



ORIX Group

Environmental Report 2011-2012



Renewable Energy

Renewable energy will play an indispensable role in future energy policy. ORIX Group is contributing to advances in renewable energy through the provision of solar power systems and the operation of a biomass power plant.



Electric Power

The establishment of new electric power systems will be the foundation for the shift to distributed energy systems. Through the electric power business, ORIX Group contributes to the safe, stable and efficient supply of electric power.



Energy Conservation

ORIX Group is working to help customers to reduce their CO₂ emissions and to contribute to a low-carbon society. With this aim, ORIX Group is active in the ESCO (Energy Service Company) business, which provides comprehensive services related to energy conservation and helps customers to monitor and automatically control the usage of electric power.

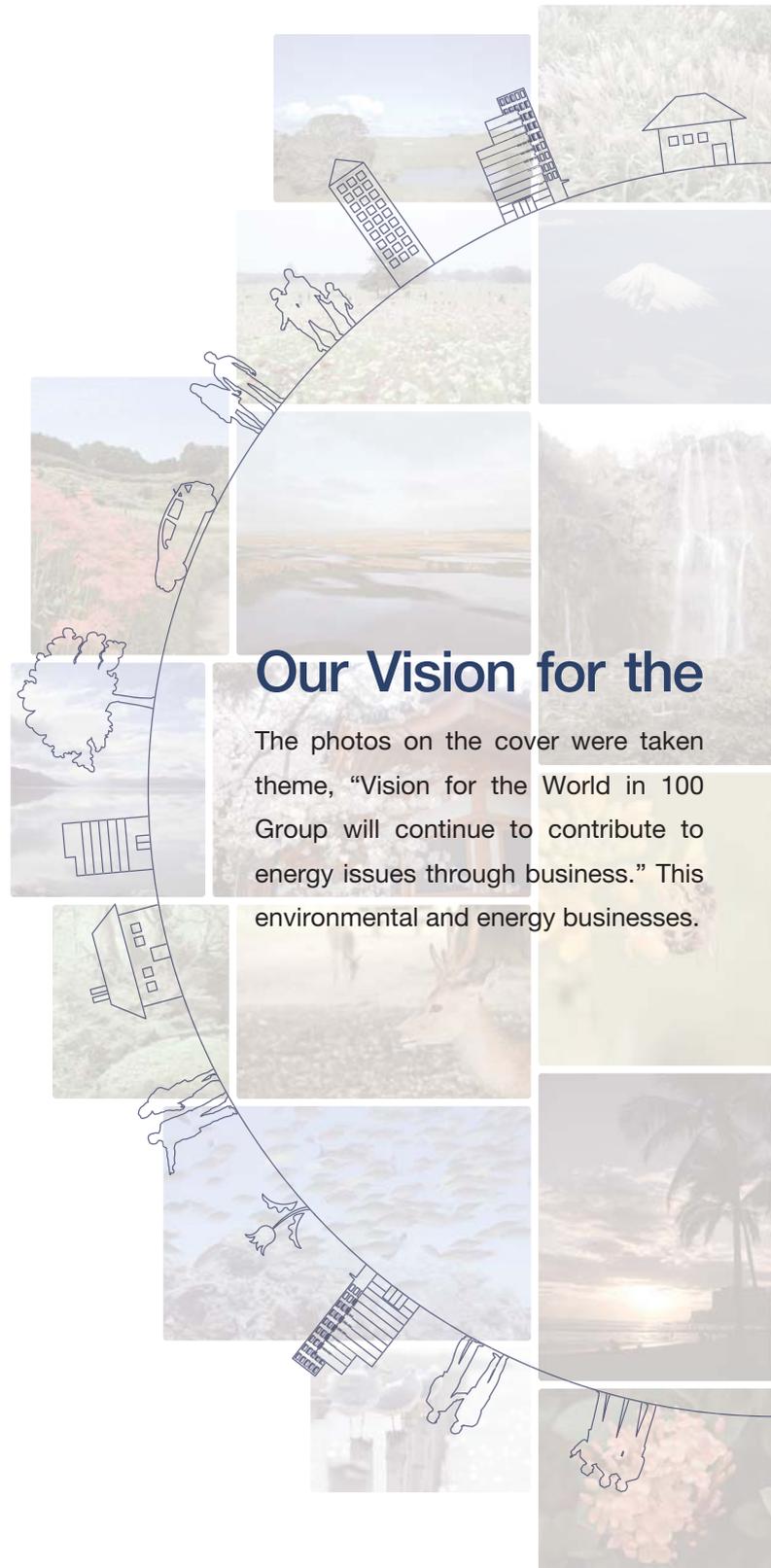


Table of Contents

Message from the COO	04
Roundtable Discussion	05
<p>ORIX held a roundtable discussion between guests who are active in different environmental fields and Chairman and CEO Yoshihiko Miyauchi. The theme of the discussion was “Environmental Business: Focus on the Future.”</p>	
	
<p>Mariko Kawaguchi (Moderator) Managing Director Head of ESG Research Department Daiwa Institute of Research Ltd.</p>	
<p>Miyuki Oba Managing Director and CEO Environment & Energy Research Institute Inc.</p>	
<p>Mari Yoshitaka CDM/JI Senior Consultant Deputy Chairman, Clean Energy Finance Committee Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p>	
<p>Yoshihiko Miyauchi Chairman and CEO</p>	
Overview of ORIX Group	09
ORIX Group Eco Services	11
Energy	13
Finance and Services	18
Resources and Waste	19
Environment-related Equipment	22
Automobiles	23
Real Estate	25
Column: Environmental Activities	28
Overseas	29
ECORIX2012 Activity Report	31
Carbon Disclosure	33
Independent Review /	
In Response to Independent Review	34

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EMS Promotion Department ORIX Eco Services Corporation

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Editorial Policy

The “Environmental Report 2011–2012” has been published to familiarize stakeholders with the various Eco Services and activities of ORIX Group.

Since formulating its environmental policy in 2008, ORIX Group has been moving ahead with ECORIX2012, a set of environmental initiatives designed to assist in the development of a low-carbon society. ORIX Group is working to help contribute to the resolution of the environmental issues faced by its customers and by society. In working toward that goal, ORIX Group includes internal initiatives as well as its businesses: the Eco Services that it offers to customers. Accordingly, the bulk of this report is dedicated to introducing ORIX Group’s Eco Services, without strict adherence to environmental reporting guidelines.

Energy-related issues currently present major challenges. These issues, such as reducing electricity consumption, conserving energy and promoting the use of renewable energy, are closely related to environmental problems. Consequently, energy-related operations are also classified as Eco Services and are included in the scope of this report.

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

Scope: ORIX Group Eco Services and environmental activities

Period Covered by the Report: Fiscal 2010 (April 1, 2010 to March 31, 2011)
 The report also includes certain information that is outside this period.

Publication Month: October 2011 (Japanese-language edition)
 This report is a translation of the Japanese-language edition.

The electricity used in the printing of this report (2,500 kWh) was entirely covered by green energy generated at the Agatsuma Biomass Power Plant, which is operated by ORIX Group.



Website

In addition to this report, detailed information, examples, and news about ORIX Group Eco Services and environmental activities are available on the following websites:

ORIX Group website

<http://www.orix.co.jp/grp/en/>

This site introduces ORIX Group businesses, services and other corporate information. The Environment and Society section includes information about ORIX Group environmental policy and back issues of the Environmental Report.



ECORIX Navi

<http://www.orix-eco.jp/en/>

This dedicated environmental website includes a wide variety of easy-to-understand information about ORIX Group Eco Services.





ORIX Group is committed to focusing its combined strength toward solving environmental and energy issues through business, both today and in the years ahead.

Japan currently faces many major challenges, including restoration and reconstruction initiatives following the Great East Japan Earthquake and the need to secure a stable supply of electric power. In the aftermath of this unprecedented natural disaster, I think that it will be difficult for Japan to aim to return to the pre-disaster status quo. In particular, the first priority is to secure a safe and stable supply of energy, which is the foundation of industry and daily life. We need to establish a new direction that takes into consideration the balance between Japan's economic growth and the environment.

One of the fundamental concepts under the government's "Innovative Strategy for Energy and the Environment" is the development of distributed energy systems, which complement fossil fuels and nuclear power with the use of renewable energy. Initiatives that focus the combined strengths of the public and private sectors are essential in order to realize this objective. The establishment of new social systems entails a range of essential tasks, including not only technical development but also raising funds for capital investment and providing services to promote the adoption of the new systems.

ORIX Group wants to contribute to the creation of a new society through the provision of financial services.

ORIX was established as a leasing company, and through the accumulation of know-how related to both "finance" and "tangible assets" has enhanced its specialized knowledge and

expanded its fields of business. ORIX is also developing a wide range of Eco Services in the fields of energy and the environment, such as energy conservation, electric power, the promotion of solar power systems and the operation of a biomass power plant.

Using our accumulated financial service, environmental and energy knowledge in addition to our Group network, we will continue working to support the establishment of a new social system. Moreover, we will promote our Eco Services in overseas markets, where there is an ongoing transition in environmental and energy policies, with a particular emphasis on Asia.

ORIX Group will strengthen its own internal environmental initiatives, such as reducing its CO₂ emissions, conserving energy and ensuring proper waste disposal. In addition, through the provision of Eco Services, we will continue striving to contribute to solving the environmental and energy issues of our customers and society.

October 2011



Makoto Inoue
President and COO

Roundtable Discussion



Mariko Kawaguchi (Moderator)
Managing Director
Head of ESG Research Department
Daiwa Institute of Research Ltd.

Yoshihiko Miyauchi
Chairman and CEO

Miyuki Oba
Managing Director and CEO
Environment & Energy Research
Institute Inc.

Mari Yoshitaka
CDM/JI Senior Consultant
Deputy Chairman, Clean Energy Finance Committee
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

Environmental Business: Focus on the Future

ORIX hosted a roundtable discussion with three guests from Environmental Businesswomen (EBW*), an organization that is active in the environmental field, and Chairman and CEO Yoshihiko Miyauchi. The discussion covered current energy issues and the future outlook for ORIX Group in the environmental and energy fields (Held on August 5, 2011).

Energy in Japan over the Medium to Long Term

Kawaguchi: First, I would like to ask Yoshihiko Miyauchi, the Chairman and CEO, about energy in Japan over the medium to long term in the aftermath of the Great East Japan Earthquake.

Miyauchi: The earthquake has underlined the central role played by energy in economic activity. When I was young, blackouts were a commonplace occurrence in Japan. However, as the economy developed, at some point it began to seem only natural that we could use electricity freely and without limitation. That mindset didn't really change until the earthquake.

For example, some people seem to think that it would be better to live with a shortage of electricity rather than to continue to use nuclear power. In the end, however, that seems to amount to a denial of civilization, and I think that it is a mistake to look for answers based on the assumption of reduced economic strength. In addition, if we halt nuclear power, we will have no choice but to depend on thermal

power, and consequently CO₂ emissions will increase. Even if we agree to, at the very least, maintain our economic strength as we take on energy problems, there is resistance to the idea of a society that continues to emit unlimited amounts of CO₂. This issue, which is fundamentally a tradeoff, will be extremely difficult to resolve. I think that perhaps our only choice is to shift to clean energy over the course of several decades, while placing top priority on increasing the safety of nuclear power.

Kawaguchi: I think that both supporters and opponents of nuclear power want to see a transition to clean energy over the long term, but there are differences of opinion as to the timeframe.

Miyauchi: There are relatively significant differences when you think about the impact on daily life. Rather than getting caught up in these types of disagreements, however, I think it is essential that we take a multi-faceted, long-term approach to discussing this issue.

* EBW was established in 2004, when then Minister of the Environment Yuriko Koike held meetings with 10 women executives and opinion leaders who were active in environment-related areas (first-round members). EBW conducts activities that support the development of environmental businesses and people working in environmental businesses from the perspective of women leaders. The theme of the organization's activities is the creation of a virtuous cycle between the environment and the economy. The Minister of the Environment subsequently held a series of meetings, and EBW continued to communicate its message to society while adding members. The fourth round of members has since joined, increasing EBW's membership to 39 members. In June 2007, EBW became a limited liability intermediary organization.

In the environmental field,
ORIX will work to contribute to society
both as a finance provider and
as a business operator.

Yoshihiko Miyauchi



An Age of Electric Power Options

Oba: Energy also involves an aspect of “quality.” Methods of electric power generation from which output fluctuates daily, such as solar power generation, are sufficient to meet the needs of typical households. However, they don’t offer the high quality that is necessary in industry, that is, a stable supply with limited fluctuations in voltage and frequency. Nuclear power is indispensable for this. I think, for example, that we would be able to make some progress toward resolving energy issues if electric power was graded by quality, say from 1 to 3, and customers were categorized by the grade of power they use. Some customers would require the higher-quality grade 1, while grade 3 would be adequate for others.

Miyauchi: That’s right. Detailed coordination would be necessary to make it happen. Another approach might be to limit the use of grade 1 electric power to only those customers that truly need high-quality power, such as plants manufacturing precision machinery. In Japan, there is a strong tendency to pursue the highest levels of service in all fields. In some cases, though, I think that might not be economically rational.

Yoshitaka: In addition to securing sources and the use of electric power, how we will prevent the hollowing out of domestic industry is also an important issue. In Asia, the introduction of renewable energy has begun to pick up speed, but the majority of the equipment used in those initiatives is made in China or South Korea. Equipment made in Japan is hardly used at all due to cost issues. First, we need a vision for the future of Japan, and then we can move ahead with discussions about electric power based on that vision.

Kawaguchi: Thinking realistically about balance with the economy, it is vital that a clear distinction be drawn by clarifying the criteria for decommissioning nuclear reactors that have reached the end of their useful life so that dangerous reactors do not remain in use and safe reactors are approved for reuse.

In addition to wind power and solar power, renewable energy also includes geothermal and biomass. Isn’t ORIX also active in biomass power generation?

Miyauchi: We have just recently started commercial operation at the Agatsuma Biomass Power Plant in Agatsuma, Gunma Prefecture. Biomass presents issues that will require ongoing attention in the future, such as a stable supply of wood chips, but I think it is important to first move ahead and take on the challenge.

Kawaguchi: Also, geothermal power generation involves the use of heat that is already being generated naturally, so I think that we need to include geothermal as well. However, there is also the issue of the extent to which various regulations will hinder development. What is important is that we expand our range of options by diversifying our sources of energy so that, for example, we can shift to geothermal or solar power if the price of biomass fuel increases.

Environmental Business Initiatives from a Financial Services Provider

Kawaguchi: ORIX Group is developing highly original and interesting financial services. Moving forward, what types of businesses are you considering in the environmental field?

Miyauchi: I believe that the role of financial services is to support the popularization of new technologies and systems through financial functions. I think that there are two directions in the design of environmentally friendly systems. One is to establish strict regulations. The other is to focus on providing directional guidance in areas where strict regulations need not be established.

In the energy field, for example, if strict regulations are established with a focus on stability and safety, the cost of meeting those standards becomes quite high. However, because all of the market participants face the same standards, the principle of competition can function within those parameters. On the other hand, relatively



By changing the perspective, it is clear that the environmental and energy fields have great potential for growth.
In the future, I would like to see ORIX serve as a driving force behind the development of businesses in these fields.

Mariko Kawaguchi

Mariko Kawaguchi has 15 years of environmental management and socially responsible investment survey and research experience. She has conducted surveys and research on global trends in evaluating companies based on environmental, social and governance (ESG) issues; and the reflection of principles for responsible investment (PRI) in investment decisions. She has also promoted the popularization of these concepts in Japan.



Energy also involves an aspect of “quality.”

I think we would be able to make some progress toward resolving energy issues if electric power was graded by quality.

Miyuki Oba

Miyuki Oba holds a doctorate degree in engineering, specializing in heat transfer. Throughout her career, she has researched the energy consumption of households and companies, based on which she has proposed energy-saving measures for the different “life stages” of a household or company. After working at the Energy Conservation Center, Japan, she moved on to establish Environment and Energy Research Co., Ltd., in 1998.

loose standards can hinder the introduction of renewable energy, which has high generation costs, and there will be a need for subsidies to promote the adoption of these renewable energy technologies. Although the establishment of reasonable regulations is a difficult task, with a choice between establishing regulations and fostering competition in a high-cost environment on one hand, and offering subsidies and providing guidance on the other, in either case a finance scheme and financial services to provide the necessary capital are indispensable.

Yoshitaka: I think that subsidies are good for getting these technologies off the ground, but the use of subsidies causes a lack of continuity and autonomy. Another method is to use the market function for trading environmental added value, such as with emissions trading.

Kawaguchi: There is also the problem of regulations. For example, the framework linking companies that want to enter the solar power business but lack sufficient funds with companies that want to provide support for initiatives such as solar power is still not sufficiently developed.

Miyauchi: We are starting to see the emergence of manufacturers that will guarantee solar power output over the long term. With that in place, the development of a purchasing system will facilitate more reliable cash flows and then it will be easier to obtain financing. One thing Japan needs at this point is the establishment of an operating environment that makes full use of the high degree of liquidity of domestic funds. In other words, we need to create a system that makes it easier for financial institutions and investors to provide funding.

The environmental field currently requires a large amount of funds. There is substantial room for private-sector organizations, like ORIX Group, to take an active role. I believe that ORIX Group can contribute to society, through its roles as a provider of funds and as a company that is directly engaged in environmental businesses, such as power generation.

Moving forward, we will expand both of those roles in growing markets, including overseas.

Developing Environmental Businesses Overseas

Kawaguchi: I would like to ask about environmental businesses overseas.

Yoshitaka: I have been involved with the clean energy business in developing countries, and there are significant changes underway. For example, the feed-in tariff (FIT) system has been introduced in emerging countries. In Thailand, meanwhile, the government has established an ESCO fund* and, together with local banks, is providing funding on a trial basis. I have the sense that Japan is

following the lead of emerging countries in this field. Also, as energy prices have risen dramatically, emerging countries, which had previously wanted as much energy as they could get for economic development, are starting to emphasize energy conservation. In this setting, the Japanese government is aggressively promoting Japan's energy conservation technologies in emerging countries.

Also, there is a move toward the creation of emissions trading markets in Asian countries such as China, South Korea, Thailand and Indonesia.

Moving forward, in addition to the existing international emissions trading schemes, the Japanese government, with the Ministry of Economy, Trade and Industry (METI) taking the lead, has proposed a “bilateral credit” system to the United Nations.

Transactions implemented under the Kyoto Protocol are based on strict rules in accordance with multilateral schemes, such as the World Trade Organization (WTO). However, as with Free Trade Agreements (FTA), bilateral credits are determined by the countries involved. As a result, Japan's CO₂ emission reduction technologies could be sold overseas and the resulting reductions could be offset against Japan's reduction targets, contributing to the real economy. A fund could also be utilized to provide support for superior technologies.

Miyauchi: I see. I was under the impression that the international implementation of current emission trading schemes continually provides financial support for emerging countries. I think that we can expect to see a lot of developments in these areas in the future.

* ESCO fund: A finance scheme that is limited to environmentally friendly capital investment.

Water-related Businesses: A Huge Market

Kawaguchi: In the case of developing countries, the environmental field is relatively broad, including not only energy but also water, forestry resources and agricultural land.

Yoshitaka: In protecting the forestry resources of emerging countries, there is some competition to secure resources. I have the sense that Japan, unfortunately, is one step behind in many areas. It is difficult to resolve problems related to water resources solely with private-sector funding. There is a need for new schemes, such as joint public-private initiatives.

Miyauchi: Energy is needed for economic activities, but water is essential for human life. Consequently, these are more fundamental problems. In the future, achieving substantial growth in water-related businesses will require more than just conducting business in certain sectors, such as selling water-related equipment overseas. For example, I don't think there will be any substantial gains without a decisive approach that involves Japan's public and private sectors in all types of projects, such as water supply, sewage and water purification projects.

Actually, these types of initiatives are already getting underway. ORIX Group has invested in a water processing company in China and a preparatory study has commenced for sewage treatment operations in emerging countries. I think that the overseas markets for water-related businesses offer significant potential.

Oba: Speaking of efforts to secure water supplies in regions where water is in short supply, fuel cells naturally produce water when generating power. The water that is produced is pure and therefore drinkable. Fuel cells generate power using only oxygen, or air, and hydrogen. For this reason, installing fuel cells overseas in areas faced with water shortages can help supply both water and power. In overseas environmental businesses, I feel that it is not enough to simply focus on energy. An approach needs to be based on a broader perspective.

Kawaguchi: The business of producing water is important. However, we need to be careful not to forget the growing need to manage water usage, such as by tracking the water used during manufacturing processes at factories. These types of water-saving efforts are as important as energy-saving initiatives.

Yoshitaka: In addition to water-related businesses, I believe that thermal and electric power storage are also important business themes. Japan's precision control technologies, the intangible elements of operations, are the most advanced in the world. While I have heard that Europe is more advanced in terms of water treatment technologies, Japan's control technologies are superior. Therefore, I feel that Japan can leverage this strength in the areas of thermal and electric power storage and battery control, the intangible elements of the renewable energy field.

Expectations of ORIX Group Environmental Businesses

Yoshitaka: Over the past 10 years, Japan's financial industry has begun turning its attention to the environmental field. However, I feel that the current level of environmental awareness in this industry is

insufficient. I, therefore, hope that ORIX Group will take the lead in opening new markets, assume risks and become a leader in the domestic and overseas environmental business fields.

Oba: Going forward, I think that a massive market for solar panels will emerge. However, in order for this market to become self-sustaining, there will also have to be a secondary market for used solar panels. I believe that activity in the solar panel market will only begin to take off once a market for used solar panels is developed. For this reason, I hope that ORIX Group will take steps to stimulate the used solar panel market such as creating a market where solar panels can be reused overseas.

Kawaguchi: ORIX Group is known for its active development of progressive businesses by leveraging the know-how it has accumulated through the leasing business. Some believe that Japan lacks energy resources. However, this is only true with regard to fossil fuels and other finite fuel resources. Quite the contrary, Japan has geothermal energy and a warm, humid climate that is ideal for biomass power generation. In this way, there is a clear possibility that Japan may become an energy superpower 100 years or so in the future. By changing the perspective, it is clear that the energy market in Japan has great potential for growth. In the future, I would like to see ORIX Group serve as a driving force behind the development of businesses in these fields.

Miyauchi: I am acutely aware of the fact that the tasks ORIX Group must address in the environmental field have increased. Further, the recent nuclear issues have resulted in the emergence of a number of differing views with regard to the environment and energy. Accordingly, in addressing environmental issues, I think that we will need to have deeper discussions with a greater focus on energy.

Going forward, ORIX Group will continue to develop businesses focusing on both environmental and energy-related concerns based on the guidance and opinions raised during discussions with specialists such as yourselves.

Thank you very much for your time today.

I think that subsidies are good for getting technologies off the ground, but the use of subsidies causes a lack of continuity and autonomy. Another method is to use the market function for trading environmental added value, such as with emissions trading.

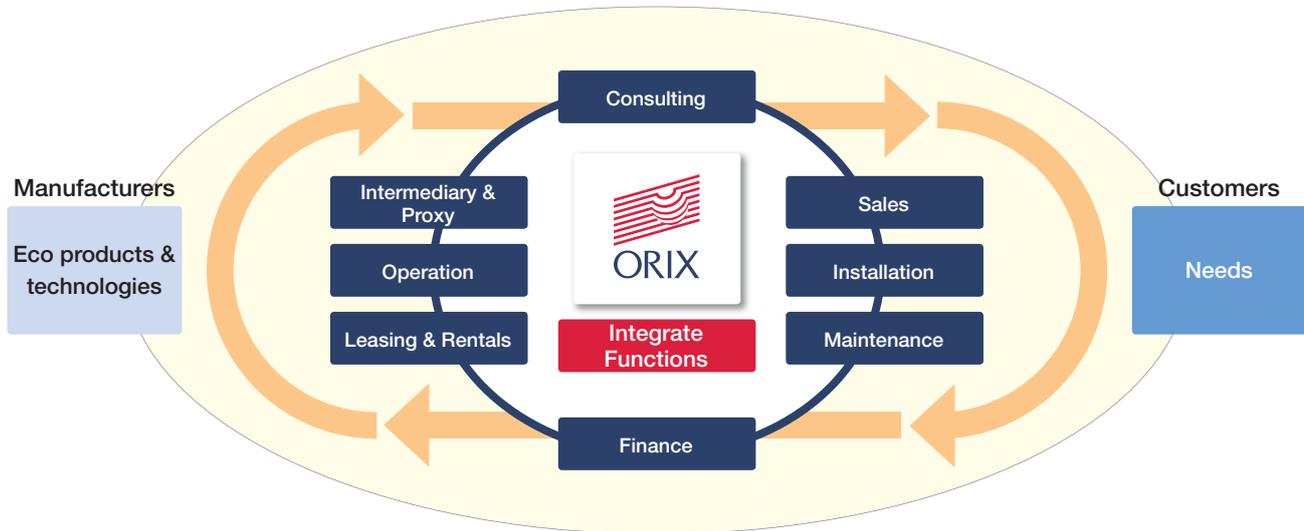
Mari Yoshitaka

After holding positions at an investment bank in the U.S. and International Finance Corporation, a part of the World Bank Group, Mari Yoshitaka joined Tokyo-Mitsubishi Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.), in 2000. She has been involved in a number of activities, including offering support for environmental businesses in emerging countries through emissions rights and clean energy finance initiatives.



Eco Services Integrator

ORIX Group comprehensively provides a variety of functions as an Eco Services Integrator in line with customer needs for eco products and technologies.



Company Profile

Company Name	ORIX Corporation
Established	April 17, 1964
Location	Mita NN Bldg. 4-1-23 Shiba, Minato-ku, Tokyo, Japan
Representatives	Chairman and CEO: Yoshihiko Miyauchi President and COO: Makoto Inoue Deputy President and CFO: Haruyuki Urata
End of Fiscal Year	March
Shareholders' Equity	¥1,319,341 million

Employees	17,578 (13,452 in Japan; 4,126 overseas)
Issued Shares	110,245,846
Stock and Security Exchange Listings	Tokyo Stock Exchange, First Section Osaka Securities Exchange, First Section (Securities Code: 8591) New York Stock Exchange (Trading Symbol: IX)
Main Business	Diversified Financial Services
Group Companies	Consolidated: 784 / Affiliated: 99
URL	http://www.orix.co.jp/grp/en/

As of March 31, 2011

ORIX Group Eco Services History and Developments Around the World

ORIX Group entered the environmental and energy business in the mid-1990s.

ORIX Group capitalizes on its broad expertise as an Eco Services Integrator to help its customers resolve their environmental issues.

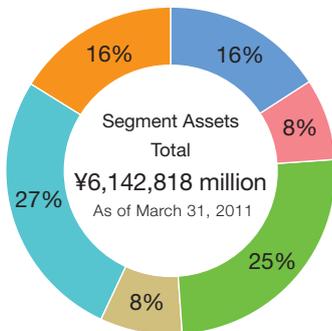
ORIX Group Eco Services History

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> 1995 • Investment in a wind power company 1998 • Establishment of ORIX Eco Services Corporation | <ul style="list-style-type: none"> 2000 • Start of ESCO business 2002 • Start of Car Sharing business • Establishment of Energy and Eco Services Department at ORIX Corporation • Establishment of ORIX Environmental Resources Management Corporation 2003 • Start of Area Recycling Systems business 2004 • Start of Enoshima Aquarium operations as a PFI business | <ul style="list-style-type: none"> 2006 • Start of operations at ORIX Environmental Resources Management's Yorii Plant 2007 • Start of Electricity Trading business 2008 • Acquisition of Agatsuma Electric Power Co., Ltd. (Now Agatsuma Bio Power Co., Ltd.) • Acquisition of Kanematsu Kankyo Co., Ltd. (Now Funabashi Eco Services Corporation) • Start of Carbon Offset service • Start of ESCO Fund (Environmentally Friendly Investment) |
|--|---|---|

1995~	2000~	2005~
<ul style="list-style-type: none"> 1995 • Electric Utility Industry Reform (Liberalization of electricity wholesaling business in Japan) 1997 • Adoption of the Kyoto Protocol 	<ul style="list-style-type: none"> 2000 • The Basic Act for Establishing a Sound Material-Cycle Society 	<ul style="list-style-type: none"> 2005 • The Kyoto Protocol enters into force • Creation of Japan's Voluntary Emissions Trading Scheme (JVETS) • Opening of the Japan Electric Power Exchange 2008 • Start of the First Commitment Period of the Kyoto Protocol • Amendments to the Law Concerning the Promotion of the Measures to Cope with Global Warming and the Law Regarding the Rationalization of Energy Use

Developments Around the World

Business Segments and Main Group Companies



Corporate Financial Services

Lending, leasing, commission business for the sale of financial products and environment-related business

- ORIX
- ORIX Eco Services
- NS Lease
- ORIX Environmental Resources Management
- ORIX Electric Power
- Ubiteq

Maintenance Leasing

Automobile leasing and rentals, car sharing, and precision measuring equipment and IT-related equipment rentals and leasing

- ORIX Auto
- ORIX Rentec

Real Estate

Development and rental of commercial real estate; condominium development and sales; hotel, golf course and training facility operation; senior housing development and operation; REIT asset management; real estate investment and advisory services; and real estate finance

- ORIX
- ORIX Real Estate
- ORIX Asset Management
- ORIX Golf Management
- ORIX Living
- ORIX Real Estate Investment Advisors

Investment Banking

Loan servicing (asset recovery), principal investment, M&A advisory, venture capital and securities brokerage

- ORIX
- ORIX Capital
- ORIX Investment
- ORIX Asset Management and Loan Services
- ORIX M&A Solutions
- ORIX Wholesale Securities

Retail

Life insurance, banking business and the card loan business

- ORIX Life Insurance
- ORIX Bank
- ORIX Credit

Overseas Business

Leasing, lending, investment in bonds, investment banking, real estate-related operations, and ship- and aircraft-related operations

- ORIX
- ORIX USA
- ORIX Australia
- ORIX Aviation Systems
- ORIX Leasing Malaysia Berhad
- PT. ORIX Indonesia Finance

Group Network



Network in Japan
1,098 locations

Overseas Network
26 countries and regions/
306 locations

As of March 31, 2011

- 2010**
- Establishment of strategic alliance with the Chinese Academy of Sciences
 - Establishment of ORIX Electric Power Corporation
 - Investment in Ubiteq, INC.
 - Selection as a partner for model business execution by Yokohama Green Power (YGP)

▶ 2010~

- 2010**
- The Act Concerning the Rational Use of Energy enters into force
 - The Revised Tokyo Metropolitan Environmental Security Ordinance enters into force
 - Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity Nagoya, Aichi Prefecture, Japan (COP 10)

- 2011**
- Start of sales of individual solar power generation systems for condominiums
 - Investment in Chinese water utility operator, China Water Affairs
 - Participation in Fujisawa Sustainable Smart Town project spearheaded by Panasonic Corporation and Fujisawa City
 - Contract for participation in the cooperative preparatory study for a JICA PPP infrastructure project regarding sewage systems in Indonesia and Vietnam
 - Start of sales of solar power systems and Bulk Electric Power Purchasing Services
 - Start of operations at Agatsuma Biomass Power Plant

▶ 2011~

- 2011**
- Establishment of the Act Concerning Special Measures on Renewable Energy Sources
- 2012**
(Scheduled)
- Rio+20 United Nations Conference on Sustainable Development, Rio de Janeiro, Brazil
 - Introduction of feed-in tariff system pertaining to renewable energy
 - End of the first commitment period of the Kyoto Protocol

ORIX Group Eco Services

ORIX Group Contributes to Society by “Solving Environmental Issues through Business.”

	Energy	Finance and Services	Resources and Waste	
Low Carbon Society	<p>Energy Conservation</p> <p>ESCO Business  ORIX P.16-17</p> <p>Greater “Visibility” and Automatic Control of Electric Power  Ubiteq P.17</p> <p>Electric Power</p> <p>Electric Power Trading Business ORIX P.15</p> <p>Bulk Electric Power Purchasing Service  ORIX Electric Power P.15</p> <p>Renewable Energy</p> <p>Solar Power System Integrator  ORIX P.13</p> <p>Biomass Power Generation Business  Agatsuma Bio Power P.14</p>	<p>ESCO Fund ORIX P.18</p> <p>Eco-Lease Promotion Business ORIX P.18</p> <p>Carbon Offset Service  ORIX P.18</p> <p>Sales of Carbon Credits ORIX P.18</p> <p>Tradable Green Certificates  ORIX P.18</p>		
	Recycling-based Society			<p>Area Recycling Systems  ORIX Eco Services P.20</p> <p>Sophisticated Waste Processing Facility (Gasification Furnace)  ORIX Environmental Resources Management P.21</p> <p>Industrial Waste Processing, Collection and Transportation  Funabashi Eco Services P.21</p>
			<p>Water-related Business  ORIX P.29</p>	
	Symbiotic Society			

Environment-related Equipment

Automobiles

Real Estate

Rentals

- EV Chargers
- LED Lighting
- Power Generators
- Batteries
- Environmental Analysis Equipment
- Energy-efficient PCs
- ... and more



ORIX Rentec

P.22

ORIX Telematics Service

ORIX Auto

P.23

Car Sharing



ORIX Auto

P.24

Leasing and Rentals of Electric and Hybrid Automobiles



ORIX Auto

P.24

Rentals of Electric-assist Bicycles "e-bike"



ORIX Auto

P.24

Eco-friendly Real Estate Development

- Condominiums
- Office Buildings
- Commercial Facilities
- Logistics Facilities
- Multi-purpose Halls
- ... and more



ORIX Real Estate

P.25-26

Eco-friendly Golf Courses



ORIX Golf Management

P.27

Used Equipment Sales and Purchasing



ORIX Rentec

P.22

Auctions and Certified Used Car Sales



ORIX Auto

P.24

Eco-friendly Hotel Operations



ORIX Real Estate

P.27

Eco-friendly Maintenance Services

ORIX Auto

P.24

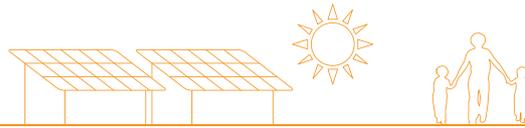
Aquariums



ORIX Real Estate

P.27

Energy



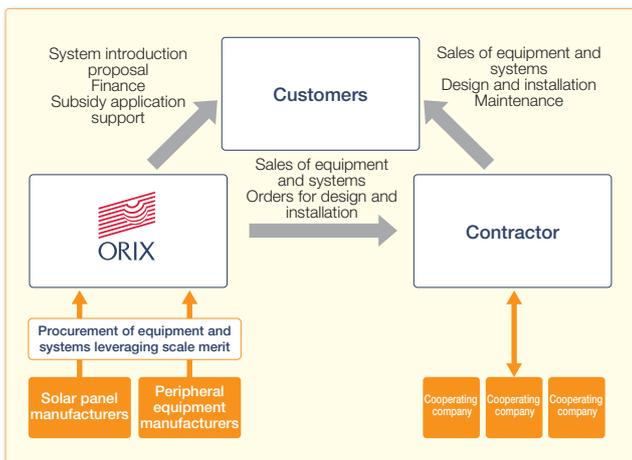
Renewable Energy

Promoting the use of renewable energy is increasingly important in a wide range of areas, such as ensuring a stable supply of energy, helping to prevent global warming and nurturing environmental industries, which are a pillar of economic growth. The Act Concerning Special Measures on Renewable Energy Sources was established in August 2011, and a feed-in tariff (FIT) system for renewable energy is scheduled to be introduced in 2012. ORIX Group is contributing to the popularization of renewable energy through the sales of solar power systems and the operation of a biomass power plant.

Solar Power System Integrator

ORIX Corporation

ORIX provides solar power systems throughout Japan. Leveraging the benefits of direct component procurement from manufacturers and of a nationwide network of contractors, ORIX is able to offer these systems at low prices, thereby supporting the introduction of these systems by customers. ORIX also helps customers to reduce the initial costs associated with investing in these systems by offering a range of different acquisition methods, including leasing, hire purchase, advance payment and rentals. In addition, ORIX



provides support in applying for the various subsidies offered by the Japanese government and municipal governments to further reduce initial costs.

ORIX also offers customers one-stop service for all aspects of introducing solar power systems, effectively smoothing the process of investing in these systems. This includes allowing customers to choose equipment from several different manufacturers and providing support for installation, procurement and post-introduction maintenance.

Yokohama Green Power (YGP) Model Business

ORIX participated in the Yokohama Green Power (YGP) Model Business project during the fiscal year ended March 2011 and the fiscal year ending March 2012. This project is part of the "Yokohama Smart City Project (YSCP)*," and in the fiscal year ending March 2012, participants are working toward the goal of installing Home Energy Management Systems (HEMS) and solar power systems in a total of 1,000 Yokohama households.

As a representative member of this project, ORIX manages the overall progress of the project and is working together with a number of sales companies and contractors to expand usage of these systems in Yokohama City.

* YSCP is a project in which Yokohama City, together with private-sector companies, promotes the introduction of renewable and unutilized energy systems; encourages energy management among households, companies and members of the community; develops next-generation transportation systems; and implements other energy-related measures.

Case Study

Installation at a Produce Processing Plant Fresh System, Inc.

ORIX helped install a 178 kW solar power system in produce processing company Fresh System, Inc.'s Hiroshima Center. ORIX provided comprehensive support throughout the entire process, from selecting panels and installing the system to applying for subsidies and procuring funds. This system is expected to generate approximately 15% of the Hiroshima



Center's electricity through solar power and will also serve as a tool for Fresh System to communicate their environmental awareness to the public.

Fresh System, Inc.'s
Hiroshima Center

Case Study

Installation at a Commercial Facility Every Co., Ltd.

ORIX helped install a 111.3 kW solar power system in Tient Every Midorimachi, a supermarket located in Fukuyama City, Hiroshima Prefecture. This system is expected to generate approximately 8% of the electricity used by the store through solar power. LCD displays that show the amount of energy produced were also installed in the store to



facilitate shoppers' awareness of this environmental initiative.

Tient Every Midorimachi

Biomass Power Generation Business

Agatsuma Bio Power Co., Ltd.

Agatsuma Bio Power Co., Ltd. operates the Agatsuma Biomass Power Plant, a wood chip-fired thermal power station located in Gunma Prefecture. Wood chip-fired power generation works by using wood chips*1 as fuel to heat a boiler and then using the steam from the boiler to power a turbine to generate electricity. The use of biomass*2 as an alternative to fossil fuels not only helps to reduce CO₂ emissions but also enables more environmentally friendly power generation through the use of thermal recycling*3 technology. Furthermore, the use of biomass helps to promote the optimal use of waste wood materials. The Agatsuma Biomass Power Plant has a power generation capacity of 13,600 kW, with annual power transmission of 85 million kWh. Converted to ordinary household electricity use, this equates to the annual power consumption of approximately 24,000 households.

The power generation facilities of this power plant have been certified as a green power facility by the Green Energy Certification Center, Japan (GECCJ) of the Institute of Energy Economics, Japan. With this certification, electricity generated at the power plant will be certified as green power produced from renewable energy sources. Part of the environmental value added will be converted into certificates and sold as Tradable Green Certificates.

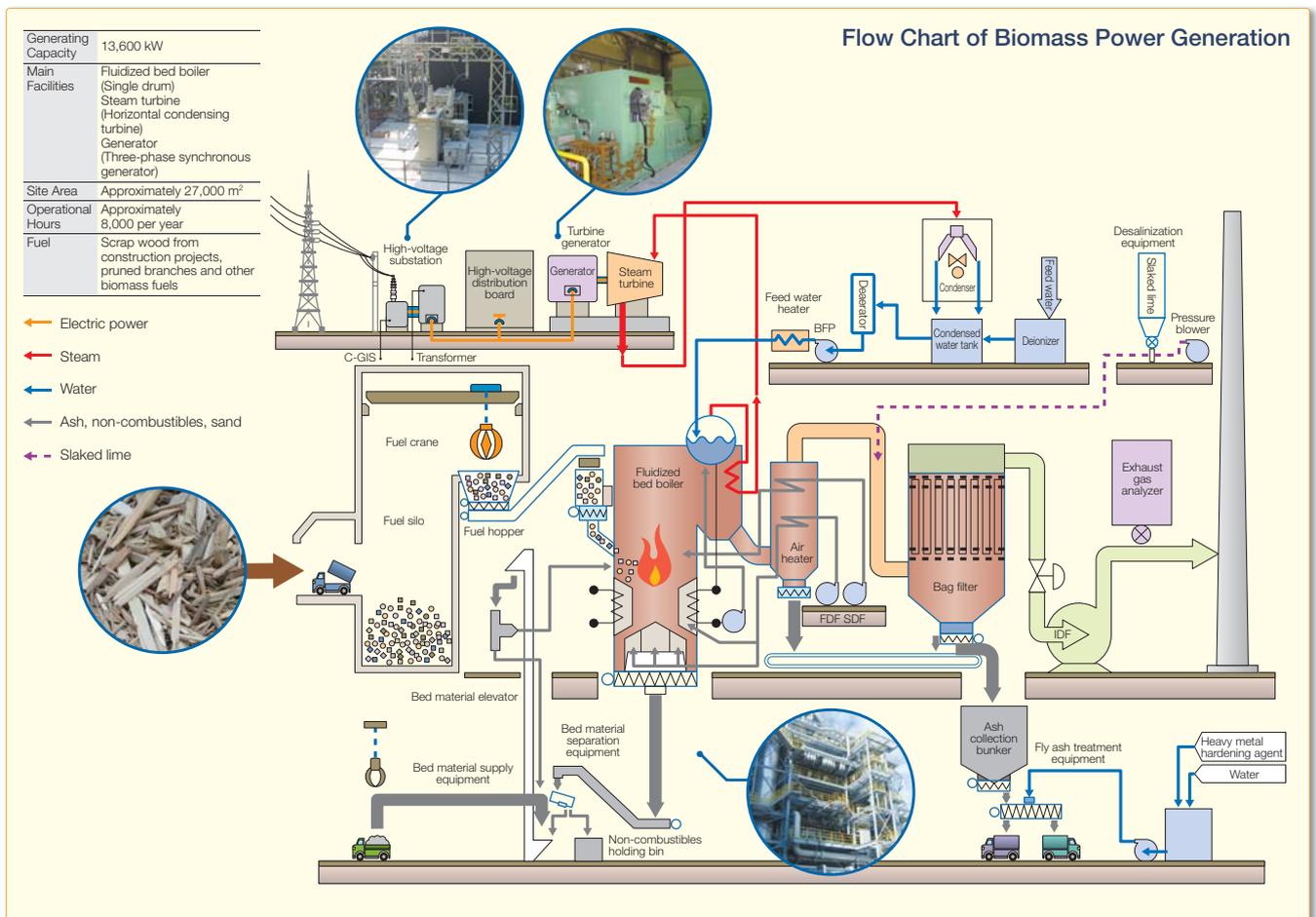


Agatsuma Biomass Power Plant

*1 Wood chips are produced by crushing biomass resources such as pruned branches and waste wood materials.

*2 Biomass refers to renewable organic resources derived from biological matter other than fossil fuels.

*3 Thermal recycling refers to the process of collecting and utilizing heat energy generated from combustion, rather than merely incinerating waste materials.



Electric Power Business

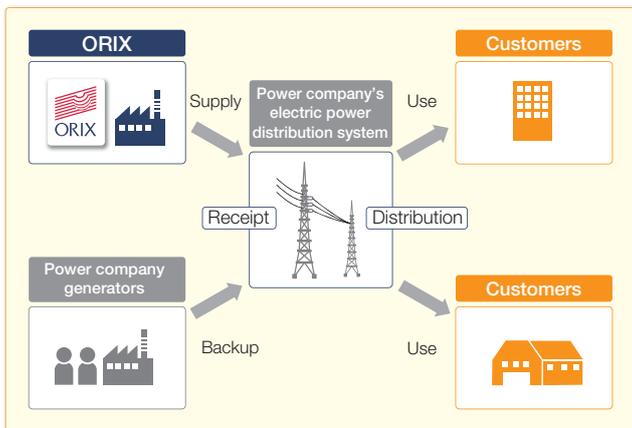
ORIX Group provides affordable electric power for business operators to power their factories, office buildings and other facilities. ORIX also offers its Bulk Electric Power Purchasing Service to customers residing in condominiums to help reduce their electricity costs.

Electric Power Trading Business

ORIX Corporation

As a Power Producer and Supplier (PPS), ORIX procures electric power, which it then supplies at affordable prices, mainly to private businesses in need of high-voltage power within the transmission areas of the Tokyo Electric Power Company, Incorporated, Kansai Electric Power Co., Inc. and the Chugoku Electric Power Co., Inc. PPS refers to businesses that supply electric power on a contractual basis to customers in need of more than 50 kW through the power lines of power companies and other suppliers of electric power.

Going forward, ORIX will work to raise the ratio of electric power that is supplied from renewable energy sources and to reduce the environmental burden from the electric power trading business.

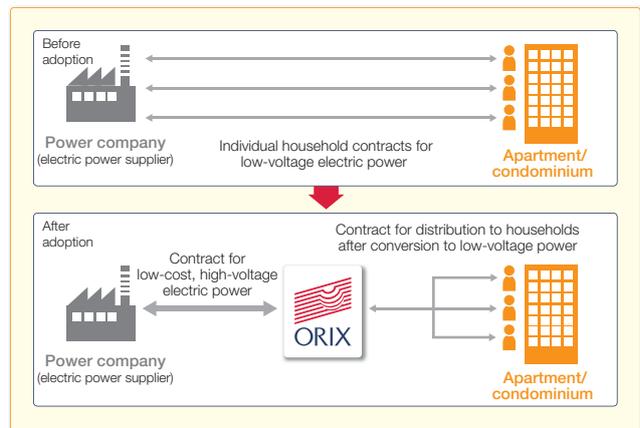


Bulk Electric Power Purchasing Service

ORIX Electric Power Corporation

ORIX Electric Power purchases affordably priced, high-voltage bulk electric power from power companies, which it then redistributes as low-voltage power to customers residing in condominiums, resulting in lower electricity bills for the customers. Installation, maintenance and management of the necessary infrastructure are conducted entirely by ORIX Electric Power, thereby freeing customers from time-consuming paperwork and lowering their financial burden.

ORIX Electric Power has also started to provide systems incorporating solar power systems in newly built condominiums.



Implementation of Solar Power Systems and Bulk Electric Power Purchasing Services in New Condominiums

ORIX Electric Power has begun offering a new service that combines its Bulk Electric Power Purchasing Service with a solar power system. This service is currently being offered at Lions Omori Nishi Grand Fort, a new Daikyo Corporation condominium development. Provision of this service allows both energy savings and a further reduction in electricity costs for each unit of the condominium building by supplying electricity generated from the solar power system through the Bulk Electric Power Purchasing distribution system. Previously, it was common practice for the electricity generated from a condominium building's solar power system to only be used in shared spaces within the building due to constraints such as the cost burden of installing electricity distribution equipment for individual units. However, by using a distribution system to supply the electricity to each unit in accordance with its floor space, ORIX Electric Power enables each unit to use electricity generated by the solar power system regardless of the total amount generated. Combined with the reductions provided by the Bulk Electric Power Purchasing service, this allows for more than a 10% reduction in electricity costs*.



Artistic rendition of Lions Omori Nishi Grand Fort in Ota Ward, Tokyo. The provision of a new service combining the Bulk Electric Purchasing service with a solar power system is expected to result in a 24% reduction in electricity costs.

* ORIX Electric Power estimate. Actual reductions may vary depending on conditions such as the size and scale of the solar panel system, the location where it is installed and the number of condominium units.

Energy Conservation

With the revisions to the Act Concerning the Rational Use of Energy and the implementation of the Tokyo Metropolitan Environmental Security Ordinance, regulations regarding energy consumption are becoming ever stricter. Further, the Electricity Business Act continues to outline energy conservation requirements. In this operating environment, tasks such as closely monitoring energy usage and implementing energy conservation initiatives are becoming increasingly important for companies. ORIX is providing comprehensive, optimal proposals to meet customers' energy needs based on an understanding of their energy usage by utilizing new energy and introducing energy-efficient equipment. In this way, ORIX is helping customers to reduce both their CO₂ emissions and their costs.

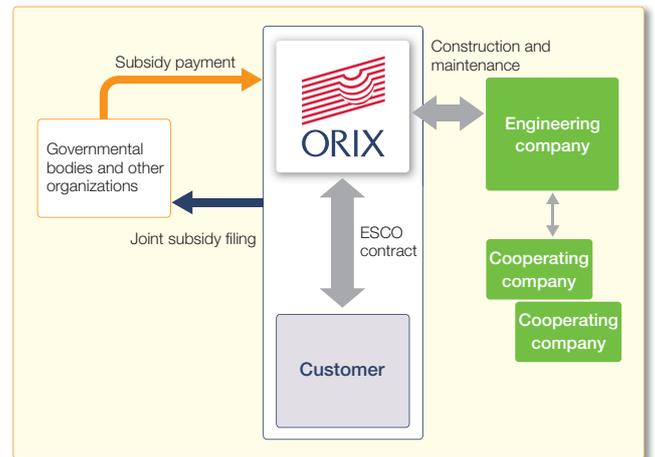
ESCO Business

ORIX Corporation

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

ORIX offers one-stop services ranging from energy assessments that determine customer energy usage to the proposal and implementation of energy conservation solutions. ORIX also provides ESCO services custom tailored to the needs of a variety of facilities, including factories, warehouses, other commercial facilities and hotels. In order to maximize energy conservation benefits, ORIX selects the best equipment and items given the customer's specific needs, without being limited to a particular manufacturer. ORIX

provides continuous post-ESCO service implementation support, such as operation and maintenance of equipment, energy conservation assessment and operations consulting.



Case Studies

Industrial Sector ESCO

ESCO Business for Factories (LNG*1 Fuel Conversion)

ORIX installed satellite tank equipment for liquid natural gas (LNG) storage on the factory grounds of a pharmaceutical company. This has allowed the customer to replace the heavy oil used as fuel at the factory with environmentally sound LNG, which can be converted to gas and supplied as boiler fuel according to demand. In addition, a high energy-efficiency gas turbine-based co-generation system has also been installed onsite.



ESCO Business for Factories (RPF*2 Conversion ESCO)

ORIX installed a refuse paper and plastic fuel (RPF) boiler on the factory grounds of a paper producer, enabling the factory to shift from using heavy oil as fuel to using RPF. Currently, all steam used at the factory is generated by burning RPF.



*1 Liquid natural gas

*2 Refuse Paper and Plastic Fuel. A high-grade solid fuel consisting primarily of refuse paper and waste plastic.

Service Sector ESCO

ESCO Business for Warehousing Operators

ORIX installed high-efficiency lighting fixtures in the distribution center of a transportation company. The New Energy and Industrial Technology Development Organization (NEDO) approved this initiative as a project supporting businesses subject to energy rationalization restrictions, which enabled the installation of the high energy-efficiency equipment and mitigated costs of the initiative.



ESCO Business for Commercial Facilities

Targeting the development of energy-saving retail outlets, ORIX has introduced combinations of highly energy efficient equipment, such as solar power systems and air-conditioning burden reduction technologies, into a number of supermarkets.



Case Study

**Service Sector (Office Building) ESCO
Hokkaido Prefectural Police**

In December 2010, ORIX was awarded the contract for the Hokkaido Prefectural Police Headquarters ESCO Project. In this endeavor, ORIX will work together with a major engineering and power company to introduce high-efficiency lighting and a Building and Energy Management System (BEMS)*, thereby ensuring the optimal operation of the headquarters facilities. Through these efforts, ORIX aims to reduce the energy used by the headquarters air-conditioning systems and lighting. ORIX's selection for this project was based not only on its ability to propose a solution that exceeded the customer's reduction targets but also on the high evaluation of other aspects of its services. These included cost performance; the data analyses, which make energy usage data more "visible;" and ORIX's medium- to long-term support framework, through which it offers advice on workflow improvement and investment plans. Further, as a project that promotes the introduction of high-efficiency energy systems in buildings, this project has been selected to receive subsidies under the Sustainable open Innovation Initiative in the fiscal year ending March 31, 2012.



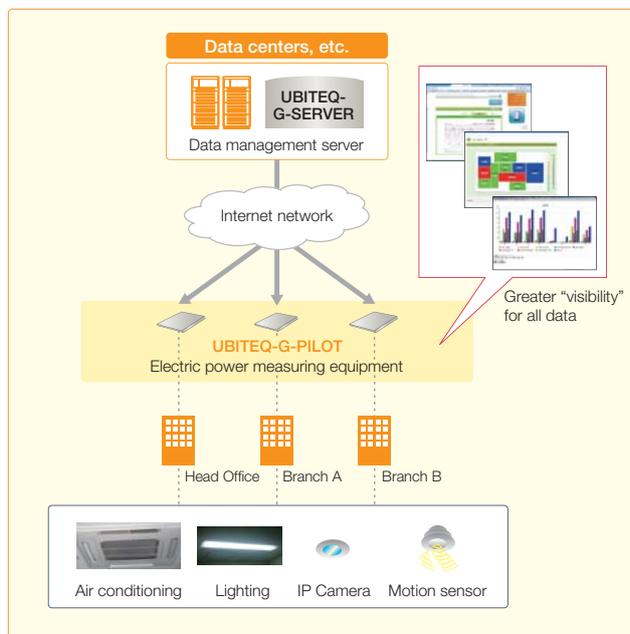
Hokkaido Prefectural Police Headquarters

* A system designed to reduce energy usage by optimizing the operation of facilities within a building.

Greater "Visibility" and Automatic Control of Electric Power

Ubiteq, INC.

Through Ubiteq Green Services (UGS), Ubiteq offers comprehensive energy conservation solutions that make electric power usage data more "visible" and offer automatic power control. These solutions link an office's lighting, air-conditioning and security equipment to its IT systems to provide greater "visibility" of electric power usage data. At the same time, they offer automatic control functions in which an email notification is sent to related managers when energy usage approaches a level predetermined by the customer, and even include a function that allows lighting and air-conditioning to be shut down automatically in the event that energy usage exceeds this level. The settings for these systems can be adjusted via the Internet or manually.



Case Study

**Industrial Sector (Factory) ESCO
KENKO Mayonnaise Co., Ltd.**

ORIX proposed a total of 15 energy-saving innovations to be implemented at KENKO Mayonnaise Co., Ltd.'s Nishi Kobe Factory located in Kobe City, Hyogo Prefecture. These included proposing the introduction of a high-efficiency boiler, increased lighting efficiency and a change in air-conditioning methods. ORIX was awarded this contract due to such factors as its ability to make energy-saving proposals that exceeded the customer's expectations and to offer maintenance services at a fixed price. ORIX anticipates that the implementation of these innovations will reduce CO₂ emissions by 714 tons per year.

Further, this project has been approved by NEDO as a project supporting businesses subject to energy rationalization restrictions for the fiscal year ended March 31, 2010, and the ensuing subsidies have helped reduce the initial expenses associated with this initiative.



Air-conditioning equipment installed at the Nishi Kobe Factory

Case Study

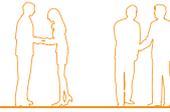
Canon Marketing Japan Inc.

In December 2010, Canon Marketing Japan introduced UGS to support the energy conservation efforts of its office building. The higher visibility of real-time electric power usage data is proving to be a powerful tool for improving energy conservation awareness among employees and evaluating the effectiveness of the electric power-saving initiative. Further, the automatic lighting control and meeting room monitoring systems that were provided by Ubiteq achieved a 20% reduction in electric power usage.



Kinya Saito
Manager, Shinagawa
General Affairs Dept.
General Affairs Div.,
General Affairs Headquarters
Canon Marketing Japan Inc.

Finance and Services



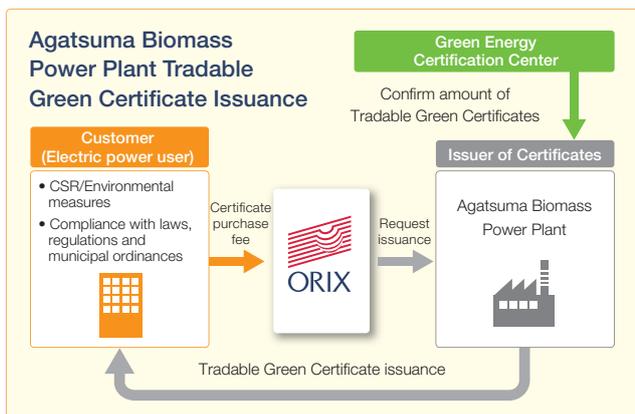
Finance and the Environment

Finance plays an important role in ensuring the sound development of both the environment and the economy. Finance is expected to facilitate the reflection of environmental factors in prices and enterprise values, thereby directing the flow of funds in an environmentally friendly manner. ORIX Group is leveraging its diversified financial services to assist customer efforts to make their operations more environmentally friendly.

Tradable Green Certificates

ORIX Corporation

Electric power generated from renewable energy sources has value in and of itself as electric power in addition to having value as an environmentally friendly source of power with a low level of CO₂ emissions. Tradable Green Certificates are an attempt to represent this environmental value in a tangible form. These certificates, which are sold by ORIX, represent the environmental value of the electric power generated through the use of wood chips as biomass fuel at the Agatsuma Biomass Power Plant. ORIX also issues and sell these certificates for the electric power generated by solar power systems. When a customer buys a Tradable Green Certificate, they are considered to be using green power, which affects their evaluation in regard to the Tokyo Metropolitan Environmental Security Ordinance as well as other ordinances. For this reason, the number of customers purchasing these certificates is increasing. Through the sales of these certificates, ORIX is helping its customers to improve the quality of their CSR activities and to address the related ordinances, laws and regulations issued by various governing bodies.



Eco-Lease Promotion Business

ORIX Corporation

The Ministry of the Environment is conducting an eco-lease promotion program during the fiscal year ending March 31, 2012 for small to medium-sized businesses that face financial difficulties in making the often expensive initial investments required to introduce low-carbon equipment. Through this program, if a business leases low-carbon equipment that meets standards set out by the Ministry, it can receive subsidies totaling 3% of the overall amount of the lease. ORIX is registered with the Ministry as one of the companies that can provide such leases.

Carbon Offset Service & Sales of Carbon Credits

ORIX Corporation

Companies as well as people make efforts to reduce the CO₂ emissions caused by their business activities and everyday lives. However, when they are unable to completely eliminate emissions, they can offset these emissions through initiatives that either reduce or absorb the CO₂ emitted in other areas. Common methods of accomplishing this goal include conducting clean energy operations, planting trees or engaging in forestry activities. This practice is known as carbon offset. There is an increasing trend in carbon offset initiatives in which consumer electronics, delivery services and other consumer products and services with carbon offset benefits are being sold. In these ways, carbon offset efforts are no longer just for companies wishing to decrease their emissions.

As a carbon offset provider, ORIX offers comprehensive support for customer carbon offset efforts by advising customers on how to transform their products and services into carbon offset products and calculates the CO₂ emitted by business activities. ORIX also procures and manages the necessary credits (for example, Certified Emission Reductions (CERs^{*}, etc.), as well as issue carbon offset certificates. In addition, ORIX sells various emissions rights in the form of carbon credits.

* A type of emissions credit that is recognized by the United Nations and is compliant with the rules outlined by the Clean Development Mechanism (CDM), a scheme through which companies can offer technological or monetary support to global warming prevention measures. Credits are awarded based on the greenhouse gas reduction volume of the measures.

Case Studies

- Offset of carbon emissions associated with operating vending machines
- Offset of carbon emissions from the manufacturing processes for business cards, envelopes and other paper products



ESCO Fund

ORIX Corporation

The ESCO Fund is an investment scheme limited to eco-friendly capital expenditures. In operating such a fund, ORIX combines its expertise in ESCO operations with the regional information networks of financial institutions to identify customers' demands efficiently and provide long-term financial support. Through the fund, ORIX is teaming up with The Shiga Bank, Ltd., The Kiyo Bank, Ltd. and other local financial institutions to contribute to the local economy and reduce CO₂ emissions in regional communities.

Resources and Waste



3R + Proper Waste Processing

The concept of the 3Rs—reduce, reuse and recycle—is a common thread running through a recycling-based society that aims to promote the recycling of resources. Also, resources that cannot be recycled must be properly processed and disposed of as waste in accordance with the Waste Management and Public Cleansing Law.

ORIX leverages its leasing expertise and its unique network to offer customers a one-stop service for all their 3R and waste processing needs.

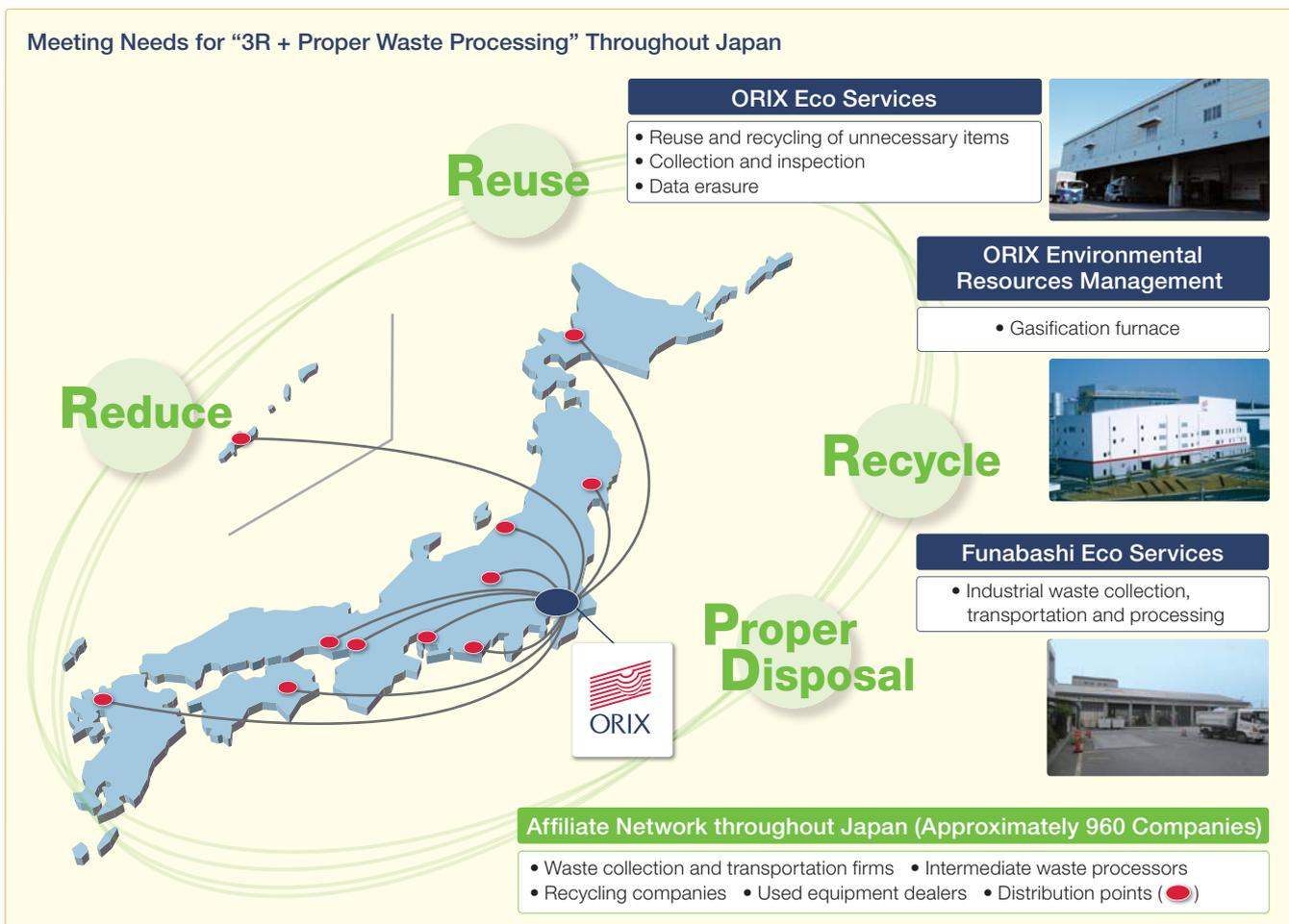
End-of-Lease 3Rs and Proper Waste Processing

Leasing and rentals are core businesses of ORIX Group. ORIX provides customers with a way to use equipment “only as needed, for only as long as it is needed.” ORIX promotes efficient equipment thereby contributing to reductions. Moreover, in its capacity as property owner, ORIX takes responsibility for either the sale or scrapping of the equipment after the lease or rental expires, contributing to reusing and recycling as well as ensuring proper waste processing.

Approximately 400,000 of ORIX’s leases expire each year. For those leases that are not renewed, ORIX Eco Services Corporation

(OES) utilizes its unique logistics network to effectively collect leased assets from across Japan and prepare them for reuse or recycling.

Leveraging this in-house expertise, OES has developed its area recycling systems, which offer integrated support systems for use by customers when disposing of equipment and striving to implement proper waste processing. Through these systems, as well as the waste processing businesses of ORIX Environmental Resources Management Corporation and Funabashi Eco Services Corporation, ORIX is working to contribute to the realization of a recycling-based society.



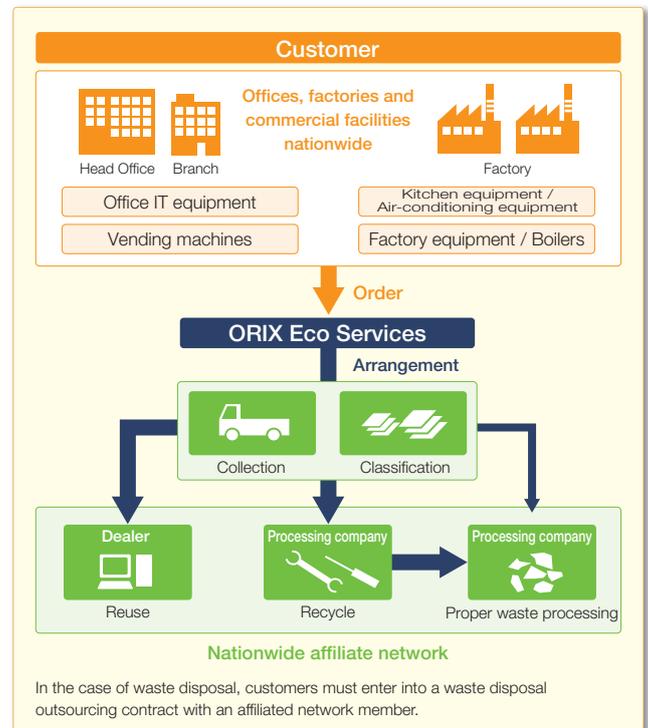
Area Recycling Systems

ORIX Eco Services Corporation

The prices of metal resources, including rare metals that are commonly used in electronic equipment and batteries, have risen in recent years due to shortages in supply. This situation has given rise to unprecedented needs for recycling, throwing a spotlight on so-called urban mines. In order to conduct effective recycling of such resources, it is first necessary to develop systems through which these resources can be recovered from across Japan in an appropriate and affordable manner.

OES has constructed a nationwide network that allows it to offer integrated support for recovering unnecessary property and then preparing it for reuse, recycling or proper processing as waste. This network forms the backbone of its area recycling systems.

OES, which assumes a central role in the provision of these services, supports customers by selecting processing companies, arranging transportation, appraising articles to be sold, proposing cost reduction measures and offering assistance in conducting the complex filling processes associated with proper waste disposal. Through these efforts, OES is not only working to smooth the collection process for unnecessary property but also helping to promote recycling and prevent improper waste processing.



Collection and Recycling of Office IT Equipment

Collection and Classification



Office IT equipment that has been collected is aggregated at the OES Yachiyo Stockyard (Yachiyo City, Chiba Prefecture) for management and classification.

Data erasure



Customer data saved on computers and servers is erased.

Reuse (Secondhand sales)



Equipment that can be reused is sold to various equipment dealers by type.

Dismantlement and sorting



Equipment that cannot be reused is dismantled and parts are sorted.

Proper waste processing



Materials that cannot be recycled are processed properly as waste.

Material recycling



Recyclable materials are recycled.

Sophisticated Waste Processing Facility (Gasification Furnace)

ORIX Environmental Resources Management Corporation

ORIX Environmental Resources Management (OERM) operates a zero-emission*1 plant in Yorii-machi, Saitama Prefecture, through a private finance initiative (PFI)*2 partnership. Utilizing the latest thermal decomposition and gasification methods, the plant recycles waste without releasing any incinerator soot or airborne ash whatsoever. The facility's defining feature is that it melts waste at roughly 2,000°C, which enables all of the waste to be recycled. Recycled materials include slag and metals, which are recovered, and refined syngas, which is used as fuel for highly-efficient power generation at an onsite generator. OERM has voluntarily set dioxin limits for the site at one-tenth the legal limit and is utilizing this sophisticated system to keep dioxin emissions to a minimum.



High-temperature reactor

The plant can process 450 tons of waste daily, one of the largest processing volumes among private-sector facilities in Japan. In addition to industrial waste from factories and offices, many municipal governments use the plant to process general urban waste, including household waste.

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

OERM also contributes to the advancement of social science education by offering tours of the plant to members of the community.

*1 Recycling resources by making effective use of all waste as raw material without emitting any unusable waste.

*2 A method in which private-sector companies are hired with public funds to use their own facilities to provide public services that traditionally require publicly-operated facilities, rather than providing these services through facilities directly controlled by the government.

Uses for Recycled Materials

Recycled substance	Use
Refined syngas	Fuel for power generation, Onsite fuel
Slag	Construction materials (blocks and paving material)
Metals	Steel production feedstock and copper material
Sulfur	Sulfuric acid feedstock
Metal hydroxide	Zinc refinement feedstock, Lead refinement feedstock
Industrial salt	Caustic soda feedstock

Industrial Waste Processing, Collection and Transportation

Funabashi Eco Services Corporation

Funabashi Eco Services, located in Funabashi City, Chiba Prefecture, is a general waste processing firm providing integrated services ranging from waste collection and transportation to selection of waste for pulverization and waste incineration. Waste brought into the facility is primarily construction-related industrial waste from construction sites around the Kanto region. Waste is carefully sorted, with metals, wood and paper scraps fully recycled while all other materials are incinerated.



Part of Funabashi Eco Services processing facility

The incinerator can process 150 tons per day in two 75 ton batches. It uses a rotary kiln (a cylindrical furnace set on an incline) and can process all forms of burnable industrial waste, including non-construction-related waste.

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

Metal Recycling

Funabashi Eco Services and OES are utilizing their expertise in pulverization, classification, compacting and other aspects of waste processing in a high value-added metal recycling business. OES currently operates a recycling business with its network of affiliated recycling companies. Developing this business with Funabashi Eco Services will enable ORIX to consolidate complete processing within the Group. Moreover, Funabashi Eco Services' sorting and classifying capabilities should enable recovery of high-quality metal materials that can be easily recycled.



Recycled metal

Environment-related Equipment



Green Servicizing

ORIX Rentec Corporation

The term “servicizing” is a business model based on selling functions in which items that were previously sold as products are provided to customers as services. “Green Servicizing” refers to forms of servicizing that offer outstanding environmental performance.

ORIX Rentec allows customers to rent environment-related equipment, such as LED lighting and energy-efficient PCs. This service helps reduce the use of resources. Additionally, ORIX Rentec promotes the reuse and recycling of equipment after it has been returned. In these ways, ORIX Rentec is actively conducting “Green Servicizing.”

Rentals

ORIX Rentec provides the necessary equipment in a timely fashion with a lineup of 785,000 items of equipment spanning 25,000 different types (as of March 31, 2011).

EV Charger Rental

As electric vehicles (EVs) gain in popularity, there is a rising need to develop a recharging infrastructure through means such as installing quick-chargers. However, the development of this infrastructure requires significant initial investment. ORIX Rentec offers rental services for quick-chargers, helping customers to spread out the costs over a longer period of time while also contributing to the development of a recharging infrastructure.



EV quick-chargers

LED Lighting Rental

LED lighting is gaining attention as a means of conserving electric power. ORIX Rentec rents the high-elevation lighting used in factories and warehouses, as well as the LED lighting used in offices and retail outlets. This enables customers to limit installation costs while supporting their energy conservation efforts.



LED light for use in factories and warehouses

Power Generator and Battery Rental

Recently, demand for both power generators and batteries has been growing. This growth in demand reflects their use as emergency power sources and their ability to improve energy efficiency by allowing electric power accumulated at night to be stored and used during the high-demand daytime hours. Going forward, ORIX Rentec aims to support customers' emergency backup systems by renting power generators and batteries.



Lithium-ion battery

Energy-efficient PC Rental

Replacing older PCs with more-current models can result in energy savings of approximately 70W for desktop PCs and 30W for laptop PCs. ORIX Rentec aims to promote widespread usage of such energy-efficient PCs.



Energy-efficient PC

Environmental Analysis Equipment Rental

The Japanese government has recently developed a new environmental standard for airborne fine particulate matter (PM2.5)*. Accordingly, ORIX Rentec is endeavoring to quickly provide analysis equipment to help customers address this standard as well as the concerns about radioactive particles.



Fine particulate matter (PM2.5) sampler

* Airborne particles with an aerodynamic diameter of less than 2.5µm

Used Equipment Sales and Purchasing

ORIX Rentec also sells used equipment that has previously been rented. Each item of equipment undergoes thorough quality inspections before being sold, allowing customers to make purchases without fear of defects. In addition, ORIX Rentec has a purchasing service in which it appraises and purchases customers' unnecessary equipment. By selling and purchasing used equipment, ORIX Rentec promotes the reuse of such equipment.

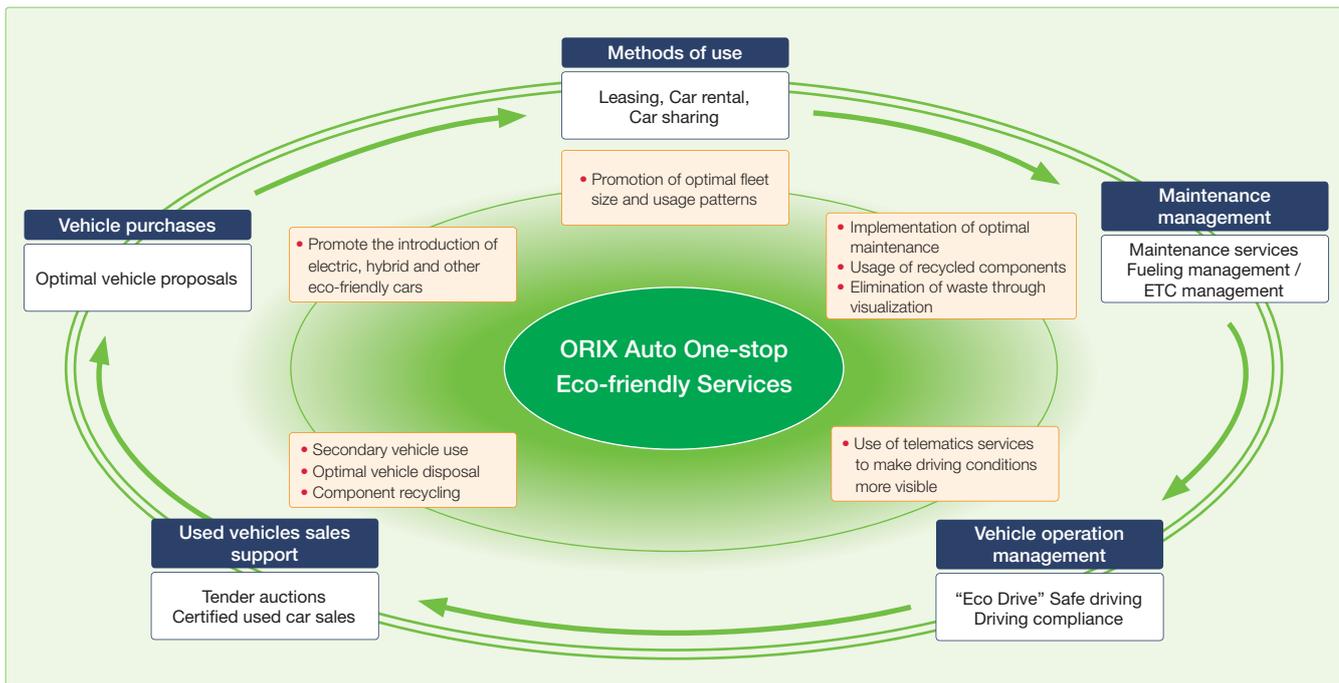
Automobiles



Eco-friendly Total Services

ORIX Auto Corporation

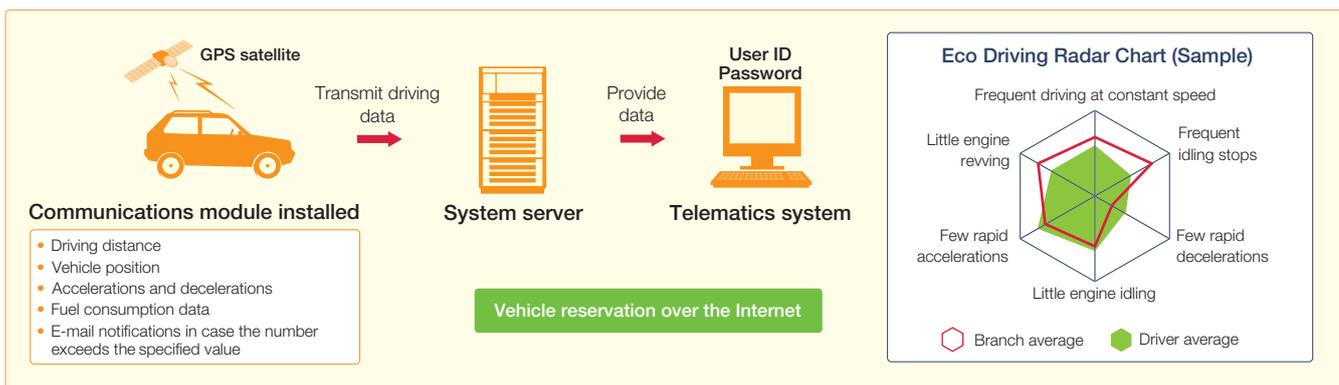
ORIX Auto operates the largest vehicle fleet in Japan's auto leasing sector, with roughly 870,000 vehicles under management (as of March 31, 2011). ORIX Auto provides services that help to reduce environmental impact and CO₂ emissions, as well as foster environmental awareness throughout the automobile lifecycle, from purchase to methods of use, maintenance management, vehicle operation management and disposal.



Vehicle Operation Telematics Service

The ORIX Telematics Service enables customers to monitor detailed driving data by equipping vehicles with specialized equipment that has communication and GPS functions. The system is used to monitor acceleration and deceleration, fuel consumption and CO₂ emissions, as well as driving distance and vehicle location. Fleet

managers and drivers can monitor this data from PCs, which is useful for promoting eco driving and labor management through the automatic generation of daily driving logs. The system also helps promote compliance management and the establishment of safe driving systems, as well as addressing environmental issues.



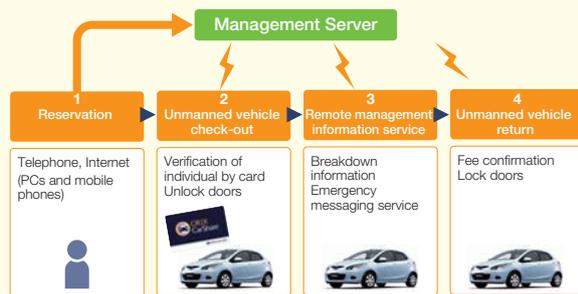
Method of Use **Car Sharing**

“Car sharing” is a car rental system in which many people share the use of several cars. In cases when people use cars for only short periods of time, car sharing enables customers to save money compared with individuals or companies owning cars, because running costs such as insurance premiums, taxes and car inspections are included in the car sharing fee.

In recent years, more and more companies have been adopting car sharing services. Some companies combine rail transportation with car sharing. In these cases, employees ride trains to the station closest to their destination, and then use car sharing services from nearby car stations. This approach shortens the driving time and reduces environmental impact. Also, working together with ORIX Eco Services Corporation, ORIX Auto is taking further steps to reduce its carbon footprint by implementing carbon offsets to offset carbon emitted from car sharing vehicles and by deploying electric vehicles (EVs) at certain car stations.



Car Sharing Scheme



Ties with Communities

ORIX Auto was the first company in Japan to launch a car sharing business. Today, this car sharing business is embraced as an environmental solution by local governments across Japan.

Kyoto Prefecture

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

Toyonaka City, Osaka

January 2010 ORIX Auto began car sharing operations in cooperation with Toyonaka City. Car sharing vehicles are provided at the city's terminal train station. In addition, coordination between car sharing services and public transportation is being promoted.

July 2011

ORIX Auto began EV car sharing operations in cooperation with Toyonaka City. As a first in Osaka, EVs were placed within the grounds of government offices to be used by residents and local government staff. EVs are available for use by both Toyonaka City residents and local government staff on weekdays and for the exclusive use of residents on weekends and public holidays.

Arakawa Ward, Tokyo

March 2010 ORIX Auto jointly launched an EV car sharing business with Arakawa Ward, the first initiative of its kind within Tokyo's 23 wards. EVs are available for use by both Arakawa Ward residents and local government staff on weekdays and for the exclusive use of residents on weekends and public holidays.

Ministry of the Environment (Next-generation Vehicle Implementation Promotion Project)

January 2009 Aiming to accelerate the adoption of next-generation vehicles, the Ministry of the Environment conducted field trials by loaning EVs to six local governments (Kanagawa, Aichi, Osaka and Hyogo prefectures as well as Yokohama City and Kitakyushu City). ORIX Auto's car sharing services were incorporated into these trials.

Method of Use **Car Rental Business & Rental of Electric-assist Bicycles “e-bike”**

ORIX Auto began actively renting EVs in the car rental business in 2010. It introduced 130 Nissan Leaf EVs into its car sharing fleet in 2011.

ORIX Auto has deployed about 1,800 hybrid vehicles (HVs) at ORIX Rent-A-Car, Rent-A-Car Japaren and X Rent-A-Car locations across Japan. Further, ORIX Rent-A-Car and Rent-A-Car Japaren have begun renting electric-assist bicycles “e-bike.”



Rental Nissan Leaf EVs and electric-assist bicycles “e-bike” at an ORIX Rent-A-Car location in Okinawa



Maintenance Administration **Eco-friendly Maintenance Services**

When performing regular vehicle maintenance inspections as part of our maintenance services, ORIX Auto also changes the oil as needed as well as checks the air pressure of tires, reflatting them when low. This contributes to higher fuel efficiency, which in turn lowers CO₂ emissions. ORIX Auto also works to limit resource consumption by using parts made from recycled materials when replacing parts on damaged vehicles. Further, ORIX Auto instructs affiliated service stations on how to properly process waste oil, tires and parts, and subsequently monitors them to ensure that they adhere to these guidelines.

Vehicle Sales **Auctions and Certified Used Car Sales**

ORIX Auto sells used cars that have been returned upon leasing contract expiration or at the end of their useful lives in rental operations to companies and individuals. ORIX Auto holds auctions attended by used car dealers at seven ORIX-managed locations nationwide, and 95% of the vehicles put up for auction are sold.

In addition, used cars are also sold directly to individuals through ORIX Auto's online store and at eight retail outlets nationwide. Vehicles sold through these channels must adhere to stringent quality standards. These vehicles, which are sold as “ORIX Certified Used Cars,” are made available at reasonable prices by cutting out the middleman.



ORIX Auto used car sales location in Kobe City, Hyogo Prefecture

Real Estate



Eco-friendly Real Estate Development

ORIX Real Estate Corporation

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

There is a strong connection between the environment and the real estate business, with every aspect of a building's lifecycle having an impact on the environment. ORIX Real Estate develops properties with high environmental performance in mind. Through these efforts, ORIX Real Estate is taking steps to make buildings more energy efficient and reduce CO₂ emissions, and it is supporting the development of a recycling-based society in harmony with nature.

Condominiums

Sanctus Musashino Sekimae, located in Musashino City, Tokyo, was the first condominium complex in Tokyo to introduce an individual solar power system^{*1}. These individualized systems turn each resident in a condominium complex into a potential energy producer by enabling each unit to sell the excess solar power generated to electric power utilities. Complexes utilizing entirely electric kitchen fixtures coupled with these systems can realize reductions of approximately 48%^{*2} in lighting and heating costs when compared to the typical gas and electric home, while also lowering carbon emissions. Every unit with the system has a monitor that displays such information as the amounts of energy produced and electricity consumed for the day. This increased "visibility" of energy usage boosts the benefits of the system's energy efficiency. Further, ORIX Real Estate is implementing a number of other environmental initiatives in its condominium operations, including the introduction of "EcoCute" water heating systems and LED lighting as well as the use of more greenery on the sites of condominium complexes.



Artistic rendition of Sanctus Musashino Sekimae, a condominium complex in which an individual solar power generation system is installed

Monitors in each unit display information regarding the amount of electric power that is generated, used and sold through the solar power system



Solar power system monitor



Display of electric power sold*



Display of electric power purchased*

* Actual displays and figures may vary

A number of environmental initiatives have been implemented at the Sanctus Kawasaki Tower, located in Kawasaki City, Kanagawa Prefecture. These include the construction of open patios, which are a rarity in high-rise condominium complexes, the use of greenery to create a natural-feeling environment within the building, the adoption of insulation methods that have cleared the highest standard outlined in the Next-Generation Energy-Saving Standards, the installation of EcoCute water heating systems and LED lighting. These initiatives have earned the complex a CASBEE^{*3} Kawasaki A-rank evaluation. Further, ORIX Real Estate has implemented a car sharing system for residents of this complex, with two EVs and two HVs to help lower the environmental impact of residents' driving.

*1 Source: M.R.C.

*2 Data calculated by ORIX Real Estate

*3 CASBEE, an acronym for Comprehensive Assessment System for Built Environmental Efficiency, is a system for objectively ranking the environmental performance of buildings.



Sanctus Kawasaki Tower, CASBEE Kawasaki A-rank evaluation achieved



Open patio

Office Buildings & Commercial Facilities

The Minatomirai Center Building, located in Yokohama City, Kanagawa Prefecture, is equipped with “eco voids,” which are open spaces primarily located in the shared areas of office floors. Utilizing these spaces, ORIX Real Estate has introduced the T-Soleil automatic sunlight guiding system, which uses three types of mirrors to reflect sunlight in a manner that lights the interior of the building with natural light. This helps reduce the amount of electric power used for lighting.

In addition, ORIX Real Estate has introduced a zone air-conditioning system that supplies heat to the entire zone and allows heat demand to be carefully managed while supplying energy in an effective manner. Further, ORIX Real Estate has employed an anti-seismic vibration-damping structure that enhances the durability and safety of the building and has placed greenery within the building grounds and on its roof in order to combat the heat island phenomenon. These features have made the Minatomirai Center Building a superior building in terms of both environmental performance and energy conservation.

The ORIX Honmachi Building, ORIX Group’s new head office located in Osaka, was also constructed with the environment in mind. Parts of the old head office’s framework were reused in the construction of the new building, and ORIX Real Estate placed greenery within the building’s grounds and on its roof. ORIX Real Estate also installed a solar power system along with LED and other long-lifespan lighting. Moreover, ORIX Real Estate is implementing Building and Energy Management System (BEMS) initiatives.

Another environmentally friendly building is Cross Garden Kawasaki, located in Kawasaki City, Kanagawa Prefecture. In addition to having greenery on its outer walls, the building is equipped with a solar power system, entirely electric fixtures, wind-powered street lights and LED lighting. These and other measures have contributed to the effective energy savings that have been achieved by this commercial facility.



Minatomirai Center Building,
CASBEE Yokohama S-rank certified



ORIX Honmachi Building,
CASBEE S-rank certified



Cross Garden Kawasaki,
CASBEE Kawasaki A-rank
evaluation achieved

Logistics Facilities

Many companies are faced with the task of reducing their environmental impact. Against this backdrop, the demand from tenant companies in ORIX’s logistics facilities for energy-saving measures is growing. ORIX Real Estate is taking steps to address the environmental concerns of these tenants, including introducing solar power systems in facilities and placing greenery on their outer walls.

As a result of these efforts, the Yokohama Machida IC Logistic Center, completed in 2011, as well as the Kawagoe Daini Sangyo Danchi Logistics Center and the Ichikawa Chidori-cho Logistics Center have all received CASBEE A-rank evaluation.



Ichikawa Chidori-cho Logistics Center,
CASBEE A-rank evaluation achieved

Multi-purpose Halls

In April 2012, ORIX Real Estate will complete its renovation of the former Osaka Welfare Pension Great Hall, reopening it as the ORIX Theater. While preserving the traditional facade of the building, ORIX Real Estate is renovating the building so that it can be operated with enhanced safety and environmental performance. This entails such measures as strengthening its resistance to seismic activity, installing new air-conditioning equipment and introducing a solar power system.



Artistic rendition of the ORIX Theater, scheduled to open in April 2012

Eco-friendly Golf Courses

ORIX Golf Management LLC

ORIX Golf Management (OGM) operates 40 golf courses (837 holes) and two driving ranges nationwide (as of September 30, 2011). Striving to realize a level of golf course management that has a minimal environmental impact, the company launched the "GOLF de ECO" project in April 2010.



Contribution to a Low-carbon Society

In December 2010, OGM performed construction work to install energy-efficient equipment, such as LED lighting, water heater upgrades and new heat pumps, at the "Rotary Golf Club" and "Nara Wakakusa Country Club." In March 2011, it introduced solar power systems at the "Musashi OGM Golf Club" and the



Solar panels stretching for 100m in front of the club house at the "Nara Wakakusa Country Club."

"Nara Wakakusa Country Club." As a result, CO₂ emissions in the fiscal year ended March 31, 2011, were down approximately 430 t-CO₂ year-on-year, exceeding the targeted reduction of 400 t-CO₂.

In the fiscal year ending March 31, 2012, OGM will upgrade the air-conditioning equipment of the "Fuji OGM Excellent Club Ono Course" and implement other construction projects targeting higher energy-efficiency at this site. Further, at other courses, it plans to upgrade the heat sources used during nighttime operation and to install LED lighting. Through these measures, OGM is targeting a year-on-year decrease in CO₂ emissions of 300 t-CO₂.

Over the three-year period starting in the fiscal year ended March 31, 2011, OGM aims to achieve a cumulative decrease in CO₂ emissions of 1,000 t-CO₂ from the level of the fiscal year ended March 31, 2009.

Contribution to a Recycling-based Society

In the fiscal year ended March 31, 2011, OGM conducted an initiative in which the grass cuttings from over 20 of its golf courses were converted to fertilizer. With 26% of all grass cuttings converted to fertilizer, OGM succeeded in exceeding its goal of a 20% conversion rate.

By expanding the number of courses at which this measure is implemented, OGM aims to convert 38% of all grass cuttings to fertilizer in the fiscal year ending March 31, 2012, and will then work to bring this figure up to 50% by the end of the fiscal year ending March 31, 2013.

Environmental Initiatives at Aquariums

ORIX Real Estate Corporation

The Enoshima Aquarium* is pursuing what it calls "Enosui ECO," a set of environmental measures consisting of ecology and environmental activity components.



Big Sagami Bay Tank at the Enoshima Aquarium

Through fun ecological and environmental learning programs, the Enosui ECO program has activities that seek to convey to children the importance of life and the environment. In addition, the aquarium conducts monthly beach cleanings.

In spring 2012, the Kyoto Aquarium, located in Kyoto City, Kyoto Prefecture, and the Sumida Aquarium (tentative name), located in Sumida City, Tokyo, are scheduled to open. The Kyoto Aquarium won praise for its plans to introduce a solar power system, and was selected by the Ministry of Land, Infrastructure, Transport and Tourism as a business with a model for reducing CO₂ emissions from residences and buildings during the fiscal year ended March 31, 2010, the second year of this project. At the Enoshima Aquarium and the Sumida Aquarium, ORIX Real Estate will install LED lighting and take other steps to manage the facilities in a manner that limits CO₂ emissions.

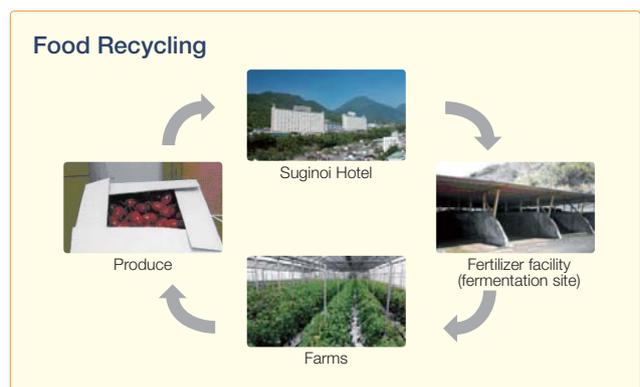
Going forward, ORIX Real Estate will continue to work toward preserving the natural environment and biodiversity through its management of aquariums.

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

Eco-friendly Hotels

ORIX Real Estate Corporation

The Suginoi Hotel, located in Beppu City, Oita Prefecture, is carrying out a food recycling project. All food waste generated by the hotel is collected and converted to fertilizer by a local affiliate. The fertilizer is then used in the cultivation of produce. The Suginoi Hotel then buys this produce in an effort to raise the recycling rate for food waste and completely offset the cost of waste collection and processing. Further, a similar system is being employed by the Blue Ridge Hotel, located in Toyooka City, Hyogo Prefecture.



Column: Environmental Activities

SANGO ORIX

In 2008, ORIX Real Estate launched SANGO ORIX, a project to restore the coral reefs of Okinawa. The project aims to protect the abundant capacity of Okinawan coral reefs to sustain biodiversity and pass pristine oceans on to future generations. At present, the project is planting coral off the shores of Okinawa.



In partnership with Okiden Kaihatsu Company, Inc., and Sea Seed LLC, ORIX Real Estate is continuing its coral reef preservation and restoration activities, including conducting surveys to monitor and confirm the growth of coral reefs in Okinawa. As of August 2011, ORIX Real Estate had succeeded in transplanting 5,000 coral seedlings, as part of a schedule to transplant a total of 10,000 seedlings over the five year period ending 2014.

Other ORIX Group companies are taking part in this initiative as well. OGM collects donations for this project from customers at all the facilities it manages and from funds raised by collecting and recycling lost golf balls. Also, ORIX Auto contributes to the coral transplantation efforts by donating to SANGO ORIX a portion of the proceeds from rentals of Nissan Leaf EVs and electric-assist bicycles "e-bike" at its 12 rent-a-car stations on Okinawa Island.

Further, in January and March 2011, the ORIX Foundation held programs for children in Urasoe City, Okinawa Prefecture, in which participants were able to experience coral seedling transplantation first-hand. Approximately 50 children from child welfare facilities participated in these programs.



Coral seedling transplantation



Children experiencing coral seedling transplantation

Energy Conservation in ORIX Living Nursing Homes

All ORIX Living-operated Good Time Living nursing homes have active energy conservation programs. At Good Time Living Shin-Urayasu (Urayasu City, Chiba Prefecture), the residents are coordinating with the staff and have taken the lead in forming an Eco Subcommittee, which meets monthly to discuss how to further promote energy conservation activities. Further, residents are conducting a number of other measures to lower energy usage, including reducing the number of lights used, frequently turning off lights and adjusting air-conditioning temperatures. Additionally, blinds made from reeds were installed on all south-facing windows of residents' rooms following the rainy season in 2011, thereby contributing to further energy savings.



Reed blinds shading windows at Good Time Living Shin-Urayasu

Post-earthquake Reconstruction Support

ORIX Group is collecting damaged products that could not be distributed from warehouses in northern Honshu (the main island of Japan) following the Great East Japan Earthquake, which occurred on March 11, 2011, to be processed at ORIX Group waste processing facilities. The volume of products treated in this manner has reached several thousand tons, thereby exemplifying the strong contribution we are making to logistics operations in the regions affected by this disaster.

In addition, as part of its social contribution activities, ORIX Group dispatched employee volunteers to Ishinomaki City, Miyagi Prefecture, one of the areas most affected by the earthquake, between April to August 2011. A total of 255 volunteers were dispatched in this manner. On site, volunteers worked under the instruction of local volunteer centers, which managed the task of matching volunteers to requests for help by people affected by the disaster as well as working to remove personal items and tatami mats from damaged houses, clear mud, remove debris and clean irrigation ditches.

Further, donations from ORIX Group officers and funds from the ORIX Foundation were used to donate 21 assistive vehicles and 14 standard vehicles to social welfare facilities in the affected regions.



Employee volunteers cleaning irrigation ditches

Overseas



Developing Eco Services Primarily in Emerging Countries in Asia

Environmental initiatives are an area of concern for people around the world. In 1971, ORIX Group's overseas expansion began in Hong Kong. Today, ORIX conducts leasing and other financial services operations in 26 countries and regions overseas utilizing the Eco Services expertise developed in Japan to spread these services throughout Asia and the rest of the world.

Water-related Business

ORIX Corporation

Indonesia

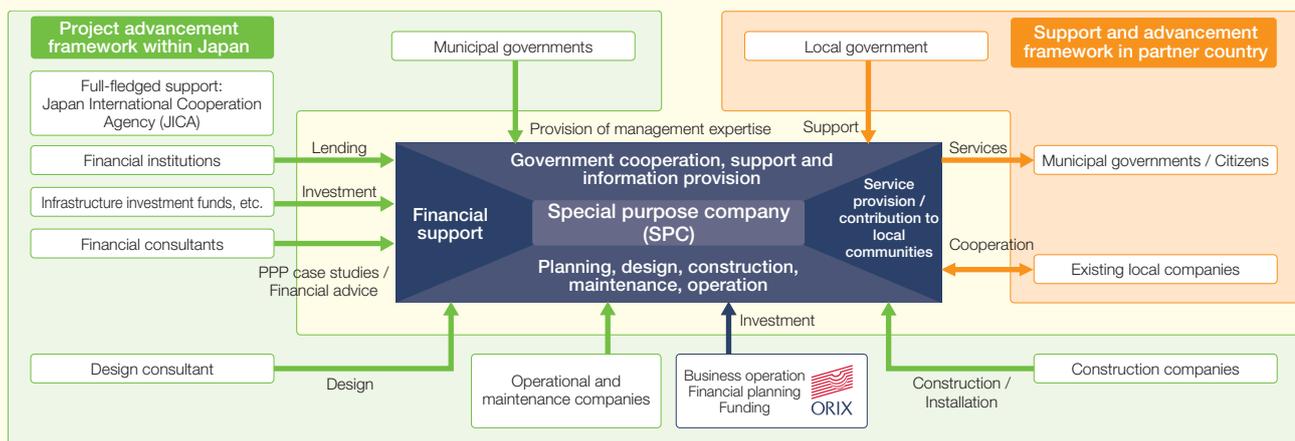
In August 2011, ORIX was selected to assume a representative role in a consortium consisting of eight Japanese companies in conducting a cooperative preparatory study for a Public Private Partnership (PPP) infrastructure project in Indonesia, for which Japan International Cooperation Agency (JICA) placed an open application for participants. The study will take place in Jakarta, Indonesia, where the development of the social infrastructure has been unable to keep pace with the expansion of the population. The consortium has until May 2012 to evaluate the feasibility of a PPP project developing a system of sewer pipelines and wastewater treatment plants (wastewater treatment plants and sludge treatment plants) capable of processing the sewage of 1 million people, which would be the largest system in the country. The consortium will then prepare a report for JICA evaluating the projected feasibility of this project. As a representative of the consortium, ORIX will be responsible for financial and capital plans, risk analysis and other related aspects of the project.

JICA has a strong relationship with Indonesia and a vast range of expertise regarding technical coordination, capital provision and other elements of supporting infrastructure development. The consortium will combine these strengths of JICA with its own know-how relating to the operation of private-sector companies and the sewage management efforts of municipal government bodies. In this way, the consortium will pursue operational efficiency and consider the future viability of such businesses as sewage treatment plant development in Indonesia.

Vietnam

ORIX was selected to participate in a consortium consisting of five Japanese companies to conduct a cooperative preparatory study for a JICA-related PPP infrastructure project in Vietnam. The study will investigate the business feasibility of constructing the country's largest sewage treatment facilities (wastewater treatment plants and sludge treatment plants), which would be capable of treating the sewage of approximately 900,000 people, in Hanoi.

Cooperative Preparatory Study for PPP Infrastructure Project Framework



China

The demand for water is increasing in China against the backdrop of rapid population and economic growth, drawing attention to the need to improve the quality of water and raise the rate of sewage and industrial wastewater that is reused. To address this issue, ORIX acquired approximately 14.5% of China Water Affairs Group Limited, a company with headquarters in Hong Kong that operates and manages water and sewage facilities in 20 cities in mainland China.

Using superior Japanese technologies and know-how, ORIX will complement this company's operations and contribute toward the resolution of China's water-related issues.

Sewage treatment facilities managed by China Water Affairs Group (Jingzhou City, Hubei Province)



Eco-friendly Chinese Headquarters Building

ORIX Corporation

In December 2009, ORIX established ORIX (China) Investment Co., Ltd., as its Chinese headquarters, located in Dalian City, Liaoning Province. The city of Dalian serves as the gateway to China's three northeastern provinces: Liaoning, Jilin and Heilongjiang. ORIX's Chinese headquarters building will be located in the Donggang Redevelopment District of Dalian City. The company is currently advancing development plans with the goal of completing this headquarters building, which will be constructed to achieve a superior level of eco-friendliness, in 2014. Dalian Haichang Corporation Development Co., Ltd., the main company of the Dalian Haichang Group, which is a major corporate group that manages tourism, real estate development and operating businesses in Dalian, will participate in this development project as a partner to ORIX (ORIX took an equity stake in Dalian Haichang Corporation Development in January 2010).

To reduce the need for air-conditioning while still allowing people inside the building to enjoy a spectacular view of the Dalian Bay ocean front, the building's windows will employ multi-pane low emissivity glass, which features strong insulating properties. Further, a tower design effective in limiting the occurrence of strong winds channeled by the city's buildings has been adopted and a lush courtyard has been established between the eastern and western office towers. In this way, the building creates the atmosphere of a town in which humans and nature are in harmony.



Artistic rendition of the outside of ORIX's Chinese headquarters building



Artistic rendition of the lush courtyard within the building grounds

Initiatives Around the World

Australia

ORIX Australia Corporation Limited

www.orix.com.au

ORIX Australia Corporation Limited (OACL) operates an automobile leasing business. A step ahead of other companies in the industry, it has begun providing services that promote the usage of eco-friendly cars. OACL also offers a number of other environmentally friendly services, including calculating customers' fuel usage and CO₂ emissions as well as preparing reports based on this data, proposing vehicle operation plans that take eco-friendly cars and the environment into consideration, providing carbon offset services and supporting customers' CO₂ emission reduction efforts.

In addition, OACL participated in the "Greenhouse Challenge Plus*" environmental preservation program conducted by the Australian government from 2007 to 2009 in an effort to decrease its own CO₂ emissions. In its first year of participating in this program, OACL

reduced its CO₂ emissions by 4,634t-CO₂ year on year. Further, it succeeded in achieving a decrease in average electric power usage of approximately 33% in the three years since June 2008. The program ended on July 1, 2009, but OACL continues working to provide customers with eco-friendly cars and Eco Services as well as to reduce its CO₂ emissions with the goal of realizing a low-carbon society.

* A program in which private-sector companies worked together with the Australian government to eliminate unnecessary energy usage and conserve energy through other means (Conducted from 1995 to 2009).



OACL's headquarters building, where electric power-saving measures are being implemented.

Sri Lanka

Lanka ORIX Leasing Company PLC

www.lankaorix.com

The energy policy of Sri Lanka clearly states that by 2015 at least 10% of the power generation should be achieved by renewable sources. Purely with the desire of maintaining a "sustainable office" concept, Lanka ORIX Leasing Company PLC (LOLC) has installed 2,000 solar panels at its Head Office premises. It is a 48kW grid-connected solar system with expected net metering, which generates 15% of the monthly power consumption at the Head Office. This is the biggest solar panel installation on a commercial building in Sri Lanka.

Through its business, LOLC is promoting renewable energy initiatives by investing in companies that conduct hydro and biomass power generation operations. One such company is Gal Oya Plantations (Pvt) Limited, in which LOLC took an equity stake as part of a PPP scheme with the Sri Lankan government. This company has extensive sugarcane plantations and manufactures sugar. Ethanol is produced as a byproduct and sugar waste is used as bio-fuel to generate power. There are plans to set up a power plant with an extendable capacity of 6MW in the near future.

Malaysia

ORIX Leasing Malaysia Berhad

www.orix.com.my

ORIX Leasing Malaysia Berhad (OLM) was Malaysia's first leasing company and boasts a 38-year history in the industry. In line with the December 2011 introduction of a new feed-in tariff (FIT) system for electric power generated by renewable energy sources by the Malaysian government, OLM has begun actively expanding its environmental businesses, including offering leases and hire purchase plans for installing environment and energy-related equipment such as solar power systems.

In July 2011, OLM was selected by Japan's Ministry of Economy, Trade and Industry to conduct feasibility studies regarding the potential for solar power operations in Selangor State, Malaysia. These studies are part of the Ministry's project for the development of environmentally friendly industrial logistics infrastructure utilizing Japanese technology in the fiscal year ending March 31, 2012. Accordingly, OLM will evaluate the business feasibility of mega solar power generation operations in this area utilizing the FIT system. This evaluation will entail considering methods of procuring funds and selecting candidate sites for the construction of power plants.

Further, OLM will continue waste-to-energy and other environmental business lending and investment.

ECORIX2012 Activity Report

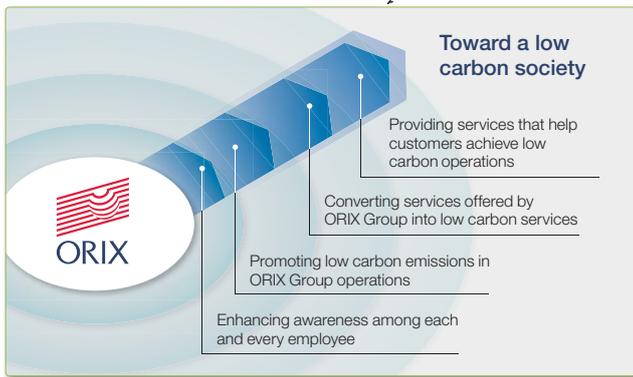
ORIX Group is promoting ECORIX2012, an environmental policy that will guide its efforts through fiscal year ending March 31, 2013.

ORIX Group Environmental Policy (Drafted September 25, 2008)

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

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

Makoto Inoue
President and COO



ECORIX2012 Framework

The ECORIX2012 Framework is as follows:

- ORIX Group CPO (Climate Protection Officer) has been established in order to identify, respond to and monitor environmental risks focusing on climate change as well as to promote environmental business. This position will be executed by the President of ORIX Eco Services Corporation.
- An ECORIX Promotion Committee has been established consisting of environmental officers and corporate planners selected from each business unit and related administrative departments, and this committee shall promote activities and share information throughout ORIX Group.
- The environmental officers shall establish activity policies and targets for each business unit and work to spread efforts internally. In addition, environmental officers shall determine and calculate the environmental burden for each business unit.
- ORIX Eco Services Corporation shall serve as organizer for activities, monitor the environmental burden of the entire ORIX Group, engage in employee education and create environmental reports.



ECORIX2012 Activities

June 2007	Announced ECORIX2012.
September 2008	Established ORIX Group Environmental Policy.
October 2009	Published Environmental Report 2009-2010. <ul style="list-style-type: none"> • Declared goal of becoming an Eco Services Integrator. • Clarified Eco Services business domains and four priority areas.
December 2009	Exhibited at Eco-Products exhibition for first time (Eco-Products 2009, Japan).
January 2010	Participated in Green Productivity Advisory Committee of the Asian Productivity Organization (APO).
August 2010	Introduced and began operation of ORIX Group Energy Management Support System (Multi-ESS).
November 2010	Published Environmental Report 2010-2011. <ul style="list-style-type: none"> • Declared goal of "solving environmental issues through business." Set CO ₂ reduction goals for six major ORIX Group companies.
January 2011	Launched ORIX Group's comprehensive eco services website, "ECORIX Navi."
February 2011	Established ORIX Group's Eco Office Action Guideline.
June 2011	Began electric power conservation measures (early introduction of "Super-Cool Biz," compliance with Article 27 of the Electricity Business Act).

ECORIX2012 Action Targets and Details

1. Reduce CO₂ emissions resulting from ORIX Group business operations and business activities 10% compared to the fiscal year ended March 31, 2008.

CO₂ emissions in the fiscal year ended March 31, 2011, were up 4.4% year on year, but down 1.6% compared with the fiscal year ended March 31, 2008. In addition, ORIX established the Eco Office Code of Conduct, which defines concrete energy conservation measures to be carried out by all ORIX Group employees. In the fiscal year ending March 31, 2013, ORIX will continue efforts to reduce CO₂ emissions with the aim of meeting its reduction targets (see Graph 1).

2. Reduce paper usage 30% compared to the fiscal year ended March 31, 2008.

In the fiscal year ended March 31, 2011, a group of 34 domestic ORIX Group companies recorded a 5.9% year-on-year increase in paper usage (a 0.4% decrease from the fiscal year ended March 31, 2008). ORIX is working to reduce paper usage by encouraging the printing of documents using both sides of the paper, printing on smaller pieces of paper and using projectors for meetings instead of distributing printed documents (see Graph 2).

3. Strive to develop new services to help customer efforts to lower their carbon footprint.

ORIX Group is helping customers to lower their carbon footprints through the provision of the Eco Services introduced in this Environmental Report. Going forward, ORIX Group will continue endeavoring to offer customers services that meet their needs.

4. Strive to establish a foundation that promotes the reduction of carbon in social systems.

To support the establishment of low-carbon communities, ORIX Group is working together with municipal governments through efforts such as the Yokohama Green Power (YGP) Model Business project (see page 13) and car sharing initiatives (see page 24).

5. Strive to provide data on the CO₂ emission of our products and services as well as information on results of customer CO₂ reductions.

Through its Telematics Service (see page 23) and services that enable higher visibility of electric power usage data (see page 17), ORIX is providing customers with information regarding their CO₂ emissions and electric power usage.

6. Establish targets and promote activities tailored to each division.

ORIX has established CO₂ reduction targets based on total emission volumes for the six major ORIX Group companies—ORIX, ORIX Auto, ORIX Rentec, ORIX Life Insurance, ORIX Bank and ORIX Real Estate—in order to further solidify the direction of its CO₂ emission reduction efforts. Looking ahead, the entire ORIX Group will work unceasingly to meet its CO₂ reduction targets for the fiscal year ending March 31, 2013, through continual reduction activities.

7. Raise employee awareness and knowledge through environmental training.

In order to ensure that ORIX Group employees have sufficient knowledge pertaining to its Eco Services and are fully aware of its environmental activities, ORIX Group holds Environmental Report reading sessions, which serve as an opportunity for the Company to explain the content contained within its environmental reports. Also, columns on environmental issues are featured monthly in Journal Online, ORIX's in-house online news site, which is available to all employees.

8. Proactively carry out activities to promote carbon reductions at home and in the community.

The ECORIX Promotion Committee encourages the implementation of electric power saving measures at home.

Other Activities

● Environmental Laws and Regulations

The ECORIX Promotion Committee works to ensure compliance with the Act Concerning the Rational Use of Energy, local global warming prevention regulations, the Waste Management and Public Cleansing Law, and other related laws and regulations among all ORIX Group companies. To this end, it identifies the operating sites that are affected by these regulations and confirms whether or not the filing of reports to the relevant authorities and the establishment of plans are progressing on schedule. At the same time, the committee monitors levels of compliance with the Waste Management and Public Cleansing Law and waste production volumes throughout ORIX Group (see Graph 3).

● Environmental Management System

Various management systems, including those based on ISO standards, are being introduced at all ORIX Group companies. In 2000, ORIX Rentec obtained ISO 14001 certification, and this certification was subsequently acquired by ORIX Interior in 2003, Ubiteq in 2004, ORIX Eco Services in 2006 and ORIX Environmental Resources Management in 2009.

● Participation in Domestic Emissions Trading System

ORIX is a target participant in the trial implementation of an integrated domestic market for emissions trading by the Japanese government (Domestic Emissions Trading System). ORIX has set the goal of reducing CO₂ emissions from electric power usage per floor area unit in the ORIX Head Office building (part of the Mita NN Building) by 10% by the fiscal year ending March 31, 2013, compared with the fiscal year ended March 31, 2008 (see Graph 4).

● Environmental Communication

In addition to the publication of its environmental reports, ORIX Group conducts initiatives such as those below to facilitate understanding of its Eco Services among as many stakeholders as possible worldwide.

Exhibitions at International Environmental Events



The 2010 China International Environmental Protection Fair (Dalian, China; held August 2010)



IGEM2010 (Kuala Lumpur, Malaysia; held October 2010)



The United Nations Conference on Sustainable Waste Management (Tokyo, Japan; held February 2011)

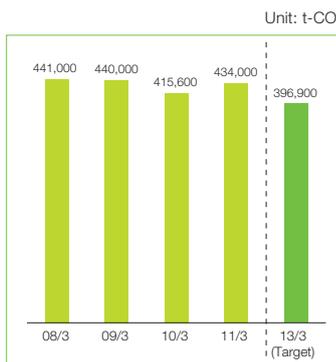


China-Japan Green Expo 2011 (Beijing, China; held June 2011)

- ECORIX Navi website (<http://www.orix-eco.jp/en/>)
- ORIX Group's Eco Services Introductory DVD (available in Japanese, English and Chinese).
- Listing of ORIX Group Eco Services in APO's Eco-products Directory and Eco-products Database (<http://apo-ecoproducts.com>).

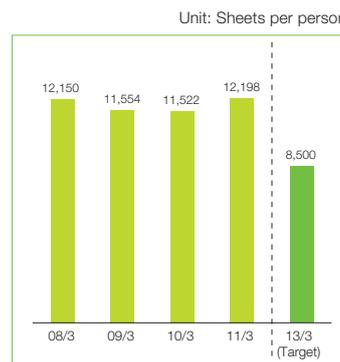
ORIX Group Environmental Performance

Graph 1
CO₂ Emissions



Scope: Consolidated domestic ORIX Group companies

Graph 2
Paper Usage



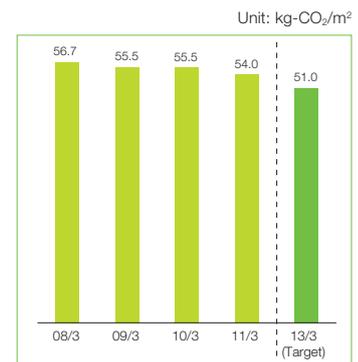
Scope: 34 domestic ORIX Group companies

Graph 3
Waste Production



Scope: Consolidated domestic ORIX Group companies

Graph 4
CO₂ Emissions from Electric Power Usage at the ORIX Head Office Building (Per Floor Area)



Carbon Disclosure

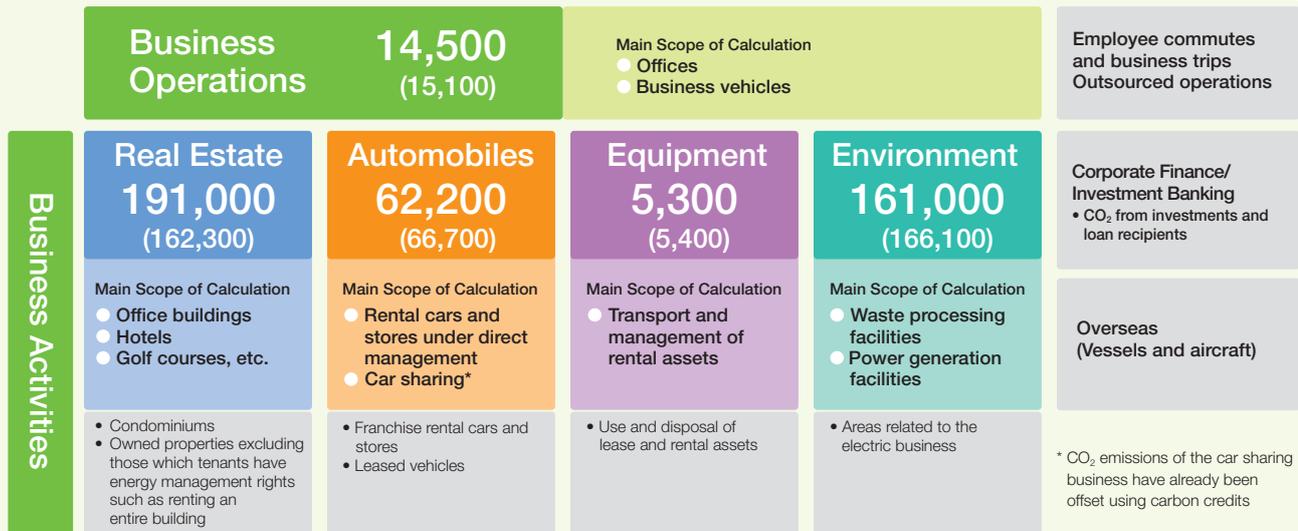
ORIX Group aims to be a carbon neutral business by providing eco services that reduce the CO₂ emissions of customers and society by an amount that exceeds the CO₂ emissions from ORIX Group's business activities.

CO₂ Emissions from ORIX Group Business Activities

434,000 t-CO₂
(415,600)

In the fiscal year ended March 31, 2011, the volume of CO₂ emitted as a result of ORIX Group business activities was 434,000t-CO₂. This represented a 4.4% increase year-on-year, but a 1.6% decrease when compared to the base year of fiscal year ended March 31, 2008. The main factors behind the year-on-year increase were an increase in both the number and utilization of properties in the real estate operations.

Unit: t-CO₂



Figures in parentheses are from the fiscal year ended March 31, 2010.

For information regarding calculation methods, please refer to the ECORIX Navi website (<http://www.orix-eco.jp/en>).

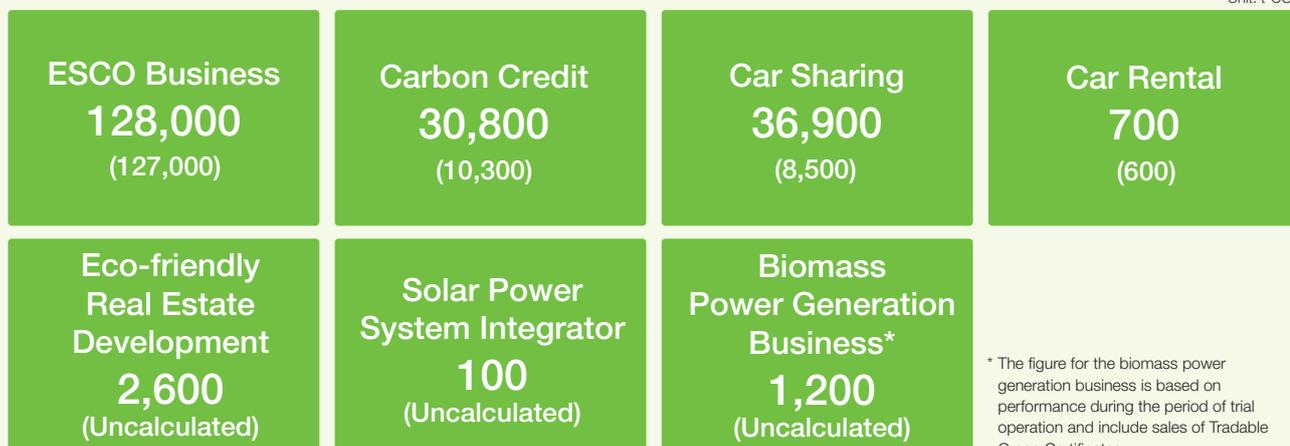
Gray items are presently outside the scope of calculation.

Customer CO₂ Emissions Reduced by ORIX Group Eco Services

200,300 t-CO₂
(146,400)

In fiscal year ended March 31, 2011, provision of ORIX Group Eco Services resulted in decreases in CO₂ emissions throughout society amounting to 200,300t-CO₂. This reduction was 37% higher than in the previous fiscal year, primarily due to the promotion of car sharing and carbon credit initiatives as well as the expansion of the scope of services applicable as Eco Services.

Unit: t-CO₂



Figures in parentheses are from the fiscal year ended March 31, 2010.

For information regarding calculation methods, please refer to the ECORIX Navi website (<http://www.orix-eco.jp/en>).

* The figure for the biomass power generation business is based on performance during the period of trial operation and include sales of Tradable Green Certificates.

Independent Review



Hidefumi Kurasaka
Professor,
Faculty of Law and Economics,
Chiba University

Faced with the issues of dwindling natural resources and global warming, we must work to reduce resource usage and limit the emission of CO₂ and other greenhouse gases. At the same time, it is important that we develop new initiatives to help us maintain to the greatest degree possible the benefits of the civilized society we have worked so hard to create. Moreover, the incident at the Fukushima Daiichi Nuclear Power Station, which was the result of the March 11 Great East Japan Earthquake, added to this mix the issue of shifting from finite energy sources to renewable ones. As the importance of this issue is reconfirmed, government measures toward introducing systems using renewable energy have taken a large step forward.

I feel that if we are to maintain the benefits of a civilized society while conserving scarce resources, it is important for businesses to shift from simply providing products to providing services. In business models that entail receiving revenue over the period in which a service is offered, the producer or provider of a product or service is able to take responsibility for managing the product or service throughout its useful life and after its disposal. This helps exemplify the benefits of making offerings that can be used for long periods of time without breaking based on the assumption that they will be reused or recycled. The result is that companies work to

develop services that can be provided using fewer resources.

With leasing as its core business, I believe that ORIX Group is a leader in the field of service providers. ORIX Group has also developed a strong track record in the introduction of renewable energy systems and the promotion of energy conservation through its provision of solar power systems as well as its biomass power generation and ESCO businesses and other initiatives. I hope that ORIX Group will continue to develop as a corporate group that stands on the front line of the changing times.

This report can primarily be characterized as a showcase of ORIX Group Eco Services. Because of this, it is somewhat lacking in terms of providing details on the initiatives being implemented to meet ORIX Group's environmental goals and the extent to which these goals have been met. ORIX Group has defined a number of goals to be met by the end of the fiscal year ending March 31, 2013, in its ECORIX2012 policy. However, its performance in regard to CO₂ emissions and paper usage in the fiscal year ended March 31, 2011, has placed these goals farther away. I believe it is important for ORIX Group to develop a clear understanding of what caused these unfortunate results, and then implement initiatives to move it closer toward the achievement of its goals.

In regard to carbon disclosure, this year ORIX Group included year-on-year comparisons in this report. If, in future reports, ORIX Group were to include analyses of trends in this data over a number of years and information regarding the measures in place in response to these trends, I feel that its environmental reports would become even more complete.

In Response to Independent Review



Shinichi Obara
ORIX Group CPO
(Climate Protection Officer)
President,
ORIX Eco Services Corporation

Spurred on by the Great East Japan Earthquake, this year has forced us to reevaluate the assumptions on which we base our consideration of environmental issues.

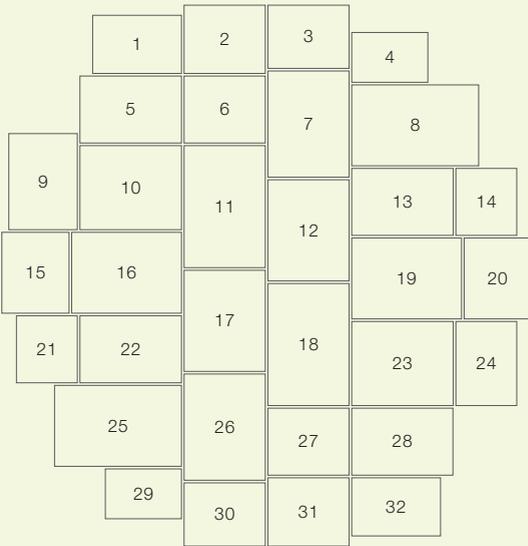
In Japan, it had always been assumed that energy supplies would exceed demand. Accordingly, most approached environmental issues based on the assumption that there would be sufficient energy to meet the needs of consumers and companies alike. However, events during this year have highlighted the necessity for this assumption to be reevaluated in the medium to long term and have also greatly increased the need to consider renewable aspects of environmental strategies.

As an Eco Services Integrator, ORIX Group is developing a number of environmental and energy businesses. We have made a great deal of progress toward the goal of "solving environmental issues through business" that we defined in last year's environmental report. However, in regard to the necessity of changing assumptions, as I mentioned previously, I feel that there are several issues that we still need to address in order to dynamically respond to this need. Currently, ORIX Group is

working to introduce renewable energy systems and develop other infrastructure to support the construction of next-generation energy and social systems. Going forward, we will continue to develop our leasing, rental, 3R and energy conservation businesses while providing Eco Services that are in line with the times. Further, we are conducting a diverse range of businesses in 26 different countries and regions around the world. We will continue to leverage the specialized knowledge and expertise that we have accumulated in Japan to advance these businesses, as well as our environmental and energy businesses, both in Japan and overseas.

In response to Professor Kurasaka's suggestion regarding the year-on-year comparisons that we provided in the carbon disclosure, in the future, we will include such analyses of trends in this data over the years and information regarding measures responding to these trends. I hope this will allow us to further improve the quality of our environmental reports. We will also continue to develop our Eco Services and advance our own environmental activities in order to ensure that we meet our environmental goals.

At ORIX Group, we realize that the coming year will represent a turning point. In approaching this turning point, ORIX Group is committed to focusing its combined strength toward solving environmental and energy issues through business, both today and in the years ahead. Based on this renewed sense of commitment, we will work to develop our business and contribute to society.



Photographers

- | | | |
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