

Corporate Governance

Management Team (As of June 26, 2018)

Directors



Makoto Inoue

Age: 65

Director
Representative Executive Officer
President and Chief Executive Officer
Responsible for Group Strategy Business Unit

Joined ORIX in 1975. After serving in positions including Deputy Head of Investment Banking Headquarters and Head of Global Business & Alternative Investment Headquarters, appointed Director, Representative Executive Officer, President and Chief Executive Officer in June 2014.

Yuichi Nishigori

Director
Senior Managing Executive Officer
Head of Energy and Eco Services Business Headquarters
Director, Ubiteq, INC.



Stan Koyanagi

Age: 57

Director
Managing Executive Officer
Head of Enterprise Risk Management Headquarters
Global General Counsel

Joined SHEPPARD, MULLIN, RICHTER & HAMPTON LLP in 1985. After serving in positions including Vice President, ORIX USA Corporation (currently ORIX Corporation USA), joined ORIX in 2013. Appointed Director and Managing Executive Officer in June 2017 (to present).



Shuji Irie

Director
Managing Executive Officer
Head of Investment and Operation Headquarters

Outside Directors

- Nominating Committee
- Audit Committee
- Compensation Committee

Eiko Tsujiyama

Age: 70

- Audit Committee (Chairperson)
- Compensation Committee

- Emeritus Professor, Waseda University
- Corporate Auditor, Lawson, Inc.
- Audit & Supervisory Board Member, NTT DOCOMO, INC.
- Audit & Supervisory Board Member, Shiseido Company, Limited

Main Career History

Has served in positions including financial accounting advisor for domestic and foreign governments and institutions and Dean of the Graduate School of Commerce at Waseda University. Appointed Outside Director in June 2010 (to present).

Main Area of Expertise

Accounting



Robert Feldman

Age: 65

- Compensation Committee (Chairperson)
- Nominating Committee

- Senior Advisor, Morgan Stanley MUFG Securities Co., Ltd.
- Professor, Graduate School of Management and Innovation Studies at Tokyo University of Science

Main Career History

Has served in positions including Managing Director and Chief Economist at Morgan Stanley MUFG Securities Co., Ltd. Appointed Outside Director in June 2010 (to present).

Main Area of Expertise

Economics and finance



Takeshi Niinami

Age: 59

- Nominating Committee
- Compensation Committee

- President and Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Limited.

Main Career History

Has served in positions including President, Representative Director and CEO, Lawson, Inc. Appointed Outside Director in June 2010 (to present).

Main Area of Expertise

Corporate management

Age: 61

Joined the Japan Industrial Bank, Ltd. (currently Mizuho Bank, Ltd.) in 1980. Joined ORIX in 2003. After serving in positions including Head of Investment and Operation Headquarters, appointed Director and Managing Executive Officer in June 2015. Appointed Director and Senior Managing Executive Officer in January 2016 (to present).



Kiyoshi Fushitani

Age: 67

Director
Senior Managing Executive Officer
Head of Global Business Headquarters
Head of East Asia Business Headquarters
Head of Global Transportation Services Headquarters

Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) in 1973. Joined ORIX in 1975. After serving in positions including Deputy President, ORIX USA Corporation (currently ORIX Corporation USA), appointed Director and Senior Managing Executive Officer in June 2016 (to present).



Age: 55

Joined Mizuho Securities Co., Ltd. in 2001. Joined ORIX in 2011. After serving in positions including Deputy Head of Investment and Operation Headquarters, appointed Director and Managing Executive Officer in June 2018 (to present).

Hitomaro Yano

Age: 55

Director
Executive Officer
Head of Treasury and Accounting Headquarters

Joined Seibu Department Stores, Limited (currently Sogo & Seibu Co., Ltd.) in 1985. Joined ORIX in 1989. After serving in positions including Deputy Head of Treasury and Accounting Headquarters, appointed Director and Executive Officer in June 2018 (to present).



Nobuaki Usui

Age: 77

- Nominating Committee (Chairperson)
- Audit Committee
- Audit and Supervisory Board Member, KONAMI HOLDINGS CORPORATION
- Corporate Auditor, MIROKU JYOHO SERVICE CO., LTD.

Main Career History

Has served as Administrative Vice Minister, Ministry of Finance and Governor and CEO, National Life Finance Corporation (currently Japan Finance Corporation). Appointed Outside Director in June 2012 (to present).

Main Area of Expertise

Finance and taxation



Ryuji Yasuda

Age: 72

- Nominating Committee
- Audit Committee
- Compensation Committee
- Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University Department of International Corporate Strategy
- Outside Director, Yakult Honsha Co., Ltd.
- Outside Director, Benesse Holdings, Inc.
- Outside Director, Kansai Mirai Financial Group, Inc.

Main Career History

Has served in positions including Director, McKinsey & Company and Chairman, A.T. Kearney, Asia. Appointed Outside Director in June 2013 (to present).

Main Area of Expertise

Corporate strategy



Heizo Takenaka

Age: 67

- Nominating Committee
- Audit Committee
- Professor, Faculty of Global and Regional Studies at Toyo University
- Chairman and Director, PASONA Group Inc.
- Director, Academyhills
- Director, Center for Global Innovation Studies at Toyo University
- Outside Director, SBI Holdings, Inc.

Main Career History

Has served in positions including 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. Appointed Outside Director in June 2015 (to present).

Main Area of Expertise

Economics and finance



Comments from Outside Directors

ORIX is backed by effective and functional corporate governance.

The ESG and SDG initiatives of companies around the world are not new concepts for ORIX, which has always built its businesses from the perspective of what is necessary for society. For example, ORIX entered the environment and energy business by identifying the close relationship between social issues and business opportunities. This embodies the SDGs.

ORIX has always been a leader in corporate governance and created a sound and highly transparent corporate governance framework in ways such as transitioning to a company with a nominating committee, etc. in 2003. Checks and balances characterize ORIX's Board of Directors. The mechanisms ORIX has established to incorporate external opinions would be meaningless if management refuses to listen, but CEO Inoue listens attentively to objective opinions and frank advice from external viewpoints. The give and take between the opinions of a CEO who wants to listen and Board Members who want to talk raises the quality of management strategies. This enables deeper discussion that identifies good risks and optimizes resource allocation, among other outcomes.



ORIX is able to address urgent social issues because its businesses and investments incorporate new technologies.

Many analysts evaluate ORIX and other Japanese corporations by calculating the value for each business of the enterprise and adding up the figures, but they do not seem to take synergies between those businesses into significant account. These synergies make ORIX a company with outstanding value, and that should be a positive addition to its valuation.

ORIX has also explained its medium-term direction by classifying its business portfolio into Finance, Operation, and Investment since FY2016.3. I would hope that investors and analysts will deepen their understanding of ORIX through discussion that draws on these classifications.

I expect further enhancement of corporate value through innovation that is unique to ORIX. ORIX will cultivate new innovations through exchange and friendly competition among Group employees who have excelled in a broad array of businesses. ORIX must also recruit and develop professionals who can use new technologies such as AI and IoT. I also expect ORIX's concentration on businesses and investments that incorporate new technologies to empower it to address problems such as Japan's labor shortage and aging population. ORIX should be able to fulfill its important responsibility to make society more affluent by providing solutions that are uniquely its own.

ORIX is able to increase corporate value through synergy rather than simple addition.

Robert Feldman

ORIX's communication and business approaches are oriented toward long-term investors.

ORIX must deal with the issue that people evaluate it only in terms of corporate Japan. However, ORIX has locations in 38 countries and regions and a diverse business portfolio, and so it should be valued in terms of its operating strengths and growth potential as a global company and compared with global peers. ORIX must therefore communicate its sustainable growth potential as a global brand so that investors value it more accurately. ORIX will also be able to earn the trust of long-term investors who emphasize ESG if it understands the deep connection between the SDGs and its businesses and seriously executes relevant initiatives. That is, ORIX will both coexist with the global environment and society and improve profitability by selecting, investing in, and deploying its know-how and expertise in businesses that make the greatest contribution to the SDGs. Cumulatively, such business decisions will generate returns by leading investors to view ORIX as an ESG investment. ORIX should create its own unique virtuous cycle along these lines.

How should ORIX respond to growing geopolitical uncertainty?

ORIX has taken the initiative in deepening corporate governance over the long term since before Japan's Corporate Governance Code was enacted in 2015. The Board of Directors also engages in wide-ranging discussions with its broadly knowledgeable Outside Directors, and I feel that these discussions are getting even more substantial over time. Companies must now deal with rapid social

change symbolized by the Fourth Industrial Revolution, so we Outside Directors must always advise the Board from new, medium-to-long-term perspectives. For example, we need to fulfill our responsibilities as Outside Directors while asking ourselves whether ORIX is nominating Director candidates who can effectively implement medium-to-long-term strategies, or whether ORIX is looking beyond short-term compensation to structure compensation geared to the medium and long term.

Currently, ORIX must emphasize the risk of political and geopolitical uncertainty. The key to minimizing this risk is for ORIX to leverage its unique and extensive business portfolio to build its global network spanning the world's major countries and regions and its information collection capabilities on par with a general trading company. In that sense, a core point will be how ORIX management and the leaders of local operations expand their relationships with diverse people, starting with key persons involved in and outside of the Group's businesses in countries worldwide, to build relationships of trust with them. ORIX will need people with the power to connect the information gathered through its networks in each country to opportunities, and I expect these people to grow and excel. ORIX has a corporate culture of taking on new challenges, so providing opportunities to the new generation of employees will support substantial progress.

I expect ORIX to create new value from fresh medium-to-long-term perspectives.

Takeshi Niinami

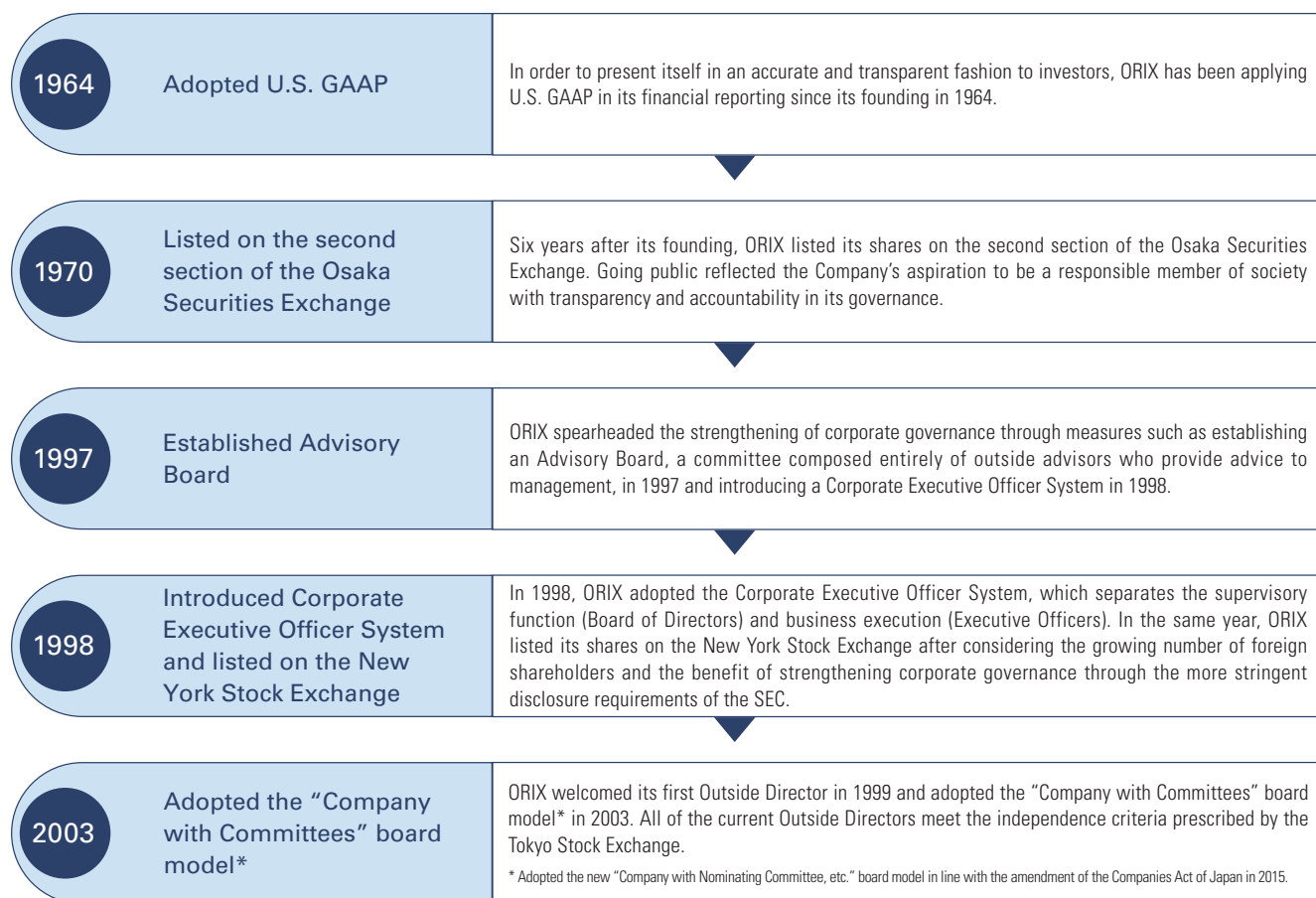


Corporate Governance at ORIX

Approach to Corporate Governance

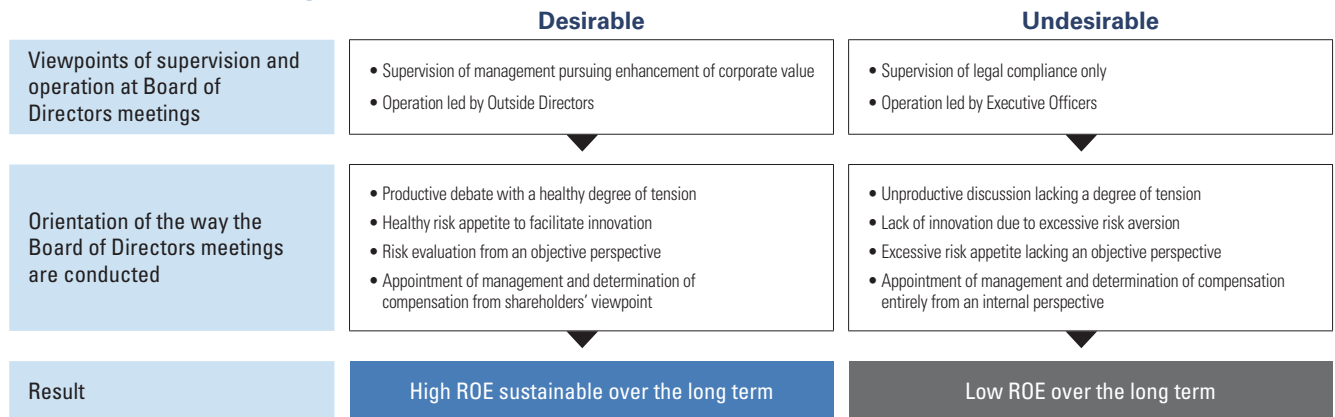
- ORIX believes that a robust corporate governance system is essential for ensuring objective management and carrying out appropriate business activities in line with its core policies. We have therefore established a sound and transparent corporate governance system.
- Corporate governance is a system for management oversight. It involves setting management objectives for managers, performance analysis and evaluation, and supervision in order to ensure that 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 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 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 management not taking adequate levels of risk.

Evolution of Corporate Governance

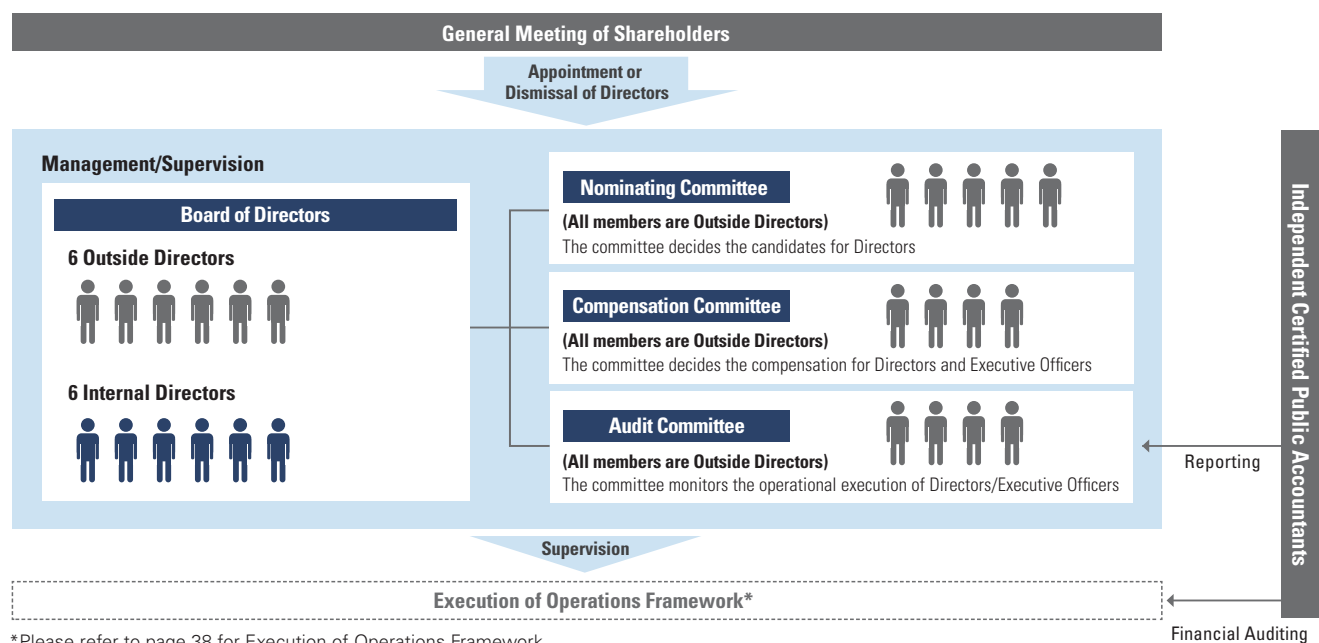


This is how ORIX has been strengthening its management oversight since its founding. The current corporate governance framework requires a high level of discipline from the managers, but we believe this is how corporate governance is supposed to be.

ORIX's Vision of Corporate Governance



Corporate Governance Framework (As of June 29, 2018)



*Please refer to page 38 for Execution of Operations Framework.

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

ORIX's American Depositary Shares 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 has determined its own "Conditions for Director Independence."
- ORIX is not required to have the majority of its Board of Directors comprised of Outside Directors nor is ORIX required to compose its committees exclusively of Outside Directors. Of ORIX's twelve Directors, six are Outside Directors. In addition, all members of each committee are Outside Directors.

Board of Directors

The Board of Directors carries out decisions related to items that, either as a matter of law or pursuant to 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 policies on a regular basis, which include corporate planning such as capital management, fund procurement, hiring and recruitment strategies and internal controls.

Aside from such items, the Board of Directors delegates decision-making regarding operations to 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.

The Board of Directors is composed of Directors, including Outside Directors, that possess broad knowledge and experience. The number of Directors on the board is also maintained at the level we consider to be appropriate for effective and efficient Board discussion.

Board of Directors Evaluation

The Board of Directors conducts a survey of all Directors. The effectiveness of the Board of Directors is evaluated and analyzed and actions to improve the administration of the Board of Directors are implemented.

An overview of the effectiveness of the Board of Directors for FY2018.3 follows.

Evaluation Process

- The Secretariat of the Board of Directors provided a questionnaire (details below) to the Directors.
- Based on the results of the questionnaire, the Secretariat of the Board of Directors personally interviewed each Director to gather additional information including opinions not available from the questionnaire alone and requests concerning the operations of the Board of Directors.
- The Secretariat of the Board of Directors reported the results of the questionnaire and interviews to the Board of Directors. The Board of Directors formulated action plans for the issues raised by the report.

Process

May 2018: Questionnaire conducted
 June 2018: Interviews conducted based on the questionnaire
 July 2018: Final results of the evaluation presented to the Board of Directors, and action plan formulated

Questionnaire Contents

- Composition of the Board of Directors
- Operation of the Board of Directors
- Agenda of the Board of Directors and other bodies
- Effectiveness of the Board of Directors discussions
- Board of Directors support system

Evaluation Results

- The results of the questionnaire confirmed the effectiveness of the Board of Directors in terms of its composition, operation, agenda, effectiveness of discussion, and support system.
- In addition, the results of the last Board of Directors evaluation for FY2017.3 showed that the Board needed to discuss a detailed management succession plan to fulfill its responsibilities and obligations. Based on this opinion, the Board of Directors created opportunities to discuss a detailed succession plan, and consequently improved the evaluation of this item compared with the previous questionnaire.

Action Plan

Based on the results of the above evaluation, the Board of Directors established the following action plan to be carried out in FY2019.3.

- Deepen understanding of our businesses by encouraging interchange between Outside Directors and employees on the front lines, and continue to conduct inspections of business offices, facilities and other locations.
- Stimulate discussions by continuing to provide advance explanation of agenda items and enhance the content of the explanations.
- Promote paperless Board of Directors materials through the use of tablets or other terminals.
- Periodically report the results of communications, such as interviews with investors, to the Board of Directors.

Nominating Committee, Audit Committee and Compensation Committee

Nominating 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 has determined the “Conditions for Director Independence.”*
- The Nominating Committee ensures that the Board of Directors possesses the appropriate levels of and diversity in knowledge, experience, and expertise, through “Nomination Criteria for Director Candidates”* for Directors’ appointments.

* For detailed information on “Conditions for Director Independence” and “Nomination Criteria for Director Candidates” determined by the Nominating Committee, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission
▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/>

Audit Committee

- 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.

Compensation Committee

- The Compensation Committee formulates the policy for determining compensation of each Director and Executive Officer (“Policy for Determining Compensation of Directors and Executive Officers”) and also decides the specific compensation for each individual Director and Executive Officer.

Board of Directors and Committee Meetings in FY2018.3

	Number of Meetings	Attendance Rate
Board of Directors	8	98%
Nominating Committee	3	94%
Audit Committee	9	94%
Compensation Committee	5	100%

Compensation 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 not only on 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 a way that provides 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

- The compensation consists of fixed compensation and share component of compensation.*
- Fixed compensation is, in principle, a certain amount that is added to the compensation of the chairperson and member of each committee.
- Share component of compensation is calculated based on the number of points earned and accumulated by the individual while in office until retirement. It is eventually granted to the individual in the form of ORIX shares upon retirement. This compensation is intended to align medium- to long-term results of the Company with the individual’s performance.

* Share component of compensation is a program in which points are annually allocated to Directors and Executive Officers based upon prescribed standards while in office, and the actual number of ORIX shares calculated based on the number of accumulated points is provided at the time of retirement. Points granted to the members of each position are determined based on the guidelines set by the Compensation Committee.

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

- The compensation consists of fixed compensation, performance-linked compensation and share component of 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 and responsibility.
- Performance-linked compensation consists of two components of equal weighting. The first component is derived from the standardized base amount for each position that starts from 50% followed by adjustment 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. The second component is derived the same way as the first component, except with the subsequent adjustment within the range of 0% to 300% based on the attainment level of his/her division(s)’ performance target for the current fiscal

year. Furthermore, in the case of a Representative Executive Officer, his/her performance-linked compensation is entirely based on a standardized base amount 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 component of compensation is calculated based on the number of points earned and accumulated by the individual while in office until retirement. It is eventually granted to the individual in the form of ORIX shares upon retirement.

Compensation of Directors, Executive Officers and Group Executives (FY2018.3)

	Fixed Compensation		Performance-linked Compensation		Share Component of Compensation		Total Amount Paid (Millions of yen)
	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	Number of Recipients	Amount Paid (Millions of yen)	
Directors	7	99	—	—	7	16	116
(Outside Directors)	(6)	(67)	—	—	(6)	(13)	(81)
Executive Officers and Group Executives	27	694	27	370	27	492	1,557
Total	34	794	27	370	34	508	1,673

1. There were three new Executive Officers (including those serving concurrently as Directors and Executive Officers) and six resigning Executive Officers (including those serving concurrently as Directors and Executive Officers) in FY2018.3. There were a total of 12 Directors (including six Outside Directors), 17 Executive Officers (including those serving concurrently as Directors and Executive Officers) and four Group Executives as of March 31, 2018. The number of people and amounts paid in the table above include six Executive Officers (including those serving concurrently as Directors and Executive Officers) who retired during FY2018.3.
2. At ORIX, no Directors serving concurrently as Executive Officers received compensation as Directors. Total compensation for the six people serving concurrently as Directors and Executive Officers is shown in the Executive Officers and Group Executives line.
3. The amount paid listed in the table above is calculated by multiplying the number of points confirmed to be provided as the portion for FY2018.3 by the stock market price paid by the trust when ORIX's shares were acquired (¥1,544 per share).
4. ORIX did not provide stock options in the form of stock acquisition rights in FY2018.3.
5. Figures shown are rounded down by truncating figures of less than ¥1 million.

Executive Officers

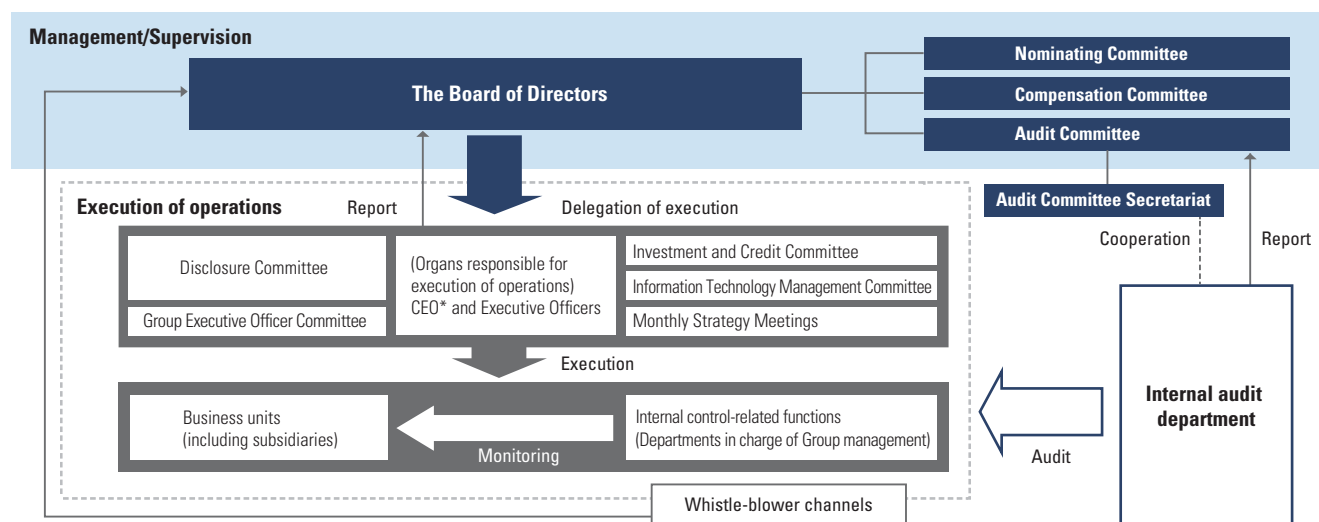
The Representative Executive Officers of ORIX make important business execution decisions after deliberations by the Investment and Credit Committee in accordance with ORIX's various rules.

The duties of Executive Officers are decided by the Board of Directors and the Representative Executive Officers and are carried out in accordance with ORIX's various rules. Group Executives are appointed by the Board of Directors from among the Directors and Executive Officers of the Group companies.

Characteristics of the Executive Officer System

- Operation and oversight are separated through a "Company with Nominating Committees, etc." board model.
- CEO and CFO are involved in all processes for evaluating individual transactions and monitoring the progress of strategies and plans of business units as well as the progress of strategies and plans of the Group as a whole.
- Executive Officers and Group Executives regularly report and share information with CEO and CFO about progress of strategies and plans of business units they are responsible for.
- Executive Officers and Group Executives along with CEO and CFO share information about strategies and plans of the Group as a whole.

Execution of Operations Framework (As of June 29, 2018)



* CEO undertakes the role of CFO.

Individual Executive Bodies

Important decision-making, monitoring and discussions regarding the execution of business and sharing of information are conducted by the following bodies.

Investment and Credit Committee (ICC)

Attendees: Top management and Executive Officers involved in projects
Held: Three times a month in principle

- Meets primarily to deliberate and make decisions on credit transactions and investments that exceed certain specified investment or credit amounts and important matters related to management of the Company and matters that have been entrusted to Representative Executive Officers by the Board of Directors.
- In consideration of their importance, the content of the matters and items decided by the ICC are reported to the Board of Directors as necessary.

Monthly Strategy Meeting

Attendees: Top management and each divisional head
Held: Once a month in principle

- Meets to discuss matters such as the state of achievement of strategic targets and changes in the business environment.
- Matters of high importance discussed at the Monthly Strategy Meeting are deliberated and decided by the ICC and reported to the Board of Directors as necessary.

Group Executive Officer Committee

Attendees: Executive Officers and Group Executives
Held: Every two months in principle

- Meets to share important information related to the business administration of the ORIX Group.

Information Technology Management Committee

Attendees: Top management and the Executive Officer in charge of IT systems
Held: Once a month in principle

- Meets to deliberate and decide important matters concerning fundamental policies for IT operations and IT systems.
- Ensures that IT decisions are consistent with business strategies and works to realize IT investments that contribute to business growth and reduce risk.

Disclosure Committee

Attendees: CFO (Chairperson) and Executive Officers in charge of Treasury and Accounting Headquarters, Credit and Investment Management Headquarters, Enterprise Risk Management Headquarters, Group Human Resources and Corporate Administration Headquarters and Group Internal Audit Department
Held: As necessary

- Upon receiving warnings regarding important information from those in charge of individual departments, the Disclosure Committee meets to discuss whether any timely disclosure is required and takes steps to provide appropriate disclosure of such information, if necessary.
- The committee controls information disclosure and facilitates the appropriate and timely disclosure of information to stakeholders.

Control by Business Unit

- Each business unit evaluates material risks in light of the business strategies and plans, and exercises its own risk management.

Control by the Internal Control-related Functions (Departments in Charge of Group Management)

- Each department of internal control-related functions assesses not only the material risks but the risks that it controls and manages on an across-the-board basis, and assists in the risk management conducted by each business unit.

Advisor System

- ORIX appoints advisors when necessary. They are primarily responsible for activities in the business community and other external activities that are important for the ORIX Group.
- Advisors do not take part in deliberative bodies that make decisions for ORIX and are not involved in business execution.
- Compensation for advisors is determined based on rules decided by the Board of Directors after deliberation by the Compensation Committee.
- The following three advisors served in roles including Representative Director and President. Their total compensation was ¥32 million as of June 29, 2018.

Senior Chairman: Yoshihiko Miyauchi

Honorary Advisors: Yukio Yanase and Yasuhiko Fujiki

For more detailed information on corporate governance, please refer to the following:

- Form 20-F filed with the U.S. Securities and Exchange Commission ▶▶▶ <https://www.orix.co.jp/grp/en/ir/library/20f/>
- Corporate Governance ▶▶▶ <https://www.orix.co.jp/grp/en/company/governance>