

Corporate Governance

Management Team : Directors (As of July 1, 2014)



1 Makoto Inoue

Director, Representative Executive Officer
President and Chief Executive Officer

2 Haruyuki Urata

Director, Representative Executive Officer
Deputy President and Chief Financial Officer
Corporate Planning Department
Corporate Communications Department

3 Tamio Umaki

Director, Deputy President and Chief Information Officer
Human Resources and Corporate Administration Headquarters
Secretarial Office

4 Kazuo Kojima

Director, Corporate Executive Vice President
Investment and Operation Headquarters
Energy and Eco Services Business Headquarters
Global Business and Alternative Investment Headquarters

5 Yoshiyuki Yamaya

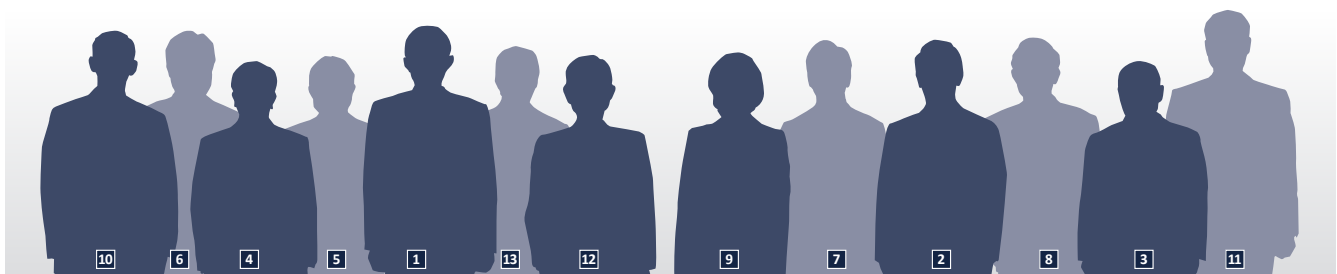
Director, Corporate Executive Vice President
Special Advisor to CEO
Group Retail Business
Retail Business Planning Office
President, ORIX Credit Corporation

6 Katsunobu Kamei

Director, Corporate Executive Vice President
Domestic Sales Headquarters
President, ORIX Auto Corporation

7 Hideaki Takahashi

Non-Executive Director
Special Advisor to CEO





Introduction of ORIX Outside Directors

8 Takeshi Sasaki Outside Director since June 2006

- Professor Emeritus, The University of Tokyo
- Outside Director, East Japan Railway Company

Takeshi Sasaki served as the President of the University of Tokyo and the President of the Japan Association of National Universities. With a wealth of experience in university reform, he is knowledgeable in a wide range of issues in politics and society in general that affect the company's management. As Chairperson of the Nominating Committee, he leads deliberations of members of the Board of Directors and Executive Officers suitable for the Company's business operations.

9 Eiko Tsujiyama Outside Director since June 2010

- Professor, Faculty of Commerce at Waseda University
- Corporate Auditor, Mitsubishi Corporation
- Corporate Auditor, Lawson, Inc.
- Audit & Supervisory Board Member, NTT DOCOMO, Inc.
- Audit & Supervisory Board Member, Shiseido Company, Limited

Eiko Tsujiyama currently serves as a Professor of Waseda University's Faculty of Commerce and served on government and institutional finance and accounting councils both in Japan and overseas. She has extensive knowledge and in-depth experience as a professional accountant. As Chairperson of the Audit Committee, she leads deliberations on the effectiveness of the Company's internal control system.

10 Robert Feldman Outside Director since June 2010

- Managing Director, Chief Economist, Morgan Stanley MUFG Securities Co., Ltd.

Robert Feldman currently serves as Managing Director, Chief Economist at Morgan Stanley MUFG Securities Co., Ltd. As an economist, he has a deep understanding of the environment and events of business management both in Japan and overseas. As Chairperson of the Compensation Committee, he leads deliberations on the Directors' compensation system and compensation levels in order to enhance their role as medium- and long-term incentives.

11 Takeshi Niinami Outside Director since June 2010

- Chairman and the Member of the Board, Lawson, Inc.
- Outside Director, ACCESS CO., LTD.

Takeshi Niinami currently serves as Chairman and the Member of the Board of Lawson, Inc. He participates and offers proactive suggestions in deliberations of the Board of Directors and committees utilizing his managerial decision-making abilities based on his wide range of experience and knowledge in corporate management.

12 Nobuaki Usui Outside Director since June 2012

- Corporate Auditor, KONAMI CORPORATION

Nobuaki Usui served as the Administrative Vice-Minister of the Ministry of Finance and Governor and CEO of National Life Finance Corporation (currently, Japan Finance Corporation). He participates and offers proactive suggestions in deliberations of the Board of Directors and committees utilizing his wide range of experience and extensive knowledge as a specialist in finance and taxation.

13 Ryuji Yasuda Outside Director since June 2013

- Professor, Graduate School of International Corporate Strategy at Hitotsubashi University
- Outside Director, Daiwa Securities Group Inc.
- Outside Director, Fukuoka Financial Group, Inc.
- Outside Director, Yakult Honsha Co., Ltd.

Ryuji Yasuda served as a Director of McKinsey & Company and Chairman of A.T. Kearney, Asia, and currently serves as a Professor at the Graduate School of International Corporate Strategy at Hitotsubashi University. He participates and offers proactive suggestions in deliberations of the Board of Directors and committees utilizing his specialized knowledge on corporate strategy acquired through a wide range of past experience.

Corporate Governance

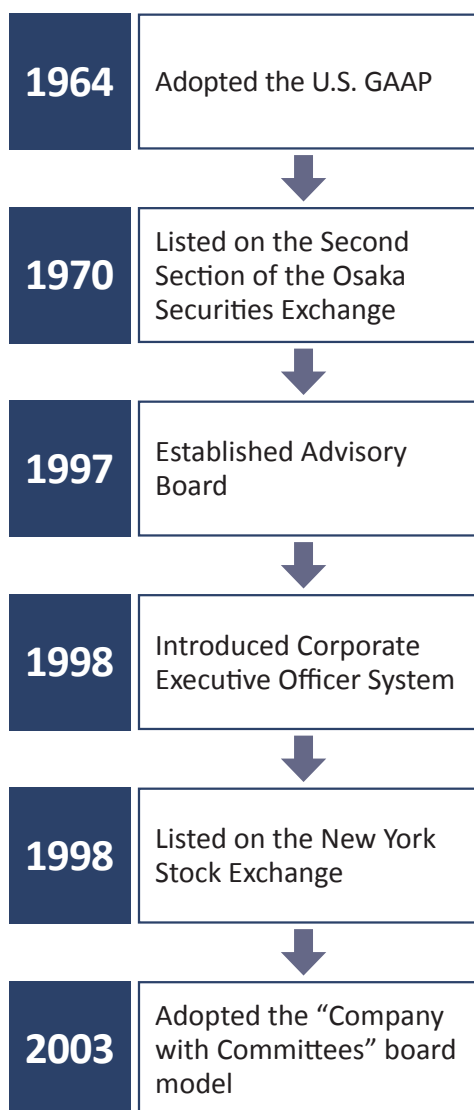
Corporate Governance at ORIX

ORIX believes that a robust corporate governance system is essential for ensuring objective management and carrying out appropriate business activities in line with its core policies. We have therefore established a sound and transparent corporate governance system.

Approach to Corporate Governance

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

Evolution of Corporate Governance



Since its founding in 1964, ORIX has endeavored to help investors in Japan and overseas to accurately understand ORIX's performance and businesses. ORIX has been preparing consolidated financial statements in accordance with the U.S. GAAP since 1964 and issuing its annual report in English since 1970.

In 1970, six years after ORIX was founded, its shares were listed on the Second Section of the Osaka Securities Exchange. Going public reflected our belief that a company should fulfill its responsibilities as a member of society.

In the 1970s, Tsuneo Inui, the then president of ORIX, became an Outside Director of U.S. Leasing International Inc., and Yoshihiko Miyauchi, who succeeded Inui as the president of ORIX, also served as an Outside Director of U.S. Leasing. Inui and Miyauchi's first-hand experience as Outside Directors for U.S. Leasing has enabled them to understand the benefit of constructive tension created from a third person perspective to a company's corporate governance. Such experience gained at an early stage of ORIX's development, has been ingrained in the formulation of ORIX's own ideology toward corporate governance since.

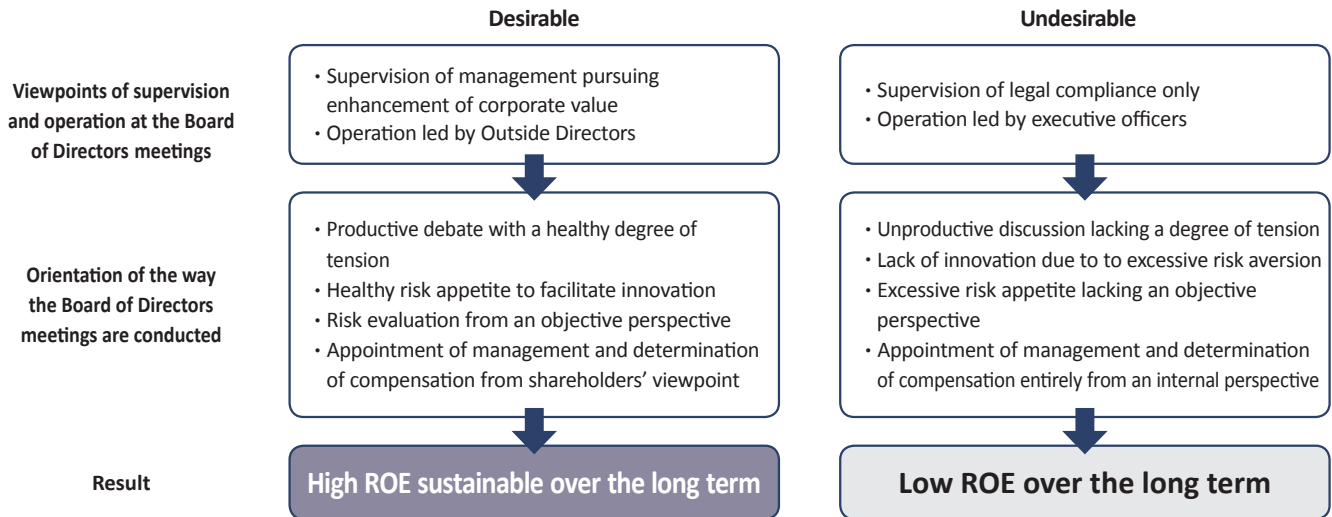
Having established an Advisory Board in 1997 and introduced the Corporate Executive Officer System in 1998, ORIX has been a spearhead in Japan in implementing various initiatives for strengthening corporate governance.

Listing on the New York Stock Exchange in 1998 was prompted by the need to enhance convenience for the growing number of foreign shareholders and also based on our belief that the more stringent disclosure requirements by the U.S. Securities and Exchange Commission (SEC) would lead to strengthening of corporate governance.

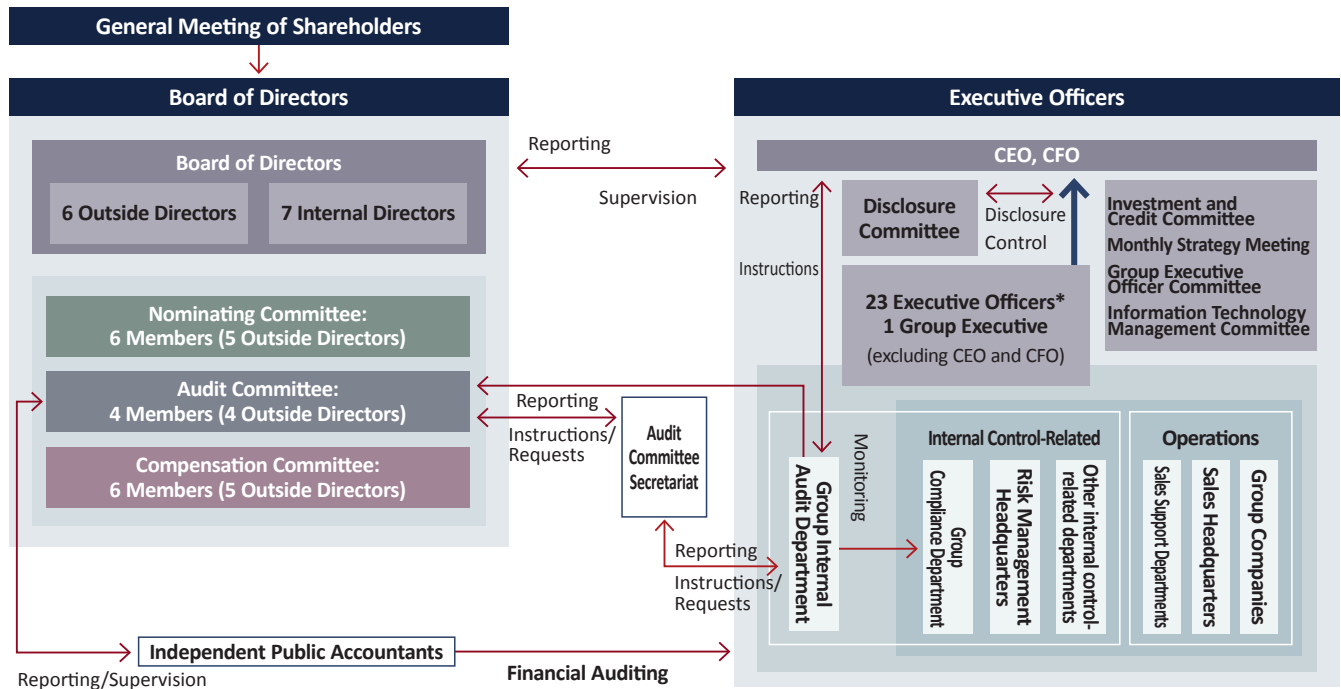
In 2003, ORIX adopted the "Company with Committees" board model. All of our current Outside Directors satisfy the "Conditions for Director Independence" as determined by the Nominating Committee and are thereby registered as Independent Directors as per the rules imposed by the Tokyo Stock Exchange.

In this way, ORIX has actively strengthened those functions aimed at monitoring its management. This is a strict framework for management, but at the same time, we believe that it is the safest framework from the point of view of both management as well as ORIX as a whole.

ORIX's Vision of Corporate Governance



Corporate Governance Framework (As of July 1, 2014)



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

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

- ORIX is not required to meet the NYSE's independence requirements for individuals on its Board of Directors or its Nominating, Audit and Compensation committees. ORIX's Nominating Committee determines "Conditions for Director Independence."
- ORIX is not required to have the majority of its Board of Directors being Outside Directors nor is ORIX required to compose its committees exclusively of Outside Directors. Of ORIX's thirteen directors, six are Outside Directors. In addition, the Audit Committee consists solely of Outside Directors and five of the six members of the Nominating Committee and the Compensation Committee, respectively, are Outside Directors.

Corporate Governance

Board of Directors

The Board of Directors makes business administration decisions regarding items that, either as a matter of law or pursuant to the 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 mainly responsible for regularly monitoring and approving corporate planning, which includes basic policies on capital management, funding and personnel strategies. Aside from these items, the Board of Directors delegates decision-making regarding business administration to the representative executive officers. The Board of Directors also receives reports from executive officers and committees regarding the status of the execution of their duties. During the FY2014.3, the Board of Directors meetings were held eight times. The attendance rate of directors at these meetings was 99%.

Members of the Board of Directors (As of July 1, 2014)

13 Directors (including 6 Outside Directors)	
7 Directors	6 Outside Directors
Name	Name
● Makoto Inoue	● Takeshi Sasaki
● Haruyuki Urata	● Eiko Tsujiyama
● Tamio Umaki	● Robert Feldman
● Kazuo Kojima	● Takeshi Niinami
● Yoshiyuki Yamaya	● Nobuaki Usui
● Katsunobu Kamei	● Ryuji Yasuda
● Hideaki Takahashi	

Nominating Committee, Audit Committee and Compensation Committee

- The Nominating Committee decides and produces proposals to appoint or dismiss directors, which are then submitted at the general meeting of shareholders (appointment and dismissal of directors are subject to resolution at the general meeting of shareholders.). The Nominating Committee also deliberates on the appointment or dismissal of executive officers, although this is not required under the Companies Act of Japan. The Nominating Committee determines whether the “Conditions for Director Independence” have been met in accordance with nomination criteria for directors.
- The Audit Committee monitors the execution of the duties of the directors and executive officers and creates audit reports. The Audit Committee decides the content of proposals to appoint, dismiss or refuse the reappointment of the Company’s independent Certified Public Accountants, which are submitted to the general meeting of shareholders. The Audit Committee Secretariat (three members) was established to assist the Audit Committee regarding the execution of its duties.
- The Compensation Committee formulates the policy for determining compensation of each directors and executive officers (“Policy for Determining Compensation of Directors and Executive Officers”) and also decides the specific compensation for each individual directors and officers.

Members of Each Committee (As of July 1, 2014)

Nominating Committee (Outside Directors: 5)	
Name	
Chairperson	● Takeshi Sasaki
	● Robert Feldman
	● Takeshi Niinami
	● Nobuaki Usui
	● Ryuji Yasuda
	● Hideaki Takahashi

Audit Committee (Outside Directors: 4)	
Name	
Chairperson	● Eiko Tsujiyama*
	● Takeshi Sasaki
	● Nobuaki Usui
	● Ryuji Yasuda

* Eiko Tsujiyama, chairperson of the Audit Committee, is a Certified Public Accountant and has extensive knowledge of finance and accounting as a professional accountant.

Compensation Committee (Outside Directors: 5)	
Name	
Chairperson	● Robert Feldman
	● Takeshi Sasaki
	● Eiko Tsujiyama
	● Takeshi Niinami
	● Ryuji Yasuda
	● Hideaki Takahashi

FY2014.3
Number of Committee Meetings: 4
Attendance Rate: 90%

FY2014.3
Number of Committee Meetings: 9
Attendance Rate: 100%

FY2014.3
Number of Committee Meetings: 4
Attendance Rate: 90%

Compensation Policy for Directors and Executive Officers

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

Compensation Policy for Directors (who do not concurrently serve as Executive Officers)

- The compensation consists of fixed compensation and share-based compensation*.
- Fixed compensation is, in principle, a specified base amount that is adjusted with additional compensation relating to the position of chairperson and committee member.
- Share-based compensation reflecting medium- to long-term performance is granted based on the number of points earned under a prescribed standard by the individual director while in office, and the actual compensation payment amount is decided according to the share price at the time of such individual director's retirement.

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

- The compensation consists of fixed compensation, performance-linked compensation and share-based compensation*.
- Fixed compensation is decided based on the standardized base amount for each position followed by an adjustment in accordance with each position's respective role.
- Performance-linked compensation is derived from the standardized base amount for each position that is adjusted within the range of 0% to 200% based on the attainment level of the consolidated net income target for the current fiscal year as a performance indicator.
- Share-based compensation reflecting medium- to long-term performance is determined based on the number of points granted under a prescribed standards towards the officer's position, and the actual compensation amount is decided according to the share price at the time of such officer's retirement.

* "Share-based compensation" is a program in which points are annually allocated to directors and executive officers based on prescribed standards while in office, and the compensation provided is the amount equal to the accumulated number of points multiplied by the stock price at the time of retirement. Points granted to the individual directors and/or executive officers are determined based on title and seniority in accordance with guidelines set by the Compensation Committee. Under this program, directors and executive officers have an obligation to purchase shares from the Company at the stock price that prevails at the time of their retirement using the after-tax compensation provided.

Compensation of Directors, Executive Officers and Group Executives for the Fiscal Year Ended March 31, 2014

	Fixed Compensation		Performance-linked Compensation		Share-based Compensation		Total (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	7	68	—	—	—	—	68
(Outside Directors)	(7)	(68)	—	—	—	—	(68)
Executive Officers and Group Executives	28	968	28	282	1	48	1,298
Total	35	1,036	28	282	1	48	1,367

Notes:

1. In the FY2014.3, one director was newly appointed, one director retired, four executive officers were newly appointed, and one executive officer retired. There were a total of 13 directors (including six Outside Directors), 24 executive officers (including those serving concurrently as directors) and three group executives as of March 31, 2014. Figures for the number of directors and executive officers remunerated and the remuneration amount include figures for one director and one executive officer who retired in the FY2014.3.
2. In the FY2014.3, no persons serving concurrently as directors and executive officers were remunerated as directors. The total remuneration figure for seven people serving concurrently as directors and executive officers is shown in the executive officers and group executives line.
3. Share-based compensation indicated above is the amount for one executive officer who retired in the FY2014.3.
4. ORIX did not provide stock options in the form of stock acquisition rights in the FY2014.3.
5. Figures shown are rounded downward by discarding figures of less than ¥1 million.

For more details, please refer to the following:

- "Conditions for Director Independence" determined by the Nominating Committee in accordance with nomination criteria for directors (Form 20-F)
- Form 20-F filed with the U.S. Securities and Exchange Commission ►► <http://www.orix.co.jp/grp/en/ir/library/20f/>
- Corporate Governance ►► <http://www.orix.co.jp/grp/en/company/governance/>

Corporate Governance

Comments from Outside Directors

Takeshi Sasaki

Outside Director since 2006
Member of Nominating Committee (Chairperson),
Audit Committee and Compensation Committee

The spirit of taking on new challenges is built on the corporate culture of making decisions after thorough deliberation

Because membership on the Nominating Committee is a critical position in corporate management, I always feel the weight of responsibility as the chairperson. Especially, nominations for top management require us to make the best possible decisions for stakeholders by envisioning various possibilities within a certain time frame. The nomination of Mr. Inoue as CEO was made after repeated interviews with management team members to learn their ways of thinking and exchange opinions to deepen our understanding of their thinking. Through such a process, we concluded that ORIX's distinct style of management would be best inherited under Mr. Inoue's leadership. ORIX always has aggressively taken on new challenges, building on its corporate culture characterized by prudence, soundness and decision making based on thorough deliberation. Sometimes I hear from some external parties that it is hard to keep track of ORIX's businesses, but ORIX is an ever-changing company and its strengths might disappear if the Company was forcibly categorized by a conventional grouping of businesses. Let's compare ORIX to "water." Like water, the Company has continually changed itself according to the circumstances it faces, and in doing so, it has kept flowing to steadily permeate through anywhere it reaches. Looking back on the eight years that I have served as an Outside Director, I feel that ORIX's foundations for generating earnings are the most stable now, with its business structure being enhanced more than ever. I therefore strongly believe that the Company will continue to produce successful results.



Eiko Tsujiyama

Outside Director since 2010
Member of Audit Committee (Chairperson) and Compensation Committee

Even small questions and concerns are shared and addressed through open and active discussions at the management level

As the chairperson of the Audit Committee, I am in close communications with the Group Internal Audit Department, the Group Compliance Department and independent public accountants, and visit each business location for auditing to ensure that the monitoring of business operations is conducted from the perspective of shareholders. At the Audit Committee, we invite the managers of the business units as necessary to receive detailed reports and hold active discussions by being regularly informed by the top management of the progress and future direction of management strategies. Based on such information, along with professional opinions from Outside Directors, who are experts in their respective fields, we hold frank discussions so that any concerns can be addressed promptly. Seeing the way the executive officers respond to us, I feel they have full respect for the activities of the Audit Committee. I also have the impression that discussions at Board of Directors meetings pervade the entire management. The entire organization shares a high awareness of crisis management and compliance, and the risks associated with existing businesses are addressed carefully. On the other hand, ORIX is actively taking on various businesses, expanding its business portfolio continuously. Considering that the changing society has been producing new types of risks, including geopolitical issues, I think it is necessary to identify and address such risks involved with the expansion of businesses in the future.

Robert Feldman

Outside Director since 2010

Member of Compensation Committee (Chairperson) and Nominating Committee

Incentives are discussed to develop and acquire human resources with creative ideas that help solve social issues on a global basis

ORIX always seeks to place the right people in the right jobs to ensure flexible responses to various business opportunities. At ORIX, I was impressed by the excellent balance of midcareer employees who bring in new ideas and skills with the employees who embody the DNA of ORIX in themselves. That mixture accelerates the metabolism of the organization, generating new wisdom. At the Compensation Committee, we discuss the best possible incentives to help these employees achieve the best results, while ensuring fair and equal attention to them. ORIX's management is receptive to an extensive range of opinions, which is proof that good governance is in effect. Solutions to the issues and challenges faced by the global economy certainly make good business opportunities. In particular, the business circles can play an important role in solving environmental and energy issues and improving infrastructure. Chances are high that ORIX can take a more important role in resolving these issues. We will continue to further discuss the incentives that contribute to developing and acquiring the talent who can propose and execute ideas to address such issues.



Ryuji Yasuda

Outside Director since 2013

Member of Nominating Committee, Audit Committee and Compensation Committee

Discussions are extremely active, with high awareness of risk management

With strong trust in the new leader, expectations are high for the next step forward

It's been one year since I assumed the office of Outside Director. I was impressed that the Board of Directors meetings were more open than I had imagined and that executive officers performed their duties in an unconstrained manner based on their free-minded ideas. I suppose risk management is one of the important governance issues for a company engaging in businesses like those of ORIX. Take risk management for the real estate business, for example. At ORIX, business strategies and the investment portfolio are discussed thoroughly at the Board of Directors meetings, where not only the proposed resolutions but also the business strategy, future business development and HR strategies are discussed. Such an agenda promotes an exchange of views, and opinions are actively presented by Outside Directors as well. My views sometimes disagree with others, but the difference in opinions spurs free and fruitful discussions and results in various viewpoints. I see such a practice as extremely valuable. Furthermore, the succession from Mr. Miyauchi to Mr. Inoue and the subsequent transition to the new management structure has been carefully arranged and has received unanimous support of the Board. We highly trust our new leader, and along with our excellent executive team, I expect ORIX to take a dynamic step forward toward next stage of growth. Needless to say, the Outside Directors will continue to monitor the Company's willingness to pursue growth while carefully assessing risk and return.

Corporate Governance

Management Team : Executive Officers and Group Executives (As of July 1, 2014)



Vice Chairman
Hiroaki Nishina

Group Kansai Representative
Group Real Estate Business
Chairman, ORIX Real Estate
Corporation
President, ORIX Baseball Club Co., Ltd.



**Corporate Executive Vice
President**
Shintaro Agata

Treasury Headquarters



**Corporate Executive Vice
President**
Yuki Ohshima

East Asia Business Headquarters



**Corporate Senior Vice
President**
Eiji Mitani

Domestic Sales Headquarters,
Kinki Sales
Group Kansai Deputy Representative



**Corporate Senior Vice
President**
Takao Kato

Accounting Headquarters
President, ORIX Management
Information Center Corporation



**Corporate Senior Vice
President**
Kazutaka Shimoura

Risk Management Headquarters



**Corporate Senior Vice
President**
Yuichi Nishigori

Energy and Eco Services Business
Headquarters



**Corporate Senior Vice
President**
Hideto Nishitani

Chairman, ORIX USA Corporation



Executive Officer
Yasuyuki Ijiri

Domestic Sales Headquarters,
District Sales



Executive Officer
Shigeki Seki

Human Resources and Corporate
Administration Headquarters



**Executive Officer
Satoru Katahira**

Domestic Sales Headquarters,
OQL Business, Regional Business,
Administration Center and Call
Center
IT Planning Office
President, ORIX Callcenter
Corporation



**Executive Officer
Tetsuro Masuko**

Real Estate Headquarters
Investment Business
Special Investments Group
Finance Department
President, ORIX Real Estate
Corporation



**Executive Officer
Shuji Irie**

Investment and Operation
Headquarters



**Executive Officer
Satoru Matsuzaki**

Domestic Sales Headquarters,
Tokyo Sales and New Business
Development



**Executive Officer
Tsukasa Kimura**

Energy and Eco Services Business
Headquarters



**Executive Officer
Hiroshi Nishio**

Global Business and Alternative
Investment Headquarters



**Executive Officer
Masaaki Kawano**

Director, Robeco Groep N.V.



**Executive Officer
Hiroko Yamashina**

Group Compliance Department
Group Internal Audit Department



**Executive Officer
Ryuhei Sakamoto**

Treasury Headquarters



**Group Senior Vice President
Masatoshi Kemmochi**

Vice Chairman, ORIX Real Estate
Corporation