisfaction survey (morale survey)<sup>1</sup> indicated a definite step forward in terms of consciousness reform, while work style reform feedback indicated improved working time flexibility but the need for additional efforts to address core productivity issues. We therefore plan to implement various Groupwide measures to increase investment in productivity improvement after review by relevant business units. We are also reviewing past practices and work flow at the individual and business unit

levels. Overtime at 10 Group companies decreased by 33%<sup>2</sup> during FY2018.3 compared with the previous fiscal year, and the rate of annual paid vacation days taken was 77.5%.

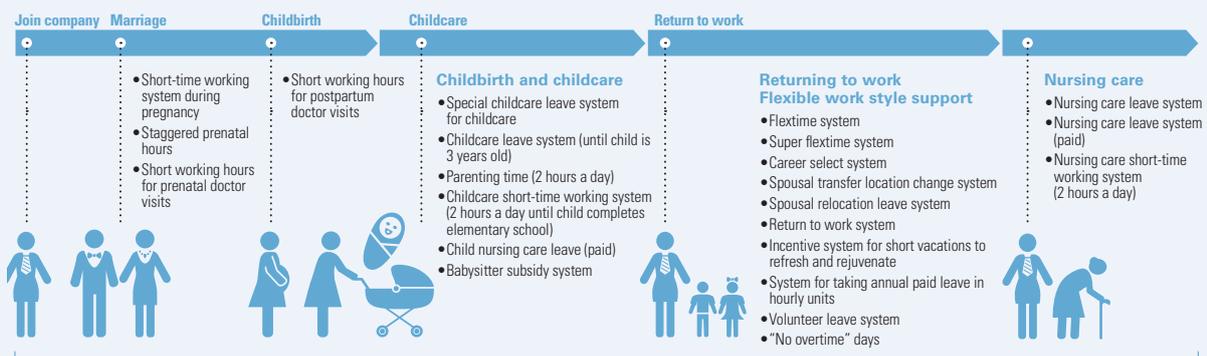
1. The ORIX Group has been conducting morale surveys since 2004 to investigate how employees feel about their day-to-day work and companies, and we make use of the data in various subsequent measures. The 2017 survey involved employees of 10 major Group companies in Japan, and we disclosed the results of the survey in-house.
2. Includes a 20-minute reduction in working hours.

### Support for Balancing Work and Family

We have established various systems to realize flexible work styles according to life events such as marriage, childbirth, childcare, and nursing care to support work-home balance. We provide systemic support and also hold seminars for people taking childbirth and childcare leave to address more specific concerns, such as a work-home balance mindset. We also began offering career seminars in FY2017.<sup>3</sup> for employees who are raising children to address the balance between work and family, and nursing care seminars on providing care for family members.

## Personnel Systems That Accommodate Life Stage and Career

Many employees use the systems to achieve flexible work styles that accommodate their own life stage and career.



**Career planning support** Career Challenge System, Internal Public Offering System, Internal Intern System, Internal Career Change System, Self-Assessment System, Career Challenge System from Age 45, and Internal Recruiting System for Seniors

## Work Style Reform Project

The Work Style Reform Project that launched in 2016 has shifted to the execution phase. We are implementing work style reforms by introducing a new personnel system and raising awareness.

### Employees Working Steadily as a Team in Year Three of Work Style Reform

The Work Style Reform Project began with six months of serious discussion by many employees throughout the Group, culminating in a series of actionable proposals to the CEO. We have been implementing these proposals with a sense of urgency under the CEO's strong leadership. We are seeing clear improvements since the start of the project, with positive changes in ORIX people's mood and the way they think about work styles. However, similar initiatives in the past often started out strong but ended up losing momentum. We are therefore focused on inculcating new approaches and our ability to stay on track to achieve our workplace ideals.

We will continue to improve workplace productivity by enhancing corporate infrastructure, IT, and the office environment. Our goal is to comprehensively implement work style reforms that are unique to ORIX.

This project is a major effort to change ORIX's corporate culture. In addition to requiring collaboration between executives and business units, the project can only succeed if we can change the attitudes and behavior of each employee. Executives and employees are therefore moving forward together, one step at a time.



**Yasuaki Mikami**  
Executive Officer  
Responsible for Work  
Style Reform Project

### External Recognition and Awards

#### Ministry of Economy, Trade and Industry 2018 Certified Health & Productivity Management Outstanding Organizations Recognition Program (February 2018)

The Ministry of Economy, Trade and Industry selected ORIX as an outstanding health and productivity management organization in the large enterprise category (White 500) on February 20, 2018. Companies that consider employee health management from the perspective of corporate management to implement strategic initiatives are certified as outstanding health and productivity management organizations. This certification was initiated in 2017, and ORIX has been certified in the White 500 category in each of its first two years.



#### Forbes Japan Women Award 2017 (December 2017) ORIX Ranked 10th among Companies with 1,000 or More Employees; Received Second Prize for Work Style Reform

Sponsored by *Forbes Japan*, the Forbes Japan Women Award 2017 is one of Japan's largest forums for recognizing the achievements of women, encompassing 1,000 companies and 1,000 individuals. It ranked ORIX 10th among companies with 1,000 or more employees and awarded ORIX second prize in the Work Style Reform category. Launched in 2016, the award recognizes pioneering female business leaders and entrepreneurs as well as companies that are committed to workplaces that encourage women to excel.



# Financial Section

## Eleven-Year Summary

ORIX Corporation and Subsidiaries  
Years ended March 31, 2008 through 2018

	2008	2009	2010	2011
<b>Financial Position:</b>				
Investment in Direct Financing Leases	¥1,098,128	¥ 914,444	¥ 756,481	¥ 830,853
Installment Loans	3,766,310	3,304,101	2,464,251	2,983,164
Investment in Operating Leases	1,019,956	1,226,624	1,213,223	1,270,295
Investment in Securities	1,121,784	926,140	1,104,158	1,175,381
Property under Facility Operations	197,295	189,560	186,396	207,480
Total Assets	8,981,012	8,353,852	7,722,017	8,561,910
Short-term Debt, Long-term Debt and Deposits	6,263,017	5,919,639	5,263,104	6,075,076
Long- and Short-term Debt	5,792,334	5,252,012	4,409,835	5,009,901
Debt/Equity Ratio				
Short-term Debt, Long-term Debt and Deposits/ Shareholders' Equity (Times)	5.0	5.1	4.1	4.6
Short-term Debt and Long-term Debt/Shareholders' Equity (Times)	4.6	4.5	3.4	3.8
Share of Long-term Debt (%)	77	85	87	90
ORIX Corporation Shareholders' Equity	1,258,906	1,157,269	1,287,179	1,306,582
Shareholders' Equity Ratio (%)	14.0	13.9	16.7	15.3
<b>Revenues and Expenses:</b>				
Total Revenues	¥1,101,364	¥1,014,289	¥ 887,290	¥ 938,258
Total Expenses	926,837	961,003	856,326	865,992
Provision for Doubtful Receivables and Probable Loan Losses	33,223	77,015	71,857	31,065
Income before Income Taxes and Discontinued Operations	235,075	11,195	56,748	90,271
Income from Continuing Operations	141,496	15,054	35,723	65,437
Net Income Attributable to ORIX Corporation Shareholders	168,454	20,674	36,512	66,021
ROA (%)	1.96	0.24	0.45	0.81
ROE (%)	13.8	1.7	3.0	5.1
<b>Per Share Data (Yen):</b>				
Net Income Attributable to ORIX Corporation Shareholders:				
Basic Earnings per Share	¥ 184.81	¥ 23.25	¥ 35.83	¥ 61.42
Diluted Earnings per Share	180.57	22.07	30.58	51.83
ORIX Corporation Shareholders' Equity per Share	1,391.10	1,294.48	1,197.55	1,215.44
Cash Dividends	26.00	7.00	7.50	8.00
<b>Segment:</b>				
Segment Profits	¥ 286,728	¥ 29,960	¥ 67,909	¥ 116,954
Segment Assets	7,656,309	6,982,736	6,378,552	6,266,915
Segment Assets ROA (%)	2.27	0.28	0.55	1.04
Number of Employees	18,702	18,920	17,725	17,578

Notes: 1. In fiscal 2011, the Company and its subsidiaries adopted FASB Accounting Standards Update 2009-16 (ASC 860 ("Transfers and Servicing")) and FASB Accounting Standards Update 2009-17 (ASC 810 ("Consolidation")). The effects of adopting these updates on the Company and its subsidiaries' financial conditions at the initial adoption date were an increase of ¥1,147.4 billion in total assets, an increase of ¥1,169.0 billion in total liabilities and a decrease of ¥22.5 billion in retained earnings, net of tax, in the consolidated balance sheets.

2. Cash dividends represent the amount of dividend per share for the corresponding fiscal year.

(Millions of yen)

2012	2013	2014	2015	2016	2017	2018
¥ 900,886	¥ 989,380	¥1,094,073	¥ 1,216,454	¥ 1,190,136	¥ 1,204,024	<b>¥ 1,194,888</b>
2,769,898	2,691,171	2,315,555	2,478,054	2,592,233	2,815,706	<b>2,823,769</b>
1,309,998	1,395,533	1,379,741	1,296,220	1,349,199	1,313,164	<b>1,344,926</b>
1,147,390	1,093,668	1,214,452	2,846,257	2,344,792	2,026,512	<b>1,729,455</b>
194,576	218,697	295,863	278,100	327,016	398,936	<b>434,786</b>
8,332,830	8,435,193	9,063,517	11,439,874	10,992,918	11,231,895	<b>11,425,982</b>
5,828,967	5,556,330	5,363,968	5,701,356	5,685,014	5,753,059	<b>5,890,720</b>
4,725,453	4,477,743	4,157,555	4,413,976	4,286,542	4,138,451	<b>4,133,258</b>
4.2	3.4	2.8	2.7	2.5	2.3	<b>2.2</b>
3.4	2.7	2.2	2.1	1.9	1.7	<b>1.5</b>
90	91	93	94	92	93	<b>93</b>
1,380,736	1,643,596	1,919,346	2,152,198	2,310,431	2,507,698	<b>2,682,424</b>
16.6	19.5	21.2	18.8	21.0	22.3	<b>23.5</b>
¥ 963,721	¥1,052,477	¥1,375,292	¥ 2,174,283	¥ 2,369,202	¥ 2,678,659	<b>¥ 2,862,771</b>
841,506	901,624	1,172,244	1,917,454	2,081,461	2,349,435	<b>2,526,576</b>
19,186	10,016	13,838	11,631	11,717	22,667	<b>17,265</b>
127,515	172,572	286,339	344,017	391,302	424,965	<b>435,501</b>
82,907	118,890	187,786	254,960	270,990	280,926	<b>321,589</b>
83,509	111,909	187,364	234,948	260,169	273,239	<b>313,135</b>
0.99	1.33	2.14	2.29	2.32	2.46	<b>2.76</b>
6.2	7.4	10.5	11.5	11.7	11.3	<b>12.1</b>
¥ 77.68	¥ 102.87	¥ 147.75	¥ 179.47	¥ 198.73	¥ 208.88	<b>¥ 244.40</b>
65.03	87.37	143.20	179.21	198.52	208.68	<b>244.15</b>
1,284.15	1,345.63	1,465.77	1,644.60	1,764.34	1,925.17	<b>2,095.64</b>
9.00	13.00	23.00	36.00	45.75	52.25	<b>66.00</b>
¥ 142,694	¥ 197,329	¥ 295,237	¥ 336,542	¥ 380,110	¥ 420,837	<b>¥ 429,058</b>
6,123,874	6,382,654	7,267,798	9,170,249	8,972,449	8,956,872	<b>9,017,250</b>
1.35	1.79	2.75	2.86	2.87	3.05	<b>3.48</b>
17,488	19,043	25,977	31,035	33,333	34,835	<b>31,890</b>

3. Balance sheet data and income statement data have been changed beginning in the third consolidated fiscal period of FY2015.3. The amounts in the previous years have been retrospectively reclassified to reflect this change.

4. During FY2015.3, we eliminated the accounting period gap that previously existed between Daikyo and ORIX. The amounts in the previous years have been retrospectively reclassified to reflect this change.

## Consolidated Balance Sheets

ORIX Corporation and Subsidiaries

As of March 31, 2016, 2017 and 2018 (unaudited figures for March 31, 2016)

(Millions of yen)

	2016	2017	2018
<b>ASSETS</b>			
Cash and Cash Equivalents	¥ 730,420	¥ 1,039,870	¥ 1,321,241
Restricted Cash	80,979	93,342	83,876
Investment in Direct Financing Leases	1,190,136	1,204,024	1,194,888
Installment Loans	The amounts of ¥20,673 million as of March 31, 2016, ¥19,232 million as of March 31, 2017 and ¥17,260 million as of March 31, 2018 are measured at fair value by electing the fair value option under FASB ASC 825. 2,592,233	2,815,706	2,823,769
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(60,071)	(59,227)	(54,672)
Investment in Operating Leases	1,349,199	1,313,164	1,344,926
Investment in Securities	The amounts of ¥27,367 million as of March 31, 2016, ¥24,894 million as of March 31, 2017 and ¥37,631 million as of March 31, 2018 are measured at fair value by electing the fair value option under FASB ASC 825. 2,344,792	2,026,512	1,729,455
Property under Facility Operations	327,016	398,936	434,786
Investment in Affiliates	530,667	524,234	591,363
Trade Notes, Accounts and Other Receivable	294,638	283,427	294,773
Inventories	139,950	117,863	111,001
Office Facilities	120,173	110,781	112,962
Other Assets	The amounts of ¥37,855 million as of March 31, 2016, ¥22,116 million as of March 31, 2017 and ¥15,008 million as of March 31, 2018 are measured at fair value by electing the fair value option under FASB ASC 825. 1,352,786	1,363,263	1,437,614
<b>Total Assets</b>	<b>¥10,992,918</b>	<b>¥11,231,895</b>	<b>¥11,425,982</b>

## Financial Section

(Millions of yen)

	2016	2017	2018
<b>LIABILITIES</b>			
Short-term Debt	¥ 349,624	¥ 283,467	¥ 306,754
Deposits	1,398,472	1,614,608	1,757,462
Trade Notes, Accounts and Other Payable	266,216	251,800	262,301
Policy Liabilities and Policy Account Balances	1,668,636	1,564,758	1,511,246
	The amounts of ¥795,001 million as of March 31, 2016, ¥605,520 million as of March 31, 2017 and ¥444,010 million as of March 31, 2018 are measured at fair value by electing the fair value option under FASB ASC 825.		
Income Taxes:			
Current	17,398	93,884	18,798
Deferred	341,360	351,828	348,149
Long-term Debt	3,936,918	3,854,984	3,826,504
Other Liabilities	534,008	562,393	588,474
Total Liabilities	8,512,632	8,577,722	8,619,688
Redeemable Noncontrolling Interests	7,467	6,548	7,420
Commitments and Contingent Liabilities			
<b>EQUITY</b>			
Common Stock:	220,469	220,524	220,961
Authorized	2,590,000,000 shares		
Issued	March 31, 2016	1,324,058,828 shares	
	March 31, 2017	1,324,107,328 shares	
	March 31, 2018	1,324,495,728 shares	
Additional Paid-in Capital	257,629	268,138	267,291
Retained Earnings	1,864,241	2,077,474	2,315,283
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains on investment in securities	47,185	32,279	10,465
Defined benefit pension plans	(23,884)	(17,330)	(20,487)
Foreign currency translation adjustments	(24,766)	(31,736)	(31,806)
Net unrealized losses on derivative instruments	(4,757)	(4,483)	(3,738)
Sub-Total	(6,222)	(21,270)	(45,566)
Treasury Stock, at Cost:	(25,686)	(37,168)	(75,545)
March 31, 2016	14,544,808 shares		
March 31, 2017	21,520,267 shares		
March 31, 2018	44,494,856 shares		
ORIX Corporation Shareholders' Equity	2,310,431	2,507,698	2,682,424
Noncontrolling Interests	162,388	139,927	116,450
Total Equity	2,472,819	2,647,625	2,798,874
Total Liabilities and Equity	¥10,992,918	¥11,231,895	¥11,425,982

## Notes:

- The Company's shares held through the Board Incentive Plan Trust (1,696,217 shares as of March 31, 2016, 2,126,076 shares as of March 31, 2017 and 1,651,443 shares as of March 31, 2018) are included in the number of treasury shares as of March 31, 2016, 2017 and 2018, respectively.
- From April 1, 2016, Accounting Standards Update No. 2015-03 (Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs) has been applied retroactively to consolidated financial statements for prior fiscal years.

## Consolidated Statements of Income

ORIX Corporation and Subsidiaries

For the years ended March 31, 2016, 2017 and 2018

(Millions of yen)

	2016	2017	2018
<b>Revenues:</b>			
Finance revenues	¥ 200,889	¥ 200,584	¥ 214,104
Gains on investment securities and dividends	35,786	30,328	43,302
Operating leases	373,910	398,655	379,665
Life insurance premiums and related investment income	189,421	295,940	351,590
Sales of goods and real estate	834,010	1,015,249	1,079,052
Services income	735,186	737,903	795,058
Total revenues	2,369,202	2,678,659	2,862,771
<b>Expenses:</b>			
Interest expense	72,821	72,910	76,815
Costs of operating leases	245,069	243,537	252,327
Life insurance costs	121,282	200,158	255,070
Costs of goods and real estate sold	748,259	928,794	1,003,509
Services expense	445,387	451,277	482,796
Other (income) and expense, net	(3,729)	(4,396)	429
Selling, general and administrative expenses	422,692	418,746	431,594
Provision for doubtful receivables and probable loan losses	11,717	22,667	17,265
Write-downs of long-lived assets	13,448	9,134	5,525
Write-downs of securities	4,515	6,608	1,246
Total expenses	2,081,461	2,349,435	2,526,576
Operating Income	287,741	329,224	336,195
Equity in Net Income of Affiliates	45,694	26,520	50,103
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	57,867	63,419	49,203
Bargain Purchase Gain	—	5,802	—
<b>Income before Income Taxes and Discontinued Operations</b>	391,302	424,965	435,501
Provision for Income Taxes	120,312	144,039	113,912
Net Income	270,990	280,926	321,589
Net Income Attributable to the Noncontrolling Interests	10,002	7,255	8,002
Net Income Attributable to the Redeemable Noncontrolling Interests	819	432	452
<b>Net Income Attributable to ORIX Corporation Shareholders</b>	¥ 260,169	¥ 273,239	¥ 313,135

(Yen)

<b>Amounts per Share of Common Stock for Income Attributable to ORIX Corporation Shareholders:</b>			
Basic	¥ 198.73	¥ 208.88	¥ 244.40
Diluted	198.52	208.68	244.15
Cash Dividends	45.75	52.25	66.00

Note: Cash Dividends represent the amount of dividend per share for the corresponding fiscal year.

## Consolidated Statements of Comprehensive Income

ORIX Corporation and Subsidiaries

For the years ended March 31, 2016, 2017 and 2018

(Millions of yen)

	2016	2017	2018
Net Income	¥270,990	¥280,926	<b>¥321,589</b>
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	(3,121)	(14,926)	<b>(22,834)</b>
Net change of defined benefit pension plans	(4,123)	7,670	<b>(2,962)</b>
Net change of foreign currency translation adjustments	(26,957)	(5,968)	<b>(1,955)</b>
Net change of unrealized gains (losses) on derivative instruments	(4,063)	326	<b>779</b>
Total other comprehensive income (loss)	(38,264)	(12,898)	<b>(26,972)</b>
Comprehensive Income	232,726	268,028	<b>294,617</b>
Comprehensive Income Attributable to the Noncontrolling Interests	7,414	4,276	<b>6,433</b>
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	1,738	374	<b>36</b>
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥223,574	¥263,378	<b>¥288,148</b>

## Segment Overview



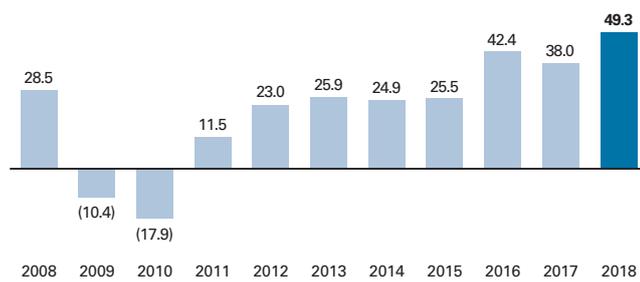
### Corporate Financial Services

Loan, leasing and fee business

#### Segment Profits and Assets

In addition to recording gains on sales of securities, various stable fee businesses contributed to steady profits.

Segment Profits (Billions of yen)



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



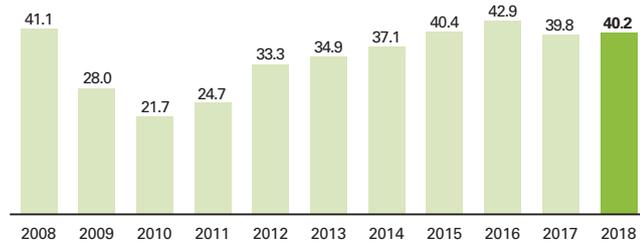
### Maintenance Leasing

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

#### Segment Profits and Assets

Although profit growth was impacted by a year-on-year decrease in gains on sales from used cars, assets increased due to steady growth in vehicles under management.

Segment Profits (Billions of yen)



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



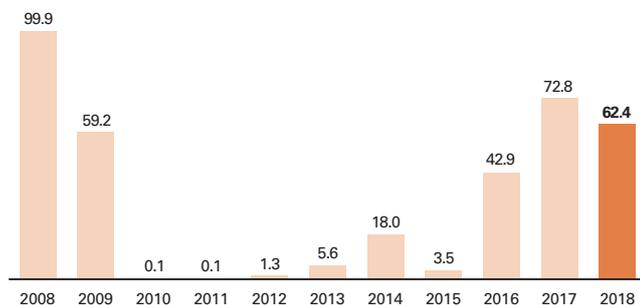
### Real Estate

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

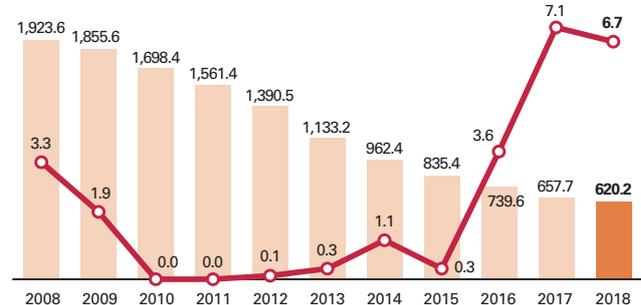
#### Segment Profits and Assets

Profits decreased due to the absence of a large gain on sales recorded in the previous fiscal year, but profits from the asset management business increased and new hotels, Japanese inns and other facilities began operation.

Segment Profits (Billions of yen)



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





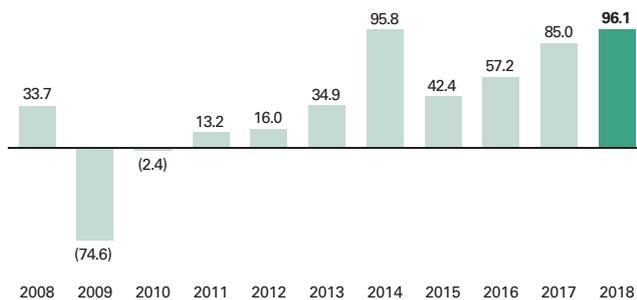
### Investment and Operation

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

#### Segment Profits and Assets

An improved capacity utilization rate in the solar power generation business and income from the concession business (Kansai Airports) contributed to profit growth. Assets increased due to accelerated overseas expansion, including investment in Ormat Technologies, Inc., a geothermal energy business in the U.S.

Segment Profits (Billions of yen)



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



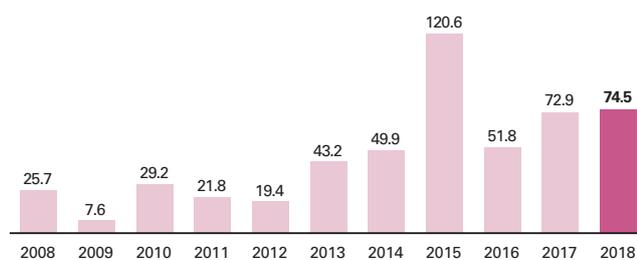
### Retail

Life insurance, banking and card loan

#### Segment Profits and Assets

In the life insurance business, the number of policies increased steadily. Housing and card loans in the banking business also contributed to profit growth.

Segment Profits (Billions of yen)



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



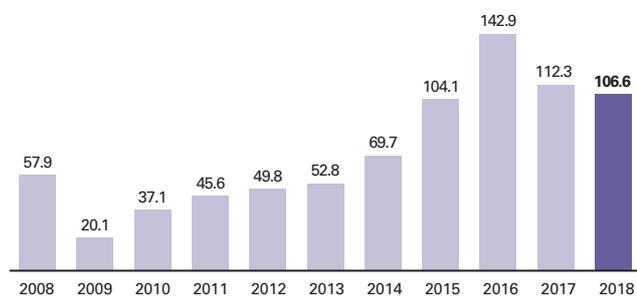
### Overseas Business

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

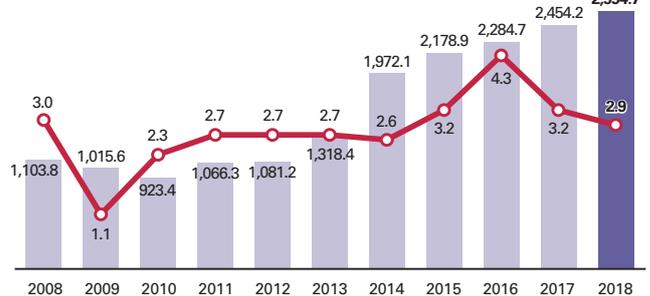
#### Segment Profits and Assets

Profits decreased due to a loss on sales of shares of overseas affiliates, lower contribution from affiliates and other factors, but performance was firm in the asset management and aircraft and ship-related businesses.

Segment Profits (Billions of yen)



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



## Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2018)

### Segment Assets

(Millions of yen)

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
<b>Segment Assets</b>	<b>¥961,901</b>	<b>¥818,201</b>	<b>¥620,238</b>	<b>¥847,677</b>	<b>¥3,174,505</b>	<b>¥2,594,728</b>	<b>¥9,017,250</b>
Investment in Direct Financing Leases	415,301	305,041	33,589	25,497	208	368,721	<b>1,148,357</b>
Installment Loans	363,993	—	312	48,131	1,852,761	520,137	<b>2,785,334</b>
Investment in Operating Leases	26,350	491,369	247,001	30,158	44,319	490,953	<b>1,330,150</b>
Investment in Securities	19,208	560	2,988	32,563	1,260,291	413,977	<b>1,729,587</b>
Property under Facility Operations	15,075	904	195,463	208,106	—	43,995	<b>463,543</b>
Inventories	49	461	2,850	101,518	—	5,923	<b>110,801</b>
Advances for Investment in Operating Leases	203	197	20,524	1,261	—	9,487	<b>31,672</b>
Investment in Affiliates	16,845	1,996	86,666	170,449	702	314,569	<b>591,227</b>
Advances for Property under Facility Operations	720	—	19,351	44,901	—	—	<b>64,972</b>
Goodwill and Other Intangible Assets Acquired in Business Combinations	104,157	17,673	11,494	185,093	16,224	426,966	<b>761,607</b>

### Segment Revenues

(Millions of yen)

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
<b>Segment Revenues</b>	<b>¥115,712</b>	<b>¥275,740</b>	<b>¥172,948</b>	<b>¥1,402,313</b>	<b>¥428,697</b>	<b>¥477,420</b>	<b>¥2,872,830</b>
Finance Revenues	28,390	14,059	2,055	8,982	61,222	96,368	<b>211,076</b>
Gain on Investment Securities and Dividends	17,085	500	526	7,630	114	17,513	<b>43,368</b>
Operating Leases	23,355	189,592	46,938	10,491	—	111,367	<b>381,743</b>
Life Insurance Premiums and Related Investment Income	—	—	—	—	352,974	—	<b>352,974</b>
Sales of Goods and Real Estate	4,379	3,779	7,365	1,048,684	—	13,557	<b>1,077,764</b>
Services Income	42,503	67,810	116,064	326,526	14,387	238,615	<b>805,905</b>

Note: Figures in the table above may vary from figures reported in the consolidated statements of income and the consolidated balance sheets because items considered as corporate assets and revenues are not included.

## Financial Section

## Main Components of Segment Assets

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business
Investment in Direct Financing Leases	Corporate leasing and sales finance	Auto leasing	Real estate leasing	Leasing of energy saving equipment	—	Leasing and sales finance of local subsidiaries
Installment Loans	Corporate loans	—	—	Loans purchased under loan servicing unit	Housing loans, card loans, and corporate loans	Corporate loans in the U.S., auto loans and corporate loans in Asia
Investment in Operating Leases	Lease renewal and real estate leasing	Leasing, rental, lease renewal of auto and precision measuring equipments	Real estate rental	Rental properties owned by Daikyo	ORIX Life Insurance's operating assets (rental properties)	Auto leasing in local subsidiaries and aircraft leasing
Investment in Securities	Investment in listed shares	—	Investment in funds	Investment in listed shares, PE funds	Corporate and government bonds, listed shares, the assets under management of variable annuity and variable life insurance contracts	Investment in municipal bonds and CMBS in the U.S., investment in funds in the U.S., Europe and Asia
Property under Facility Operations	Solar power facilities (JV with Kyudenko Corporation)	—	Operating facilities including hotels, Japanese inns, aquariums, golf courses, etc.	Environment and energy related facilities and equipment	—	Mortgage servicing rights in the U.S.
Inventories	—	—	Condominiums	Daikyo's condominiums and investees' (consolidated subsidiaries) operating assets	—	Investees' (consolidated subsidiaries) operating assets
Advances for Investment in Operating Leases	—	—	Rental properties under development	—	—	Vessels under construction
Investment in Affiliates	Investment in joint ventures and new businesses	—	Joint development of rental properties	PE investment, investment in power business abroad, investment in concession business	—	Investment in joint ventures, PE investment in Asia, and investment in U.S. investment banks
Advances for Property under Facility Operations	—	—	Operating facilities under development	Environment and energy related facilities and equipment under development	—	—
Goodwill and Other Intangible Assets Acquired in Business Combinations			Goodwill and intangible assets resulting from M&As			

## Main Components of Segment Revenues

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business
Finance Revenues	Leasing and sales finance revenues and interest revenues from corporate loans	Auto leasing revenues	Revenues from real estate leasing	Gains on loan collection in loan servicing and leasing revenues from energy saving equipment	Interest revenues from housing loans, card loans and corporate loans	Leasing and sales finance revenues and interest revenues of local subsidiaries, and interest revenues from CMBS in the U.S.
Gain on Investment Securities and Dividends	Gains on sales of listed shares	—	—	Gains on sales of investees and equity income/dividends from investees and PE funds	Gains on sales of corporate and government bonds held by ORIX Bank	Gains on sales of investees and equity income from PE funds, gains on sales of municipal bonds in the U.S.
Operating Leases	Lease renewal revenues and revenues from real estate leasing	Auto and precision measuring equipment leasing, rental, and leasing renewal revenues and gains on sales from used cars	Rental revenues from rental properties and gains on sales of rental properties	Rental revenues from Daikyo's rental properties	—	Auto leasing revenues of local subsidiaries, gains on sales of used cars, aircraft leasing revenues and gains on sales of aircraft
Life Insurance Premiums and Related Investment Income	—	—	—	—	Life insurance premiums and related investment income	—
Sales of Goods and Real Estate	Revenues from sales of software of Yayoi	Revenues from sales of used rental equipment	Gains on sales of condominiums	Revenues from sales of goods by investees and Daikyo's gains on sales of condominiums	—	Revenues from sales of goods by investees (subsidiaries)
Services Income	Revenues from after-sales services of Yayoi, insurance agency commissions, environment and energy business related fees	Revenues from vehicle maintenance services	Revenues from operating facilities (including gains on sales), asset management fees and real estate investment advisory fees	Revenues from Environment and Energy businesses (including gains on sales) and income from Daikyo's real estate management service and income from investees	Guarantee fees on other financial institutions' card loans	ORIX Europe's asset management fee revenues, and income from auto maintenance services of local subsidiaries

# About ORIX

## Group Companies (As of March 31, 2018)

Segment	Principal Business	Established (Acquired)	Direct/ Indirect Investment
<b>Corporate Financial Services</b>			
ORIX Corporation Eastern Japan Sales Headquarters, Western Japan Sales Headquarters	Leasing, Lending, Other Financial Services		
NS Lease Co., Ltd.	Leasing, Lending, Other Financial Services	(Jul. 2002)	100%
ORIX Tokushima Corporation	Leasing, Other Financial Services	(Oct. 2005)	95%
Tsukuba Lease Corporation	Leasing	(Jun. 2010)	95%
Kyuko-Lease Inc.	Leasing, Other Financial Services	(Jan. 2012)	85%
FREEILL CORPORATION	Medical Equipment Rental	(May 2013)	100%
Yayoi Co., Ltd.	Development, Marketing, and Support of Business Management Software and Related Services	(Dec. 2014)	99%
ORIX Yatsugatake Farm Co., Ltd.	Production and Sales of Hydroponic Vegetables	Apr. 2015	97%
ORIX Food Supply Corporation	Purchase and Sales of Fruits and Vegetables	Jul. 2016	100%
Altoa, Inc.	Online Lending	Feb. 2017	91%
<b>Maintenance Leasing</b>			
ORIX Auto Corporation	Automobile Leasing, Rental, Car-Sharing and Sales of Used Automobiles	Jun. 1973	100%
ORIX Rentec Corporation	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Sep. 1976	100%
Yodogawa Transformer Co., Ltd.	Manufacturing, Rental, Sales, and Purchasing of Power Receiving, Transforming, and Generating Facilities and Equipment, Various Types of Transformers, Cubicles, etc.	(Jan. 2018)	100%
<b>Real Estate</b>			
ORIX Corporation Real Estate Headquarters	Real Estate Development and Rental		
ORIX Interior Corporation	Interior Finish Work and Construction Management, Real Estate Rental and Manufacturing and Sales of Interior Furnishings	(Jan. 1987)	100%
BlueWave Corporation	Hotel and Training Facility Management	Jan. 1997	100%
ORIX Real Estate Corporation	Real Estate Development and Rental, Facilities Operation	Mar. 1999	100%
ORIX Asset Management Corporation	Asset Management of J-REIT	Sep. 2000	100%
ORIX Golf Management Corporation	Golf Course Management	(Nov. 2004)	100%
ORIX Living Corporation	Senior Housing Management	Apr. 2005	98%
Chofu Driving School Corporation	Driving School	(Dec. 2005)	100%
ORIX Real Estate Investment Advisors Corporation	Real Estate Investment and Advisory Services	Sep. 2007	100%
ORIX Aquarium Corporation	Aquarium Operation	Apr. 2011	100%
ORIX Agriculture Corporation	Production of Vegetables at Plant Factory and their Sales	Feb. 2014	100%
<b>Investment and Operation</b>			
ORIX Corporation Investment and Operation Headquarters	Principal Investment		
ORIX Corporation Energy and Eco Services Business Headquarters	Environment and Energy Business		
ORIX Capital Corporation	Venture Capital	Oct. 1983	100%
ORIX Eco Services Corporation	Trading of Recycled Metals and Other Resources, Collection and Transportation of Industrial Waste, and Intermediate Waste Processing	Apr. 1998	100%
ORIX Asset Management & Loan Services Corporation	Loan Servicing	Apr. 1999	100%
ORIX Environmental Resources Management Corporation	Waste Recycling	Sep. 2002	100%
Agatsuma Bio Power Co., Ltd.	Biomass Power Generation	Jan. 2006	100%
ORIX Loan Business Center Corporation	Personal Loan Related Asset Management, Customer Relations	May 2009	99%
Ubiteq, INC.	Development and Manufacturing of Electronic Equipment and In-Vehicle Devices, Development and Operation of Systems, IoT Business	(Jul. 2010)	57%
ONE Energy Corporation	Trading and Rental of Storage Batteries, Energy Related Services	Mar. 2013	70%
<b>Retail</b>			
ORIX Credit Corporation	Consumer Finance Services	Jun. 1979	100%
ORIX Life Insurance Corporation	Life Insurance	Apr. 1991	100%
ORIX Bank Corporation	Banking	(Apr. 1998)	100%
ORIX Insurance Consulting Corporation	Insurance Agency Services	Oct. 2012	100%
<b>ORIX Headquarter Functions (Not included in Segment Financial Information)</b>			
ORIX Insurance Services Corporation	Insurance Agency Services	Sep. 1976	100%
ORIX Computer Systems Corporation	Software Engineering and Systems Management	Mar. 1984	100%
ORIX Baseball Club Co., Ltd.	Professional Baseball Team Management	(Oct. 1988)	100%
ORIX Management Information Center Corporation	Accounting and Administration Services	Oct. 1999	100%
ORIX Business Center Okinawa Corporation	Business Center, Contact Center	Nov. 1999	100%
ORIX Business Support Corporation	Business Support Services	Apr. 2007	100%

Segment	Country (Region) <sup>1</sup>	Principal Business	Established (Acquired)	Direct/ Indirect Investment
<b>Overseas Business</b>				
ORIX Corporation Global Business Headquarters <sup>2</sup>	Japan	Administration of Overseas Activities, Alternative Investment		
ORIX Corporation Global Transportation Services Headquarters <sup>2</sup>	Japan	Ship-related Services, Aircraft-related Services		
ORIX Corporation East Asia Business Headquarters <sup>2</sup>	Japan	Administration of Overseas Activities		
ORIX Maritime Corporation <sup>2</sup>	Japan	Ship Charter and Ship Broker Service	Nov. 1977	100%
ORIX Aircraft Corporation <sup>2</sup>	Japan	Aircraft Leasing	May 1986	100%
ORIX Corporation USA	USA	Financial Services	Aug. 1981	100%
RED Capital Group, LLC	USA	Loan Servicing	(May 2010)	100%
Mariner Investment Group LLC	USA	Fund Operation and Management	(Dec. 2010)	69%
Boston Financial Investment Management L.P.	USA	Low-Income Housing Tax Credit Syndicator	(Jul. 2016)	100%
Ormat Technologies, Inc. <sup>3</sup>	USA	Geothermal Power Generation	(Jul. 2017)	21%
Lancaster Pollard Holdings, LLC	USA	Mortgage Banking and Loan Servicing	(Sep. 2017)	100%
Boston Partners Global Investors, Inc.	USA	Asset Management	(Jul. 2013)	100%
Harbor Capital Advisors, Inc.	USA	Asset Management	(Jul. 2013)	100%
ORIX Brazil Investments and Holdings Limited	Brazil	Equity Investment	Aug. 2012	100%
RB Capital S.A.	Brazil	Real Estate Securitization, Asset Management, Real Estate Development and Investment	(Dec. 2016)	67%
ORIX Asia Limited	Hong Kong	Leasing, Automobile Leasing, Lending, Banking	Sep. 1971	100%
ORIX Asia Capital Limited	Hong Kong	Equity Investment, Fund Operation and Management, Lending	Jul. 1973	100%
ORIX Taiwan Corporation	Taiwan	Leasing, Sales Finance, Insurance Agency Services	(Feb. 1991)	100%
ORIX Auto Leasing Taiwan Corporation	Taiwan	Automobile Leasing	Apr. 1998	100%
ORIX Taiwan Asset Management Company	Taiwan	NPL Investment, Loan Servicing	Nov. 2004	100%
ORIX Rentec (Korea) Corporation	South Korea	Rental and Leasing of Test and Measurement Instruments and IT-Related Equipment	(Apr. 2001)	100%
ORIX Capital Korea Corporation	South Korea	Automobile Leasing, Leasing, Lending	Feb. 2004	100%
ORIX Private Equity Korea Corporation	South Korea	Fund Operation and Management	Mar. 2010	100%
ORIX China Corporation	China	Leasing, Rental	Aug. 2005	97%
CHINA RAILWAY LEASING CO., LTD.	China	Railway-related Leasing	(Jan. 2006)	14%
Beijing Oriental Jicheng Co., Ltd.	China	Rental and Sales of Precision Measuring Equipment	(Feb. 2006)	25%
ORIX (China) Investment Co., Ltd.	China	Leasing, Equity Investment, Other Financial Services	Dec. 2009	100%
Pang Da ORIX Auto Leasing Co., Ltd.	China	Automobile Leasing	May 2012	25%
TenGer Financial Group LLC	Mongolia	Banking, Leasing, Non-Life Insurance	(Oct. 2013)	16%
ORIX Leasing Singapore Limited	Singapore	Leasing, Sales Finance, Lending	Sep. 1972	50%
ORIX Investment and Management Private Limited	Singapore	Equity Investment, Lending	May 1981	100%
ETHOZ Group Ltd.	Singapore	Automobile Leasing and Rentals, Leasing	Sep. 1981	45%
ORIX Rentec (Singapore) Pte. Limited	Singapore	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Oct. 1995	100%
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending	Sep. 1973	100%
ORIX Credit Malaysia Sdn. Bhd.	Malaysia	Sales Finance	Jan. 1981	100%
ORIX Car Rentals Sdn. Bhd.	Malaysia	Automobile Rentals	Feb. 1989	100%
ORIX Rentec (Malaysia) Sdn. Bhd.	Malaysia	Rental and Leasing of Test and Measurement Instruments and IT-related Equipment	Nov. 1996	100%
ORIX Auto Leasing Malaysia Sdn. Bhd.	Malaysia	Automobile Leasing	Oct. 2000	100%
ORIX Asset Management Malaysia Sdn. Bhd.	Malaysia	NPL Investment	Jan. 2008	100%
PT. ORIX Indonesia Finance	Indonesia	Leasing, Automobile Leasing	Apr. 1975	85%
PT. Sinar Mitra Sepadan Finance	Indonesia	Used Car Loans for Sole Proprietors and Individual Customers	(Nov. 2015)	85%
ORIX METRO Leasing and Finance Corporation	Philippines	Leasing, Automobile Leasing, Lending	Jun. 1977	40%
ORIX Auto Leasing Philippines Corporation	Philippines	Automobile Leasing	Sep. 1989	40%
Thai ORIX Leasing Co., Ltd.	Thailand	Leasing, Automobile Leasing and Rentals	Jun. 1978	96%
Indochina Capital Corporation	Vietnam	Fund Operation and Management, Real Estate Development, and Advisory, Investment Banking	(Nov. 2010)	25%
ORIX Leasing Pakistan Limited <sup>3</sup>	Pakistan	Leasing, Automobile Leasing	Jul. 1986	49%
INFRASTRUCTURE LEASING & FINANCIAL SERVICES LIMITED	India	Infrastructure Investment, Investment Banking	(Mar. 1993)	23%
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing and Rentals	Mar. 1995	99%
Canara Robeco Asset Management Company Limited	India	Asset Management	(Jul. 2013)	49%
ORIX Leasing Egypt SAE	Egypt	Leasing, Automobile Leasing	Jun. 1997	34%
Saudi ORIX Leasing Company	Saudi Arabia	Leasing, Automobile Leasing	Jan. 2001	28%
Al Hail ORIX Finance PSC	UAE	Leasing, Automobile Leasing, Lending	Mar. 2002	38%
The Mediterranean & Gulf Insurance & Reinsurance Company B.S.C.	Bahrain	Non-Life Insurance, Life Insurance, Reinsurance	(Jun. 2013)	25%
ORIX Australia Corporation Limited	Australia	Automobile Leasing and Truck Rentals	Jul. 1986	100%
ORIX New Zealand Limited	New Zealand	Leasing, Automobile Leasing	Dec. 1988	100%
ORIX Aviation Systems Limited	Ireland	Aircraft Leasing, Asset Management, Aircraft-related Technical Services	Mar. 1991	100%
ORIX Polska S.A.	Poland	Leasing, Automobile Leasing	(Oct. 1995)	100%
ORIX Corporation Europe N.V.	Netherlands	Asset Management	(Jul. 2013)	100%
Robeco Institutional Asset Management B.V. (RIAM)	Netherlands	Asset Management	(Jul. 2013)	100%
Transtrend B.V.	Netherlands	Asset Management	(Jul. 2013)	100%
RobecoSAM AG	Switzerland	Asset Management	(Jul. 2013)	100%
ORIX Corporation UK Limited	UK	Equity Investment, Lending	Jan. 2018	100%

Notes: 1. ORIX has offices in other locations not included in the list above. In total, ORIX's business operations currently extend across 38 countries and regions worldwide.

2. ORIX Corporation's Global Business Headquarters, Global Transportation Services Headquarters, East Asia Business Headquarters as well as ORIX Maritime Corporation and ORIX Aircraft Corporation, are based in Japan but are engaged in business activities primarily in Asia, Oceania and Europe.

3. Listed company

# Corporate Profile/Stock Information/Investor Memo

## Corporate Profile (As of March 31, 2018)

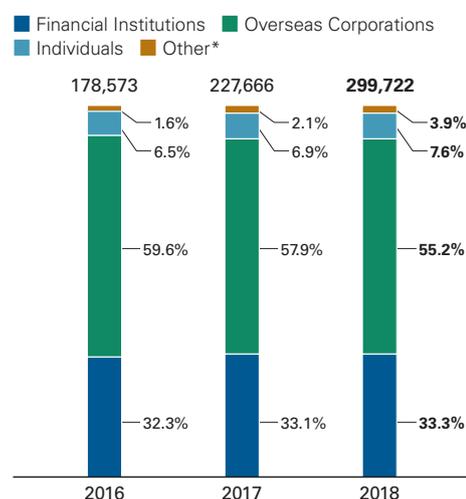
Company Name	ORIX Corporation	Shareholders' Equity	¥2,682,424 million
Established	April 17, 1964	Fiscal Year-End	March 31
Head Office	World Trade Center Bldg., 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-6135, Japan Tel: +81-3-3435-3000	Consolidated Companies	831
		Affiliates	190
		Number of Employees	31,890
		Global Network	2,184 locations in 38 countries and regions worldwide Japan 1,468 locations Ex-Japan 716 locations

## Stock Information (As of March 31, 2018)

### Number of Shares

Total Number of Shares Authorized	2,590,000,000 shares
Total Number of Shares Issued and Outstanding	1,324,495,728 shares
Number of Shareholders	299,722

### Number of Shareholders/ Composition of Shareholders (%)

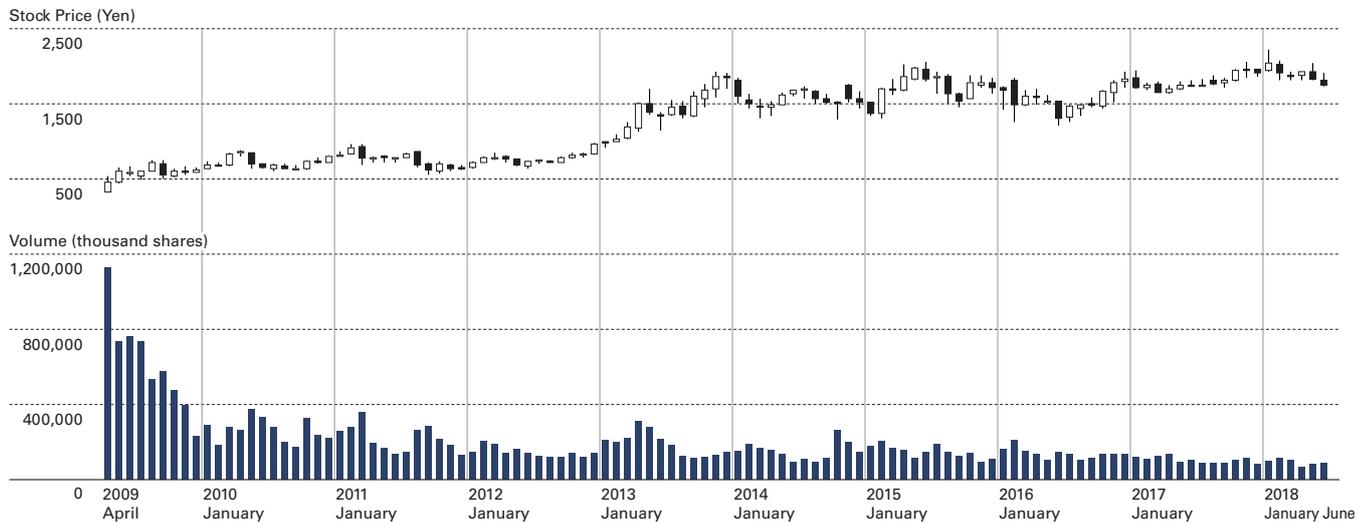


\* Other includes treasury stock.

### Major Shareholders

Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	114,527	8.93
The Master Trust Bank of Japan, Ltd. (Trust Account)	77,985	6.08
Japan Trustee Services Bank, Ltd. (Trust Account 9)	38,225	2.98
CITIBANK, N.A.-N.Y. AS DEPOSITARY BANK FOR DEPOSITARY SHAREHOLDERS	26,904	2.09
Japan Trustee Services Bank, Ltd. (Trust Account 5)	25,136	1.96
State Street Bank and Trust Company	24,468	1.90
State Street Bank West Client Treaty 505234	24,344	1.89
The Chase Manhattan Bank 385036	23,629	1.84
State Street Bank and Trust Company 505001	22,203	1.73
Japan Trustee Services Bank, Ltd. (Trust Account 7)	20,941	1.63

## Stock Price and Volume



Note: On April 1, 2013, the Company conducted a 10-for-1 stock split for shareholders of record as of the close of trading on March 31, 2013. Stock prices for the year ended March 31, 2013 and earlier have been restated for convenience.

## Investor Memo (As of August 1, 2018)

### Transfer Agent for Common Shares

Mitsubishi UFJ Trust and Banking Corporation  
Tel: 0120-232-711 (toll-free in Japan)

### Stock Exchange Listings

Tokyo Stock Exchange, First Section, Securities Code: 8591  
New York Stock Exchange Trading Symbol: IX

### Depository and Registrar for American Depositary Receipts

Citibank, N.A., Shareholder Services  
P.O. Box 43077  
Providence, RI  
02940-3077  
USA  
Tel: 1-877-248-4237 (toll-free in the U.S.)  
1-816-843-4281 (outside the U.S.)  
Fax: 1-201-324-3284  
E-mail: citibank@shareholders-online.com  
Ratio 1 ADR = 5 common shares  
NYSE: IX

### Passive Foreign Investment Company Rules

The Company believes that it will be considered a "passive foreign investment company" for U.S. federal income tax purposes in the year to which these consolidated financial results relate and for the foreseeable future by reason of the composition of its assets and the nature of its income. A U.S. holder of the shares or ADSs of the Company is therefore subject to special rules generally intended to eliminate any benefits from the deferral of U.S. federal income tax that a holder could derive from investing in a foreign corporation that does not distribute all of its earnings on a current basis. Investors should consult their tax advisors with respect to such rules, which are summarized under "UNITED STATES TAXATION" in the Company's Form 20-F filed with the U.S. Securities and Exchange Commission.

### Presentation of Financial Information

The Company's fiscal year ends on March 31. The fiscal year ended March 31, 2018, is referred to throughout this Integrated Report as "FY2018.3" and other fiscal years are referred to in a corresponding manner.

### Forward-Looking Statements

This document may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under "Risk Factors" in the Company's Form 20-F filed with the U.S. Securities and Exchange Commission and under "Business Risk" of the securities report (*yukashoken houkokusho*) filed with the Director of the Kanto Local Finance Bureau. The Company makes available free of charge on or through its website (<http://www.orix.co.jp/grp/en>) its annual report on Form 20-F and other reports.

## ORIX Corporation

Treasury and Accounting Headquarters  
Corporate Planning Department

World Trade Center Bldg., 2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-6135, Japan  
Tel: +81-3-3435-3121 Fax: +81-3-3435-3154 URL: <https://www.orix.co.jp/grp/en/>  
For inquiries about this Integrated Report, please contact us at the address above.

