Notice of the 54th Annual General Meeting of Shareholders

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June 5, 2017

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.

Securities Code: NYSE: IX
TSE: 8591
June 5, 2017

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 54th Annual General Meeting of Shareholders

We cordially invite you to attend the 54th Annual General Meeting of Shareholders of ORIX CORPORATION (the "Company") to be held as set forth below.

Details

1. Date and Time: Tuesday, June 27, 2017 at 10:00 a.m. (JST)

2. Place: [Hiten], Grand Prince Hotel New Takanawa
3-13-1, Takanawa, Minato-ku, Tokyo, Japan
* Please note that the meeting will be held in a different place from the previous year.
* 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 54th fiscal year (from April 1, 2016 to March 31, 2017), as well as the audit reports of the public accounting firm and the Audit Committee for consolidated financial statements
2. Financial statements for the 54th fiscal year (from April 1, 2016 to March 31, 2017)

Matters to be resolved:

Proposal 1. Partial Amendments to the Articles of Incorporation

Proposal 2. Election of Twelve (12) Directors

- In case there are any changes in relation to the reference documents for the General Meeting of Shareholders and the business reports, the financial statement and the consolidated financial statement, we will notify you through the following Company's website.
  The Company's website: http://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) - (19) [Omitted] [New Provision] (20) - (22) [Omitted]	Article 2. (Purposes) The purpose of the Company shall be to engage in the following businesses: (1) - (19) [No Change] (20) mining of various minerals, and the manufacture and sale of the products in relation thereto; (21) - (23) [No Change]

Proposal 2: Election of Twelve (12) Directors

The terms of office of all 13 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 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 Open Innovation Business Department, Responsible for Group IoT Business Department, Responsible for New Business Development Department	
2	Kazuo Kojima -Renominated-	Director, Representative Executive Officer, Deputy President and Chief Financial Officer, Responsible for Corporate Planning Department	
3	Yuichi Nishigori -Renominated-	Director, Corporate Executive Vice President Head of Energy and Eco Services Business Headquarters	
4	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	
5	Stan Koyanagi -Newly Nominated-	Global General Counsel of Global Business Headquarters	
6	Hideaki Takahashi -Renominated-	Director, Nominating Committee, Compensation Committee	
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-	Apr. 1975 Joined the Company Jan. 2003 Deputy Head of Investment Banking Headquarters Feb. 2005 Assumed office of Executive Officer, the Company Jan. 2006 Assumed office of Corporate Senior Vice President, the Company Jun. 2009 Assumed office of Corporate Executive Vice President, the Company Jun. 2010 Assumed office of Director and Deputy President, the Company Jan. 2011 Assumed office of Director, Representative Executive Officer, President, the Company (present), Chief Operating Officer Jan. 2014 Co-Chief Executive Officer Jun. 2014 Chief Executive Officer (present) Oct. 2016 Assumed office of Chairman, Robeco Groep N.V. (present) Jan. 2017 Responsible for Group IoT Business Department (present), Responsible for New Business Development Department I and II Apr. 2017 Responsible for New Business Development (present) May 2017 Responsible for Open Innovation Business Department (present) <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.	58,578

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
2	Kazuo Kojima (Jul. 5, 1956) -Renominated	Apr. 1980 Joined the Company Apr. 2003 Deputy Head of Real Estate Finance Headquarters Feb. 2005 Assumed office of Executive Officer, the Company Jan. 2007 Assumed office of Corporate Senior Vice President, the Company Jan. 2008 Assumed office of Corporate Executive Vice President, the Company Jun. 2008 Assumed office of Director, Corporate Executive Vice President, the Company Sep. 2012 Responsible for Investment and Operation Headquarters Jan. 2014 Responsible for Energy and Eco Services Business Headquarters, Head of Global Business and Alternative Investment Headquarters Jun. 2015 Assumed office of Director, Representative Executive Officer, Deputy President, the Company (present) and Chief Financial Officer (present) Jan. 2016 Responsible for Corporate Planning Department (present) <Reasons for nomination for Director> Mr. Kazuo Kojima has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through his business execution experience in the field of corporate financial services, maintenance leasing, real estate, project development and investment and overseas business, and his service as Chief Financial 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.	34,633

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
3	Yuichi Nishigori (Jan. 28, 1957) -Renominated-	Apr. 1980 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) Apr. 2003 Joined the Company Jan. 2007 Deputy Head of Alternative Investment and Development Headquarters Jan. 2009 Assumed office of Executive Officer, the Company Sep. 2012 Director, Ubiteq, INC. (Outside) Jan. 2014 Assumed office of Corporate Senior Vice President, the Company Head of Energy and Eco Services Business Headquarters (present) Jun. 2015 Assumed office of Director, Corporate Senior Vice President, the Company Sep. 2015 Director, Ubiteq INC. (present) Jan. 2016 Assumed office of Director, Corporate Executive Vice President, the Company (present) <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.	14,816

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
4	Kiyoshi Fushitani (Nov. 22, 1950) -Renominated-	Apr. 1973 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Feb. 1975 Joined the Company Sep. 2012 Deputy Head of Global Business and Alternative Investment Headquarters Jan. 2015 Assumed office of Corporate Senior Vice President, the Company Head of Global Transportation Services Headquarters (present) Jun. 2015 Head of East Asia Business Headquarters (present) Jan. 2016 Assumed office of Corporate Executive Vice President, the Company Head of Global Business Headquarters (present) Jun. 2016 Assumed office of Director, Corporate Executive Vice President (present) <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 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.	1,500

	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
5	Stan Koyanagi (Dec. 25, 1960) - Newly Nominated -	Oct. 1985 Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP Jun. 1988 Joined GRAHAM & JAMES LLP (currently Squire Patton Boggs LLP) Jan. 1993 Partner, GRAHAM & JAMES LLP (currently Squire Patton Boggs LLP) Mar. 1997 General Counsel, ORIX USA CORPORATION Jan. 2004 Vice President and Associate General Counsel, KB HOME Jul. 2013 Global General Counsel of Global Business Headquarters, the Company (present) <Reasons for nomination for Director> Mr. Stan Koyanagi is a candidate for new Director. He served successively as the General Counsel of ORIX USA Corporation 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 Global General Counsel of Global Business Headquarters. The Nominating Committee has appointed him as a new candidate for Director because it has determined he can be expected to fulfil a substantial role, including highly effective supervision of the Company's management by utilizing a wealth of his knowledge and experience, etc. gained from inside and outside the Company.	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
6	Hideaki Takahashi (Mar. 22, 1948) -Renominated-	Aug. 1974 Joined NCR Corporation Mar. 1992 Assumed office of Vice President and Representative Director, NCR Japan, Ltd. Dec. 1997 Assumed office of Senior Vice President, NCR Corporation and Chairman and Representative Director, NCR Japan, Ltd. Mar. 2000 Assumed office of Executive Vice President and Representative Director, Fuji Xerox Co., Ltd. Jan. 2006 Professor, Graduate School of Media and Governance at Keio University (present) Nov. 2006 Assumed office of Part-time Advisor, the Company Apr. 2007 Assumed office of Director, Fukuoka Financial Group, Inc. (Outside) (present) Jun. 2014 Assumed office of Director, the Company (present), Special Advisor to CEO <ORIX Committee Membership> Nominating Committee, Compensation Committee <Reasons for nomination for Director> Mr. Hideaki Takahashi has wide-ranging experience and knowledge in corporate management through his past experiences, including Chairman and Representative Director of NCR Japan, Ltd., and Executive Vice President and Representative Director of Fuji Xerox Co., Ltd. Moreover, at the Company, after serving as Part-time Advisor, he has served as Director. He therefore has a wealth of experience and advanced knowledge relating to the diversified business activities of the ORIX Group through this service. He 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 the Company's 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 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.	0

	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	Apr. 1974 Registered as Certified Public Accountant Aug. 1980 Assistant Professor, School of Humanities at Ibaraki University Apr. 1985 Assistant Professor, School of Economics at Musashi University Apr. 1991 Professor, School of Economics at Musashi University Apr. 1996 Assumed office of Dean, School of Economics at Musashi University Apr. 2003 Professor, School of Commerce at Waseda University (present) Professor, Graduate School of Commerce at Waseda University (present) Sep. 2004 Professor, Faculty of Commerce at Waseda University (present) Jun. 2010 Assumed office of Director, the Company (present) Sep. 2010 Assumed office of Dean, Graduate School of Commerce at Waseda University May 2011 Assumed office of Corporate Auditor, Lawson, Inc. (Outside) (present) Jun. 2011 Assumed office of Audit & Supervisory Board Member, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.) (Outside) (present) Jun. 2012 Assumed office of Audit & Supervisory Board Member, Shiseido Company, Limited (Outside) (present) <ORIX Committee Membership> Audit Committee (Chairperson), Compensation Committee <Reasons for nomination for Outside Director> Ms. Eiko Tsujiyama serves as a professor of Waseda University, Faculty of Commerce and has served on government and institutional finance and accounting councils both in Japan and overseas. She has extensive knowledge as a professional accountant. She participated in all 8 meetings of the Board of Directors during the fiscal year ended March 31, 2017 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. Her period in service as of the conclusion of this Annual General Meeting of Shareholders will be seven years.	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	Oct. 1983 Economist, International Monetary Fund May 1989 Chief Economist, Salomon Brothers Inc. (currently Citigroup Global Markets Japan Inc.) Feb. 1998 Managing Director, Chief Economist Japan, Morgan Stanley Japan Securities (currently Morgan Stanley MUFG Securities Co., Ltd.) Apr. 2003 Managing Director, Head of Japan Research, Chief Economist, Morgan Stanley Japan Securities (currently Morgan Stanley MUFG Securities Co., Ltd.) Dec. 2007 Managing Director, Head of Japan Economic Research, Morgan Stanley Japan Securities (currently Morgan Stanley MUFG Securities Co., Ltd.) Jun. 2010 Assumed office of Director, the Company (present) Jul. 2012 Managing Director, Chief Economist and Head of Fixed Income Research, Morgan Stanley MUFG Securities Co., Ltd. Mar. 2014 Managing Director and Chief Economist, Morgan Stanley MUFG Securities Co., Ltd. Jan. 2017 Senior Advisor, Morgan Stanley MUFG Securities Co., Ltd. (present) <ORIX Committee Membership> Nominating Committee, Compensation Committee (Chairperson) <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 8 meetings of the Board of Directors during the fiscal year ended March 31, 2017 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 seven years.	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
9	Takeshi Niinami (Jan. 30, 1959) -Renominated- Candidate for Outside Director/ Independent Director	Jun. 1995 Assumed office of President, Sodex Corporation (currently LEOC Co., Ltd.) Apr. 2001 Unit Manager of Lawson Business and Mitsubishi's Dining Logistical Planning team, Consumer Industry division, Mitsubishi Corporation May 2002 Assumed office of President, Representative Director and Executive Officer, Lawson, Inc. Mar. 2005 Assumed office of President, Representative Director and CEO, Lawson, Inc. Jun. 2010 Assumed office of Director, the Company (present) May 2013 Assumed office of Representative Director and CEO, Lawson, Inc. May 2014 Assumed office of Chairman and Representative Director, Lawson, Inc. Assumed office of Chairman and Director, Lawson, Inc. Oct. 2014 Assumed office of President, Suntory Holdings Limited (present) <ORIX Committee Membership> Nominating Committee, Compensation Committee <Reasons for nomination for Outside Director> Mr. Takeshi Niinami currently serves as President of Suntory Holdings Limited. He has wide-ranging experience and knowledge of corporate management. He participated in 6 out of 8 meetings of the Board of Directors during the fiscal year ended March 31, 2017 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. His period in service as of the conclusion of this Annual General Meeting of Shareholders will be seven years.	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) -Renominated- Candidate for Outside Director/ Independent Director	May 1995 Director-General of the Tax Bureau, Ministry of Finance Jan. 1998 Commissioner, National Tax Agency Jul. 1999 Administrative Vice Minister, Ministry of Finance Jan. 2003 Governor and CEO, National Life Finance Corporation (currently Japan Finance Corporation) Dec. 2008 Advisor, The Japan Research Institute, Limited Jun. 2011 Assumed office of Audit & Supervisory Board Member, KONAMI CORPORATION (currently KONAMI HOLDINGS CORPORATION) (Outside) (present) Jun. 2012 Assumed office of Director, the Company (present) Jun. 2016 Assumed office of Auditor, Miroku Jyoho Service Co., Ltd. (Outside) (present) <ORIX Committee Membership> Nominating Committee (Chairperson), Audit Committee <Reasons for nomination for Outside Director> Mr. Nobuaki Usui served as the Administrative Vice Minister of Ministry of Finance and the Governor and CEO of National Life Finance Corporation (currently, Japan Finance Corporation). He has a wealth of knowledge and experience as a finance and tax expert. He participated in all 8 meetings of the Board of Directors during the fiscal year ended March 31, 2017, 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. His period in service as of the conclusion of this Annual General Meeting of Shareholders will be five years.	0

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	Jun. 1991 Director, McKinsey & Company Jun. 1996 Chairman, A. T. Kearney, Asia Jun. 2003 Chairman, J-Will Partners, Co., Ltd. Apr. 2004 Professor, Graduate School of International Corporate Strategy at Hitotsubashi University Jun. 2009 Assumed office of Director, Yakult Honsha Co., Ltd. (Outside) (present) Jun. 2013 Assumed office of Director, the Company (present) Jun. 2015 Assumed office of Director, Benesse Holdings, Inc. (Outside) (present) Mar. 2017 Adjunct Professor, Graduate School of International Corporate Strategy at Hitotsubashi University (present) <ORIX Committee Membership> Nominating Committee, Audit Committee, Compensation Committee <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 International Corporate Strategy at Hitotsubashi University. He has a specialized knowledge on corporate strategy acquired through a wide range of past experience. He participated in all 8 meetings of the Board of Directors during the fiscal year ended March 31, 2017 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 four years.	0

No.	Name (Date of Birth)	Career Summary, Current Position and Important Concurrent Position	Number of shares held in the Company
12	Heizo Takenaka (Mar. 3, 1951) -Renominated- Candidate for Outside Director/ Independent Director	Apr. 1990 Assistant Professor, Faculty of Policy Management at Keio University Apr. 1996 Professor, Faculty of Policy Management at Keio University Apr. 2001 Minister of State for Economic and Fiscal Policy Sep. 2002 Minister of State for Financial Services and for Economic and Fiscal Policy Jul. 2004 Elected to House of Councillors Sep. 2004 Minister of State for Economic and Fiscal Policy and Communications and Privatization of Postal Services Oct. 2005 Minister for Internal Affairs and Communications and Privatization of Postal Services Dec. 2006 Director, Academyhills (present) Aug. 2009 Chairman and Director, PASONA Group Inc. (present) Apr. 2010 Professor, Faculty of Policy Management at Keio University Jun. 2015 Assumed office of Director, the Company (present) Apr. 2016 Professor, Faculty of Regional Development Studies at Toyo University (present) Director, Center for Global Innovation Studies at Toyo University (present) Jun. 2016 Assumed office of Director, SBI Holdings, Inc. (Outside) (present) <ORIX Committee Membership> Nominating Committee, Audit Committee <Reasons for nomination for Outside Director> 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 of 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. He participated in all 8 meetings of the Board of Directors during the fiscal year ended March 31, 2017 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. His period in service as of the conclusion of this Annual General Meeting of Shareholders will be two years.	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.

(Attachments to Notice of the Annual General Meeting of Shareholders)

Business Report for the 54th Fiscal Year

From April 1, 2016 to March 31, 2017

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	● 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.

● ROA, the ratio of net income attributable to ORIX Corporation Shareholders for the period to average Total Assets, to indicate asset efficiency.

ORIX aims to achieve a net income target of ¥300 billion for the fiscal year ending March 31, 2018, and ROE around 11% to 12% by striving to increase asset efficiency through quality asset expansion to capture business opportunities along with increased capital efficiency by strengthening profit-earning opportunities such as fee-based businesses.

Three-year trends in performance indicators are as follows.

		As of March 31,		
		2015	2016	2017
Net income attributable to ORIX Corporation shareholders ……	(Millions of yen)	234,948	260,169	273,239
ROE ……	(%)	11.5	11.7	11.3
ROA ……	(%)	2.29	2.32	2.46

(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 the level in line with its business performance.

Based on this fundamental policy, the annual dividend is 52.25 yen per share (interim dividend paid was 23.00 yen per share and year-end dividend is 29.25yen per share) from 45.75 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, 2018, we will continue to focus on the optimal balance of securing capital for investment in future profit growth and providing an appropriate level of dividends to shareholders. The interim dividend for the next fiscal year is projected at 27.00 yen per share. The year-end dividend for the next fiscal year is to be determined.

With regards to the decision of share buyback, 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 financial condition and external factors such as changes in the business environment and share price valuation and its trend.

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

	As of March 31,		
	2015	**2016**	**2017**
Dividends per Share (yen)			
Second Quarter-end	–	22.00	23.00
Year-end	36.00	23.75	29.25
Total	36.00	45.75	52.25

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 "US GAAP").

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

Operating Environment

The economy of the United States has been on a continuing trend of recovery with improvements in employment and income environments. The economy of Europe has picked up moderately, the Chinese economy is still in a correction phase and the economies of emerging and resource-rich countries have bottomed out. Although interest rates remain low worldwide, the prospect of rising interest rates has been strong in the United States. In addition, there are political and geopolitical tensions in certain regions that need to be monitored carefully.

The Japanese economy on the whole has been in a moderate recovery phase despite some areas of weakness.

Overview of Consolidated Business Performance (April 1, 2016 to March 31, 2017)

Total revenues for the consolidated fiscal year ended March 31, 2017 (hereinafter referred to as "the fiscal year") increased 13% to ¥2,678,659 million compared to ¥2,369,202 million during the previous fiscal year. Operating leases revenues increased mainly due to an increase in gains on sales of real estate under operating leases, and sales of goods and real estate increased due to an increase in revenues generated by subsidiaries in the principal investment business. In addition, life insurance premiums and related investment income increased due to increases in insurance premiums in line with an increase in new insurance contracts and investment income in ORIX Life Insurance Corporation (hereinafter referred to as "ORIX Life Insurance"), and an improvement in investment income from assets under variable annuity and variable life insurance contracts originally held by Hartford Life Insurance K.K. (hereinafter referred to as "HLIKK") compared to the previous fiscal year during which investment income decreased due to deterioration of the market environment.

Total expenses increased 13% to ¥2,349,435 million compared to ¥2,081,461 million during the previous fiscal year. Costs of goods and real estate sold increased in line with the aforementioned increased revenues. In addition, life insurance costs increased due to an increase in a provision of liability reserve in line with the aforementioned increase in new insurance contracts and the improvement in investment income from assets under variable annuity and variable life insurance contracts.

Equity in net income of affiliates decreased due to an impact from an increase in income from the affiliates in the Americas during the previous fiscal year.

As a result of the foregoing, income before income taxes for the fiscal year increased 9% to ¥424,965 million compared to ¥391,302 million during the previous fiscal year, and net income attributable to ORIX Corporation shareholders increased 5% to ¥273,239 million compared to ¥260,169 million during the previous fiscal year.

(2) Summary of Consolidated Financial Results

		Fiscal Year ended March 31,			
		2014	2015	2016	2017
Total Revenues	(millions of yen)	1,375,292	2,174,283	2,369,202	2,678,659
Operating Income	(millions of yen)	203,048	256,829	287,741	329,224
Net Income Attributable to ORIX Corporation Shareholders	(millions of yen)	187,364	234,948	260,169	273,239
Earnings Per Share					
(Basic)	(yen)	147.75	179.47	198.73	208.88
(Diluted)	(yen)	143.20	179.21	198.52	208.68
Shareholders' Equity Per Share	(yen)	1,465.77	1,644.60	1,764.34	1,925.17
Total Assets	(millions of yen)	9,063,517	11,439,874	10,992,918	11,231,895
Shareholders' Equity	(millions of yen)	1,919,346	2,152,198	2,310,431	2,507,698
ROE	(%)	10.5	11.5	11.7	11.3
ROA	(%)	2.14	2.29	2.32	2.46
Number of Employees		25,977	31,035	33,333	34,835

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, 2017)

Business Segment	Principal Businesses Principal Business Locations and Number of Locations	Number of Employees
Corporate Financial Services	Lending, leasing and fee business	2,693
	103 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	2,684
	1,143 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 advisory services	4,542
	101 locations principally in Tokyo, Osaka, Kanagawa and Aichi	
Investment and Operation	Environment and energy business, principal investment, loan servicing (asset recovery), and concession business	12,648
	17 locations principally in Tokyo and Osaka	
Retail	Life insurance, banking and card loan business	2,742
	90 locations principally in Tokyo, Osaka, Kanagawa, Aichi and Fukuoka	
Overseas Business	Leasing, lending, investment in bonds, asset management and ship- and aircraft-related operations	8,268
	36 countries and regions including U.S.A., Hong Kong, Malaysia, Indonesia, Australia, Ireland, China and the Netherlands	
Subtotal		33,577
Non Segment Specific		1,258
Total		34,835

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

Lending, 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 target growth areas

	As of March 31, 2017
Asset composition	12%

Billions of yen

	Year ended March 31,		
	2015	2016	2017
Segment Revenues	86	107	103
Segment Profits	26	42	38

Billions of yen

	As of March 31,		
	2015	2016	2017
Segment Assets	1,133	1,050	1,032

Summary of Performance

The Japanese economy on the whole entered a moderate recovery phase despite some areas of weakness. While interest rates overall increased along with the United States economy, the balance of outstanding loans at financial institutions continues to increase and interest rates on loans remain at low levels.

Segment revenues decreased 4% to ¥102,979 million compared to ¥107,150 million during the previous fiscal year due to a decrease in finance revenues in line with decreased average investment balance and a decrease in gains on sales of securities, despite an increase in services income resulting primarily from revenue generated by Yayoi Co. Ltd. (hereinafter, "Yayoi"), and from our stable fee business to domestic small-and medium-sized enterprise customers.

Segment expenses increased due primarily to an increase in selling, general and administrative expenses. As a result, segment profits decreased 10% to ¥38,032 million compared to ¥42,418 million during the previous fiscal year.

Segment assets decreased 2% to ¥1,032,152 million compared to the end of the previous fiscal year due primarily to a decrease in installment loans.

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

●Further expansion of the business while maintaining high profitability

●Capitalize on competitive advantage to increase market shares

●Deepen expertise and develop solution business

	As of March 31, 2017
Asset composition	8%

Billions of yen

	Year ended March 31,		
	2015	2016	2017
Segment Revenues	264	272	271
Segment Profits	40	43	40

Billions of yen

	As of March 31,		
	2015	2016	2017
Segment Assets	663	731	753

Summary of Performance

While demand in corporate capital investment has been gradually increasing, concerns about uncertainty in the domestic and overseas economic outlook deter new investment. The volume of new auto-leases in Japan increased slightly compared to the previous fiscal year.

Segment revenues remained flat at ¥270,615 million compared to the previous fiscal year due to less gains on sales in operating leases revenues, offsetting an increase in finance revenues.

Segment expenses increased due primarily to increases in costs of operating leases in line with increased average investment asset balance in the auto-business and selling, general and administrative expenses. As a result, segment profits decreased 7% to ¥39,787 million compared to ¥42,935 million during the previous fiscal year.

Segment assets increased 3% to ¥752,513 million compared to the end of the previous fiscal year due primarily to an increase in new auto-leases in the auto-business.

Real Estate Segment:

Principal Business

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

Mid-Term Strategic Directions

●Continue to shift business model towards one with higher stability and profitability

●Strengthen value added services in operation business such as facility management

●Expansion of asset management business

	As of March 31, 2017
Asset composition	7%

Billions of yen

	Year ended March 31,		
	2015	2016	2017
Segment Revenues	182	192	212
Segment Profits	4	43	73

Billions of yen

	As of March 31,		
	2015	2016	2017
Segment Assets	835	740	658

Summary of Performance

Land prices remain high and vacancy rates in the Japanese office building market continue to show improvements, especially in the Greater Tokyo Area due primarily to the quantitative easing policies implemented by the Bank of Japan, including the low interest rate. However, we are also seeing a trend where sales prices of condominiums are no longer increasing. Changes in tourism style such as uses of vacation rentals are affecting hotels and Japanese inns' operation.

Segment revenues increased 11% to ¥212,050 million compared to ¥191,540 million during the previous fiscal year due primarily to an increase in gains on sales of rental properties, which are included in operating leases revenues.

Segment expenses decreased compared to the previous fiscal year due primarily to decreases in costs of operating leases in line with a decrease in assets and write-downs of long-lived assets.

As a result of the foregoing, segment profits increased 70% to ¥72,841 million compared to ¥42,902 million during the previous fiscal year.

Segment assets decreased 11% to ¥657,701 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 business, principal investment, loan servicing (asset recovery), and concession business

Mid-Term Strategic Directions

●Push the environment and energy business forward; deepen in domestic and expand in overseas business

●Investment in new business fields

●Establish a status as a concession business operator

	As of March 31, 2017
Asset composition	9%

Billions of yen

	Year ended March 31,		
	2015	2016	2017
Segment Revenues	666	1,028	1,272
Segment Profits	42	57	85

Billions of yen

	As of March 31,		
	2015	2016	2017
Segment Assets	660	704	769

Summary of Performance

Investment in infrastructure, especially energy infrastructure, is diversifying in Japan. In the energy business, among renewable energy, investment is expanding beyond solar power to wind and geothermal power. In addition, business structures are also diversifying. In infrastructure investment markets, the use of private funds is expanding in the public facilities management. In emerging countries, infrastructure demand is growing rapidly with economic growth, and Japanese companies are expected to increase infrastructure investment. In the capital markets, the number of mergers and acquisitions by Japanese companies has remained high.

Segment revenues increased 24% to ¥1,271,973 million compared to ¥1,028,355 million during the previous fiscal year due to increases in sales of goods and services income from the environment and energy business and subsidiaries in the principal investment business.

Segment expenses increased compared to the previous fiscal year due to an increase in expenses in line with the aforementioned revenues expansion and recognition of write-downs of securities.

As a result of the foregoing and the recognition of gains on sales of shares of subsidiaries and affiliates and the recognition of a bargain purchase gain from the acquisition of a subsidiary, segment profits increased 49% to ¥85,000 million compared to ¥57,220 million during the previous fiscal year.

Segment assets increased 9% to ¥768,675 million compared to the end of the previous fiscal year due primarily to an increase in property under facility operations in the environment and energy business.

Retail Segment:

Principal Business

Life insurance, banking and card loan business

Mid-Term Strategic Directions

●Grow from mid-size insurer to a major insurer

●Develop new business fields of ORIX Bank

	As of March 31, 2017
Asset composition	37%

Billions of yen

	Year ended March 31,		
	2015	2016	2017
Segment Revenues	426	254	369
Segment Profits	121	52	73

Billions of yen

	As of March 31,		
	2015	2016	2017
Segment Assets	3,701	3,463	3,292

Summary of Performance

The life insurance business in Japan is currently affected by macroeconomic factors such as domestic population decline. However, we are seeing a rise in demand for medical insurance and an increasing number of companies developing new products in response. On the other hand, we are also seeing suspensions of the sales of certain products and an increase in insurance premiums on new contracts due primarily to the Bank of Japan's adoption of negative interest rate policy. In the card loan business for individuals, banks and other lenders are expanding their assets and competition in the lending business continues to intensify in the current low interest rate environment.

Segment revenues increased 45% to ¥368,665 million compared to ¥254,289 million during the previous fiscal year mainly due to increases in insurance premiums in line with an increase in new insurance contracts and investment income in ORIX Life Insurance, and an improvement in investment income from assets under variable annuity and variable life insurance contracts originally held by HLIKK compared to the previous fiscal year during which investment income decreased due to the deterioration of the market environment.

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 new insurance contracts and the improvement in investment income from assets under variable annuity and variable life insurance contracts.

As a result of the foregoing, segment profits increased 41% to ¥72,865 million compared to ¥51,756 million during the previous fiscal year.

Segment assets decreased 5% to ¥3,291,631 million compared to the end of the previous fiscal year due primarily to sales of investment in securities at ORIX Life Insurance as well as the surrender of variable annuity and variable life insurance contracts originally held by HLIKK, offsetting an increase in installment loans in the banking business.

Overseas Business Segment:

Principal Business

Leasing, lending, investment in bonds, asset management and ship- and aircraft-related operations

Mid-Term Strategic Directions

●Position as the driver for the Group's growth and profitability

●Expansion of the asset management business

●Aggressively develop aircraft and shipping businesses

	As of March 31, 2017
Asset composition	27%

Billions of yen

	Year ended March 31,		
	2015	2016	2017
Segment Revenues	562	526	459
Segment Profits	104	143	112

Billions of yen

	As of March 31,		
	2015	2016	2017
Segment Assets	2,179	2,285	2,454

Summary of Performance

The economy of the United States has been on a continuing trend of recovery with improvements in employment and income environments. The economy of Europe has picked up moderately, the Chinese economy is still in a correction phase and the economies of emerging and resource-rich countries have bottomed out. Although interest rates remain low worldwide, the prospect of rising interest rates has been strong in the United States. The asset management industry is expected to increase AuM due to the increase in pension assets and the high-income class population over the mid- and long-term. Also, the aviation industry is expected to continue to expand its market size against the backdrop of increasing passenger demand mainly in emerging countries. In addition, there are political and geopolitical tensions in certain regions that need to be monitored carefully.

Segment revenues decreased 13% to ¥458,912 million compared to ¥526,008 million during the previous fiscal year due to decreases in services income resulting primarily from the deconsolidation of Houlihan Lokey Inc. (hereinafter, "HL") in line with the partial divestment of its shares in the previous fiscal year, and decreases in sales of goods due to a sale of a subsidiary during the fiscal year, despite an increase in finance revenues from the Americas and in Asia.

Segment expenses decreased compared to the previous fiscal year due primarily to the deconsolidation of HL.

As a result of the foregoing and due to the recognition of a gain on the partial divestment of HL shares in the previous fiscal year and the impact from strong yen, despite gains on sales of subsidiaries and affiliates in the Americas, segment profits decreased 21% to ¥112,312 million compared to ¥142,879 million in the previous fiscal year.

Segment assets increased 7% to ¥2,454,200 million compared to the end of the previous fiscal year due to increases in installment loans in Asia and the Americas and investment in securities in the Americas as well as an increase in investment in operating leases of aircraft-related operations.

(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 ¥5,753,059 million composed of short/long term debts and deposits.

The borrowings from the financial institution 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, 2017. 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 procured financing through a subordinated syndicated loan (hybrid loan) which has similar characteristics to capital. We intend to continue to strengthen our financial condition, while maintaining appropriately diverse funding.

2) Capital expenditures

In the fiscal year ended March 31, 2017, ¥401,913 million of capital expenditures were made in operating lease investment mainly in the Maintenance Leasing Segment, the Overseas Business Segment and the Real Estate Segment. In addition, the Investment and Operation segment invested ¥75,146 million in equipment such as solar power generation equipment, which does not include the above mentioned rental purpose investment.

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, 2017)

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
Mizuho Bank, Ltd.	188,704
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	188,600
Sumitomo Mitsui Banking Corporation	148,739
Sumitomo Mitsui Trust Bank, Limited	95,736
The Norinchukin Bank	81,413

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

(6) Corporate Challenges to be Addressed

1) Medium-term management targets

ORIX continues to provide innovative and flexible solutions to address changes in the market environment and customer needs. ORIX's diversified business portfolio consists of six business segments: Corporate Financial Services, Maintenance Leasing, Real Estate, Investment and Operation, Retail, and Overseas Business. These business segments are closely integrated with each other to create greater value through sharing know-how and expertise.

ORIX, using its diversified business portfolio as a basis, intends to capitalize on its business foundation, client base, industry know-how and accumulated expertise, to continuously improve profitability by providing high value-added services to the market. Furthermore, under our mid-term strategy of "Expansion in Non-Finance Business," ORIX aims to achieve sustainable profit growth.

Our strategy of "Expansion in Non-Finance Business" consists of "Organic growth" and "New investment in key areas." With these principles, we will pursue new business arising from the changing business environment.

"Organic growth": Deepen our strengths and expertise to further expand our existing operations both in Japan and abroad. Those in Japan include fee business, automobile-related business, facility operation business, and life insurance business. Those abroad include automobile-related business, and further diversification towards non-finance business.

"New investment in key areas": Continue to pursue new investment opportunities in key areas identified as the environment and energy business and private equity investment in Japan and abroad, the network in Asia, global asset management, and concession business.

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 management targets.

Further advancement of risk management: Recognizing that business expansion and growth has diversified and globalized our risk, support our growth by strengthening the business foundation 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

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, Rentals, 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
Investment and Operation	ORIX Asset Management and Loan Services Corporation	500	100	Loan Servicing
	DAIKYO INCORPORATED	41,171	64 (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$730,016 thousand	100	Financial Services
	ORIX Asia Limited	HK$14,000 thousand US$29,200 thousand	100	Leasing, Automobile 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
	Robeco Groep 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) 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 has not recently introduced 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, 2017)

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

(2) Total Number of Shares Issued: 1,324,107,328 shares

(3) Number of Shareholders: 227,666

(4) Major Shareholders (Top 10)

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Issued (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	107,858	8.26
The Master Trust Bank of Japan, Ltd. (Trust Account)	74,540	5.71
Japan Trustee Services Bank, Ltd. (Trust Account 9)	39,942	3.06
STATE STREET BANK AND TRUST COMPANY	25,681	1.96
Japan Trustee Services Bank, Ltd. (Trust Account 5)	25,676	1.96
THE CHASE MANHATTAN BANK 385036	25,233	1.93
CITIBANK, N.A.－NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	24,287	1.86
STATE STREET BANK AND TRUST COMPANY 505225	21,376	1.63
STATE STREET BANK WEST CLIENT－TREATY 505234	20,358	1.56
Japan Trustee Services Bank, Ltd. (Trust Account 7)	19,392	1.48

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 19,394 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 (19,394 thousand shares).

(5) Other Significant Matters Relating to Shares

The share repurchase based on the resolution at the Board of Directors meeting held on October 26, 2016 and February 16, 2017 was completed. The details of share repurchasing subsequent to the balance sheet date are as follows.

- Classification of shares acquired: Common shares
- Total number of shares acquired: 23,448,500 shares
- Total value of shares acquired: 39,108,901,400 yen
- Acquisition period: April 1, 2017 - April 21, 2017
- Acquisition method: Open market purchase on the Tokyo Stock Exchange

4. Directors and Executive Officers

(1) Directors

(As of March 31, 2017)

Name	Current Positions (on Committees)	Significant Concurrent Position(s)
Makoto Inoue		
Kazuo Kojima		
Tamio Umaki		
Katsunobu Kamei		President, ORIX Auto Corporation
Yuichi Nishigori		
Kiyoshi Fushitani		
Hideaki Takahashi	Nominating Committee, Compensation Committee	Professor, Graduate School of Media and Governance at Keio University Director, Fukuoka Financial Group, Inc. (Outside)
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, 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 Regional Development 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, Tamio Umaki, Yuichi Nishigori and Kiyoshi Fushitani 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. Kiyoshi Fushitani was newly elected as Director at the 53rd Annual General Meeting of Shareholders held on June 21, 2016.

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 Important 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, 2017)

Position(s)	Name	Responsibilities	Significant Concurrent Position(s)
Representative Executive Officer, President	Makoto Inoue	Chief Executive Officer Responsible for Group IoT Business Department Responsible for New Business Development Department Ⅰ and Ⅱ	Chairman, Robeco Groep N.V.
Representative Executive Officer, Deputy President	Kazuo Kojima	Chief Financial Officer Responsible for Corporate Planning Department	
Representative Executive Officer, Deputy President	Tamio Umaki	Responsible for Corporate Communications Department Responsible for Legal and External Relations Department Responsible for Public Sector Project Management Department Responsible for Group Compliance Department Responsible for Group Internal Audit Department	
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 Executive Vice President	Shintaro Agata	Head of Treasury Headquarters	
Corporate Senior Vice President	Takao Kato	Head of Accounting Headquarters	
Corporate Senior Vice President	Kazutaka Shimoura	Head of Risk Management Headquarters	
Corporate Senior Vice President	Hideto Nishitani	Chairman and President, ORIX USA Corporation	
Corporate Senior Vice President	Satoru Katahira	Chief Information Officer Responsible for IT Planning Office Responsible for Group Administration Center	
Corporate Senior Vice President	Shuji Irie	Head of Investment and Operation Headquarters	Director, ARRK CORPORATION
Executive Officer	Satoru Matsuzaki	Head of Eastern Japan Sales Headquarters	
Executive Officer	Hiroshi Nishio	Deputy Head of Global Business Headquarters	
Executive Officer	Masaaki Kawano	Responsible for Robeco Group	
Executive Officer	Shinichi Obara	Head of Western Japan Sales Headquarters Group Kansai Representative	
Executive Officer	Shuichi Murakami	Responsible for Special Assignments	
Executive Officer	Harukazu Yamaguchi	Deputy Head of Global Business Headquarters	
Executive Officer	Hitomaro Yano	Deputy Head of Treasury 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 Secretarial Office	

Position(s)	Name	Responsibilities	Significant Concurrent Position(s)
(Retired on December 31, 2016)			
Vice Chairman	Hiroaki Nishina	Group Kansai Representative Responsible for Real Estate Segment	Chairman, ORIX Real Estate Corporation President, ORIX Baseball Club Corporation
Corporate Senior Vice President	Tetsuo Matsumoto	Head of Real Estate Headquarters Responsible for Finance and Investment Department	President, ORIX Real Estate Corporation
Executive Officer	Tetsuro Masuko	Head of District Sales Headquarters	

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

2. Hitomaro Yano, Toshinari Fukaya and Yasuaki Mikami assumed the post of Executive Officer during the fiscal year ended March 31, 2017.

(3) Compensation in Fiscal 2017

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)	8 (6)	106 (67)	-	-	8 (6)	16 (13)	8 (6)	122 (81)
Executive Officers	23	661	23	323	23	433	23	1,418
Total	31	767	23	323	31	450	31	1,541

Notes: 1. The number of people and amounts paid in the table above include one director and three Executive Officers who retired during fiscal 2017. As of March 31, 2017, there were 13 Directors (including six Outside Directors) and 20 Executive Officers (including those serving concurrently as Directors and Executive Officers).

2. In fiscal 2017, no persons serving concurrently as Directors and Executive Officers were remunerated as Directors. The total compensation figure for five 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. From fiscal 2017, the method for deciding the annual portion of this prescribed number of points for the share component of the compensation system for Executive Officers was revised. Before the revision the provided number of points was uniformly decided by position. However after the change, the standard number of points to be provided according to position held was changed to reflect the consolidated operating performance and the division operating performance of the relevant division for which the Executive Officer is responsible for fiscal 2017. In accordance with these changes, the method of presentation was revised to provide a clearer relationship between the share component of the compensation listed above and the performance for fiscal 2017. Up until fiscal 2016, the amount paid listed in the table above was the amount of the share component of compensation actually paid at the time a Director or Executive Officer retired. However from fiscal 2017 onward, 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 2017 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 2017 was ¥434 million paid to three Executive Officers who retired during fiscal 2017 and one Executive Officer who retired before the end of fiscal 2016. 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 2017. For details of stock acquisition rights, refer to "I. Stock Acquisition Rights" within the online information accompanying the Notice of the 54th 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 2017 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 2017 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 2017

For details of the executive officer who retired during the fiscal year ended March 31, 2017, refer to "(2) Executive Officers" above.

(5) Outside Directors

1) Significant concurrent positions

Please refer to (1) above in the column entitled Directors who hold significant concurrent positions. There are no significant matters to be disclosed concerning relationships between the Company and the other entities at which the Outside Directors have important 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, 2017	Statements made at Board of Directors Meetings and Audit Committee Meetings
Eiko Tsujiyama	Attended 8 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	She made necessary statements in an appropriate timeframe and manner by utilizing her abundant experience and specialist knowledge as a professional accountant. She led deliberation in committee meetings of the Audit Committee as the Chairperson of the Audit Committee.
Robert Feldman	Attended 8 of 8 meetings of the Board of Directors	He made necessary statements in an appropriate timeframe and manner from a global perspective based on extensive insight as an economist.
Takeshi Niinami	Attended 6 of 8 meetings of the Board of Directors	He made necessary statements in an appropriate timeframe and manner based on broad experience and insight as a corporate executive.
Nobuaki Usui	Attended 8 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant experience and extensive insight as a specialist in finance and tax.
Ryuji Yasuda	Attended 8 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant knowledge as a corporate strategy specialist.
Heizo Takenaka	Attended 8 of 8 meetings of the Board of Directors Attended 8 of 8 meetings of the Audit Committee	He made necessary statements in an appropriate timeframe and manner based on abundant experience and extensive insight as a specialist in 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, 2017

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, 2017)

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 are 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's governance system promotes improved management transparency through a 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 promotes management transparency. 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. Please see the history of the Company's Corporate Governance System below.

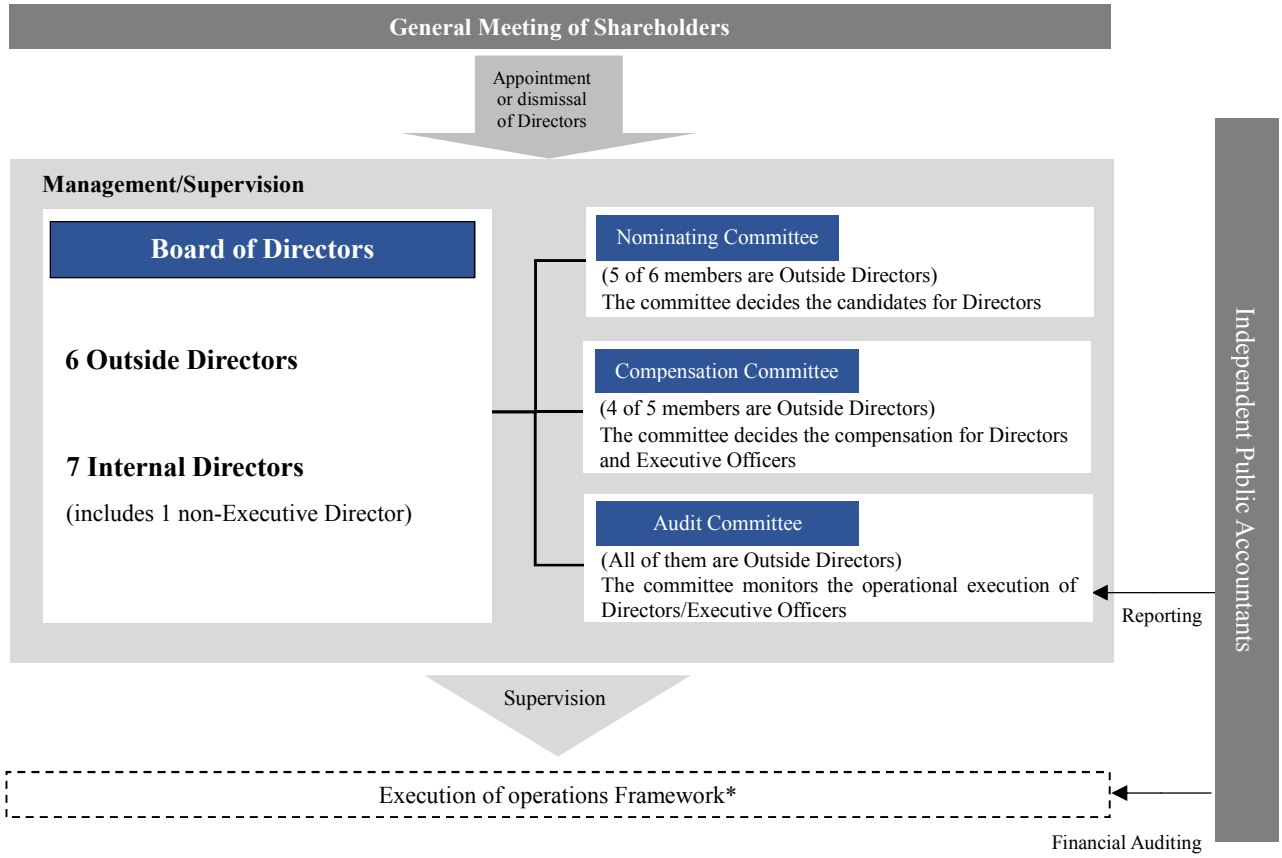
Oversight by directors is separate from the execution of operations with the three committees (Nominating, Audit and Compensation Committees) that form the heart of the Board of Directors. Each committee is formed entirely by non-Executive Directors to help avoid conflicts of interest with our shareholders. 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 Committees, 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, 2017 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, 2017, the Board of Directors consisted of 13 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 and finances.

From April 1, 2016 through March 31, 2017, 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, 2017	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 2017 (Attendance rate)	Three (3) meetings (94%)	Eight (8) meetings (100%)	Three (3) meetings (93%)

< 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.

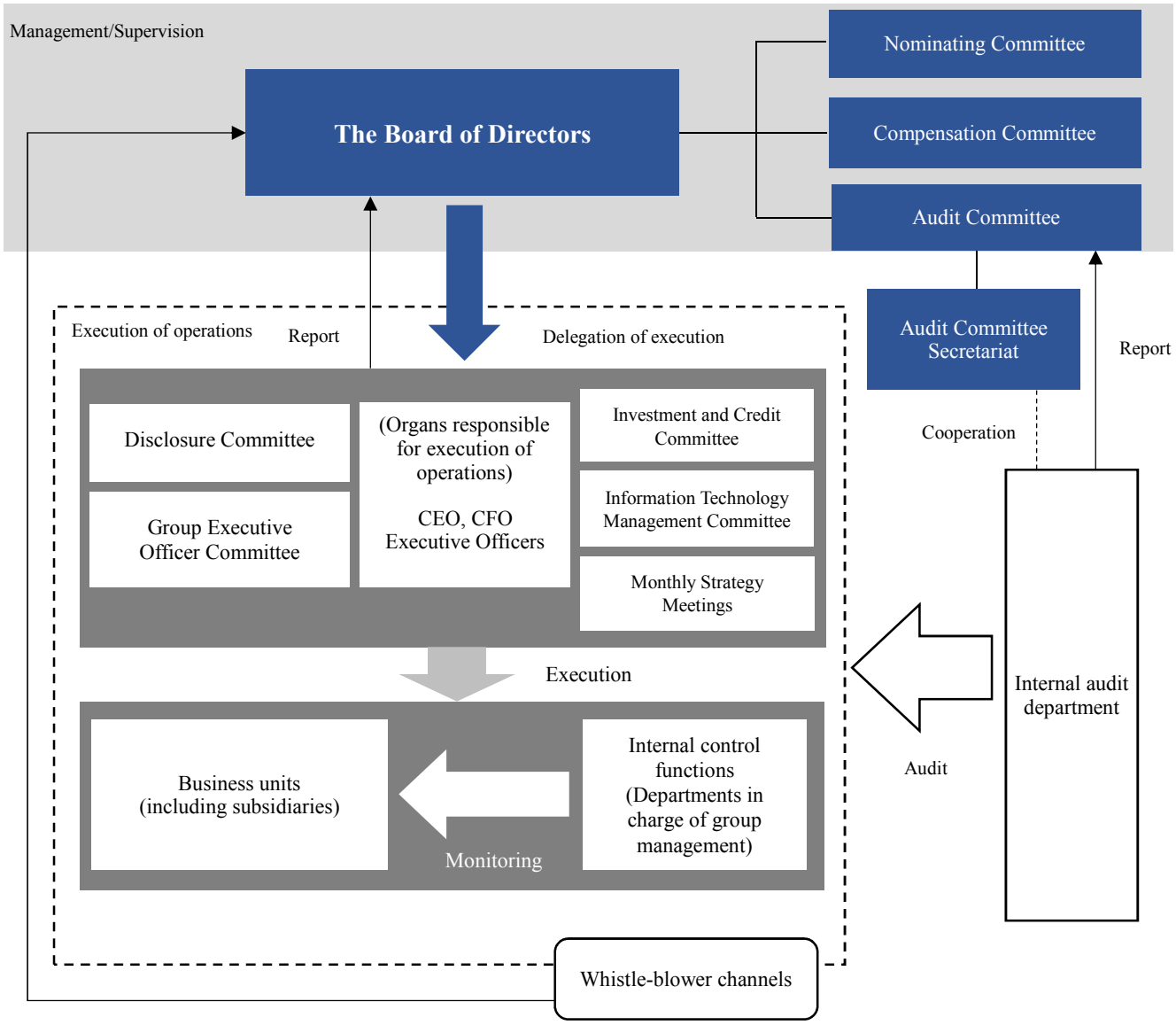
For details about the compensation policy for Directors and Executive Officers prescribed by the Compensation Committee, refer to “4. (3) 2) Matters relating to the policy regarding amount and calculation of compensation for Directors and Executive Officers” above.

(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:

For your information, 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 54th 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 strategies, 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)>

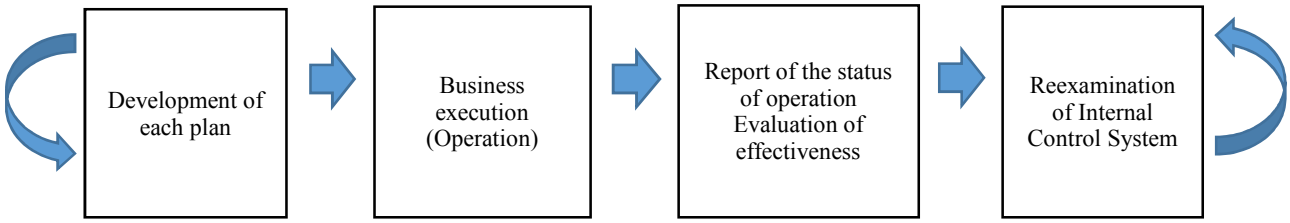
- The organs responsible for business execution such as CEO, CFO and Executive Officers manage the risks and promote compliance in view of the management plan of the ORIX Group.
- The organs responsible for business execution such as CEO, CFO and Executive Officers periodically receive reporting on the 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 effectivity 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 plan developed as described above;
- The internal control department and the internal audit department 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, 2017
ORIX Corporation and Subsidiaries

	Millions of yen
ASSETS	
Cash and Cash Equivalents	1,039,870
Restricted Cash	93,342
Investment in Direct Financing Leases	1,204,024
Installment Loans	2,815,706
(The amount of ¥19,232 million as of March 31, 2017 is measured at fair value by electing the fair value option.)	
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(59,227)
Investment in Operating Leases	1,313,164
Investment in Securities	2,026,512
(The amount of ¥24,894 million as of March 31, 2017 is measured at fair value by electing the fair value option.)	
Property under Facility Operations	398,936
Investment in Affiliates	524,234
Trade Notes, Accounts and Other Receivable	283,427
Inventories	117,863
Office Facilities	110,781
Other Assets	1,363,263
(The amount of ¥22,116 million as of March 31, 2017 is measured at fair value by electing the fair value option.)	
Total Assets	**11,231,895**

	Millions of yen
LIABILITIES AND EQUITY	
Liabilities:	
Short-Term Debt	283,467
Deposits	1,614,608
Trade Notes, Accounts and Other Payable	251,800
Policy Liabilities and Policy Account Balances	1,564,758
(The amount of ¥605,520 million as of March 31, 2017 is measured at fair value by electing the fair value option.)	
Income Taxes:	
Current	93,884
Deferred	351,828
Long-Term Debt	3,854,984
Other Liabilities	562,393
Total Liabilities	**8,577,722**
Redeemable Noncontrolling Interests	**6,548**
Commitments and Contingent Liabilities	
Equity:	
Common Stock	220,524
Additional Paid-in Capital	268,138
Retained Earnings	2,077,474
Accumulated Other Comprehensive Income (Loss)	(21, 270)
Treasury Stock, at Cost	(37,168)
Total ORIX Corporation Shareholders' Equity	2,507,698
Noncontrolling Interests	**139,927**
Total Equity	**2,647,625**
Total Liabilities and Equity	**11,231,895**

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	5,674
Investment in Direct Financing Leases (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	90,822
Installment Loans (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	186,818
Investment in Operating Leases	151,686
Property under Facility Operations	109,656
Investment in Affiliates	53,046
Other	105,591
Total Assets	**703,293**

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	2,998
Long-Term Debt	438,473
Other	10,391
Total Liabilities	**451,862**

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2017

	Millions of yen
Revenues :	
Finance Revenues	200,584
Gains on Investment Securities and Dividends	30,328
Operating Leases	398,655
Life Insurance Premiums and Related Investment Income	295,940
Sales of Goods and Real Estate	1,015,249
Services Income	737,903
Total Revenues	**2,678,659**
Expenses :	
Interest Expense	72,910
Costs of Operating Leases	243,537
Life Insurance Costs	200,158
Costs of Goods and Real Estate Sold	928,794
Services Expense	451,277
Other (Income) and Expense, Net	(4,396)
Selling, General and Administrative Expenses	418,746
Provision for Doubtful Receivables and Probable Loan Losses	22,667
Write-Downs of Long-Lived Assets	9,134
Write-Downs of Securities	6,608
Total Expenses	**2,349,435**
Operating Income	**329,224**
Equity in Net Income of Affiliates	26,520
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, Net	63,419
Bargain Purchase Gain	5,802
Income Before Income Taxes	**424,965**
Provision for Income Taxes	144,039
Net Income	**280,926**
Net Income Attributable to the Noncontrolling Interests	**7,255**
Net Income Attributable to the Redeemable Noncontrolling Interests	**432**
Net Income Attributable to ORIX Corporation Shareholders	**273,239**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2017

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, 2016	220,469	257,629	1,864,241	(6,222)	(25,686)	2,310,431	162,388	2,472,819
Contribution to subsidiaries						0	20,811	20,811
Transaction with noncontrolling interests		10,516		(5,187)		5,329	(42,421)	(37,092)
Comprehensive income, net of tax:								
Net income			273,239			273,239	7,255	280,494
Other comprehensive income (loss)								
Net change of unrealized gains (losses) on investment in securities				(14,918)		(14,918)	(8)	(14,926)
Net change of defined benefit pension plans				7,508		7,508	162	7,670
Net change of foreign currency translation adjustments				(2,725)		(2,725)	(3,185)	(5,910)
Net change of unrealized gains (losses) on derivative instruments				274		274	52	326
Total other comprehensive Income (loss)						(9,861)	(2,979)	(12,840)
Total comprehensive income						263,378	4,276	267,654
Cash dividends			(61,299)			(61,299)	(5,127)	(66,426)
Exercise of stock options	55	26				81	0	81
Acquisition of treasury stock					(12,128)	(12,128)	0	(12,128)
Disposal of treasury stock		(409)			646	237	0	237
Adjustment of redeemable noncontrolling interests to redemption value			1,293			1,293	0	1,293
Other, net		376				376	0	376
Balance at March 31, 2017	220,524	268,138	2,077,474	(21,270)	(37,168)	2,507,698	139,927	2,647,625

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

NON-CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2017
ORIX Corporation

	Millions of yen
ASSETS	
Current assets	**2,459,256**
Cash and deposits	196,458
Accounts receivable - trade	14,340
Accounts receivable - installment sales	108,210
Lease receivables	127,458
Lease investment assets	233,967
Installment loans	1,727,491
Securities	3,000
Inventories	1,614
Prepaid expenses	7,137
Deferred tax assets	9,622
Other	68,515
Allowance for doubtful receivables	(38,560)
Non-current assets	**1,772,870**
Property, plant and equipment	**235,070**
Assets for lease	**209,719**
Assets for lease	193,419
Advances for purchases of assets for lease	16,300
Office Facilities	**25,350**
Buildings	2,272
Structures	122
Machinery and equipment	19,052
Tools, furniture and fixtures	784
Land	1,031
Leased assets	13
Construction in progress	2,073
Intangible assets	**1,128**
Software	959
Trademark right	1
Telephone subscription right	167
Investments and other assets	**1,536,670**
Investment securities	95,015
Shares of subsidiaries and affiliates	1,157,478
Bonds of subsidiaries and affiliates	4,452
Investments in other securities of subsidiaries and affiliates	226,866
Investments in capital	411
Long-term loans receivable from employees	54
Claims provable in bankruptcy	2,740
Prepaid pension cost	32,397
Deferred tax assets	1,774
Other	17,566
Allowance for doubtful receivables	(2,086)
Total Assets	**4,232,127**

	Millions of yen
LIABILITIES	
Current liabilities	**903,194**
Trade accounts payable	29,151
Short-term debt	133,988
Current portion of long-term debt	298,516
Commercial papers	60,400
Current portion of bonds	226,000
Lease obligations	1,403
Accrued expenses	11,923
Income taxes payable	49,284
Deposits received	26,978
Unearned revenue	10,619
Deferred profit on installment sales	7,502
Provision for loss on guarantees	7,856
Other	39,569
Non-current liabilities	**2,262,137**
Bonds payable	603,479
Long-term debt	1,547,547
Lease obligations	4,894
Allowance for directors' retirement benefits	2,297
Asset retirement obligations	1,718
Other	102,200
Total Liabilities	**3,165,331**
Net Assets	
Shareholders' equity	**1,066,084**
Common stock	**220,524**
Capital surplus	**247,702**
Legal capital surplus	247,702
Retained earnings	**635,025**
Other retained earnings	635,025
Reserve for special depreciation	6,278
Retained earnings brought forward	628,747
Treasury stock	**(37,167)**
Valuation and translation adjustments	**(819)**
Net unrealized gains on other securities	**21,484**
Deferred gains or losses on hedges	**(22,304)**
Subscription rights to shares	**1,530**
Total Net Assets	**1,066,795**
Total Liabilities and Net Assets	**4,232,127**

NON-CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2017

	Millions of yen
Net Sales	**508,734**
Cost of Sales	**357,462**
Gross Profit	**151,271**
Selling, General and Administrative Expenses	**73,939**
Operating Income	**77,332**
Non-operating Income	**56,488**
Gains on investments in securities	48,809
Dividend income	3,365
Interest on securities	410
Miscellaneous income	3,903
Non-operating Expenses	**9,051**
Expenses on investments in securities	2,474
Interest on bonds	1,084
Interest expenses	2,994
Miscellaneous expenses	2,498
Ordinary Income	**124,769**
Extraordinary Income	**42,725**
Gain on sales of securities of subsidiaries and affiliates	27,607
Gain on sales of investment securities	10,665
Other	4,453
Extraordinary Losses	**20,465**
Loss on valuation of securities of subsidiaries and affiliates	16,676
Loss on sales of investment securities	2,213
Other	1,575
Income Before Income taxes	**147,029**
Income Taxes - Current	**47,346**
Income Taxes - Deferred	**(3,309)**
Net Income	**102,992**

(English Translation of the Audit Committee's Report Originally Issued in the Japanese Language)

Audit Committee's Report

The Audit Committee has conducted audits concerning the execution of duties by Directors and Executive Officers for the 54th fiscal year from April 1, 2016 to March 31, 2017, 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 Sheets, Non-Consolidated Statements of Income, Non-Consolidated Statements of Changes in Equity, and Notes to Non-Consolidated Financial Statements under Japanese GAAP) and the supporting schedules and Consolidated Financial Statements (Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statements of Changes in Equity, and Notes to Consolidated Financial Statements under US 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 23, 2017

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.