

Notice of the 56th Annual General Meeting of Shareholders

Contents

Notice of the 56th Annual General Meeting of Shareholders	2
Reference Documents for the General Meeting of Shareholders	3
Business Report for the 56th Fiscal Year (From April 1, 2018 to March 31, 2019)	14
Consolidated Balance Sheet (U.S. GAAP).....	41
Consolidated Statement of Income (U.S. GAAP).....	43
Consolidated Statement of Changes in Equity (U.S. GAAP).....	44
Non-consolidated Balance Sheet (Japanese GAAP).....	45
Non-consolidated Statement of Income (Japanese GAAP).....	47
Audit Report by the Accounting Auditors with Respect to the Consolidated Financial Statements.....	48
Audit Report by the Accounting Auditors with Respect to the Non-consolidated Financial Statements.....	50
Audit Committee's Report	52

May 31, 2019

ORIX CORPORATION

This document is a translation of the Japanese language original prepared solely for convenience of reference (certain portions of the Japanese language original applicable to voting procedures in Japan that are not applicable to shareholders outside Japan have been omitted). In the event of any discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail. Please note that certain portions of this document may not be applicable to shareholders outside Japan.

To Our Shareholders:

Makoto Inoue
Director,
Representative Executive Officer
ORIX CORPORATION
2-4-1, Hamamatsu-cho
Minato-ku, Tokyo, Japan

ORIX CORPORATION

Notice of the 56th Annual General Meeting of Shareholders

We cordially invite you to attend the 56th Annual General Meeting of Shareholders of ORIX CORPORATION (the “Company”) to be held as set forth below.

Details

1. **Date and Time:** Friday, June 21, 2019 at 10:00 a.m. (JST)
2. **Place:** [Hiten], Grand Prince Hotel New Takanawa
3-13-1, Takanawa, Minato-ku, Tokyo, Japan
*Please be informed that presents will not be provided on the day of the General Meeting of Shareholders.

3. **Agenda of the Meeting:**
Matters to be reported:

1. The business report and the consolidated financial statements for the 56th fiscal year (from April 1, 2018 to March 31, 2019), as well as the audit reports of the public accounting firm and the Audit Committee for consolidated financial statements
2. Financial statements for the 56th fiscal year (from April 1, 2018 to March 31, 2019)

Matters to be resolved:

Proposal Election of Twelve (12) Directors

-
- In case there are any changes in relation to the reference documents for the General Meeting of Shareholders and the business reports, the financial statement and the consolidated financial statement, we will notify you through the following Company’s website.
 - Of the attached documents to the Notice of the 56th Annual General Meeting of Shareholders, “Stock Acquisition Rights”, “Matters Concerning the Independent Auditor” and “Internal Control System (Frameworks to secure the adequacy of the business procedures of ORIX)” within the business report, and “Notes to the Consolidated Financial Statements (U.S. GAAP)”, “Financial Statements (Japanese GAAP) Non-Consolidated Statement of Changes in Net Assets” and “Financial Statements (Japanese GAAP) Notes to Non-Consolidated Financial Statements”, are disclosed on the Company’s website, in compliance with related laws and the provisions of Article 13 of the Company’s Articles of Incorporation. They are not provided in the attached documents to this Notice. Therefore, the attachments to the Notice are a part of the business report, the financial statement and the consolidated financial statement audited by the Audit Committee and the Independent Auditor in preparing the audit reports.
 - We will post the Notice of Resolution at the 56th Annual General Meeting of Shareholders on the following Company’s website.
The Company’s website: https://www.orix.co.jp/grp/en/ir/library/shareholder_meeting/

Reference Documents for the General Meeting of Shareholders

Proposal: Election of Twelve (12) Directors

The terms of office of all 12 Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Consequently, the shareholders are requested to elect 12 Directors based on the decision by the Nominating Committee.

The Nominating Committee has appointed candidates for Directors of such mix that ensures the Board of Directors will have a balance and diversity of knowledge, experience and capability as a whole. In particular, when appointing the candidates for Outside Directors, the Nominating Committee has appointed candidates determined to be able to appropriately perform the duties of Outside Director such as making proposals for important matters in the Company's management and overseeing corporate management. This includes the following candidates: persons with abundant experience as corporate executives; persons with specialized knowledge relating to corporate management such as economics, business management, law, and accounting; and persons with extensive knowledge in aspects affecting corporate management in general such as politics, society, culture, and academia. The Company determines that the candidates for Outside Directors possess sufficient independence as they meet the 'Requirements for Independent Directors' established by the Nominating Committee and the requirements for independent director prescribed by the Tokyo Stock Exchange, Inc. in Japan.

Candidates for the 12 Director positions are as follows:

No.	Name	Current Positions and Responsibilities in the Company	
1	Makoto Inoue -Renominated-	Director, Representative Executive Officer, President and Chief Executive Officer, Responsible for Group Strategy Business Unit	
2	Yuichi Nishigori -Renominated-	Director, Senior Managing Executive Officer, Head of Energy and Eco Services Business Headquarters	
3	Stan Koyanagi -Renominated-	Director, Managing Executive Officer, Responsible for Enterprise Risk Management Headquarters, Global General Counsel	
4	Shuji Irie -Renominated-	Director, Managing Executive Officer, Head of Investment and Operation Headquarters	
5	Shoji Taniguchi -Newly Nominated-	Managing Executive Officer, Responsible for Treasury and Accounting Headquarters, Assistant to CEO	
6	Satoru Matsuzaki -Newly Nominated-	Managing Executive Officer, Head of Corporate Business Headquarters	
7	Eiko Tsujiyama -Renominated-	Director, Audit Committee (Chairperson), Compensation Committee	Outside Director Independent Director
8	Nobuaki Usui -Renominated-	Director, Nominating Committee (Chairperson), Audit Committee	Outside Director Independent Director
9	Ryuji Yasuda -Renominated-	Director, Nominating Committee, Audit Committee, Compensation Committee	Outside Director Independent Director
10	Heizo Takenaka -Renominated-	Director, Nominating Committee, Audit Committee	Outside Director Independent Director
11	Michael Cusumano -Newly Nominated-		Outside Director Independent Director
12	Sakie Akiyama -Newly Nominated-		Outside Director Independent Director

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
1	Makoto Inoue (Oct. 2, 1952) -Renominated-	<p>Apr. 1975 Joined the Company</p> <p>Jan. 2003 Deputy Head of Investment Banking Headquarters</p> <p>Feb. 2005 Assumed office of Executive Officer, the Company</p> <p>Jan. 2006 Assumed office of Managing Executive Officer, the Company</p> <p>Jun. 2009 Assumed office of Senior Managing Executive Officer, the Company</p> <p>Jun. 2010 Assumed office of Director and Deputy President, the Company</p> <p>Jan. 2011 Assumed office of Director, Representative Executive Officer, President, the Company (present) Chief Operating Officer</p> <p>Jan. 2014 Co-Chief Executive Officer</p> <p>Jun. 2014 Chief Executive Officer (present)</p> <p>Jan. 2017 Responsible for Group IoT Business Department, Responsible for New Business Development Department I and II</p> <p>Apr. 2017 Responsible for New Business Development</p> <p>May 2017 Responsible for Open Innovation Business Department</p> <p>Jan. 2018 Responsible for Group Strategy Business Unit (present)</p> <p><Reasons for nomination for Director> Mr. Makoto Inoue has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his service as President, Representative Executive Officer and Chief Executive Officer. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	79,534
2	Yuichi Nishigori (Jan. 28, 1957) -Renominated-	<p>Apr. 1980 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2003 Joined the Company</p> <p>Jan. 2007 Deputy Head of Alternative Investment and Development Headquarters</p> <p>Jan. 2009 Assumed office of Executive Officer, the Company</p> <p>Jan. 2014 Assumed office of Managing Executive Officer, the Company Head of Energy and Eco Services Business Headquarters (present)</p> <p>Jun. 2015 Assumed office of Director, Managing Executive Officer, the Company</p> <p>Sep. 2015 Assumed office of Director, Ubiteq INC. (present)</p> <p>Jan. 2016 Assumed office of Director, Senior Managing Executive Officer, the Company (present)</p> <p><Reasons for nomination for Director> Mr. Yuichi Nishigori has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of project development and investment. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	17,005

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
3	Stan Koyanagi (Dec. 25, 1960) -Renominated-	<p>Oct. 1985 Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP</p> <p>Jan. 1993 Partner, GRAHAM & JAMES LLP (currently Squire Patton Boggs LLP)</p> <p>Mar. 1997 General Counsel, Vice President, ORIX USA Corporation (currently ORIX Corporation USA)</p> <p>Mar. 1999 General Counsel, Vice President and Manager, ORIX USA Corporation (currently ORIX Corporation USA)</p> <p>Jan. 2004 Vice President and Associate General Counsel, KB HOME</p> <p>Jul. 2013 Joined the Company Global General Counsel of Global Business Headquarters</p> <p>Jun. 2017 Assumed office of Director, Managing Executive Officer, the company (present) Responsible for Enterprise Risk Management Global General Counsel (present)</p> <p>Aug. 2017 Assumed office of Chairman (present) and Chief Executive Officer, Robeco Groep N.V. (currently ORIX Corporation Europe N.V.)</p> <p>Jun. 2018 Head of Enterprise Risk Management Headquarters</p> <p>Jan. 2019 Responsible for Enterprise Risk Management Headquarters (present)</p> <p><Reasons for nomination for Director> Mr. Stan Koyanagi served successively as the General Counsel of ORIX USA Corporation (currently ORIX Corporation USA) and the Vice President and Associate General Counsel of KB Home in the United States. He has extensive experience and advanced knowledge in overseas legal affairs. Moreover, at ORIX Corporation, he has a wealth of experience and advanced knowledge on the multifaceted business activities of the ORIX Group through his missions of Responsible for Enterprise Risk Management and Global General Counsel. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc. gained from inside and outside the Company.</p>	0
4	Shuji Irie (Mar. 14, 1963) -Renominated-	<p>May 2001 Joined Mizuho Securities CO., Ltd.</p> <p>Apr. 2011 Joined the Company</p> <p>Sep. 2011 Deputy Head of Investment and Operation Headquarters</p> <p>Jan. 2013 Assumed office of Executive Officer, the company</p> <p>Jan. 2014 Head of Investment and Operation Headquarters (present)</p> <p>Jan. 2016 Assumed office of Managing Executive Officer, the company Responsible for Concession Business Development</p> <p>Jun. 2018 Assumed office of Director, Managing Executive officer, the Company (present)</p> <p><Reasons for nomination for Director> Mr. Shuji Irie has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of investment and operation. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	2,402

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
5	Shoji Taniguchi (Jan. 11, 1964) -Newly Nominated-	<p>Apr. 1987 Joined the Company</p> <p>Apr. 1993 Joined Morgan Stanley & Co. LLC</p> <p>Jul. 2005 Co-head of Sales, Morgan Stanley Japan Ltd.</p> <p>Feb. 2010 Assumed office of President, RBS Securities Japan Ltd.</p> <p>Nov. 2015 Head of APAC, The Royal Bank of Scotland plc. (currently NatWest Markets Plc)</p> <p>Oct. 2018 Rejoined the Company Assumed office of Senior Advisor, the Company Assistant to CEO (present)</p> <p>Jan. 2019 Assumed office of Managing Executive Officer, the Company (present) Responsible for Treasury and Accounting Headquarters (present)</p> <p><Reasons for nomination for Director> Mr. Shoji Taniguchi is a candidate for new Director. He has wide-ranging experience and knowledge in corporate management through his past experiences, including President of RBS Securities Japan Ltd., and Head of APAC, The Royal Bank of Scotland plc. (currently NatWest Markets Plc). Moreover, at the Company, he has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of assistant to CEO and treasury and accounting. The Nominating Committee has appointed him as a new candidate for Director because it has determined that he can be expected to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc. gained from inside and outside the Company.</p>	15,000
6	Satoru Matsuzaki (Apr. 12, 1966) -Newly Nominated-	<p>Apr. 1989 Joined Crown Leasing Corporation</p> <p>Aug. 1997 Joined the Company</p> <p>May 2012 Special Advisor to Responsible for Corporate Communications Department</p> <p>Jan. 2013 Assumed office of Executive Officer, the Company</p> <p>Jun. 2015 Responsible for New Business Development Department I and II Head of Tokyo Sales Headquarters</p> <p>Jan. 2017 Head of Eastern Japan Sales Headquarters</p> <p>Jan. 2018 Assumed office of Managing Executive Officer, the Company (present) Head of Domestic Sales Administrative Headquarters</p> <p>Jan. 2019 Head of Corporate Business Headquarters (present)</p> <p><Reasons for nomination for Director> Mr. Satoru Matsuzaki is a candidate for new Director. He has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of corporate financial services. The Nominating Committee has appointed him as a new candidate for Director because it has determined that he can be expected to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	8,002

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
7	Eiko Tsujiyama (Dec. 11, 1947) -Renominated- Candidate for Outside Director/ Independent Director	<p>Apr. 1974 Registered as Certified Public Accountant</p> <p>Aug. 1980 Assistant Professor, School of Humanities at Ibaraki University</p> <p>Apr. 1985 Assistant Professor, School of Economics at Musashi University</p> <p>Apr. 1991 Professor, School of Economics at Musashi University</p> <p>Apr. 1996 Assumed office of Dean, School of Economics at Musashi University</p> <p>Apr. 2003 Professor, School of Commerce at Waseda University Professor, Graduate School of Commerce at Waseda University</p> <p>Sep. 2004 Professor, Faculty of Commerce at Waseda University</p> <p>Jun. 2010 Assumed office of Director, the Company (present)</p> <p>Sep. 2010 Assumed office of Dean, Graduate School of Commerce at Waseda University</p> <p>May 2011 Assumed office of Corporate Auditor, Lawson, Inc. (Outside) (present)</p> <p>Jun. 2011 Assumed office of Audit & Supervisory Board Member, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.) (Outside) (present)</p> <p>Jun. 2012 Assumed office of Audit & Supervisory Board Member, Shiseido Company, Limited (Outside) (present)</p> <p>Apr. 2018 Emeritus Professor, Waseda University (present)</p> <p><ORIX Committee Membership></p> <p>Audit Committee (Chairperson), Compensation Committee</p> <p><Reasons for nomination for Outside Director></p> <p>Ms. Eiko Tsujiyama has served on government and institutional finance and accounting councils both in Japan and overseas and served as a dean of Graduate School of Commerce at Waseda University. She has extensive knowledge as a professional accountant.</p> <p>She participated in all eight meetings of the Board of Directors during the fiscal year ended March 31, 2019 and as Chairperson of the Audit Committee, she has received periodic reports from the Company's internal audit unit and actively expressed her opinions and made proposals, while leading discussions on the effectiveness of the Company's internal control system. The Nominating Committee has appointed her as a candidate for Outside Director because it has determined that she can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of her knowledge and experience, etc., from an independent and objective standpoint.</p> <p>Her period in service as of the conclusion of this Annual General Meeting of Shareholders will be nine years.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
8	Nobuaki Usui (Jan. 1, 1941) -Renominated- Candidate for Outside Director/ Independent Director	<p>Apr. 1965 Entered Ministry of Finance</p> <p>May 1995 Director-General of the Tax Bureau, Ministry of Finance</p> <p>Jan. 1998 Commissioner, National Tax Agency</p> <p>Jul. 1999 Administrative Vice Minister, Ministry of Finance</p> <p>Jan. 2003 Governor and Chief Executive Officer, National Life Finance Corporation (currently Japan Finance Corporation)</p> <p>Dec. 2008 Assumed office of Chairman, The Japan Research Institute, Limited</p> <p>Jun. 2011 Assumed office of Audit & Supervisory Board Member, KONAMI CORPORATION (currently KONAMI HOLDINGS CORPORATION) (Outside) (present)</p> <p>Jun. 2012 Assumed office of Director, the Company (present)</p> <p>Jun. 2016 Assumed office of Auditor, Miroku Jyoho Service Co., Ltd. (Outside) (present)</p> <p><ORIX Committee Membership></p> <p>Nominating Committee (Chairperson), Audit Committee</p> <p><Reasons for nomination for Outside Director></p> <p>Mr. Nobuaki Usui served as the Administrative Vice Minister of the Ministry of Finance and the Governor and Chief Executive Officer of National Life Finance Corporation (currently Japan Finance Corporation). He has a wealth of knowledge and experience as a finance and tax expert.</p> <p>He participated in all eight meetings of the Board of Directors during the fiscal year ended March 31, 2019, and as Chairperson of the Nominating Committee, he has actively expressed his opinions and made proposals, leading discussions and deliberations on members of the Board of Directors and Executive Officers suitable for the Company's business operations. The Nominating Committee has appointed him as a candidate for Outside Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint.</p> <p>His period in service as of the conclusion of this Annual General Meeting of Shareholders will be seven years.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
9	Ryuji Yasuda (Apr. 28, 1946) -Renominated- Candidate for Outside Director/ Independent Director	<p>Jun. 1991 Director, McKinsey & Company</p> <p>Jun. 1996 Chairman, A. T. Kearney, Asia</p> <p>Jun. 2003 Assumed office of Chairman, J-Will Partners, Co., Ltd.</p> <p>Apr. 2004 Professor, Graduate School of International Corporate Strategy at Hitotsubashi University</p> <p>Jun. 2009 Assumed office of Director, Yakult Honsha Co., Ltd. (Outside) (present)</p> <p>Jun. 2013 Assumed office of Director, the Company (present)</p> <p>Jun. 2015 Assumed office of Director, Benesse Holdings, Inc. (Outside) (present)</p> <p>Mar. 2017 Adjunct Professor, Graduate School of International Corporate Strategy at Hitotsubashi University</p> <p>Apr. 2018 Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy (present)</p> <p>Assumed office of Director, Kansai Mirai Financial Group, Inc. (Outside) (present)</p> <p><ORIX Committee Membership> Nominating Committee, Audit Committee, Compensation Committee</p> <p><Reasons for nomination for Outside Director> Mr. Ryuji Yasuda served successively as Director of McKinsey & Company and Chairman of A.T. Kearney, Asia, and currently serves as an adjunct professor at Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy. He has a specialized knowledge on corporate strategy acquired through a wide range of past experience. He participated in all eight meetings of the Board of Directors during the fiscal year ended March 31, 2019 and has actively expressed his opinions and made proposals during deliberations at Board of Directors Meeting, Nominating Committee, Audit Committee and Compensation Committee, pointing to important matters regarding company management, using his expertise in corporate strategy. The Nominating Committee has appointed him as a candidate for Outside Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint. His period in service as of the conclusion of this Annual General Meeting of Shareholders will be six years.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
10	Heizo Takenaka (Mar. 3, 1951) -Renominated- Candidate for Outside Director/ Independent Director	<p>Apr. 1990 Assistant Professor, Faculty of Policy Management at Keio University</p> <p>Apr. 1996 Professor, Faculty of Policy Management at Keio University</p> <p>Apr. 2001 Minister of State for Economic and Fiscal Policy</p> <p>Sep. 2002 Minister of State for Financial Services and for Economic and Fiscal Policy</p> <p>Jul. 2004 Elected to House of Councilors</p> <p>Sep. 2004 Minister of State for Economic and Fiscal Policy and Communications and Privatization of Postal Services</p> <p>Oct. 2005 Minister for Internal Affairs and Communications and Privatization of Postal Services</p> <p>Dec. 2006 Assumed office of Director, Academyhills (present)</p> <p>Aug. 2009 Assumed office of Chairman and Director, PASONA Group Inc. (present)</p> <p>Apr. 2010 Professor, Faculty of Policy Management at Keio University</p> <p>Jun. 2015 Assumed office of Director, the Company (present)</p> <p>Apr. 2016 Professor, Faculty of Regional Development Studies at Toyo University (currently Faculty of Global and Regional Studies at Toyo University) (present)</p> <p>Assumed office of Director, Center for Global Innovation Studies at Toyo University (present)</p> <p>Jun. 2016 Assumed office of Director, SBI Holdings, Inc. (Outside) (present)</p> <p><ORIX Committee Membership></p> <p>Nominating Committee, Audit Committee</p> <p><Reasons for nomination for Outside Director></p> <p>Mr. Heizo Takenaka served successively as 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, and currently serves as Professor at Faculty of Global and Regional Studies at Toyo University. He has a deep understanding of the environment and events of business management and economics and financial policies both in Japan and overseas.</p> <p>He participated in seven out of eight meetings of the Board of Directors during the fiscal year ended March 31, 2019 and has actively expressed his opinions and made proposals during deliberations at Board of Directors Meeting, Nominating Committee and Audit Committee, pointing to important matters regarding company management, using his expertise in economics and financial policies. The Nominating Committee has appointed him as a candidate for Outside Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint.</p> <p>His period in service as of the conclusion of this Annual General Meeting of Shareholders will be four years.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
11	Michael Cusumano (Sep. 5, 1954) -Newly Nominated- Candidate for Outside Director/ Independent Director	<p>Jul. 1986 Assistant Professor, Sloan School of Management at Massachusetts Institute of Technology</p> <p>Jul. 1996 Professor, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology (present)</p> <p>Jul. 2007 Professor, Faculty of Engineering Systems, School of Engineering at Massachusetts Institute of Technology</p> <p>Apr. 2016 Special Vice President and Dean, Tokyo University of Science</p> <p>Apr. 2019 Assumed office of Director, Ferratum Plc (Outside) (present)</p> <p><Reasons for nomination for Outside Director></p> <p>Mr. Michael Cusumano is a candidate for new Outside Director. He currently serves as Professor, Faculty of Management, Sloan School of Management at Massachusetts Institute of Technology, and as a global authority has a deep understanding of business strategy and technology management. The Nominating Committee has appointed him as a new candidate for Outside Director because it has determined that he can be expected to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
12	<p>Sakie Akiyama (Dec. 1, 1962)</p> <p>-Newly Nominated-</p> <p>Candidate for Outside Director/ Independent Director</p>	<p>Apr. 1987 Joined Arthur Andersen & Co.</p> <p>Apr. 1994 Founded Saki Corporation Assumed office of Representative Director and Chief Executive Officer, Saki Corporation</p> <p>Oct 2018 Assumed office of Founder, Saki Corporation (present)</p> <p>Jun. 2019 Assumed office of Director, Sony Corporation (Outside) (scheduled to assume office on June 18,2019) Assumed office of Director, JAPAN POST HOLDINGS Co., Ltd. (Outside) (scheduled to assume office on June 19,2019)</p> <p><Reasons for nomination for Outside Director> Ms. Sakie Akiyama is a candidate for new Outside Director. She founded Saki Corporation and served as a Representative Director and Chief Executive Officer of Saki Corporation. She has wide - ranging experience and knowledge of corporate management. The Nominating Committee has appointed her as a new candidate for Outside Director because it has determined that she can be expected to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of her knowledge and experience, etc., from an independent and objective standpoint.</p>	0

Notes: 1. The Nominating Committee established ‘Requirements for Independent Directors’ as set forth below, and all candidates for Outside Directors meet these requirements.

- (1) Independent Director must not be a principal trading partner*, or Executive Officer (including operating officers, hereinafter the same) or an employee of a principal trading partner of the ORIX Group as of now and during the last one year.

* A “principal trading partner” refers to an entity with a business connection with the ORIX Group with a transaction amount equivalent to 2% of consolidated total sales of either the ORIX Group or the entity (consolidated total revenues in the case of the ORIX Group) or one million US dollars, whichever is greater, in the latest fiscal year or the preceding three fiscal years.

- (2) Independent Director did not receive directly a large amount of compensation (10 million yen or higher in one fiscal year) outside the Director’s compensation from the ORIX Group in the latest fiscal year or the preceding three fiscal years. Further, no corporation or other entity for which such Independent Director serves as consultant, accounting specialist, or legal expert, received a large amount of compensation (equivalent to more than the greater of 2% of consolidated total revenues (or consolidated total sales), or one million US dollars) from the ORIX Group as of now and in the last one year.

- (3) Independent Director is not a major shareholder of the Company (holding 10% or higher of issued shares), or representative of the interests of a major shareholder as of now.

- (4) Independent Director was not an Executive Officer, etc. of a company having a relationship of concurrent directorship* with the Company in the latest fiscal year or the preceding three fiscal years.

* “Concurrent directorship” refers to such case that an Executive Officer of the Company or its subsidiaries serves as director of a company in which the Independent Director has been an Executive Officer, also assumes the post of Outside Director of the Company.

- (5) Independent Director was not a member of the executive board (limited to those who execute business) or any other person executing business (referring to an officer, corporate member or employee who executes business of the organization) of any organization (including public interest incorporated associations, public interest incorporated foundations and non-profit corporations) that have received a large amount of donation or assistance (annual average of 10 million yen or higher over the past three fiscal years) from the ORIX Group.

- (6) Independent Director did not serve as an accounting auditor, a certified public accountant (or tax accountant) as an accounting advisor, or a corporate member, a partner or a corporate worker of audit firm (or tax accountant corporation) of the ORIX Group who performed the audit work in person (excluding engagement as a supporting role) on the ORIX Group in of the latest fiscal year or the preceding three fiscal years.

- (7) None of their family members* falls under any of the following:

1) A person who was an Executive Officer, etc. or important employee of the ORIX Group during the past three years.

2) A person who falls under one of the requirements specified in (1) through (3), (5) or (6) above. For an employee in (1), however, such person shall be limited to an Executive Officer, for the second sentence in (2), such person shall be limited to a corporate member or a partner of the corporation or other entity and for (6), such person shall be limited to an Executive Officer or an employee who performs the audit on the ORIX Group in person.

* “Family members” include a spouse, those related within the second degree by consanguinity or affinity, or other kin living with the Director.

- (8) There must be no material conflict of interest or any possible conflict of interest that might influence the independent Director’s judgment in performing their duties as the Director.

2. Ms. Eiko Tsujiyama, Mr. Nobuaki Usui, and Mr. Michael Cusumano did not have past involvement in corporate management except as Outside Director, outside corporate auditor and outside audit & supervisory board member. However, they are nominated as candidates for Outside Director as it has been determined that they are able to appropriately perform the duties of Outside Director for the aforementioned reasons.

3. The Company has executed an agreement regarding limitation on liability with each Outside Director, which will limit his/her liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act, set forth in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liabilities provided in such agreement is equal to the Minimum Liability Amount set forth in Article 425, Paragraph 1 of the Companies Act. The Company expects to renew the said agreement with each of the candidates for Outside Director if they are appointed as Director.

Business Report for the 56th Fiscal Year

From April 1, 2018 to March 31, 2019

1. Management's Basic Policy

(1) Management's Basic Policy

The corporate philosophy and management policy of the Company and its subsidiaries (collectively, "ORIX") are described below.

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	<ul style="list-style-type: none">● ORIX strives to meet the diverse needs of its customers and to deepen trust by constantly providing superior services.● ORIX aims to strengthen its base of operations and achieve sustained growth by integrating its resources to promote synergies amongst different units.● 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.● ORIX aims to attain stable medium- and long-term growth in shareholder value by implementing these initiatives.

(2) Target Performance Indicators

In its pursuit of sustainable growth, ORIX uses the following performance indicators: Net income attributable to ORIX Corporation shareholders to indicate profitability, ROE (the ratio of net income attributable to ORIX Corporation Shareholders for the period to average ORIX Corporation Shareholders' Equity) to indicate capital efficiency and ROA (the ratio of net income attributable to ORIX Corporation Shareholders for the period to average Total Assets) to indicate asset efficiency. From the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021, ORIX aims to achieve annual net income attributable to ORIX Corporation shareholders growth of between 4% to 8%, and to maintain ROE above 11% by increasing asset efficiency through quality asset expansion in order to capture business opportunities and increasing capital efficiency by strengthening profit-earning opportunities such as fee-based businesses.

Three-year trends in performance indicators are as follows.

		Fiscal Year ended March 31,		
		2017	2018	2019
Net income attributable to ORIX Corporation shareholders	(Millions of yen)	273,239	313,135	323,745
ROE	(%)	11.3	12.1	11.6
ROA	(%)	2.46	2.76	2.74

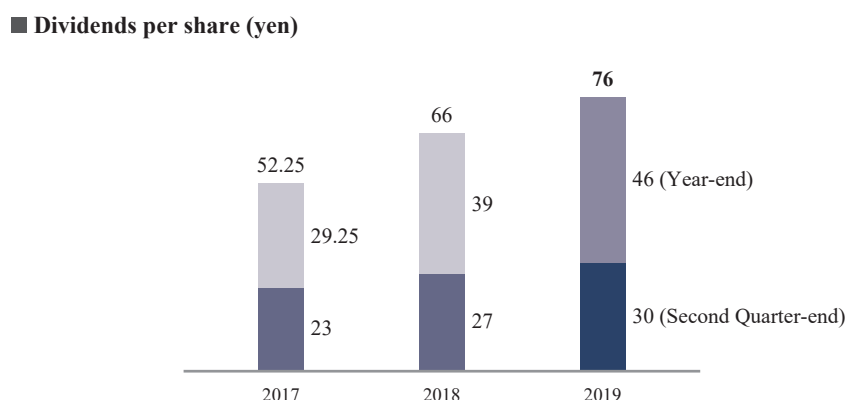
(3) Profit Distribution Policy and Dividends

The Company aims to increase shareholder value by utilizing profits earned from business activities that were secured primarily as retained earnings, to strengthen its business foundation and make investments for future growth. At the same time, the Company strives to make stable and sustainable distribution of dividends at a level in line with its business performance. In addition, with regards to the decision of whether to buy back shares, the Company aims to act with flexibility and swiftness while considering various factors such as the adequate level of the Company's retained earnings, the soundness of its financial condition and external factors such as changes in the business environment, share price and its trend and target performance indicators.

Based on this fundamental policy, the dividend payout ratio for the fiscal year ended March 31, 2019 has been decided to raise from 27% to 30%, and the annual dividend has been decided at 76.00 yen per share (interim dividend paid was 30.00 yen per share and year-end dividend has been decided at 46.00 yen per share) from 66.00 yen per share in the previous fiscal year. Regarding the payment of dividends, in accordance with Article 459, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulates that the Company may pay dividends from surplus by resolution of the Board of Directors.

For the next fiscal year ending March 31, 2020, the dividend payout ratio is targeted at 30% with a focus on the optimal balance of securing of capital for investment in future profit growth and the making of stable and sustainable distribution of dividends to shareholders. The interim dividend is forecasted at 35.00 yen per share. The year-end dividend is to be determined.

Three-year trends in dividends per share are as follows:



2. Current State of the Company

The matters described in 2. Current State of the Company are based on the terms, forms and preparation methods that have been required for issuance of American Depositary Receipt, etc. (hereinafter referred to as “U.S. GAAP”).

(1) Progress and Results of the Company’s Business Activities

Operating Environment

The world economy continued strong with the support of the U.S. economy in the first half of fiscal 2019. However, in the second half of fiscal 2019, its uncertainty raised due to the increasing trade tensions and tighter financial conditions and caused the price down in stock market.

U.S. economy showed strong growth supported by the effect of the fiscal policy. On the other hand, economic growth slowdown was concerned in China and Europe due to an increase in the trade tensions with the U.S. and a decrease in external demand, respectively.

Japanese economy gradually recovered with the effect of the easy monetary policy along with strong domestic demand. The interest rate still remained low.

Overview of Consolidated Business Performance (April 1, 2018 to March 31, 2019)

Total revenues decreased 15% to ¥2,434.9 billion compared to the previous fiscal year. Operating leases increased due to an increase in gains on sales of real estate under operating leases, and services income increased due to an increase in sales for the environment and energy business. On the other hand, sales of goods and real estate decreased due primarily to a decrease in related revenues from a subsidiary in the private equity business.

Total expenses decreased 17% to ¥2,105.4 billion compared to the previous fiscal year. Services expense increased and costs of goods and real estate sold decreased in line with the above revenues.

Equity in net income of affiliates decreased compared to the previous fiscal year due mainly to the recognition of significant gains on sales of investments in real estate joint ventures during the previous fiscal year. Gains on sales of subsidiaries and affiliates and liquidation losses, net decreased compared to the previous fiscal year due to the recognition of significant gains on sales of subsidiaries and affiliates recorded during the previous fiscal year.

As a result of the foregoing, income before income taxes decreased 9% to ¥395.7 billion compared to the previous fiscal year. On the other hand, provision for income taxes decreased due to the reversal of the deferred tax liabilities previously recorded for undistributed earnings of DAIKYO INCORPORATED (hereinafter, "DAIKYO") result in the net income attributable to ORIX Corporation shareholders increased 3% to ¥323.7 billion compared to the previous fiscal year.

(2) Summary of Consolidated Financial Results

		Fiscal Year ended March 31,			
		2016	2017	2018	2019
Total Revenues	(millions of yen)	2,369,202	2,678,659	2,862,771	2,434,864
Operating Income	(millions of yen)	287,741	329,224	336,195	329,438
Net Income Attributable to ORIX Corporation Shareholders	(millions of yen)	260,169	273,239	313,135	323,745
Earnings Per Share					
	(Basic) (yen)	198.73	208.88	244.40	252.92
	(Diluted) (yen)	198.52	208.68	244.15	252.70
Shareholders' Equity Per Share	(yen)	1,764.34	1,925.17	2,095.64	2,263.41
Total Assets	(millions of yen)	10,992,918	11,231,895	11,425,982	12,174,917
Shareholders' Equity	(millions of yen)	2,310,431	2,507,698	2,682,424	2,897,074
ROE	(%)	11.7	11.3	12.1	11.6
ROA	(%)	2.32	2.46	2.76	2.74
Number of Employees		33,333	34,835	31,890	32,411

Notes: 1. Prior-year amounts have been adjusted for the retrospective application of Accounting Standards Update 2015-03 ("Simplifying the Presentation of Debt Issuance Costs"-ASC 835-30 ("Interest-Imputation of Interest")) on April 1, 2016.

2. Earnings Per Share and Shareholders' Equity Per Share are rounded to nearest hundredth of a yen. Other amounts are rounded to the nearest million yen.

3. Total Revenues do not include consumption tax.

(3) Summary of Principal Businesses, Principal Business Locations and Employees of the ORIX Group (as of March 31, 2019)

Business Segment	Principal Businesses Principal Business Locations	Number of Employees
Corporate Financial Services	Finance and fee business	2,356
	Tokyo, Osaka, Kanagawa, Aichi and Fukuoka	
Maintenance Leasing	Automobile leasing and rentals, car-sharing; test and measurement instruments and IT-related equipment rentals and leasing	2,923
	Tokyo, Osaka, Kanagawa, Aichi and Fukuoka	
Real Estate	Real estate development, rental and management; facility operation; real estate investment management	9,969
	Tokyo, Osaka and Kanagawa	
Investment and Operation	Environment and energy, private equity and concession	4,012
	Tokyo and Osaka	
Retail	Life insurance, banking and card loan	3,402
	Tokyo, Osaka, Kanagawa, Aichi and Fukuoka	
Overseas Business	Asset management, aircraft- and ship-related operations, private equity and finance	7,776
	U.S.A., Hong Kong, Malaysia, Indonesia, Australia, Ireland, China and the Netherlands	
Subtotal		30,438
Corporate		1,973
Total		32,411

Notes: 1. Number of Employees refers to the number of employees of the Company and its subsidiaries.

2. ORIX's overseas business extends across 37 countries and regions worldwide.

(4) Segment Information

Corporate Financial Services Segment:

Principal Business

Finance and fee business

Mid-Term Strategic Directions

- Diversify the source of services income
- Strengthen solution offerings especially for supporting business succession
- Capture the future demand associated with Japan's imperial transition and beginning of a new imperial era and the revision of Consumption Tax Law expected with respect to Yayoi Co., Ltd.

	As of March 31, 2019
Asset composition	10%

Billions of yen

	Year ended March 31,		
	2017	2018	2019
Segment Revenues	103.1	115.8	95.2
Segment Profits	38.0	49.3	25.5

Billions of yen

	As of March 31,		
	2017	2018	2019
Segment Assets	1,086.0	991.8	959.7

Summary of Performance

Segment revenues decreased 18% to ¥95.2 billion compared to the previous fiscal year due to decreases in finance revenues in line with decreases in average investment balances of direct financing leases and in gains on investment securities and dividends.

As a result of the foregoing and the recognition of gains on sales of shares of subsidiaries and affiliates and liquidation losses through sales of affiliates during the previous fiscal year, segment profits decreased 48% to ¥25.5 billion compared to the previous fiscal year.

Segment assets decreased 3% to ¥959.7 billion compared to the end of the previous fiscal year due to a decrease in investment in direct financing leases despite an increase in investment in securities.

Maintenance Leasing Segment:

Principal Business

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

Mid-Term Strategic Directions

- Make the change of industrial structure into new business opportunities
- Integrate the automobile leasing, automobile rental and car sharing to meet clients' needs
- Offer shared services in various equipment through ORIX Rentec Corporation

	As of March 31, 2019
Asset composition	9%

	Billions of yen		
	Year ended March 31,		
	2017	2018	2019
Segment Revenues	271.0	275.9	288.2
Segment Profits	39.8	40.2	38.8

	Billions of yen		
	As of March 31,		
	2017	2018	2019
Segment Assets	806.7	847.2	873.8

Summary of Performance

Segment revenues increased 4% to ¥288.2 billion compared to the previous fiscal year due to an increase in operating leases revenues in line with increases in average investment balances of operating leases.

Segment profits decreased 3% to ¥38.8 billion compared to the previous fiscal year due to increases in selling, general and administrative expenses including personnel-related expenses.

Segment assets increased 3% to ¥873.8 billion compared to the end of the previous fiscal year due to increases in new executions of investment in direct finance leases and operating leases.

Real Estate Segment:

Principal Business

Real estate development, rental and management; facility operation; real estate investment management

Mid-Term Strategic Directions

- Invest and sell properties flexibly by capturing opportunities based on market conditions
- Promote large-scale projects through integration with DAIKYO
- Create new businesses by leveraging collective strength

	As of March 31, 2019
Asset composition	7%

Billions of yen

	Year ended March 31,		
	2017	2018	2019
Segment Revenues	512.8	489.8	529.1
Segment Profits	84.5	74.4	89.2

Billions of yen

	As of March 31,		
	2017	2018	2019
Segment Assets	843.9	802.0	720.2

Summary of Performance

Segment revenues increased 8% to ¥529.1 billion compared to the previous fiscal year due to increases in operating leases revenues in line with an increase in gains on sales of rental properties and in services income resulted from recognition of significant gains on a sale of property under facility operations.

Despite a decrease in equity in net income of affiliates due to significant gains on sales of investment in real estate joint ventures that were recognized during the previous fiscal year, due to increases in operating leases revenues and in services income as mentioned above segment profits increased 20% to ¥89.2 billion compared to the previous fiscal year.

Segment assets decreased 10% to ¥720.2 billion compared to the end of the previous fiscal year due to decreases in investment in operating leases resulted from sales of rental properties and in property under facility operations through significant sales of assets in facility operations.

Since the fourth quarter of fiscal year, the segment classification of DAIKYO has been changed from Investment and Operation segment to Real Estate segment. Past segment information has been reclassified accordingly.

Investment and Operation Segment:

Principal Business

Environment and energy, private equity and concession

Mid-Term Strategic Directions

- Increase the enterprise value of existing investees and seek opportunities with careful attention to those target prices for new investments
- Accelerate renewable energy business in overseas
- Develop new business area in concession

	As of March 31, 2019
Asset composition	7%

	Year ended March 31,		
	2017	2018	2019
Segment Revenues	970.0	1,083.5	615.2
Segment Profits	73.4	84.1	38.2

Billions of yen

	As of March 31,		
	2017	2018	2019
Segment Assets	593.8	674.6	733.6

Billions of yen

Summary of Performance

Despite increases in services income in environment and energy businesses and from a subsidiary in the private equity business, due to decreases in sales of goods by a subsidiary and in gains on investment securities and dividends segment revenues decreased 43% to ¥615.2 billion compared to the previous fiscal year.

As a result of the foregoing and a decrease in gains on sales of shares of subsidiaries and affiliates and liquidation losses, net by the recognition of significant gains on sales of shares of a large subsidiary during the previous fiscal year, segment profits decreased 55% to ¥38.2 billion compared to the previous fiscal year.

Segment assets increased 9% to ¥733.6 billion compared to the end of the previous fiscal year due to increases in property under facility operations in environment and energy businesses and in goodwill and other intangible assets acquired in business combination through private equity investments.

Retail Segment:Principal Business

Life insurance, banking and card loan

Mid-Term Strategic Directions

- Expand product lineups and optimize marketing channels in life insurance business
- Seek new source of earnings by utilizing customer base in banking businesses

	As of March 31, 2019
Asset composition	36%

Billions of yen

	Year ended March 31,		
	2017	2018	2019
Segment Revenues	368.7	428.7	428.9
Segment Profits	72.9	74.5	84.2

Billions of yen

	As of March 31,		
	2017	2018	2019
Segment Assets	3,293.4	3,174.5	3,571.4

Summary of Performance

Segment revenues kept roughly the same level at ¥428.9 billion compared to the previous fiscal year, since life insurance premiums of the life insurance business and finance revenues of the banking business increased with the growth of the businesses, while investment income from assets under variable annuity and variable life insurance contracts (hereinafter, "variable insurance contract") decreased.

In addition to the increase in life insurance premium for insurance contracts other than the variable insurance contract of the life insurance business outweighing the increase in life insurance costs, as a result of the foregoing and a decrease in life insurance costs from decreases in provision of liability reserve under variable insurance contracts, segment profits increased 13% to ¥84.2 billion compared to the previous fiscal year.

Segment assets increased 13% to ¥3,571.4 billion compared to the end of the previous fiscal year due to increases in investment in securities with the growth of the life insurance business and in installment loans with the growth of the banking business.

Overseas Business Segment:

Principal Business

Asset management, aircraft- and ship-related operations, private equity and finance

Mid-Term Strategic Directions

- Develop aircraft-related operations multidirectionally, leverage synergies with Avolon Holdings Limited (hereinafter, “Avolon”)
- Develop asset management business in the United States
- Expand private equity investment business in the United States and Greater China

	As of March 31, 2019
Asset composition	31%

Billions of yen

	Year ended March 31,		
	2017	2018	2019
Segment Revenues	462.7	479.6	490.7
Segment Profits	112.4	106.6	125.4

Billions of yen

	As of March 31,		
	2017	2018	2019
Segment Assets	2,578.1	2,608.8	3,138.9

Summary of Performance

Segment revenues increased 2% to ¥490.7 billion compared to the previous fiscal year due to increases in finance revenues through an acquisition of NXT Capital, Inc. which is involved in loan origination and asset management operations in the United States and due to increases in operating leases revenues through gain on sale of aircraft in aircraft related business.

Despite the recognition of losses in an affiliate in India, as a result of the foregoing and increases in equity in net income of affiliates due to the acquisition of the shares of Avolon, a leading global aircraft leasing company, and due to the recognition of losses in an affiliate in the Middle East during the previous fiscal year, segment profits increased 18% to ¥125.4 billion compared to the previous fiscal year.

Segment assets increased 20% to ¥3,138.9 billion compared to the end of the previous fiscal year due to increases in installment loans through the aforementioned acquisition and investment in affiliates in line with the acquisition of the shares of Avolon.

(5) Funding Situation (Significant factors only)

1) The funding situation

At the end of the current fiscal year, the funding of ORIX Group balanced at ¥6,423.5 billion composed of short/long term debts and deposits.

The borrowings from financial institutions vary in sources by major banks, regional banks, foreign banks, life insurance companies, casualty insurance companies and others. The number of our lenders exceeded 200 as of March 31, 2019. The funding from capital markets consist of straight bonds, commercial paper (“CP”), medium-term notes (“MTN”) and payables under securitized assets.

For the current fiscal year, we have placed importance on lengthening the tenor of debts and carrying out measures such as dispersing the amount of repayment. We intend to continue to strengthen our financial condition, while maintaining appropriately diverse funding.

2) Capital expenditures

In the fiscal year ended March 31, 2019, ¥544.7 billion of capital expenditures were made in operating lease investment mainly in Overseas Business segment, Maintenance Leasing segment and Real Estate segment. In addition, ¥93.6 billion of capital expenditures were made in office facilities and equipment other than rental purpose facilities, mainly in solar power generation equipment in Investment and Operation segment.

3) Assignment of business, merger, company split, share acquisition and sales

In the fiscal year ended March 31, 2019, ORIX Aviation Systems Limited, which is a consolidated subsidiary of the Company, acquired 30% of the outstanding shares of Avolon.

4) Main lenders and the amount of borrowings (As of March 31, 2019)

The borrowings of ORIX Group are mainly made by the Company. Main lenders of the Company at the end of the fiscal year are as follows.

Millions of yen	
Lender	Outstanding Amount of Borrowings
MUFG Bank, Ltd.	299,553
Mizuho Bank, Ltd.	205,587
Sumitomo Mitsui Banking Corporation	185,666
Japan Bank for International Cooperation	115,453
Sumitomo Mitsui Trust Bank, Limited	101,447

Note: Amounts less than one million yen have been rounded off.

(6) Corporate Challenges to be Addressed

1) Medium-term strategic directions FY2019-2021

ORIX manages its business portfolio by dividing it into six segments: Corporate Financial Services, Maintenance Leasing, Real Estate, Investment and Operation, Retail, and Overseas Business.

Furthermore, taking risk and capital requirements into account, ORIX groups these six segments into three categories: “Finance”, “Operation” and “Investment.” The “Finance” business is ORIX’s customer base and source of information. However, given that the low interest rate environment makes growth difficult in financial businesses, ORIX will continue to focus on “Operation” and “Investment” to grow stable earnings and will proactively enter new markets to nurture its next core businesses.

The “Operation” business for which operational risk is taken by ORIX is positioned as ORIX’s growth driver and source for new and stable earnings. ORIX will engage in M&A and expand new investment with a focus on the environment and energy business, asset management business, concession business and life insurance business as well as other new business areas coming from the change in society and the market.

The “Investment” business provides ORIX with opportunities to develop new businesses. ORIX focuses mainly on private equity businesses in Japan and overseas, aircraft- and ship-related operations and will expand the scale of those businesses.

2) Development of business structure that supports management strategies

It is vital for ORIX to continue to maintain and develop a business structure that can be flexibly and swiftly adapted to the changing business environment. ORIX will take the following three steps in order to achieve the aforementioned mid-term strategic directions.

Further advancement of risk management: Recognizing that business expansion and growth has diversified and globalized our risk, strengthen the business foundation which supports our growth by readily and continuously utilizing our risk management structure and our ability to assess risks.

Pursue transactions that are both socially responsible and economically viable: Pursue transactions that are socially responsible from a social and environmental standpoint while providing products and services that are valued by clients and improve ORIX’s overall profitability.

Create a fulfilling workplace: Focus on ORIX’s strengths as a global organization to create a fulfilling work environment for all employees regardless of nationality, age, gender, background or position.

(7) Significant Parent Company, Subsidiaries and Affiliates

1) Parent company

No items to report.

2) Significant subsidiaries (As of March 31, 2019)

Business Segment	Company Name	Common Stock (millions of yen unless stated otherwise)	ORIX Voting Power ratios (%)	Principal Businesses
Corporate Financial Services	Yayoi Co., Ltd.	50	99	Development, Marketing, and Support of Business Management Software and Related Services
Maintenance Leasing	ORIX Auto Corporation	500	100	Automobile Leasing, Rental, Car Sharing, Sales of Used Automobiles
	ORIX Rentec Corporation	730	100	Rental and Leasing of Test and Measurement Instruments and IT-Related Equipment
Real Estate	ORIX Real Estate Corporation	200	100	Real Estate Rental, Facilities Operation and Management
	ORIX Real Estate Investment Advisors Corporation	50	100	Real Estate Investment and Advisory Services
	ORIX Asset Management Corporation	100	100	Asset Management of J-REIT
	DAIKYO INCORPORATED	41,171	100 (0)	Real Estate Development and Sales, Urban Development
Investment and Operation	ORIX Asset Management and Loan Services Corporation	500	100	Loan Servicing
Retail	ORIX Life Insurance Corporation	59,000	100	Life Insurance
	ORIX Bank Corporation	45,000	100	Banking
	ORIX Credit Corporation	4,800	100	Consumer Finance Services
Overseas Business	ORIX Corporation USA	US\$730,017 thousand	100	Financial Services
	ORIX Asia Limited	HK\$14,000 thousand	100	Leasing, Automobile
		US\$29,200 thousand		Leasing, Lending, Banking
	ORIX Leasing Malaysia Berhad	RM50,532 thousand	100	Leasing, Lending
	PT. ORIX Indonesia Finance	Rp420,000 million	85	Leasing, Automobile Leasing
	ORIX Australia Corporation Limited	A\$30,000 thousand	100	Automobile Leasing and Truck Rentals
	ORIX Aviation Systems Limited	US\$23,100 thousand	100	Aircraft Leasing, Asset Management, Aircraft- Related Technical Services
	ORIX (China) Investment Co., Ltd.	RMB1,191,843 thousand	100	Leasing, Equity Investment, Other Financial Services
	ORIX Capital Korea Corporation	KRW170,000 million	100	Automobile Leasing, Leasing, Lending
	ORIX Corporation Europe N.V.	EUR4,538 thousand	100	Asset Management

- Notes: 1. ORIX Voting Power ratios are rounded down to the nearest whole figures. The figures in the () are the indirect holding ratios.
2. Common stock amounts are rounded down to millions of yen. (Foreign currency amounts are rounded down to the displayed unit.)
3. The segment classification of DAIKYO INCORPORATED has been changed from Investment and Operation segment to Real Estate segment due to becoming a wholly-owned subsidiary.
4. ORIX Golf Holdings Corporation has been excluded from significant subsidiaries due to the transfer.

3) Specified subsidiaries

No items to report.

4) Significant affiliates

As of March 31, 2019, the significant affiliate was Avolon (30% owned through ORIX Aviation Systems Limited), the aircraft leasing company in Overseas Business segment.

(8) Fundamental Policy Regarding Shareholders with Controlling Interest

The Company does not currently have a fundamental policy with regard to measures in response to shareholders with sufficient voting rights to give them control over corporate management. Moreover, the Company does not currently have takeover defense measures.

The Company plans to proceed with prudent consideration of this issue in light of changes in relevant laws and regulations and in the operating environment, with the intent of taking related measures, if necessary.

(9) Other Significant Matters

No items to report.

3. Stock Information (As of March 31, 2019)

(1) Total Number of Shares Authorized: 2,590,000,000 shares

(2) Total Number of Shares Issued: 1,324,629,128 shares

(3) Number of Shareholders: 444,476

(4) Major Shareholders (Top 10)

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Issued (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	118,029	9.20
The Master Trust Bank of Japan, Ltd. (Trust Account)	90,960	7.09
Japan Trustee Services Bank, Ltd. (Trust Account 9)	35,562	2.77
SSBTC CLIENT OMNIBUS ACCOUNT	30,674	2.39
Japan Trustee Services Bank, Ltd. (Trust Account 5)	25,819	2.01
JPMorgan Securities Japan Co., Ltd.	22,481	1.75
Japan Trustee Services Bank, Ltd. (Trust Account 7)	21,606	1.68
CITIBANK, N.A.-NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	21,462	1.67
THE CHASE MANHATTAN BANK 385036	21,233	1.65
STATE STREET BANK WEST CLIENT-TREATY 505234	20,258	1.58

Notes: 1. Numbers of shares held are rounded down to the nearest thousand.

2. Percentages of total shares issued are rounded down to the second decimal place.

3. In addition to the above, the Company holds 42,843 thousand shares of treasury stock. Pursuant to Article 308, Paragraph 2 of the Companies Act, these shares have no voting rights. The percentages of total shares issued above are calculated excluding the treasury stock (42,843 thousand shares).

(5) Other Significant Matters Relating to Shares

No items to report.

4. Directors and Executive Officers

(1) Directors

(As of March 31, 2019)

Name	Current Positions (on Committees)	Significant Concurrent Position(s)
Makoto Inoue		
Yuichi Nishigori		
Kiyoshi Fushitani		
Stan Koyanagi		
Shuji Irie		
Hitomaro Yano		
Eiko Tsujiyama	Audit Committee (Chairperson), Compensation Committee	Emeritus Professor, Waseda University Corporate Auditor, Lawson, Inc. (Outside) Audit & Supervisory Board Member, NTT DOCOMO, INC. (Outside) Audit & Supervisory Board Member, Shiseido Company, Limited (Outside)
Robert Feldman	Nominating Committee, Compensation Committee (Chairperson)	Senior Advisor, Morgan Stanley MUFG Securities Co., Ltd. Professor, Graduate School of Management and Innovation Studies at Tokyo University of Science
Takeshi Niinami	Nominating Committee, Compensation Committee	President and Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Limited
Nobuaki Usui	Nominating Committee (Chairperson), Audit Committee	Audit & Supervisory Board Member, KONAMI HOLDINGS CORPORATION (Outside) Auditor, Miroku Jyoho Service Co., Ltd. (Outside)
Ryuji Yasuda	Nominating Committee, Audit Committee, Compensation Committee	Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy Director, Yakult Honsha Co., Ltd. (Outside) Director, Benesse Holdings, Inc. (Outside) Director, Kansai Mirai Financial Group, Inc. (Outside)
Heizo Takenaka	Nominating Committee, Audit Committee	Professor, Faculty of Global and Regional Studies at Toyo University Director, Center for Global Innovation Studies at Toyo University Director, Academyhills Chairman and Director, PASONA Group Inc. Director, SBI Holdings, Inc. (Outside)

Notes: 1. Makoto Inoue, Yuichi Nishigori, Kiyoshi Fushitani, Stan Koyanagi, Shuji Irie and Hitomaro Yano also serve as Executive Officers.

2. Eiko Tsujiyama, Robert Feldman, Takeshi Niinami, Nobuaki Usui, Ryuji Yasuda and Heizo Takenaka are Outside Directors. Appointment of Independent Directors is mandated by Tokyo Stock Exchange, Inc. to protect the interests of general shareholders; all the Company's Outside Directors are registered as Independent Directors.

3. Shuji Irie and Hitomaro Yano were newly elected as Director at the 55th Annual General Meeting of Shareholders held on June 26, 2018.

4. Eiko Tsujiyama is qualified as a certified public accountant and possesses considerable knowledge relating to finance and accounting.

5. For details of significant concurrent positions held by Directors who also serve as Executive Officers, please refer to the column headed Significant Concurrent Position(s) under (2) below.

6. The Company does not have full-time audit committee member based on the evaluation that the effectiveness of the audit by the audit committee is assured by the following measures:

- a - upon assignment by the Appointed Audit Member, the executive officer in charge of the Internal Audit Department of the Company attends important ORIX meetings and reports necessary information to the Audit Committee in a timely manner; and
- b - based on the annual audit plan approved by the Audit Committee, the Internal Audit Department of the Company conducts internal audits and reports results and status of improvements to the Audit Committee.

(2) Executive Officers

(As of March 31, 2019)

Position(s)	Name	Responsibilities	Significant Concurrent Position(s)
Representative Executive Officer, President	Makoto Inoue	Chief Executive Officer Responsible for Group Strategy Business Unit	
Senior Managing Executive Officer	Yuichi Nishigori	Head of Energy and Eco Services Business Headquarters	Director, Ubiteq, INC.
Senior Managing Executive Officer	Kiyoshi Fushitani	Head of Global Business Headquarters Head of East Asia Business Headquarters Head of Global Transportation Services Headquarters	
Managing Executive Officer	Stan Koyanagi	Responsible for Enterprise Risk Management Headquarters Global General Counsel	Chairman, ORIX Corporation Europe N.V.
Managing Executive Officer	Kazutaka Shimoura	Head of Credit and Investment Management Headquarters	
Managing Executive Officer	Hideto Nishitani	Chairman and President, ORIX Corporation USA	
Managing Executive Officer	Shuji Irie	Head of Investment and Operation Headquarters	
Managing Executive Officer	Satoru Matsuzaki	Head of Corporate Business Headquarters	
Managing Executive Officer	Yoshiteru Suzuki	Deputy President, ORIX Corporation USA	
Managing Executive Officer	Shoji Taniguchi	Responsible for Treasury and Accounting Headquarters Assistant to CEO	
Executive Officer	Hitomaro Yano	Head of Treasury and Accounting Headquarters	
Executive Officer	Harukazu Yamaguchi	Deputy Head of Global Business Headquarters	
Executive Officer	Toshinari Fukaya	Head of Real Estate Headquarters Responsible for Finance and Investment Department	
Executive Officer	Yasuaki Mikami	Head of Group Human Resources and Corporate Administration Headquarters Responsible for Secretariat of The Board of Directors Responsible for Work Style Reform	
Executive Officer	Yoshiko Fujii	Assistant to Responsible for Enterprise Risk Management Headquarters	
Executive Officer	Takayuki Okamoto	Head of Enterprise Risk Management Headquarters	
Executive Officer	Yasuhiro Tsuboi	Deputy Head of Credit and Investment Management Headquarters	

Position(s)	Name	Responsibilities	Significant Concurrent Position(s)
(Retired on December 31, 2018)			
Executive Officer	Shinichi Obara	Head of Western Japan Sales Headquarters Group Kansai Representative	

Notes: 1. Makoto Inoue, Yuichi Nishigori, Kiyoshi Fushitani, Stan Koyanagi, Shuji Irie and Hitomaro Yano also serve as Directors.
2. Shoji Taniguchi, Takayuki Okamoto and Yasuhiro Tsuboi assumed the post of Executive Officer during the fiscal year ended March 31, 2019.
3. Name on the family register of Yoshiko Fujii is Yoshiko Hirano.

(3) Compensation in Fiscal 2019

1) Total amount of compensation for Directors and Executive Officers

Position	Fixed compensation		Performance-linked compensation (planned)		Share component of compensation		Total compensation	
	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)
Directors (Outside Directors)	7 (6)	100 (92)	-	-	7 (6)	14 (14)	7 (6)	115 (107)
Executive Officers	20	447	20	231	20	331	20	1,011
Total	27	548	20	231	27	346	27	1,126

Notes: 1. The number of people and amounts paid in the table above include one Director and three Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during fiscal 2019. As of March 31, 2019, there were 12 Directors (including six Outside Directors) and 17 Executive Officers (including those serving concurrently as Directors and Executive Officers).
2. In fiscal 2019, no persons serving concurrently as Directors and Executive Officers were remunerated as Directors. The total compensation figure for the six people serving concurrently as Directors and Executive Officers is shown in the Executive Officers line.
3. The share component of the compensation system is a system in which Directors and Executive Officers are awarded a prescribed number of points during their period of service, and at the time of retirement, ORIX's shares are delivered through a trust to them in accordance with the number of points they have accumulated. The amount paid listed in the table above is calculated by multiplying the number of points confirmed to be provided as the portion for fiscal 2019 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,594 per share).
4. The actual total amount of the share component of compensation paid in fiscal 2019 was ¥358 million paid to one Director and two Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during fiscal 2019. This amount is not included in the amount paid of share component of compensation stated in the above table.
5. The Company did not provide stock options in the form of stock acquisition rights in fiscal 2019.
6. Figures shown are rounded down to the nearest million yen.

2) Matters relating to the policy regarding amount and calculation of compensation for Directors and Executive Officers

a. Method for deciding the policy

The Company decides its compensation policy for fiscal 2019 by means of its Compensation Committee comprising non-Executive Directors.

b. Details of the Policy

ORIX's business objective is to increase shareholder value over the medium- to long-term. ORIX believes in the importance of each Director's and Executive Officer's responsibly performing his or her duties and cooperation among different business units in order to achieve continued growth of the ORIX Group. The Compensation Committee believes that in order to accomplish such business objectives, Directors and Executive Officers should

place emphasis not only on performance during the current fiscal year, but also on medium- to long-term results. Accordingly, under the basic policy that compensation should provide effective incentives. ORIX takes such factors into account when making decisions regarding the compensation system and compensation levels for Directors and Executive Officers. Taking this basic policy into consideration, we have established separate policies for the compensation of Directors and Executive Officers in accordance with their respective roles.

i. Compensation Policy for Directors

The compensation policy for Directors who are not also Executive Officers aims for composition of compensation that is effective in maintaining supervisory and oversight functions of Executive Officers' performance in business operations, which is the main duty of Directors. Specifically, ORIX's compensation structure for Directors consists of fixed compensation and share-based compensation. Fixed compensation is, in principal, a certain amount that is added to the compensation of the chairperson and member of each committee. Share-based compensation reflecting medium- to long-term performance is granted at the time of retirement in the form of ORIX's shares, which is calculated based on the number of points earned and accumulated by the individual while in office until the end of his or her directorship. In addition, the Company strives to maintain a competitive level of compensation with Director compensation according to the role fulfilled, and receives third-party research reports on Director compensation for this purpose.

ii. Compensation Policy for Executive Officers

The compensation policy for Executive Officers, including those who are also Directors, aims for a level of compensation that is effective in maintaining business operation functions, while also incorporating a component that is linked to current period business performance. Specifically, ORIX's compensation structure for Executive Officers consists of fixed compensation, performance-linked compensation, and share-based compensation.

Fixed compensation is decided for each individual based on a standard amount for each position.

For Executive Officers, compensation linked to business performance for fiscal 2019 uses the level of achievement of the consolidated net income target as a performance indicator, adjusting 50% of the position-based standard amount within the range of 0% to 200% while, at the same time, using the level of achievement of the target of the division for which the relevant Executive Officer was responsible, adjusting 50% of the position-based standard amount within the range of 0% to 300%. In the case of the Representative Executive Officers, the consolidated net income target is used as a performance indicator, adjusting the standard amount within the range of 0% to 200%.

Share-based compensation reflecting medium- to long-term performance is granted as a certain number of points based on a standard amount for each position while in office, and the amount of the payment is decided according to the share price at the time of an individual executive officer's retirement.

In addition, based on the outcome of a third-party compensation research agency investigation, the Company strives to maintain a competitive level of compensation with executive officer compensation functioning as an effective incentive.

(4) Matters Relating to Directors and Executive Officers Who Retired or Were Dismissed During Fiscal 2019

For details of the executive officers who retired during the fiscal year ended March 31, 2019, refer to "(2) Executive Officers" above.

(5) Outside Directors

1) Significant concurrent positions

Please refer to (1) Directors above in the column entitled Significant Concurrent Position(s). There are no significant matters to be disclosed concerning relationships between the Company and the other entities at which the Outside Directors have significant concurrent positions.

2) Relationship with the Company or specially related business entities of the Company

To the Company's knowledge, the Outside Directors are not a spouse or other relative within the third degree of relationship of any persons executing business, etc. of the Company or its specially related business entities.

3) Main activities

Name	Status of attendance at Board of Directors Meetings and Audit Committee Meetings held in the fiscal year ended March 31, 2019	Statements made at Board of Directors Meetings and Audit Committee Meetings
Eiko Tsujiyama	Attended 8 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	She made necessary statements in an appropriate timeframe and manner by utilizing her abundant experience and specialist knowledge as a professional accountant. She led deliberation in committee meetings of the Audit Committee as the Chairperson of the Audit Committee.
Robert Feldman	Attended 8 of 8 meetings of the Board of Directors	He made necessary statements in an appropriate timeframe and manner from a global perspective based on extensive insight as an economist.
Takeshi Niinami	Attended 6 of 8 meetings of the Board of Directors	He made necessary statements in an appropriate timeframe and manner based on broad experience and insight as a corporate executive.
Nobuaki Usui	Attended 8 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant experience and extensive insight as a specialist in finance and tax.
Ryuji Yasuda	Attended 8 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant knowledge as a corporate strategy specialist.
Heizo Takenaka	Attended 7 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant experience and extensive insight as a specialist in economic and monetary policy.

4) Agreement limiting liability

The Company has executed an agreement with each Outside Director, which will limit his/her liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act, set forth in Article 427, Paragraph 1 of the Companies Act (so-called “Agreement limiting liability”). The maximum amount of liabilities provided in such agreement is equal to the Minimum Liability Amount set forth in Article 425, Paragraph 1 of the Companies Act. The Company has not executed the said agreement with non-Executive Directors (excluding Outside Directors) and the accounting auditor.

5) Total amount of compensation to Outside Directors for the fiscal year ended March 31, 2019

The total amount of compensation to Outside Directors is the same as the amount paid in the column entitled Total Compensation for Directors of (3) 1) above. No compensation is received from subsidiaries of the Company.

6) Statements or objections from Outside Directors about the above description of the Outside Directors

There are no specific statements or objections from the Outside Directors about the details of matters stated in 1)–5) above.

(6) Other Significant Matters Concerning Directors and Executive Officers (including persons appointed after the closing day of the fiscal year ended March 31, 2019)

No items to report.

(Reference) Basic Policy and System in Corporate Governance

(1) Corporate Governance System

1) Basic policy in corporate governance

ORIX believes that a robust corporate governance system is a vital element of effective enhanced management and therefore has established sound and transparent corporate governance to carry out appropriate business activities in line with our core policies and ensure objective management.

The Company's Corporate Governance System is characterized by:

- separation of execution and supervision through a "Company with Nominating Committee, etc." board model;
- Nominating, Audit and Compensation Committees composed entirely of outside directors;
- all outside directors satisfying "Requirements for Independent Directors" (Please refer to Proposal, "Election of Twelve (12) Directors" in the reference documents for the General Meeting of Shareholders); and
- all outside directors being highly qualified in their respective fields

2) Rationale behind adopting ORIX's Corporate Governance System and history of ORIX's system

The Company believes that swift execution of operations is vital to effectively responding to changes in the business environment. Furthermore, the Company believes that the Company promotes improved management transparency through a corporate governance system in which outside directors, who are experts with expertise in their respective fields, monitor and advise on legal compliance and appropriate execution of operations. Based on these principles, the Company's Board of Directors possesses oversight function, and under the "Company with Nominating Committee, etc." board model, delegates certain responsibilities to the three committees (Nominating, Audit and Compensation Committees) to carry out the role of effective governance.

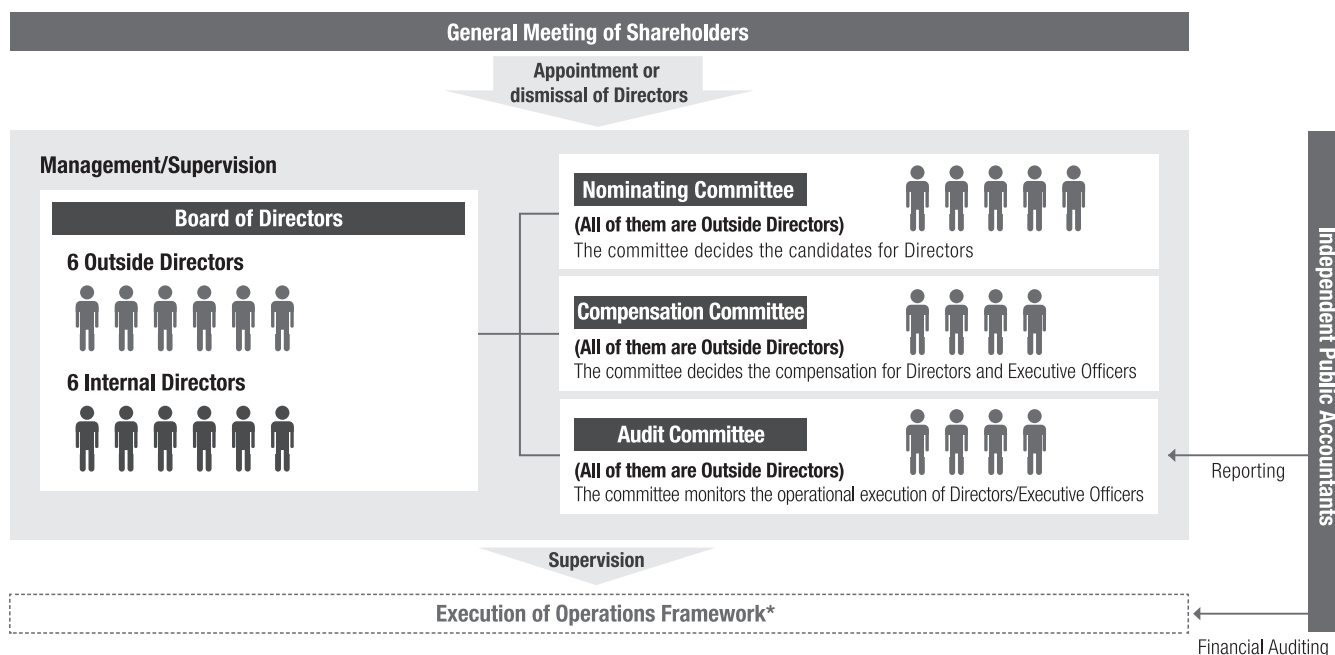
Oversight by directors is separate from the execution of operations within the three committees that form the heart of the Board of Directors. Each committee is formed entirely by outside directors to help avoid conflicts of interest with our shareholders. In addition, all outside directors must meet the objective and specific "Requirements for Independent Directors" as set forth by the Nominating Committee.

Below is a summary of the history of the Company's corporate governance system;

June 1997	Established Advisory Board
June 1998	Introduced Corporate Executive Officer System
June 1999	Introduced Outside Director System
June 2003	Adopted the "Company with Committees" board model
May 2006	Adopted the new "Company with Committees" board model in line with the enactment of the Companies Act of Japan
May 2015	Adopted the new "Company with Nominating Committee, etc." board model in line with the amendment of the Companies Act of Japan

(2) Our Corporate Governance System

ORIX's Corporate Governance System as of March 31, 2019 is as follows.



* Please refer to “(3) Internal Control System of ORIX Group” below for the Execution of Operations Framework.

< Board of Directors >

As of March 31, 2019, the Board of Directors consisted of 12 members, six of whom are outside directors who satisfy the “Requirements for Independent Directors.”

The Board of Directors carries out decisions related to items that, either as a matter of law or pursuant 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 basic policies on a regular basis, which include corporate planning such as capital management, fund procurement, personnel strategies and internal control systems. Aside from such items, the Board of Directors delegates decision-making regarding operational execution to the 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.

From April 1, 2018 through March 31, 2019, the Board of Directors met eight times. The attendance rate of directors for these meetings was 97%.

< Structure and Activities of the Three Committees >

All members of the three committees (Nominating, Audit and Compensation Committees) consist entirely of outside directors.

	Nominating Committee	Audit Committee	Compensation Committee
Members as of March 31, 2019	5 Members Nobuaki Usui (Chairperson) Robert Feldman Takeshi Niinami Ryuji Yasuda Heizo Takenaka	4 Members Eiko Tsujiyama (Chairperson) Nobuaki Usui Ryuji Yasuda Heizo Takenaka	4 Members Robert Feldman (Chairperson) Eiko Tsujiyama Takeshi Niinami Ryuji Yasuda
Number of meetings held during fiscal 2019 (Attendance rate)	Three (3) meetings (94%)	Eight (8) meetings (100%)	Four (4) meetings (100%)

< Nominating Committee >

The Nominating Committee is authorized to propose the slate of director appointments or dismissals to be submitted to the annual general meeting of shareholders. Directors are appointed and dismissed by a resolution of the annual general meeting of shareholders. In addition, the Nominating Committee deliberates on the agenda concerning appointment or dismissal of our Executive Officers to be resolved at the Board of Directors meeting, although this is not required under the Companies Act of Japan.

The Nominating Committee stipulates the “Requirements for Independent Directors” in accordance with the nomination criteria for directors.

< Audit Committee >

The Audit Committee monitors the operational execution of the Directors and Executive Officers and prepares audit reports. The Audit Committee decides the content of proposals to appoint, dismiss or refuse the reappointment of the Company’s Independent Public Accountants, which are submitted to the General Meeting of Shareholders.

< Compensation Committee >

The Compensation Committee has the authority to set the policy for determining the compensation for Directors and Executive Officers and to set the specific compensation for each individual Director and Executive Officers.

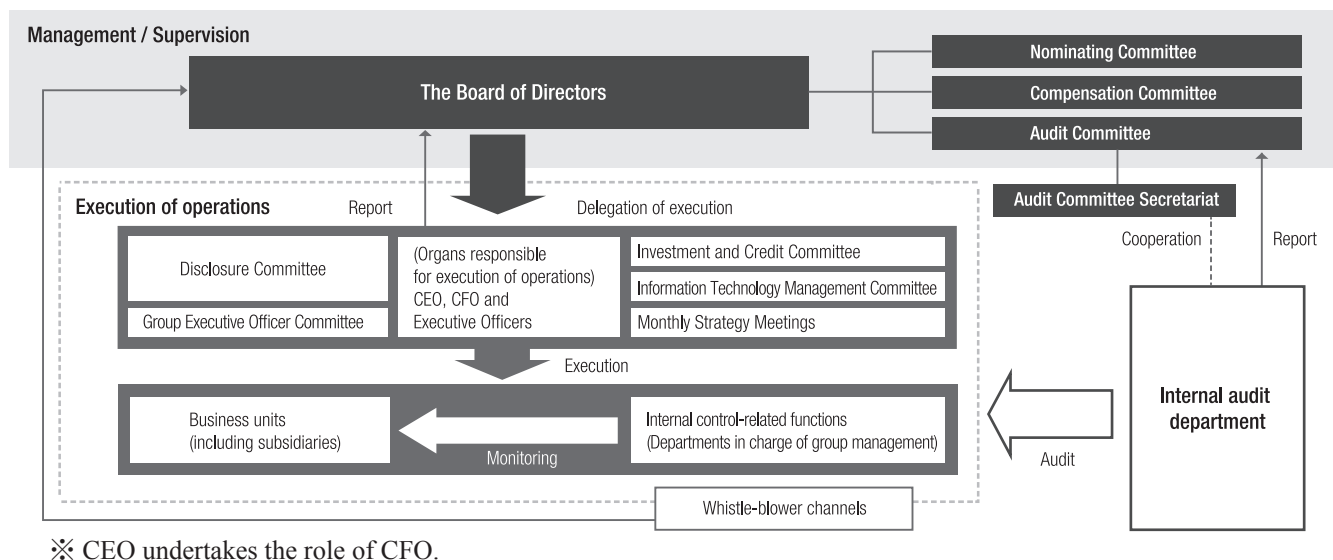
For details about the compensation policy for Directors and Executive Officers prescribed by the Compensation Committee, refer to “4. (3) 2) Matters relating to the policy regarding amount and calculation of compensation for Directors and Executive Officers” above.

(3) Internal Control System of ORIX Group

The Company resolved the frameworks “to secure the adequacy of ORIX business procedures (Fundamental Policies of Internal Control System)” at the Board of Directors meeting held on May 20, 2015 in accordance with the Companies Act as amended on May 1, 2015. The outline of the resolution is as follows:

Regarding the outline of the resolution on the Fundamental Policies of Internal Control System in accordance with Article 416 of the Companies Act and the operation thereof, please refer to “III. Internal Control System (Frameworks to secure the adequacy of the business procedures of ORIX)” in the “Matters available on the website in relation to the Notice of the 56th Annual General Meeting of Shareholders.”

1. Outline of the Internal Control System



(1) Efficient and swift decision-making and business execution

- Delegation to CEO the decision-making power on business execution.
- Setting up deliberative bodies on the decision-making on business execution (Investment and Credit Committee, Information Technology Management Committee).

(2) Systems of risk management and compliance

< Control by business unit >

- Each business unit evaluates the material risks in light of the business strategies and plans, and exercises its own risk management.
- As regards to compliance, each business unit has and executes the compliance program with an approach which is common to ORIX Group and confirms the compliance therewith.
- Each business unit periodically reports the situation of risk management and progress of compliance to the internal control-related functions and CEO.

< Control by the internal control-related functions (departments in charge of group management in ORIX Group) >

- The internal control-related functions evaluate the material risks of ORIX Group with the risk approach in view of each business strategy direction of ORIX Group as a whole and change in portfolios.
- Each department of internal control-related functions assesses not only the material risks but the risks which it controls and manages on an across-the-board basis, and assists in the risk management by each business unit.
- The internal control-related functions establish the rules and regulations on compliance and makes them well known pursuant to the Corporate Philosophy and Principles of Conduct.
- The internal control-related functions set up whistle-blower systems within and outside the ORIX Group so as to prevent the illicit conduct.
- The internal control-related functions periodically reports the situation of risk management and progress of compliance of the ORIX Group to CEO, the Audit Committee and the Board of Directors.

< Control by CEO, CFO and Executive Officers (organs responsible for business execution) >

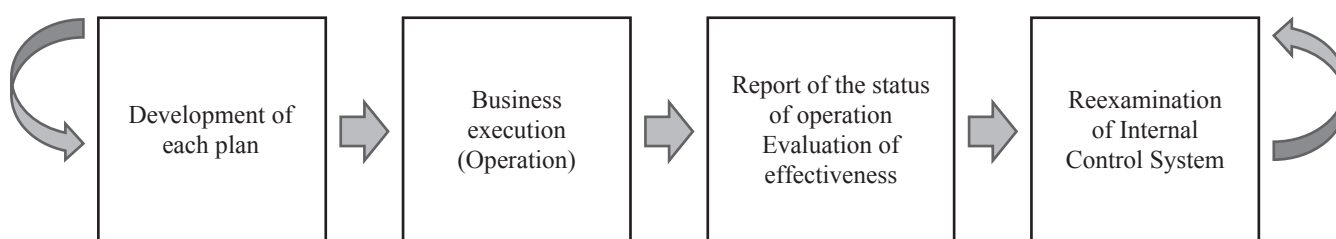
- The organs responsible for business execution such as CEO, CFO and Executive Officers manage the risks and promote compliance in view of the management plan of the ORIX Group.
- The organs responsible for business execution such as CEO, CFO and Executive Officers periodically receive reporting on the status of control from each business unit and internal control-related functions, and give instructions appropriately.

(3) Systems of Audit

- Establishment of the internal audit department, conducting business audit and evaluation of the effectiveness of ORIX Group's internal control.
- Establishment of the Audit Committee Secretariat to assist in the execution of duties of the Audit Committee.
- The appointment and evaluation of, changes in, and disciplinary action against the Audit Committee Secretariat staff shall be effected with the approval of the Audit Committee so as to ensure the independence of the Audit Committee Secretariat staff.
- The Audit Committee Secretariat receives the whistle-blowing regarding accounting, accounting internal control, or auditing matters and directly reports to the Audit Committee.
- The directors; executive officers / employees and the internal audit department report the status of execution of duties and illegal or unethical conducts to the Audit Committee periodically or in a timely manner.

2. Operation of Internal Control System

- Development of each plan such as the business strategies corresponding to business risks, compliance plans and audit plans pursuant to the Internal Control System.
- Business execution (operation of Internal Control System) based upon each developed plan.
- Report to the Board of Directors of the status of operation annually and the Board of Directors evaluates the effectiveness of the Internal Control System.
- The Board of Directors reexamines the Internal Control System corresponding to the change of environment and plans as needed.



CONSOLIDATED BALANCE SHEET (U.S. GAAP)
AS OF MARCH 31, 2019
ORIX Corporation and Subsidiaries

	Millions of yen
ASSETS	
Cash and Cash Equivalents	1,161,032
Restricted Cash	122,548
Investment in Direct Financing Leases	1,155,632
Installment Loans	3,277,670
The amounts which are measured at fair value by electing the fair value option are as follows:	
March 31, 2019 ¥38,671 million	
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(58,011)
Investment in Operating Leases	1,335,959
Investment in Securities	1,928,916
The amounts which are measured at fair value by electing the fair value option are as follows:	
March 31, 2019 ¥27,367 million	
Property under Facility Operations	441,632
Investment in Affiliates	842,760
Trade Notes, Accounts and Other Receivable	280,590
Inventories	115,695
Office Facilities	108,390
Other Assets	1,462,104
The amounts which are measured at fair value by electing the fair value option are as follows:	
March 31, 2019 ¥12,449 million	
Total Assets	12,174,917

Note: The assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of those VIEs are below:

	Millions of yen
ASSETS	
Cash and Cash Equivalents	4,437
Investment in Direct Financing Leases (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	15,058
Installment Loans (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	185,988
Investment in Operating Leases	82,405
Property under Facility Operations	203,933
Investment in Affiliates	52,079
Other	100,101
Total Assets	644,001

Millions of yen

LIABILITIES AND EQUITY	
Liabilities:	
Short-term Debt	309,549
Deposits	1,927,741
Trade Notes, Accounts and Other Payable	293,480
Policy Liabilities and Policy Account Balances	1,521,355
The amounts which are measured at fair value by electing the fair value option are as follows:	
March 31, 2019	¥360,198 million
Income Taxes:	
Current	42,010
Deferred	313,833
Long-term Debt	4,186,222
Other Liabilities	617,746
Total Liabilities	9,211,936
Redeemable Noncontrolling Interests	9,780
Commitments and Contingent Liabilities	
Equity:	
Common Stock	221,111
Additional Paid-in Capital	257,625
Retained Earnings	2,555,585
Accumulated Other Comprehensive Income (Loss)	(61,343)
Treasury Stock, at Cost	(75,904)
Total ORIX Corporation Shareholders' Equity	2,897,074
Noncontrolling Interests	56,127
Total Equity	2,953,201
Total Liabilities and Equity	12,174,917

Note: The liabilities of consolidated VIEs for which creditors (or beneficial interest holders) do not have recourse to the general credit of the Company and its subsidiaries are below:

Millions of yen

LIABILITIES	
Short-term Debt	580
Trade Notes, Accounts and Other Payable	7,339
Long-term Debt	418,631
Other	16,480
Total Liabilities	443,030

CONSOLIDATED STATEMENT OF INCOME (U.S. GAAP)
FOR THE YEAR ENDED MARCH 31, 2019

	Millions of yen
Revenues :	
Finance Revenues	242,893
Gains on Investment Securities and Dividends	15,958
Operating Leases	413,918
Life Insurance Premiums and Related Investment Income	347,136
Sales of Goods and Real Estate	596,165
Services Income	818,794
Total Revenues	2,434,864
Expenses :	
Interest Expense	93,337
Costs of Operating Leases	257,321
Life Insurance Costs	246,533
Costs of Goods and Real Estate Sold	535,261
Services Expense	508,320
Other (Income) and Expense, Net	1,301
Selling, General and Administrative Expenses	437,028
Provision for Doubtful Receivables and Probable Loan Losses	22,525
Write-Downs of Long-Lived Assets	2,418
Write-Downs of Securities	1,382
Total Expenses	2,105,426
Operating Income	329,438
Equity in Net Income of Affiliates	32,978
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, Net	33,314
Income Before Income Taxes	395,730
Provision for Income Taxes	68,691
Net Income	327,039
Net Income Attributable to the Noncontrolling Interests	2,890
Net Income Attributable to the Redeemable Noncontrolling Interests	404
Net Income Attributable to ORIX Corporation Shareholders	323,745

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (U.S. GAAP)
FOR THE YEAR ENDED MARCH 31, 2019

						Millions of yen		
	ORIX Corporation Shareholders' Equity					Total ORIX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock			
Balance at March 31, 2018	220,961	267,291	2,315,283	(45,566)	(75,545)	2,682,424	116,450	2,798,874
Cumulative effect of adopting Accounting Standards Update 2014-09			405			405	354	759
Cumulative effect of adopting Accounting Standards Update 2016-01			2,899	(2,899)		0	0	0
Cumulative effect of adopting Accounting Standards Update 2016-16			3,772			3,772	0	3,772
Balance at April 1, 2018	220,961	267,291	2,322,359	(48,465)	(75,545)	2,686,601	116,804	2,803,405
Contribution to subsidiaries						0	7,680	7,680
Transaction with noncontrolling interests		(10,033)		(103)		(10,136)	(60,347)	(70,483)
Comprehensive income, net of tax:								
Net income			323,745			323,745	2,890	326,635
Other comprehensive income (loss)								
Net change of unrealized gains (losses) on investment in securities				10,174		10,174	41	10,215
Net change of debt valuation adjustments				231		231	0	231
Net change of defined benefit pension plans				(7,289)		(7,289)	(57)	(7,346)
Net change of foreign currency translation adjustments				(11,775)		(11,775)	(88)	(11,863)
Net change of unrealized gains (losses) on derivative instruments				(4,116)		(4,116)	(2)	(4,118)
Total other comprehensive income (loss)						(12,775)	(106)	(12,881)
Total comprehensive income						310,970	2,784	313,754
Cash dividends			(88,438)			(88,438)	(10,794)	(99,232)
Exercise of stock options	150	75				225	0	225
Acquisition of treasury stock					(707)	(707)	0	(707)
Disposal of treasury stock		(233)			348	115	0	115
Adjustment of redeemable noncontrolling interests to redemption value			(2,131)			(2,131)	0	(2,131)
Other, net		525	50			575	0	575
Balance at March 31, 2019	221,111	257,625	2,555,585	(61,343)	(75,904)	2,897,074	56,127	2,953,201

Note: Changes in the redeemable noncontrolling interests are not included in the table.

NON-CONSOLIDATED BALANCE SHEET (Japanese GAAP)
AS OF MARCH 31, 2019
ORIX Corporation

	Millions of yen
ASSETS	
Current assets	2,607,449
Cash and deposits	251,945
Accounts receivable - trade	15,153
Accounts receivable - installment sales	87,168
Lease receivables	109,185
Lease investment assets	231,978
Installment loans	1,853,169
Securities	33
Inventories	172
Advance payments - trade	2,421
Prepaid expenses	6,918
Other	85,831
Allowance for doubtful receivables	(36,526)
Non-current assets	2,146,859
Property, plant and equipment	213,730
Assets for lease	179,926
Assets for lease	164,860
Advances for purchases of assets for lease	15,065
Office Facilities	33,804
Buildings	2,387
Structures	108
Machinery and equipment	23,130
Tools, furniture and fixtures	867
Land	744
Leased assets	19
Construction in progress	6,545
Intangible assets	3,228
Software	1,370
Trademark right	0
Telephone subscription right	162
Other	1,694
Investments and other assets	1,929,901
Investment securities	76,175
Shares of subsidiaries and affiliates	1,545,700
Investments in other securities of subsidiaries and affiliates	236,742
Investments in capital	251
Long-term loans receivable from employees	40
Bad debts	1,394
Prepaid pension cost	33,381
Deferred tax assets	19,208
Other	17,555
Allowance for doubtful receivables	(547)
Total Assets	4,754,309

LIABILITIES	
Current liabilities	741,187
Trade accounts payable	30,052
Short-term debt	291,195
Current portion of long-term debt	204,702
Commercial papers	47,400
Current portion of bonds	67,670
Lease obligations	1,552
Accrued expenses	15,764
Accrued tax payable	23,269
Deposits received	10,831
Unearned revenue	9,863
Deferred profit on installment sales	6,037
Provision for loss on guarantees	6,228
Other	26,619
Non-current liabilities	2,841,617
Bonds payable	871,894
Long-term debt	1,854,477
Lease obligations	4,827
Allowance for directors' retirement benefits	2,141
Asset retirement obligations	2,791
Other	105,485
Total Liabilities	3,582,804
Net Assets	
Shareholders' equity	1,183,903
Common stock	221,111
Capital surplus	248,290
Legal capital surplus	248,290
Other capital surplus	0
Retained earnings	790,405
Other retained earnings	790,405
Reserve for special depreciation	3,600
Retained earnings brought forward	786,804
Treasury stock	(75,903)
Valuation and translation adjustments	(12,399)
Net unrealized gains on other securities	5,568
Deferred gains or losses on hedges	(17,967)
Total Net Assets	1,171,504
Total Liabilities and Net Assets	4,754,309

NON-CONSOLIDATED STATEMENT OF INCOME (Japanese GAAP)
FOR THE YEAR ENDED MARCH 31, 2019

	Millions of yen
Net Sales	585,205
Cost of Sales	370,374
Gross Profit	214,831
Selling, General and Administrative Expenses	73,879
Operating Income	140,951
Non-operating Income	22,267
Gains on investments in securities	16,439
Dividend income	690
Interest on securities	578
Miscellaneous income	4,558
Non-operating Expenses	7,750
Expenses on investments in securities	2,158
Interest on bonds	1,347
Bond issuance cost	639
Interest expenses	3,198
Miscellaneous expenses	406
Ordinary Income	155,467
Extraordinary Income	2,427
Gain on sales of securities of subsidiaries and affiliates	1,679
Gain on sales of investment securities	580
Other	167
Extraordinary Losses	20,518
Loss on valuation of securities of subsidiaries and affiliates	17,187
Other	3,331
Income Before Income taxes	137,376
Income Taxes - Current	11,565
Income Taxes - Deferred	(3,147)
Net Income	128,958

Independent Auditor's Report

May 14, 2019

The Board of Directors
ORIX Corporation:

KPMG AZSA LLC

Yutaka Terasawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shin Suzuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of ORIX Corporation as of March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting, as applied mutatis mutandis pursuant to Article 120-3-3 of the said Ordinance, that prescribes some omissions of disclosure items required under U.S. Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting, as applied mutatis mutandis pursuant to Article 120-3-3 of the said Ordinance, that prescribes some omissions of disclosure items required under U.S. Generally Accepted Accounting Principles, present fairly, in all material respects, the financial position and the results of operations of ORIX Corporation and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act at the Company's responsibility.

Independent Auditor's Report

May 14, 2019

The Board of Directors
ORIX Corporation:

KPMG AZSA LLC

Yutaka Terasawa (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shin Suzuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of ORIX Corporation as of March 31, 2019 and for the year from April 1, 2018 to March 31, 2019 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of ORIX Corporation for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act at the Company's responsibility.

Audit Committee's Report

The Audit Committee has conducted audits concerning the execution of duties by Directors and Executive Officers for the 56th fiscal year from April 1, 2018 to March 31, 2019, and hereby reports the auditing methods and the results as follows.

1. Auditing methods and their contents

The Audit Committee observed and examined the resolutions of the Board of Directors regarding system stipulated in (b) and (e), Item 1, Paragraph 1 of Article 416 of the Companies Act and the system designed and implemented based on said resolutions (internal control system), we have received periodic reports about the status of the implementation and operation of the system from Directors, Executive Officers, and employees, etc., and we have requested explanations from them as necessary and expressed our views on these matters. The Audit Committee has audited in the following manner.

- (1) Pursuant to the audit policy, assigned duties and other rules that the Audit Committee decided, and in cooperation with the Company's internal audit department, we have attended the important meetings; received reports from Directors, Executive Officers and others on the execution of their duties, and sought explanations as necessary, inspected important documents of management's decision making and others; and investigated the status of the business operations and assets at the head office and other main places of business. Meanwhile, we communicated and exchanged information with Directors, Corporate Auditors, etc. of subsidiaries, and received reports from subsidiaries on their operations whenever necessary.
- (2) We also observed and verified that the accounting auditor implemented appropriate audits while maintaining independence, received reports from the accounting auditor on the execution of their duties, and sought explanations whenever necessary. Furthermore, we received notice from the accounting auditor that "The system for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Ordinance on Accounting of Companies) had been established in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council; October 28, 2005), etc., and sought explanations whenever necessary.

Based on the above methods, we examined Business Report and the supporting schedules, Financial Statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets, and Notes to Non-Consolidated Financial Statements under Japanese GAAP) and the supporting schedules and Consolidated Financial Statements (Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements under U.S. GAAP) for the fiscal year under review.

2. Audit results

(1) Results of audit of Business Report, etc.

- i. We regard that the Business Report and the supporting schedules fairly present the status of the Company in accordance with the laws and regulations and the Articles of Incorporation.
- ii. As for the performance of duties by Directors or Executive Officers, we find no significant evidence of wrongful act or violation of laws and regulations, nor the Articles of Incorporation.
- iii. We regard the content of the resolution by the Board of Directors regarding internal control system is appropriate, and, furthermore, all actions of Directors and Executive Officers with respect to implementing internal control system were carried out appropriately.

(2) Results of the audit of Financial Statements and the supporting schedules

We regard that the auditing methods and results by KPMG AZSA LLC are appropriate.

(3) Results of the audit of Consolidated Financial Statements

We regard that the auditing methods and results by KPMG AZSA LLC are appropriate.

May 22, 2019

The Audit Committee, ORIX Corporation

Member of the Audit Committee: Eiko Tsujiyama (Seal)

Member of the Audit Committee: Nobuaki Usui (Seal)

Member of the Audit Committee: Ryuji Yasuda (Seal)

Member of the Audit Committee: Heizo Takenaka (Seal)

Note: The four members of Audit Committee are all Outside Directors provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.