

Notice of the 55th Annual General Meeting of Shareholders

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June 4, 2018

ORIX CORPORATION

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

To Our Shareholders:

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

ORIX CORPORATION

Notice of the 55th Annual General Meeting of Shareholders

We cordially invite you to attend the 55th Annual General Meeting of Shareholders of ORIX CORPORATION (the “Company”) to be held as set forth below.

Details

- 1. Date and Time:** Tuesday, June 26, 2018 at 10:00 a.m. (JST)
- 2. Place:** [Hiten], Grand Prince Hotel New Takanawa
3-13-1, Takanawa, Minato-ku, Tokyo, Japan
*Please be informed that presents will not be provided on the day of the General Meeting of Shareholders.

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

1. The business report and the consolidated financial statements for the 55th fiscal year (from April 1, 2017 to March 31, 2018), as well as the audit reports of the public accounting firm and the Audit Committee for consolidated financial statements
2. Financial statements for the 55th fiscal year (from April 1, 2017 to March 31, 2018)

Matters to be resolved:

- Proposal 1.** Partial Amendments to the Articles of Incorporation
Proposal 2. Election of Twelve (12) Directors

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- In case there are any changes in relation to the reference documents for the General Meeting of Shareholders and the business reports, the financial statement and the consolidated financial statement, we will notify you through the following Company’s website.
The Company’s website: https://www.orix.co.jp/grp/en/ir/library/shareholder_meeting/

Reference Documents for the General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

The Company proposes the following amendments to the Articles of Incorporation of the Company.

1. Reason for the Amendments

In order to reflect more accurately the current business activities of the Company and its subsidiaries, and for the purpose of clarifying the purposes of business, the Company proposes to add a new business item in the provision of Article 2 of the current Articles of Incorporation.

2. Details of the Amendments

The contents of the amendments are as follows;

(Changes are underlined)

Current Articles of Incorporation	Proposed Amendments
Article 2. (Purposes) The purpose of the Company shall be to engage in the following businesses: (1) – (20) [Omitted] [New Provision] (21) brokerage, agency, investigation and consulting for business relating to any of the preceding items, and pension consulting service; (22) – (23) [Omitted]	Article 2. (Purposes) The purpose of the Company shall be to engage in the following businesses: (1) – (20) [No Change] (21) <u>business support and consulting</u> ; (22) <u>brokerage, agency, investigation, manufacturing, processing, research and development</u> for business relating to any of the preceding items, and <u>other business</u> ; (23) – (24) [No Change]

Proposal 2: Election of Twelve (12) Directors

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

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

Candidates for the 12 Director positions are as follows:

No.	Name	Current Positions and Responsibilities in the Company	
1	Makoto Inoue -Renominated-	Director, Representative Executive Officer, President and Chief Executive Officer, Responsible for Group Strategy Business Unit	
2	Yuichi Nishigori -Renominated-	Director, Corporate Executive Vice President, Head of Energy and Eco Services Business Headquarters	
3	Kiyoshi Fushitani -Renominated-	Director, Corporate Executive Vice President, Head of Global Business Headquarters, Head of East Asia Business Headquarters, Head of Global Transportation Services Headquarters	
4	Stan Koyanagi -Renominated-	Director, Corporate Senior Vice President, Responsible for Enterprise Risk Management, Global General Counsel	
5	Shuji Irie -Newly Nominated-	Corporate Senior Vice President, Head of Investment and Operation Headquarters	
6	Hitomaro Yano -Newly Nominated-	Executive Officer, Head of Treasury and Accounting Headquarters	
7	Eiko Tsujiyama -Renominated-	Director, Audit Committee (Chairperson), Compensation Committee	Outside Director Independent Director
8	Robert Feldman -Renominated-	Director, Nominating Committee, Compensation Committee (Chairperson)	Outside Director Independent Director
9	Takeshi Niinami -Renominated-	Director, Nominating Committee, Compensation Committee	Outside Director Independent Director
10	Nobuaki Usui -Renominated-	Director, Nominating Committee (Chairperson), Audit Committee	Outside Director Independent Director
11	Ryuji Yasuda -Renominated-	Director, Nominating Committee, Audit Committee, Compensation Committee	Outside Director Independent Director
12	Heizo Takenaka -Renominated-	Director, Nominating Committee, Audit Committee	Outside Director Independent Director

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
1	Makoto Inoue (Oct. 2, 1952) -Renominated-	<p>Apr. 1975 Joined the Company</p> <p>Jan. 2003 Deputy Head of Investment Banking Headquarters</p> <p>Feb. 2005 Assumed office of Executive Officer, the Company</p> <p>Jan. 2006 Assumed office of Corporate Senior Vice President, the Company</p> <p>Jun. 2009 Assumed office of Corporate Executive Vice President, the Company</p> <p>Jun. 2010 Assumed office of Director and Deputy President, the Company</p> <p>Jan. 2011 Assumed office of Director, Representative Executive Officer, President, the Company (present) Chief Operating Officer</p> <p>Jan. 2014 Co-Chief Executive Officer</p> <p>Jun. 2014 Chief Executive Officer (present)</p> <p>Jan. 2017 Responsible for Group IoT Business Department, Responsible for New Business Development Department I and II</p> <p>Apr. 2017 Responsible for New Business Development</p> <p>May 2017 Responsible for Open Innovation Business Department</p> <p>Jan. 2018 Responsible for Group Strategy Business Unit (present)</p> <p><Reasons for nomination for Director> Mr. Makoto Inoue has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his service as President, Representative Executive Officer and Chief Executive Officer. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	74,763
2	Yuichi Nishigori (Jan. 28, 1957) -Renominated-	<p>Apr. 1980 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2003 Joined the Company</p> <p>Jan. 2007 Deputy Head of Alternative Investment and Development Headquarters</p> <p>Jan. 2009 Assumed office of Executive Officer, the Company</p> <p>Jan. 2014 Assumed office of Corporate Senior Vice President, the Company Head of Energy and Eco Services Business Headquarters (present)</p> <p>Jun. 2015 Assumed office of Director, Corporate Senior Vice President, the Company</p> <p>Sep. 2015 Assumed office of Director, Ubiteq INC. (present)</p> <p>Jan. 2016 Assumed office of Director, Corporate Executive Vice President, the Company (present)</p> <p><Reasons for nomination for Director> Mr. Yuichi Nishigori has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of project development and investment. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	15,823

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
3	Kiyoshi Fushitani (Nov. 22, 1950) -Renominated-	<p>Apr. 1973 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)</p> <p>Feb. 1975 Joined the Company</p> <p>Sep. 2012 Deputy Head of Global Business and Alternative Investment Headquarters</p> <p>Jan. 2015 Assumed office of Corporate Senior Vice President, the Company Head of Global Transportation Services Headquarters (present)</p> <p>Jun. 2015 Head of East Asia Business Headquarters (present)</p> <p>Jan. 2016 Assumed office of Corporate Executive Vice President, the Company Head of Global Business Headquarters (present)</p> <p>Jun. 2016 Assumed office of Director, Corporate Executive Vice President, the company (present)</p> <p><Reasons for nomination for Director> Mr. Kiyoshi Fushitani has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of global business and alternative investment. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	1,500
4	Stan Koyanagi (Dec. 25, 1960) -Renominated-	<p>Oct. 1985 Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP</p> <p>Jan. 1993 Partner, GRAHAM & JAMES LLP (currently Squire Patton Boggs LLP)</p> <p>Mar. 1997 General Counsel, Vice President, ORIX USA Corporation (currently ORIX Corporation USA)</p> <p>Mar. 1999 General Counsel, Vice President and Manager, ORIX USA Corporation (currently ORIX Corporation USA)</p> <p>Jan. 2004 Vice President and Associate General Counsel, KB HOME</p> <p>Jul. 2013 Joined the Company Global General Counsel of Global Business Headquarters</p> <p>Jun. 2017 Assumed office of Director, Corporate Senior Vice President, the company (present) Responsible for Enterprise Risk Management (present) Global General Counsel (present)</p> <p>Aug. 2017 Assumed office of Chairman, Robeco Groep N.V. (currently ORIX Corporation Europe N.V.) (present)</p> <p><Reasons for nomination for Director> Mr. Stan Koyanagi served successively as the General Counsel of ORIX USA Corporation (currently ORIX Corporation USA) and the Vice President and Associate General Counsel of KB Home in the United States. He has extensive experience and advanced knowledge in overseas legal affairs. Moreover, at ORIX Corporation, he has a wealth of experience and advanced knowledge on the multifaceted business activities of the ORIX Group through his missions of Responsible for Enterprise Risk Management and Global General Counsel. The Nominating Committee has appointed him as a candidate for Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc. gained from inside and outside the Company.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
5	Shuji Irie (Mar. 14, 1963) -Newly Nominated-	<p>May 2001 Joined Mizuho Securities CO., Ltd.</p> <p>Apr. 2011 Joined the Company</p> <p>Sep. 2011 Deputy Head of Investment and Operation Headquarters</p> <p>Jan. 2013 Assumed office of Executive Officer, the company</p> <p>Jan. 2014 Head of Investment and Operation Headquarters (present)</p> <p>Jan. 2016 Assumed office of Corporate Senior Vice President, the company (present)</p> <p>Responsible for Concession Business Development</p> <p><Reasons for nomination for Director></p> <p>Mr. Shuji Irie is a candidate for new Director. He has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of investment and operation. The Nominating Committee has appointed him as a new candidate for Director because it has determined that he can be expected to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	1,997
6	Hitomaro Yano (Jul. 25, 1962) -Newly Nominated-	<p>Apr. 1985 Joined Seibu Department Stores, Limited (currently Sogo & Seibu Co., Ltd.)</p> <p>Jun. 1989 Joined the Company</p> <p>Jan. 2016 Deputy Head of Treasury Headquarters</p> <p>Jan. 2017 Assumed office of Executive Officer, the company (present)</p> <p>Jun. 2017 Deputy Head of Treasury and Accounting Headquarters</p> <p>Jan. 2018 Head of Treasury and Accounting Headquarters (present)</p> <p><Reasons for nomination for Director></p> <p>Mr. Hitomaro Yano is a candidate for new Director. He has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of treasury and accounting. The Nominating Committee has appointed him as a new candidate for Director because it has determined that he can be expected to fulfil a substantial role, including highly effective supervision of the Company's management given that he possesses extensive understanding of the Company's operations.</p>	5,100

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

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
8	Robert Feldman (Jun. 12, 1953) -Renominated- Candidate for Outside Director/ Independent Director	<p>Oct. 1983 Economist, International Monetary Fund</p> <p>May 1989 Chief Economist, Salomon Brothers Inc. (currently Citigroup Global Markets Japan Inc.)</p> <p>Feb. 1998 Managing Director, Chief Economist Japan, Morgan Stanley Japan Securities (currently Morgan Stanley MUFG Securities Co., Ltd.)</p> <p>Apr. 2003 Managing Director, Head of Japan Research, Chief Economist, Morgan Stanley Japan Securities (currently Morgan Stanley MUFG Securities Co., Ltd.)</p> <p>Dec. 2007 Managing Director, Head of Japan Economic Research, Morgan Stanley Japan Securities (currently Morgan Stanley MUFG Securities Co., Ltd.)</p> <p>Jun. 2010 Assumed office of Director, the Company (present)</p> <p>Jul. 2012 Managing Director, Chief Economist and Head of Fixed Income Research, Morgan Stanley MUFG Securities Co., Ltd.</p> <p>Mar. 2014 Managing Director and Chief Economist, Morgan Stanley MUFG Securities Co., Ltd.</p> <p>Jan. 2017 Senior Advisor, Morgan Stanley MUFG Securities Co., Ltd. (present)</p> <p>Apr. 2018 Professor, Graduate School of Management and Innovation Studies at Tokyo University of Science (present)</p> <p><ORIX Committee Membership> Nominating Committee, Compensation Committee (Chairperson)</p> <p><Reasons for nomination for Outside Director> Mr. Robert Feldman currently serves as Senior Advisor at Morgan Stanley MUFG Securities Co., Ltd., and as an economist, has a deep understanding of the environment and events of business management both in Japan and overseas. He participated in all eight meetings of the Board of Directors during the fiscal year ended March 31, 2018 and as Chairperson of the Compensation Committee, he has actively expressed his opinions and made proposals during deliberations between the Directors' and Executive Officers' compensation system and compensation levels in order to enhance their role as medium- and long-term incentives, from a global perspective based on his wide-ranging experience and knowledge. The Nominating Committee has appointed him as a candidate for Outside Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint. His period in service as of the conclusion of this Annual General Meeting of Shareholders will be eight years.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
9	<p>Takeshi Niinami (Jan. 30, 1959)</p> <p>-Renominated-</p> <p>Candidate for Outside Director/ Independent Director</p>	<p>Jun. 1995 Assumed office of President, Sodex Corporation (currently LEOC Co., Ltd.)</p> <p>Apr. 2001 Unit Manager of Lawson Business and Mitsubishi's Dining Logistical Planning team, Consumer Industry division, Mitsubishi Corporation</p> <p>May 2002 Assumed office of President, Representative Director and Executive Officer, Lawson, Inc.</p> <p>Mar. 2005 Assumed office of President, Representative Director and Chief Executive Officer, Lawson, Inc.</p> <p>Jun. 2010 Assumed office of Director, the Company (present)</p> <p>May 2013 Assumed office of Representative Director and Chief Executive Officer, Lawson, Inc.</p> <p>May 2014 Assumed office of Chairman and Representative Director, Lawson, Inc.</p> <p>Assumed office of Chairman and Director, Lawson, Inc.</p> <p>Oct. 2014 Assumed office of President and Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Limited (present)</p> <p><ORIX Committee Membership></p> <p>Nominating Committee, Compensation Committee</p> <p><Reasons for nomination for Outside Director></p> <p>Mr. Takeshi Niinami currently serves as President and Chief Executive Officer, Member of the Board, Representative Director of Suntory Holdings Limited. He has wide-ranging experience and knowledge of corporate management.</p> <p>He participated in seven out of eight meetings of the Board of Directors during the fiscal year ended March 31, 2018 and has actively expressed his opinions and made proposals during deliberations at Board of Directors Meeting, Nominating Committee, and Compensation Committee, pointing to important matters regarding company management by using his managerial decision-making skills based on his wide-ranging experience and knowledge. The Nominating Committee has appointed him as a candidate for Outside Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint.</p> <p>His period in service as of the conclusion of this Annual General Meeting of Shareholders will be eight years.</p>	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
10	Nobuaki Usui (Jan. 1, 1941)	<p>May 1995 Director-General of the Tax Bureau, Ministry of Finance</p> <p>Jan. 1998 Commissioner, National Tax Agency</p> <p>Jul. 1999 Administrative Vice Minister, Ministry of Finance</p> <p>Jan. 2003 Governor and Chief Executive Officer, National Life Finance Corporation (currently Japan Finance Corporation)</p> <p>Dec. 2008 Assumed office of Chairman, The Japan Research Institute, Limited</p> <p>Jun. 2011 Assumed office of Audit & Supervisory Board Member, KONAMI CORPORATION (currently KONAMI HOLDINGS CORPORATION) (Outside) (present)</p> <p>Jun. 2012 Assumed office of Director, the Company (present)</p> <p>Jun. 2016 Assumed office of Auditor, Miroku Jyoho Service Co., Ltd. (Outside) (present)</p> <p><ORIX Committee Membership></p> <p>Nominating Committee (Chairperson), Audit Committee</p>	0
	-Renominated- Candidate for Outside Director/ Independent Director	<p><Reasons for nomination for Outside Director></p> <p>Mr. Nobuaki Usui served as the Administrative Vice Minister of the Ministry of Finance and the Governor and Chief Executive Officer of National Life Finance Corporation (currently Japan Finance Corporation). He has a wealth of knowledge and experience as a finance and tax expert.</p> <p>He participated in all eight meetings of the Board of Directors during the fiscal year ended March 31, 2018, and as Chairperson of the Nominating Committee, he has actively expressed his opinions and made proposals, leading discussions and deliberations on members of the Board of Directors and Executive Officers suitable for the Company's business operations. The Nominating Committee has appointed him as a candidate for Outside Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint.</p> <p>His period in service as of the conclusion of this Annual General Meeting of Shareholders will be six years.</p>	

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

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
12	<p>Heizo Takenaka (Mar. 3, 1951)</p> <p>-Renominated-</p> <p>Candidate for Outside Director/ Independent Director</p>	<p>Apr. 1990 Assistant Professor, Faculty of Policy Management at Keio University</p> <p>Apr. 1996 Professor, Faculty of Policy Management at Keio University</p> <p>Apr. 2001 Minister of State for Economic and Fiscal Policy</p> <p>Sep. 2002 Minister of State for Financial Services and for Economic and Fiscal Policy</p> <p>Jul. 2004 Elected to House of Councilors</p> <p>Sep. 2004 Minister of State for Economic and Fiscal Policy and Communications and Privatization of Postal Services</p> <p>Oct. 2005 Minister for Internal Affairs and Communications and Privatization of Postal Services</p> <p>Dec. 2006 Assumed office of Director, Academyhills (present)</p> <p>Aug. 2009 Assumed office of Chairman and Director, PASONA Group Inc. (present)</p> <p>Apr. 2010 Professor, Faculty of Policy Management at Keio University</p> <p>Jun. 2015 Assumed office of Director, the Company (present)</p> <p>Apr. 2016 Professor, Faculty of Regional Development Studies at Toyo University (currently Faculty of Global and Regional Studies at Toyo University) (present)</p> <p>Assumed office of Director, Center for Global Innovation Studies at Toyo University (present)</p> <p>Jun. 2016 Assumed office of Director, SBI Holdings, Inc. (Outside) (present)</p> <p><ORIX Committee Membership></p> <p>Nominating Committee, Audit Committee</p> <p><Reasons for nomination for Outside Director></p> <p>Mr. Heizo Takenaka served successively as Minister of State for Economic and Fiscal Policy, Minister of State for Financial Services, Minister of State for Communications and Privatization of Postal Services and Minister for Internal Affairs, and currently serves as Professor at Faculty of Global and Regional Studies at Toyo University. He has a deep understanding of the environment and events of business management and economics and financial policies both in Japan and overseas.</p> <p>He participated in seven out of eight meetings of the Board of Directors during the fiscal year ended March 31, 2018 and has actively expressed his opinions and made proposals during deliberations at Board of Directors Meeting, Nominating Committee and Audit Committee, pointing to important matters regarding company management, using his expertise in economics and financial policies. The Nominating Committee has appointed him as a candidate for Outside Director because it has determined that he can be expected to continue to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc., from an independent and objective standpoint.</p> <p>His period in service as of the conclusion of this Annual General Meeting of Shareholders will be three years.</p>	0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. It came to light in April 2016 that at Mitsubishi Motors Corporation, where Mr. Takeshi Niinami served as Outside Director, fraudulent operations were carried out in regard to fuel consumption tests for vehicles manufactured by the said company. Mr. Niinami was unaware of the facts until they were reported, but had made proposals from a compliance perspective on a routine basis at the Board of Directors meetings. After the facts came to light, Mr. Niinami provided instruction to the said company regarding a thorough investigation of the facts as well as measures to prevent the reoccurrence of a similar incident.

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

Business Report for the 55th Fiscal Year

From April 1, 2017 to March 31, 2018

1. Management's Basic Policy

(1) Management's Basic Policy

The ORIX Group's corporate philosophy and management policy are described below.

Corporate Philosophy	ORIX is constantly anticipating market needs and working to contribute to society by developing leading financial services on a global scale and striving to offer innovative products that create new value for customers.
Management Policy	<ul style="list-style-type: none">● ORIX strives to meet the diverse needs of its customers and to deepen trust by constantly providing superior services.● ORIX aims to strengthen its base of operations and achieve sustained growth by integrating its resources to promote synergies amongst different units.● ORIX makes efforts to develop a corporate culture that shares a sense of fulfillment and pride by developing personnel resources through corporate programs and promoting professional development.● ORIX aims to attain stable medium- and long-term growth in shareholder value by implementing these initiatives.

(2) Target Performance Indicators

In its pursuit of sustainable growth, ORIX uses the following performance indicators: Net income attributable to ORIX Corporation shareholders to indicate profitability, ROE (the ratio of net income attributable to ORIX Corporation Shareholders for the period to average ORIX Corporation Shareholders' Equity) to indicate capital efficiency and ROA (the ratio of net income attributable to ORIX Corporation Shareholders for the period to average Total Assets) to indicate asset efficiency. In line with the mid-term strategic directions announced in May 2015, ORIX aimed to achieve a net income attributable to ORIX Corporation shareholders target of ¥300 billion for the fiscal year ended March 31, 2018, and to maintain ROE around 11% to 12% with a focus on the growth of existing businesses and the expansion of non-finance businesses through new investment in key areas.

In the last three fiscal years ended March 31, 2018, in the domestic market, ORIX steadily developed its auto related business through its solid customer base, increased the number of life insurance policies through products that meet customer needs as well as enhanced sales channels and expanded the renewable energy business and electric power retailing business in the environment and energy business. In the overseas business, ORIX developed its fee businesses in the Americas, increased profit and assets under management in ORIX Corporation Europe N.V. and increased assets in the aircraft related business.

Regarding new investment in key areas, ORIX set a precedent for its overseas development through its investments in the environment and energy business in the Americas and Asia, and expanded its fee businesses through several M&A transactions mainly in the Americas. Regarding the private equity businesses, ORIX built up a track record of investment and sales in Japan and also made several new investments in the Americas and Asia.

Furthermore, ORIX launched its concession business and joint airport operation business which is a first for a private operator.

As a result of above-mentioned measures, for the fiscal year ended March 31, 2018, ORIX achieved a net income attributable to ORIX Corporation shareholders of ¥313.1 billion and, ROE of 12.1% meeting its targets of net income of ¥300 billion and ROE around 11% to 12%.

From the fiscal year ending March 31, 2019, ORIX aims to achieve annual net income attributable to ORIX Corporation shareholders growth of between 4% to 8%, and to maintain ROE above 11% by increasing asset efficiency through quality asset expansion in order to capture business opportunities and increasing capital efficiency by strengthening profit-earning opportunities such as fee-based businesses.

Three-year trends in performance indicators are as follows.

		Fiscal Year ended March 31,		
		2016	2017	2018
Net income attributable to ORIX Corporation shareholders	(Millions of yen)	260,169	273,239	313,135
ROE	(%)	11.7	11.3	12.1
ROA	(%)	2.32	2.46	2.76

(3) Profit Distribution Policy and Dividends

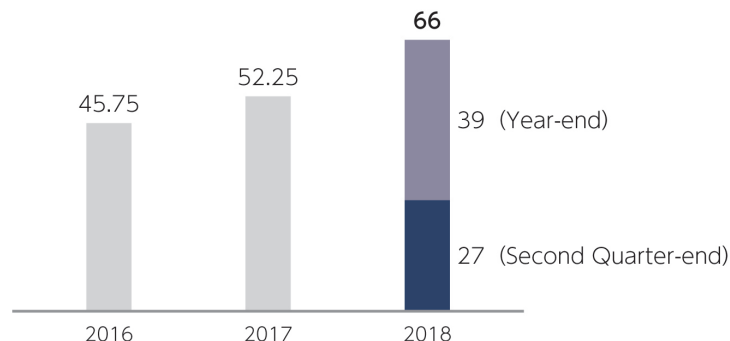
ORIX aims to increase shareholder value by utilizing profits earned from business activities that were secured primarily as retained earnings, to strengthen its business foundation and make investments for future growth. At the same time, ORIX strives to make stable and sustainable distribution of dividends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

Based on this fundamental policy, the dividend payout ratio for the fiscal year ended March 31, 2018 has been decided at 27%, up 2% from the fiscal year ended March 31, 2017, and the annual dividend has been decided at 66.00 yen per share (interim dividend paid was 27.00 yen per share and year-end dividend has been decided at 39.00 yen per share) from 52.25 yen per share in the previous fiscal year. Regarding the payment of dividends, in accordance with Article 459, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulates that ORIX may pay dividends from surplus by resolution of the Board of Directors.

For the next fiscal year ending March 31, 2019, we expect the dividend payout ratio will be maintained at 27% with a focus on the optimal balance of securing of capital for investment in future profit growth and the making of stable and sustainable distribution of dividends to shareholders. The interim dividend for the next fiscal year is forecasted at 30.00 yen per share. The year-end dividend for the next fiscal year is to be determined.

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

■ Dividends per share (yen)



2. Current State of the Company

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

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

Operating Environment

The U.S. economy has remained steady with improvements in employment and income environments. Stable growth has also been observed in other regions. Although interest rates remain low worldwide, rate increases in the U.S. and the scaling back of quantitative easing policies in Europe are expected. The market has become more conscious about increasing market volatility. In addition, there are political and geopolitical tensions in certain regions that need to be monitored carefully.

The Japanese economy, as a whole, is continuing to experience moderate recovery.

Overview of Consolidated Business Performance (April 1, 2017 to March 31, 2018)

Total revenues for the consolidated fiscal year ended March 31, 2018 (hereinafter, “the fiscal year”) increased 7% to ¥2,862,771 million compared to ¥2,678,659 million during the previous fiscal year. Life insurance premiums and related investment income in the life insurance business increased due to an increase in life insurance premiums from an increase in in-force policies, and an increase in investment income from assets under variable annuity and variable life insurance contracts following the market’s recovery. In addition, sales of goods and real estate increased due primarily to revenues generated by subsidiaries in the principal investment business, and services income increased due primarily to service expansion in the asset management business and the environment and energy business.

Total expenses increased 8% to ¥2,526,576 million compared to ¥2,349,435 million during the previous fiscal year. Life insurance costs increased due to an increase in a provision of liability reserve in line with the aforementioned increase in in-force policies and an increase in investment income. In addition, costs of goods and real estate sold and services expense increased in line with the aforementioned increased revenues.

Equity in net income of affiliates increased due mainly to the recognition of significant gains on sales of investments in real estate joint ventures compared to the previous fiscal year.

As a result of the foregoing, income before income taxes for the fiscal year increased 2% to ¥435,501 million compared to ¥424,965 million during the previous fiscal year. In addition, due to the impact from tax reform in the United States, net income attributable to ORIX Corporation shareholders increased 15% to ¥313,135 million compared to ¥273,239 million during the previous fiscal year.

(2) Summary of Consolidated Financial Results

		Fiscal Year ended March 31,			
		2015	2016	2017	2018
Total Revenues	(millions of yen)	2,174,283	2,369,202	2,678,659	2,862,771
Operating Income	(millions of yen)	256,829	287,741	329,224	336,195
Net Income Attributable to ORIX Corporation Shareholders	(millions of yen)	234,948	260,169	273,239	313,135
Earnings Per Share					
	(Basic) (yen)	179.47	198.73	208.88	244.40
	(Diluted) (yen)	179.21	198.52	208.68	244.15
Shareholders' Equity Per Share	(yen)	1,644.60	1,764.34	1,925.17	2,095.64
Total Assets	(millions of yen)	11,439,874	10,992,918	11,231,895	11,425,982
Shareholders' Equity	(millions of yen)	2,152,198	2,310,431	2,507,698	2,682,424
ROE	(%)	11.5	11.7	11.3	12.1
ROA	(%)	2.29	2.32	2.46	2.76
Number of Employees		31,035	33,333	34,835	31,890

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

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

3. Total Revenues do not include consumption tax.

(3) Summary of Principal Businesses, Principal Business Locations and Employees of the ORIX Group (as of March 31, 2018)

Business Segment	Principal Businesses Principal Business Locations and Number of Locations	Number of Employees
Corporate Financial Services	Loan, leasing and fee business	2,167
	105 locations principally in Tokyo, Osaka, Kanagawa, Aichi and Fukuoka	
Maintenance Leasing	Automobile leasing and rentals, car-sharing, and test and measurement instruments and IT-related equipment rentals and leasing	2,825
	1,172 locations principally in Tokyo, Osaka, Kanagawa, Aichi and Fukuoka	
Real Estate	Real estate development and rental, facility operation, REIT asset management, and real estate investment and advisory services	4,978
	104 locations principally in Tokyo, Osaka and Kanagawa	
Investment and Operation	Environment and energy, principal investment, loan servicing (asset recovery), and concession	9,190
	15 locations principally in Tokyo and Osaka	
Retail	Life insurance, banking and card loan	3,047
	96 locations principally in Tokyo, Osaka, Kanagawa, Aichi and Fukuoka	
Overseas Business	Leasing, loan, bond investment, asset management and aircraft- and ship-related operations	7,813
	38 countries and regions including U.S.A., Hong Kong, Malaysia, Indonesia, Australia, Ireland, China and the Netherlands	
Subtotal		30,020
Corporate		1,870
Total		31,890

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

2. Concerning the number of business locations in the overseas business, each country or region is treated as one location, and a portion of affiliate companies may be included.

(4) Segment Information

Corporate Financial Services Segment:

Principal Business

Loan, leasing and fee business

Mid-Term Strategic Directions

- Diversify the source of services income.
- Maximize synergy potential with Yayoi Co. Ltd.
- Utilize domestic network to develop new business.

	As of March 31, 2018
Asset composition	11%

	Year ended March 31,		
	2016	2017	2018
Segment Revenues	107	103	116
Segment Profits	42	38	49

Billions of yen

	As of March 31,		
	2016	2017	2018
Segment Assets	1,050	1,032	962

Billions of yen

Summary of Performance

Segment revenues increased 12% to ¥115,712 million compared to ¥102,979 million during the previous fiscal year due to an increase in gains on sales of securities, an increase in services income resulting from our stable fee businesses provided to domestic small- and medium-sized enterprise customers and from revenue in line with an increase in contracts of Yayoi Co. Ltd, despite a decrease in finance revenues from decreases in average investment balance in direct financing leases and installment loans.

Segment expenses remained at the same level as the previous fiscal year.

As a result of the foregoing, segment profits increased 30% to ¥49,275 million compared to ¥38,032 million during the previous fiscal year.

Segment assets decreased 7% to ¥961,901 million compared to the end of the previous fiscal year due to decreases in investment in direct financing leases, installment loans and investment in securities.

Maintenance Leasing Segment:

Principal Business

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

Mid-Term Strategic Directions

- Capitalize on competitive advantage to increase market shares.
- Make the change of industrial structure into new business opportunities.
- Strengthen engineering solution business.

	As of March 31, 2018
Asset composition	9%

	Year ended March 31,		
	2016	2017	2018
Segment Revenues	272	271	276
Segment Profits	43	40	40

Billions of yen

	As of March 31,		
	2016	2017	2018
Segment Assets	731	753	818

Billions of yen

Summary of Performance

Segment revenues increased 2% to ¥275,740 million compared to ¥270,615 million during the previous fiscal year due to increases in finance revenues and operating leases revenues in line with an increased average segment asset balance in the automobile leasing business and an increase in services income.

Segment expenses increased in line with the aforementioned revenue increases.

As a result of the foregoing, segment profits increased 1% to ¥40,162 million compared to ¥39,787 million during the previous fiscal year.

Segment assets increased 9% to ¥818,201 million compared to the end of the previous fiscal year due to an acquisition of a rental company and an increase in new auto-leases in the automobile leasing business.

Real Estate Segment:

Principal Business

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

Mid-Term Strategic Directions

- Expand asset management business.
- Accumulate expertise by operating various facilities.
- Develop new business by taking advantage of the value chain.

	As of March 31, 2018
Asset composition	7%

	Year ended March 31,		
	2016	2017	2018
Segment Revenues	192	212	173
Segment Profits	43	73	62

Billions of yen

	As of March 31,		
	2016	2017	2018
Segment Assets	740	658	620

Billions of yen

Summary of Performance

Segment revenues decreased 18% to ¥172,948 million compared to ¥212,050 million during the previous fiscal year due primarily to a decrease in operating leases revenues in line with a decrease in gains on sales of rental property and a decrease in average asset balance in operating leases, despite an increase in services income from facilities operations.

Segment expenses remained at the same level as the previous fiscal year due to a decrease in costs of operating leases despite an increase in services expense from facilities operations.

As a result of the foregoing, segment profits decreased 14% to ¥62,372 million compared to ¥72,841 million during the previous fiscal year, despite an increase in equity in net income of affiliates in line with the recognition of significant gains on sales of investments in real estate joint ventures.

Segment assets decreased 6% to ¥620,238 million compared to the end of the previous fiscal year due primarily to a decrease in investment in operating leases, which resulted from sales of rental properties.

Investment and Operation Segment:

Principal Business

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

Mid-Term Strategic Directions

- Accelerate renewable energy business in overseas.
- Diversify the methods and expand the target zone in the business investment area.
- Expand the scope in concession business.

	As of March 31, 2018
Asset composition	9%

Billions of yen

	Year ended March 31,		
	2016	2017	2018
Segment Revenues	1,028	1,272	1,402
Segment Profits	57	85	96

Billions of yen

	As of March 31,		
	2016	2017	2018
Segment Assets	704	769	848

Summary of Performance

Segment revenues increased 10% to ¥1,402,313 million compared to ¥1,271,973 million during the previous fiscal year due to increases in sales of goods from subsidiaries in the principal investment business and services income from the environment and energy business.

Segment expenses increased compared to the previous fiscal year in line with the aforementioned revenues expansion.

As a result of the foregoing and due to an increase in equity in net income of affiliates, segment profits increased 13% to ¥96,120 million compared to ¥85,000 million during the previous fiscal year.

Segment assets increased 10% to ¥847,677 million compared to the end of the previous fiscal year due primarily to a new large-scale investment in an affiliate in the environment and energy business.

Retail Segment:Principal Business

Life insurance, banking and card loan

Mid-Term Strategic Directions

- Grow from a mid size insurer to a major insurer.
- Develop new business areas of ORIX Bank.

	As of March 31, 2018
Asset composition	35%

Billions of yen

	Year ended March 31,		
	2016	2017	2018
Segment Revenues	254	369	429
Segment Profits	52	73	75

Billions of yen

	As of March 31,		
	2016	2017	2018
Segment Assets	3,463	3,292	3,175

Summary of Performance

Segment revenues increased 16% to ¥428,697 million compared to ¥368,665 million during the previous fiscal year due mainly to an increase in life insurance premiums in line with an increase in in-force policies, and an increase in investment income from assets under variable annuity and variable life insurance contracts in the life insurance business due to the market's recovery.

Segment expenses increased compared to the previous fiscal year due to an increase in a provision of liability reserve in line with the aforementioned increase in in-force policies and an increase in investment income.

As a result of the foregoing, segment profits increased 2% to ¥74,527 million compared to ¥72,865 million during the previous fiscal year.

Segment assets decreased 4% to ¥3,174,505 million compared to the end of the previous fiscal year due primarily to sales of investment in securities as well as the surrender of variable annuity and variable life insurance contracts in the life insurance business, despite an increase in installment loans in the banking business.

Overseas Business Segment:

Principal Business

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

Mid-Term Strategic Directions

- Proactively develop aircraft and ship-related operations.
- Expand asset management and PE investment business.
- Diversify overseas business with strengthened functions.

	As of March 31, 2018
Asset composition	29%

Billions of yen

	Year ended March 31,		
	2016	2017	2018
Segment Revenues	526	459	477
Segment Profits	143	112	107

Billions of yen

	As of March 31,		
	2016	2017	2018
Segment Assets	2,285	2,454	2,595

Summary of Performance

Segment revenues increased 4% to ¥477,420 million compared to ¥458,912 million during the previous fiscal year due to increases in services income in the asset management business, operating leases revenues in our aircraft-related operations including gains on sales of aircraft and finance revenues in the Americas, despite a decrease in sales of goods resulting from the sale of a subsidiary during the previous fiscal year.

Segment expenses decreased compared to the previous fiscal year due primarily to a decrease in costs of goods sold resulting from the aforementioned sale of a subsidiary.

As a result of the foregoing and due to decreases in equity in net income of affiliates and gains on sales of subsidiaries and affiliates and liquidation losses, net, segment profits decreased 5% to ¥106,602 million compared to ¥112,312 million in the previous fiscal year.

Segment assets increased 6% to ¥2,594,728 million compared to the end of the previous fiscal year due to increases in investment in operating leases in our aircraft-related operations, installment loans in the Americas and Asia, and the recognition of goodwill and other intangible assets in line with the acquisition of a new subsidiary, despite a decrease in investment in securities.

(5) Funding Situation (Significant factors only)

1) The funding situation

At the end of the current fiscal year, the funding of ORIX Group balanced at ¥5,890,720 million composed of short/long term debts and deposits.

The borrowings from financial institutions vary in sources by major banks, regional banks, foreign banks, life insurance companies, casualty insurance companies and others. The number of our lenders exceeded 200 as of March 31, 2018. The funding from capital markets consist of straight bonds, commercial paper (“CP”), medium-term notes (“MTN”) and payables under securitized assets.

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

2) Capital expenditures

In the fiscal year ended March 31, 2018, ¥495,609 million of capital expenditures were made in operating lease investment mainly in the Overseas Business segment, the Maintenance Leasing segment and the Real Estate segment. In addition, ¥87,262 million of capital expenditures were made in office facilities and equipment other than rental purpose facilities, mainly in solar power generation equipment in the Investment and Operation segment.

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

No items to report.

4) Main lenders and the amount of borrowings (As of March 31, 2018)

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

Millions of yen	
Lender	Outstanding Amount of Borrowings
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	214,830
Mizuho Bank, Ltd.	195,011
Sumitomo Mitsui Banking Corporation	158,588
Sumitomo Mitsui Trust Bank, Limited	103,328
Development Bank of Japan Inc.	85,693
The Norinchukin Bank	82,566

Notes: 1. Amount less than one million yen have been rounded off.

2. The Bank of Tokyo-Mitsubishi UFJ, Ltd. has changed its name into MUFG Bank, Ltd. on April 1, 2018.

(6) Corporate Challenges to be Addressed

1) Medium-term strategic directions FY2019-2021

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

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

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

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

2) Development of business structure that supports management strategies

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

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

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

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

(7) Significant Parent Company, Subsidiaries and Affiliates

1) Parent company

No items to report.

2) Significant subsidiaries (As of March 31, 2018)

Business Segment	Company Name	Common Stock (millions of yen unless stated otherwise)	ORIX Voting Power ratios (%)	Principal Businesses
Corporate Financial Services	Yayoi Co., Ltd.	50	99	Development, Marketing, and Support of Business Management Software and Related Services
Maintenance Leasing	ORIX Auto Corporation	500	100	Automobile Leasing, Rental, Car Sharing, Sales of Used Automobiles
	ORIX Rentec Corporation	730	100	Rental and Leasing of Test and Measurement Instruments and IT-Related Equipment
Real Estate	ORIX Real Estate Corporation	200	100	Real Estate Development and Rental, Facilities Operation
	ORIX Golf Holdings Corporation	100	100 (0)	Golf Course Management
	ORIX Real Estate Investment Advisors Corporation	50	100	Real Estate Investment and Advisory Services
	ORIX Asset Management Corporation	100	100	Asset Management of J-REIT
Investment and Operation	ORIX Asset Management and Loan Services Corporation	500	100	Loan Servicing
	DAIKYO INCORPORATED	41,171	66 (0)	Real Estate Development and Sales, Urban Development
Retail	ORIX Life Insurance Corporation	59,000	100	Life Insurance
	ORIX Bank Corporation	45,000	100	Banking
	ORIX Credit Corporation	4,800	100	Consumer Finance Services
Overseas Business	ORIX USA Corporation	US\$730,017 thousand	100	Financial Services
	ORIX Asia Limited	HK\$14,000 thousand	100	Leasing, Automobile
		US\$29,200 thousand		Leasing, Lending, Banking
	ORIX Leasing Malaysia Berhad	RM50,532 thousand	100	Leasing, Lending
	PT. ORIX Indonesia Finance	Rp420,000 million	85	Leasing, Automobile Leasing
	ORIX Australia Corporation Limited	A\$30,000 thousand	100	Automobile Leasing and Truck Rentals
	ORIX Aviation Systems Limited	US\$300 thousand	100	Aircraft Leasing, Asset Management, Aircraft- Related Technical Services
	ORIX (China) Investment Co., Ltd.	RMB1,191,843 thousand	100	Leasing, Equity Investment, Other Financial Services
	ORIX Capital Korea Corporation	KRW170,000 million	100	Automobile Leasing, Leasing, Lending
	ORIX Corporation Europe N.V.	EUR4,538 thousand	100	Asset Management

- Notes: 1. ORIX Voting Power ratios are rounded down to the nearest whole figures. The figures in the () are the indirect holding ratios.
2. Common stock amounts are rounded down to millions of yen. (Foreign currency amounts are rounded down to the displayed unit.)
3. ORIX Corporation USA, one of the Company's subsidiaries, has changed its name from ORIX USA Corporation on June 1, 2018.
4. ORIX Corporation Europe N.V., one of the Company's subsidiaries, has changed its name from Robeco Groep N.V. on January 1, 2018.

3) Specified subsidiaries

No items to report.

4) Significant affiliates

No items to report.

(8) Fundamental Policy Regarding Shareholders with Controlling Interest

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

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

(9) Other Significant Matters

No items to report.

3. Stock Information (As of March 31, 2018)

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

(2) Total Number of Shares Issued: 1,324,495,728 shares

(3) Number of Shareholders: 299,722

(4) Major Shareholders (Top 10)

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Issued (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	114,527	8.93
The Master Trust Bank of Japan, Ltd. (Trust Account)	77,985	6.08
Japan Trustee Services Bank, Ltd. (Trust Account 9)	38,225	2.98
CITIBANK, N.A.-NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	26,904	2.09
Japan Trustee Services Bank, Ltd. (Trust Account 5)	25,136	1.96
STATE STREET BANK AND TRUST COMPANY	24,468	1.90
STATE STREET BANK WEST CLIENT-TREATY 505234	24,344	1.89
THE CHASE MANHATTAN BANK 385036	23,629	1.84
STATE STREET BANK AND TRUST COMPANY 505001	22,203	1.73
Japan Trustee Services Bank, Ltd. (Trust Account 7)	20,941	1.63

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

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

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

(5) Other Significant Matters Relating to Shares

No items to report.

4. Directors and Executive Officers

(1) Directors

(As of March 31, 2018)

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

- Notes: 1. Makoto Inoue, Kazuo Kojima, Yuichi Nishigori, Kiyoshi Fushitani and Stan Koyanagi also serve as Executive Officers.
2. Eiko Tsujiyama, Robert Feldman, Takeshi Niinami, Nobuaki Usui, Ryuji Yasuda and Heizo Takenaka are Outside Directors. Appointment of Independent Directors is mandated by Tokyo Stock Exchange, Inc. to protect the interests of general shareholders; all the Company's Outside Directors are registered as Independent Directors.
3. Stan Koyanagi was newly elected as Director at the 54th Annual General Meeting of Shareholders held on June 27, 2017.
4. Eiko Tsujiyama is qualified as a certified public accountant and possesses considerable knowledge relating to finance and accounting.
5. For details of significant concurrent positions held by Directors who also serve as Executive Officers, please refer to the column headed Significant Concurrent Position(s) under (2) below.
6. The Company does not have full-time audit committee member based on the evaluation that the effectiveness of the audit by the audit committee is assured by the following measures:
- a - upon assignment by the Appointed Audit Member, the executive officer in charge of the Internal Audit Department of the Company attends important ORIX meetings and reports necessary information to the Audit Committee in a timely manner; and
 - b - based on the annual audit plan approved by the Audit Committee, the Internal Audit Department of the Company conducts internal audits and reports results and status of improvements to the Audit Committee.

(2) Executive Officers

(As of March 31, 2018)

Position(s)	Name	Responsibilities	Significant Concurrent Position(s)
Representative Executive Officer, President	Makoto Inoue	Chief Executive Officer Responsible for Group Strategy Business Unit	
Representative Executive Officer, Deputy President	Kazuo Kojima	Chief Financial Officer	
Corporate Executive Vice President	Yuichi Nishigori	Head of Energy and Eco Services Business Headquarters	Director, Ubiteq, INC.
Corporate Executive Vice President	Kiyoshi Fushitani	Head of Global Business Headquarters Head of East Asia Business Headquarters Head of Global Transportation Services Headquarters	
Corporate Senior Vice President	Stan Koyanagi	Responsible for Enterprise Risk Management Global General Counsel	Chairman and Chief Executive Officer, ORIX Corporation Europe N.V.
Corporate Senior Vice President	Kazutaka Shimoura	Head of Credit and Investment Management Headquarters	
Corporate Senior Vice President	Hideto Nishitani	Chairman and President, ORIX USA Corporation	
Corporate Senior Vice President	Shuji Irie	Head of Investment and Operation Headquarters	
Corporate Senior Vice President	Satoru Matsuzaki	Head of Domestic Sales Administrative Headquarters Head of Eastern Japan Sales Headquarters	
Executive Officer	Masaaki Kawano	Head of Enterprise Risk Management Headquarters	
Executive Officer	Shinichi Obara	Head of Western Japan Sales Headquarters Group Kansai Representative	
Executive Officer	Harukazu Yamaguchi	Deputy Head of Global Business Headquarters	
Executive Officer	Hitomaro Yano	Head of Treasury and Accounting Headquarters	
Executive Officer	Toshinari Fukaya	Head of Real Estate Headquarters Responsible for Finance and Investment Department	
Executive Officer	Yasuaki Mikami	Head of Group Human Resources and Corporate Administration Headquarters Responsible for Secretariat of The Board of Directors Responsible for Work Style Reform	
Executive Officer	Yoshiteru Suzuki	Deputy President, ORIX USA Corporation	
Executive Officer	Yoshiko Fujii	Deputy Head of Enterprise Risk Management Headquarters	

Position(s)	Name	Responsibilities	Significant Concurrent Position(s)
(Retired on December 31, 2017)			
Corporate Executive Vice President	Shintaro Agata	Head of Treasury and Accounting Headquarters	
Corporate Senior Vice President	Takao Kato	Deputy Head of Treasury and Accounting Headquarters	
Corporate Senior Vice President	Satoru Katahira	Chief Information Officer Responsible for IT Planning Office	
Executive Officer	Shuichi Murakami	Responsible for Special Assignments	
(Retired on February 28, 2018)			
Executive Officer	Hiroshi Nishio	Deputy Head of Global Business Headquarters	

Notes: 1. Makoto Inoue, Kazuo Kojima, Yuichi Nishigori, Kiyoshi Fushitani and Stan Koyanagi also serve as Directors.

2. Kazuo Kojima left the position of Chief Financial Officer on May 9, 2018.

3. Yoshiteru Suzuki, Yoshiko Fujii assumed the post of Executive Officer during the fiscal year ended March 31, 2018.

4. Name on the family register of Yoshiko Fujii is Yoshiko Hirano.

5. ORIX Corporation Europe N.V., one of the Company's subsidiaries, has changed its name from Robeco Groep N.V. on January 1, 2018.

6. ORIX Corporation USA, one of the Company's subsidiaries, has changed its name from ORIX USA Corporation on June 1, 2018.

(3) Compensation in Fiscal 2018

1) Total amount of compensation for directors and Executive Officers

Position	Fixed compensation		Performance-linked compensation (planned)		Share component of compensation		Total compensation	
	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)	Number of People	Amount Paid (Millions of yen)
Directors (Outside Directors)	7 (6)	99 (67)	-	-	7 (6)	16 (13)	7 (6)	116 (81)
Executive Officers	23	579	23	318	23	415	23	1,314
Total	30	679	23	318	30	432	30	1,430

Notes: 1. The number of people and amounts paid in the table above include six Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during fiscal 2018. As of March 31, 2018, there were 12 Directors (including six Outside Directors) and 17 Executive Officers (including those serving concurrently as Directors and Executive Officers).

2. In fiscal 2018, no persons serving concurrently as Directors and Executive Officers were remunerated as Directors. The total compensation figure for the six people serving concurrently as Directors and Executive Officers is shown in the Executive Officers line.

3. The share component of the compensation system is a system in which Directors and Executive Officers are awarded a prescribed number of points during their period of service, and at the time of retirement, ORIX's shares are delivered through a trust to them in accordance with the number of points they have accumulated. The amount paid listed in the table above is calculated by multiplying the number of points confirmed to be provided as the portion for fiscal 2018 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,544 per share).

4. The actual total amount of the share component of compensation paid in fiscal 2018 was ¥696 million paid to six Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during fiscal 2018. This amount is not included in the amount paid of share component of compensation stated in the above table.

5. The Company did not provide stock options in the form of stock acquisition rights in fiscal 2018. For details of stock acquisition rights, refer to "I. Stock Acquisition Rights" within the online information accompanying the Notice of the 55th Annual General Meeting of Shareholders.

6. Figures shown are rounded down to the nearest million yen.

- 2) Matters relating to the policy regarding amount and calculation of compensation for Directors and Executive Officers
- a. Method for deciding the policy

The Company decides its compensation policy for fiscal 2018 by means of its Compensation Committee comprising non-Executive Directors.

b. Details of the Policy

ORIX's business objective is to increase shareholder value over the medium- to long-term. ORIX believes in the importance of each Director's and Executive Officer's responsibly performing his or her duties and cooperation among different business units in order to achieve continued growth of the ORIX Group. The Compensation Committee believes that in order to accomplish such business objectives, Directors and Executive Officers should place emphasis not only on performance during the current fiscal year, but also on medium- to long-term results. Accordingly, under the basic policy that compensation should provide effective incentives. ORIX takes such factors into account when making decisions regarding the compensation system and compensation levels for Directors and Executive Officers. Taking this basic policy into consideration, we have established separate policies for the compensation of Directors and Executive Officers in accordance with their respective roles.

i. Compensation Policy for Directors

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

ii. Compensation Policy for Executive Officers

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

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

For Executive Officers, compensation linked to business performance for fiscal 2018 uses the level of achievement of the consolidated net income target as a performance indicator, adjusting 50% of the position-based standard amount within the range of 0% to 200% while, at the same time, using the level of achievement of the target of the division for which the relevant Executive Officer was responsible, adjusting 50% of the position-based standard amount within the range of 0% to 200%. In the case of the Representative Executive Officers, the consolidated net income target is used as a performance indicator, adjusting the standard amount within the range of 0% to 200%.

For share component of compensation reflecting medium- to long-term performance, Executive Officers are granted points on an annual basis based on their position for their period of service, and they are paid in ORIX shares corresponding to the amount of points they have accumulated at the time of retirement. The points received each year shall be the result of adjusting 50% of the position-based standard points within the range of 0% to 200% based on the level of achievement of the consolidated net income target, which is used as the consolidated performance indicator, while at the same time adjusting 50% of the position-based standard points within the range of 0% to 200% based on the level of achievement of the operating results target of the division for which the relevant Executive Officer was responsible. In the case of the Representative Executive Officers, the points received each year shall be the result of adjusting the standard points within the range of 0% to 200% based on the level of achievement of the consolidated net income target, which is used as the consolidated performance indicator.

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

(4) Matters Relating to Directors and Executive Officers Who Retired or Were Dismissed During Fiscal 2018

For details of the executive officers who retired during the fiscal year ended March 31, 2018, refer to “(2) Executive Officers” above.

(5) Outside Directors

1) Significant concurrent positions

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

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

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

3) Main activities

Name	Status of attendance at Board of Directors Meetings and Audit Committee Meetings held in the fiscal year ended March 31, 2018	Statements made at Board of Directors Meetings and Audit Committee Meetings
Eiko Tsujiyama	Attended 8 of 8 meetings of the Board of Directors Attended 9 of 9 meetings of the Audit Committee	She made necessary statements in an appropriate timeframe and manner by utilizing her abundant experience and specialist knowledge as a professional accountant. She led deliberation in committee meetings of the Audit Committee as the Chairperson of the Audit Committee.
Robert Feldman	Attended 8 of 8 meetings of the Board of Directors	He made necessary statements in an appropriate timeframe and manner from a global perspective based on extensive insight as an economist.
Takeshi Niinami	Attended 7 of 8 meetings of the Board of Directors	He made necessary statements in an appropriate timeframe and manner based on broad experience and insight as a corporate executive.
Nobuaki Usui	Attended 8 of 8 meetings of the Board of Directors Attended 9 of 9 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant experience and extensive insight as a specialist in finance and tax.
Ryuji Yasuda	Attended 8 of 8 meetings of the Board of Directors Attended 9 of 9 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant knowledge as a corporate strategy specialist.
Heizo Takenaka	Attended 7 of 8 meetings of the Board of Directors Attended 7 of 9 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant experience and extensive insight as a specialist in economic and monetary policy.

4) Agreement limiting liability

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

5) Total amount of compensation to Outside Directors for the fiscal year ended March 31, 2018

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

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

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

(6) Other Significant Matters Concerning Directors and Executive Officers (including persons appointed after the closing day of the fiscal year ended March 31, 2018)

No items to report.

(Reference) Basic Policy and System in Corporate Governance

(1) Corporate Governance System

1) Basic policy in corporate governance

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

The Company's Corporate Governance System is characterized by:

- separation of execution and supervision through a "Company with Nominating Committee, etc." board model;
- Nominating, Audit and Compensation Committees composed entirely of non-Executive Directors and the Audit Committee composed entirely of outside directors;
- all outside directors satisfying "Requirements for Independent Directors" (Please refer to Proposal 2, "Election of Twelve (12) Directors" in the reference documents for the General Meeting of Shareholders); and
- all outside directors being highly qualified in their respective fields

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

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

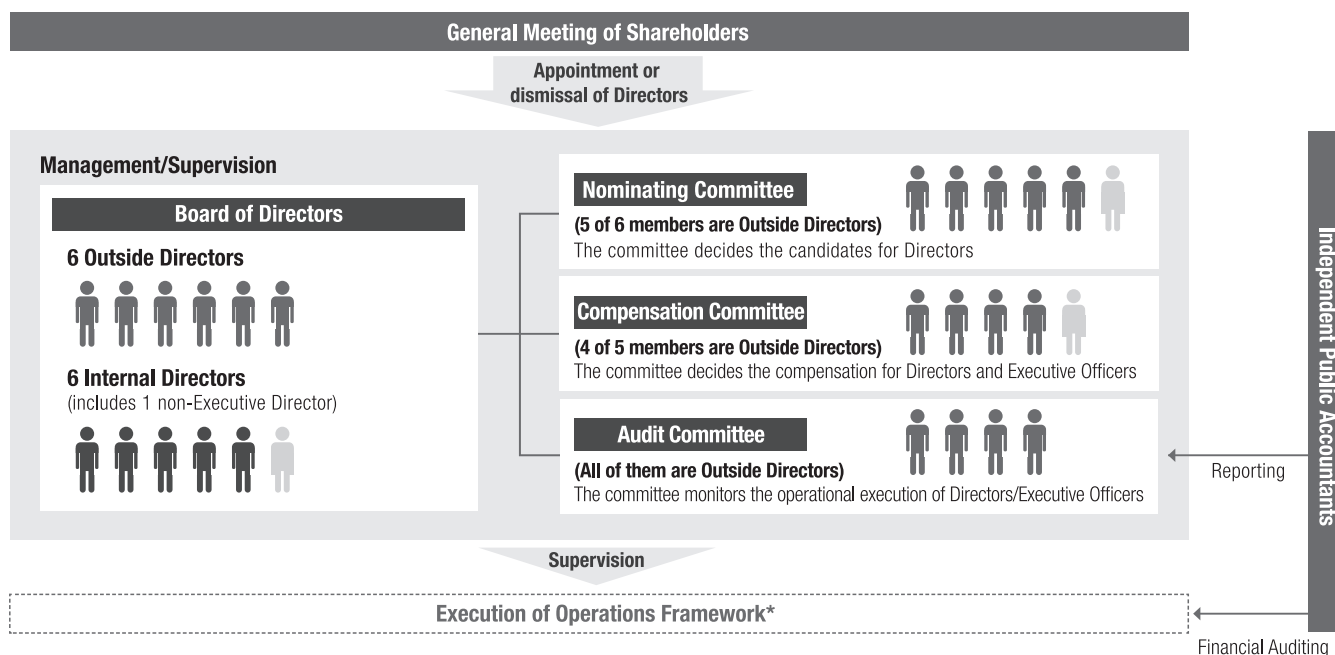
Oversight by directors is separate from the execution of operations with the three committees (Nominating, Audit and Compensation Committees) that form the heart of the Board of Directors. Each committee is formed entirely by non-Executive Directors to help avoid conflicts of interest with our shareholders.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

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

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

(2) Our Corporate Governance System

ORIX's Corporate Governance System as of March 31, 2018 is as follows.



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

< Board of Directors >

As of March 31, 2018, the Board of Directors consisted of 12 members, six of whom are outside directors who satisfy the “Requirements for Independent Directors.”

The Board of Directors carries out decisions related to items that, either as a matter of law or pursuant our Articles of Incorporation, cannot be delegated to Executive Officers, and important items as determined by the regulations of the Board of Directors. The Board of Directors is responsible for deciding and monitoring ORIX's basic policies on a regular basis, which include corporate planning such as capital management, fund procurement, personnel strategies and internal control systems. Aside from such items, the Board of Directors delegates decision-making regarding operational execution to the representative Executive Officers to facilitate better efficiency and swiftness of such process. The Board of Directors also receives reports from Executive Officers and committees regarding the status of business operations.

From April 1, 2017 through March 31, 2018, the Board of Directors met eight times. The attendance rate of directors for these meetings was 98%.

< Structure and Activities of the Three Committees >

All members of the three committees (Nominating, Audit and Compensation Committees) consist of non-Executive Directors, and all members of the Audit Committee are Outside Directors.

	Nominating Committee	Audit Committee	Compensation Committee
Members as of March 31, 2018	6 Members Nobuaki Usui (Chairperson) Robert Feldman Takeshi Niinami Ryuji Yasuda Hideaki Takahashi Heizo Takenaka	4 Members Eiko Tsujiyama (Chairperson) Nobuaki Usui Ryuji Yasuda Heizo Takenaka	5 Members Robert Feldman (Chairperson) Eiko Tsujiyama Takeshi Niinami Ryuji Yasuda Hideaki Takahashi
Number of meetings held during fiscal 2018 (Attendance rate)	Three (3) meetings (94%)	Nine (9) meetings (94%)	Five (5) meetings (100%)

< Nominating Committee >

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

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

< Audit Committee >

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

< Compensation Committee >

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

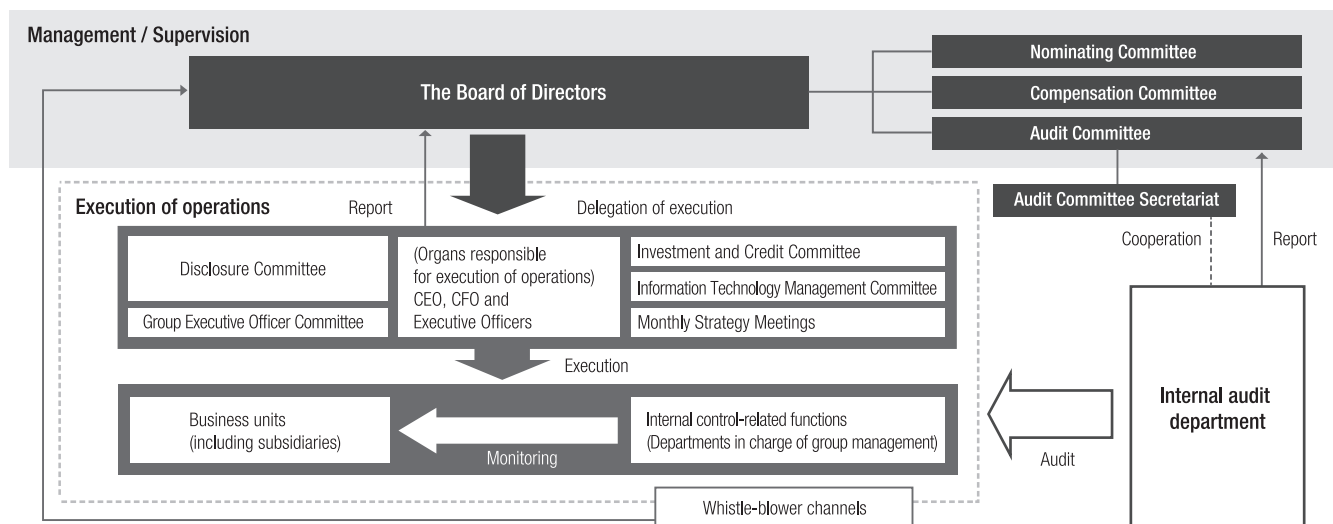
For details about the compensation policy for Directors and Executive Officers prescribed by the Compensation Committee, refer to “4. (3) 2) Matters relating to the policy regarding amount and calculation of compensation for Directors and Executive Officers” above.

(3) Internal Control System of ORIX Group

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

Regarding the outline of the resolution on the Fundamental Policies of Internal Control System in accordance with Article 416 of the Companies Act and the operation thereof, please refer to “III. Internal Control System (Frameworks to secure the adequacy of the business procedures of ORIX)” in the “Matters available on the website in relation to the Notice of the 55th Annual General Meeting of Shareholders.”

1. Outline of the Internal Control System



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

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

(2) Systems of risk management and compliance

< Control by business unit >

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

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

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

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

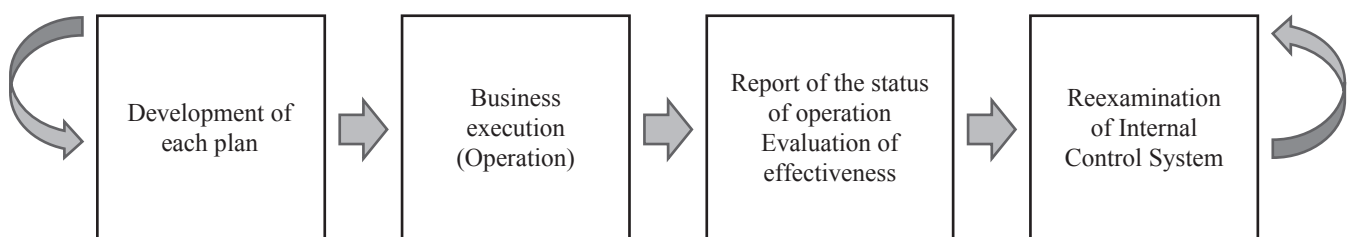
- The organs responsible for business execution such as CEO, CFO and Executive Officers manage the risks and promote compliance in view of the management plan of the ORIX Group.
- The organs responsible for business execution such as CEO, CFO and Executive Officers periodically receive reporting on the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

(3) Systems of Audit

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

2. Operation of Internal Control System

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



CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2018
ORIX Corporation and Subsidiaries

	Millions of yen
ASSETS	
Cash and Cash Equivalents	1,321,241
Restricted Cash	83,876
Investment in Direct Financing Leases	1,194,888
Installment Loans	2,823,769
(The amount of ¥17,260 million as of March 31, 2018 is measured at fair value by electing the fair value option.)	
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(54,672)
Investment in Operating Leases	1,344,926
Investment in Securities	1,729,455
(The amount of ¥37,631 million as of March 31, 2018 is measured at fair value by electing the fair value option.)	
Property under Facility Operations	434,786
Investment in Affiliates	591,363
Trade Notes, Accounts and Other Receivable	294,773
Inventories	111,001
Office Facilities	112,962
Other Assets	1,437,614
(The amount of ¥15,008 million as of March 31, 2018 is measured at fair value by electing the fair value option.)	
Total Assets	11,425,982

LIABILITIES AND EQUITY	
Liabilities:	
Short-Term Debt	306,754
Deposits	1,757,462
Trade Notes, Accounts and Other Payable	262,301
Policy Liabilities and Policy Account Balances	1,511,246
(The amount of ¥444,010 million as of March 31, 2018 is measured at fair value by electing the fair value option.)	
Income Taxes:	
Current	18,798
Deferred	348,149
Long-Term Debt	3,826,504
Other Liabilities	588,474
Total Liabilities	8,619,688
Redeemable Noncontrolling Interests	7,420
Commitments and Contingent Liabilities	
Equity:	
Common Stock	220,961
Additional Paid-in Capital	267,291
Retained Earnings	2,315,283
Accumulated Other Comprehensive Income (Loss)	(45,566)
Treasury Stock, at Cost	(75,545)
Total ORIX Corporation Shareholders' Equity	2,682,424
Noncontrolling Interests	116,450
Total Equity	2,798,874
Total Liabilities and Equity	11,425,982

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

	Millions of yen
ASSETS	
Cash and Cash Equivalents	4,553
Investment in Direct Financing Leases (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	43,942
Installment Loans (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	36,991
Investment in Operating Leases	124,998
Property under Facility Operations	108,115
Investment in Affiliates	52,450
Other	74,645
Total Assets	445,694

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

	Millions of yen
LIABILITIES	
Trade Notes, Accounts and Other Payable	1,102
Long-Term Debt	263,973
Other	8,047
Total Liabilities	273,122

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2018

	Millions of yen
Revenues :	
Finance Revenues	214,104
Gains on Investment Securities and Dividends	43,302
Operating Leases	379,665
Life Insurance Premiums and Related Investment Income	351,590
Sales of Goods and Real Estate	1,079,052
Services Income	795,058
Total Revenues	2,862,771
Expenses :	
Interest Expense	76,815
Costs of Operating Leases	252,327
Life Insurance Costs	255,070
Costs of Goods and Real Estate Sold	1,003,509
Services Expense	482,796
Other (Income) and Expense, Net	429
Selling, General and Administrative Expenses	431,594
Provision for Doubtful Receivables and Probable Loan Losses	17,265
Write-Downs of Long-Lived Assets	5,525
Write-Downs of Securities	1,246
Total Expenses	2,526,576
Operating Income	336,195
Equity in Net Income of Affiliates	50,103
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, Net	49,203
Income Before Income Taxes	435,501
Provision for Income Taxes	113,912
Net Income	321,589
Net Income Attributable to the Noncontrolling Interests	8,002
Net Income Attributable to the Redeemable Noncontrolling Interests	452
Net Income Attributable to ORIX Corporation Shareholders	313,135

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2018**

						Millions of yen		
	ORIX Corporation Shareholders' Equity					Total ORIX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock			
Balance at April 1, 2017	220,524	268,138	2,077,474	(21,270)	(37,168)	2,507,698	139,927	2,647,625
Contribution to subsidiaries						0	13,830	13,830
Transaction with noncontrolling interests		(972)		(1)		(973)	(35,522)	(36,495)
Comprehensive income, net of tax:								
Net income			313,135			313,135	8,002	321,137
Other comprehensive income (loss)								
Net change of unrealized gains (losses) on investment in securities				(22,746)		(22,746)	(88)	(22,834)
Net change of defined benefit pension plans				(2,984)		(2,984)	22	(2,962)
Net change of foreign currency translation adjustments				(2)		(2)	(1,537)	(1,539)
Net change of unrealized gains (losses) on derivative instruments				745		745	34	779
Total other comprehensive income (loss)						(24,987)	(1,569)	(26,556)
Total comprehensive income						288,148	6,433	294,581
Cash dividends			(72,757)			(72,757)	(8,218)	(80,975)
Exercise of stock options	437	219				656	0	656
Acquisition of treasury stock					(39,110)	(39,110)	0	(39,110)
Disposal of treasury stock		(476)			733	257	0	257
Adjustment of redeemable noncontrolling interests to redemption value			(1,876)			(1,876)	0	(1,876)
Reclassification of change in accounting standards			(692)	692		0	0	0
Other, net		382	(1)			381	0	381
Balance at March 31, 2018	220,961	267,291	2,315,283	(45,566)	(75,545)	2,682,424	116,450	2,798,874

Notes: 1. Changes in the redeemable noncontrolling interests are not included in the table.

2. Reclassification of change in accounting standards represents the amounts reclassified for the early adoption of the Accounting Standards Update 2018-02 ("Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" — ASC 220 ("Income Statement — Reporting Comprehensive Income")).

NON-CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2018
ORIX Corporation

Millions of yen

ASSETS	
Current assets	2,551,067
Cash and deposits	232,888
Accounts receivable - trade	15,011
Accounts receivable - installment sales	98,042
Lease receivables	120,040
Lease investment assets	236,983
Installment loans	1,774,332
Securities	1,000
Inventories	285
Advance payments - trade	978
Prepaid expenses	6,470
Deferred tax assets	9,411
Other	94,662
Allowance for doubtful receivables	(39,039)
Non-current assets	1,815,704
Property, plant and equipment	230,795
Assets for lease	201,786
Assets for lease	183,133
Advances for purchases of assets for lease	18,652
Office Facilities	29,009
Buildings	2,115
Structures	118
Machinery and equipment	22,394
Tools, furniture and fixtures	695
Land	744
Leased assets	30
Construction in progress	2,911
Intangible assets	3,018
Software	2,119
Trademark right	1
Telephone subscription right	162
Other	735
Investments and other assets	1,581,890
Investment securities	65,950
Shares of subsidiaries and affiliates	1,241,280
Bonds of subsidiaries and affiliates	1,095
Investments in other securities of subsidiaries and affiliates	218,233
Investments in capital	566
Long-term loans receivable from employees	58
Bad debts	1,354
Prepaid pension cost	32,744
Deferred tax assets	4,616
Other	16,572
Allowance for doubtful receivables	(584)
Total Assets	4,366,772

LIABILITIES	
Current liabilities	663,063
Trade accounts payable	23,184
Short-term debt	158,720
Current portion of long-term debt	257,433
Commercial papers	61,500
Current portion of bonds	65,000
Lease obligations	1,261
Accrued expenses	13,578
Deposits received	12,699
Unearned revenue	10,766
Deferred profit on installment sales	6,827
Provision for loss on guarantees	7,087
Other	45,004
Non-current liabilities	2,573,353
Bonds payable	806,715
Long-term debt	1,656,776
Lease obligations	4,331
Allowance for directors' retirement benefits	2,036
Asset retirement obligations	1,652
Other	101,841
Total Liabilities	3,236,417
Net Assets	
Shareholders' equity	1,143,441
Common stock	220,961
Capital surplus	248,140
Legal capital surplus	248,140
Other capital surplus	0
Retained earnings	749,884
Other retained earnings	749,884
Reserve for special depreciation	4,956
Retained earnings brought forward	744,928
Treasury stock	(75,544)
Valuation and translation adjustments	(13,329)
Net unrealized gains on other securities	8,638
Deferred gains or losses on hedges	(21,967)
Subscription rights to shares	242
Total Net Assets	1,130,354
Total Liabilities and Net Assets	4,366,772

NON-CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2018

	Millions of yen
Net Sales	576,563
Cost of Sales	334,964
Gross Profit	241,598
Selling, General and Administrative Expenses	78,271
Operating Income	163,327
Non-operating Income	38,909
Gains on investments in securities	35,566
Dividend income	1,102
Interest on securities	425
Miscellaneous income	1,814
Non-operating Expenses	9,373
Expenses on investments in securities	2,360
Interest on bonds	1,196
Bond issuance cost	1,660
Interest expenses	2,721
Loss on valuation of derivatives	1,189
Miscellaneous expenses	246
Ordinary Income	192,862
Extraordinary Income	41,287
Gain on sales of securities of subsidiaries and affiliates	21,914
Gain on sales of investment securities	16,717
Other	2,655
Extraordinary Losses	15,765
Loss on valuation of securities of subsidiaries and affiliates	13,380
Other	2,385
Income Before Income taxes	218,384
Income Taxes - Current	27,878
Income Taxes - Deferred	2,889
Net Income	187,616

Independent Auditor's Report

May 14, 2018

The Board of Directors
ORIX Corporation:

KPMG AZSA LLC

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

Takaki Okano (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of ORIX Corporation as of March 31, 2018 and for the year from April 1, 2017 to March 31, 2018 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matter

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

Notes to the Reader of Independent Auditor's Report:

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

Independent Auditor's Report

May 14, 2018

The Board of Directors
ORIX Corporation:

KPMG AZSA LLC

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

Takaki Okano (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of ORIX Corporation as of March 31, 2018 and for the year from April 1, 2017 to March 31, 2018 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matter

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

Notes to the Reader of Independent Auditor's Report:

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

Audit Committee's Report

The Audit Committee has conducted audits concerning the execution of duties by Directors and Executive Officers for the 55th fiscal year from April 1, 2017 to March 31, 2018, and hereby reports the auditing methods and the results as follows.

1. Auditing methods and their contents

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

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

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

2. Audit results

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

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

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

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

(3) Results of the audit of Consolidated Financial Statements

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

May 21, 2018

The Audit Committee, ORIX Corporation

Member of the Audit Committee: Eiko Tsujiyama (Seal)

Member of the Audit Committee: Nobuaki Usui (Seal)

Member of the Audit Committee: Ryuji Yasuda (Seal)

Member of the Audit Committee: Heizo Takenaka (Seal)

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