

# The Depository Trust Company

## IMPORTANT

**B#:** 1563

**DATE:** March 12, 2001

**TO:** All participants

**CATEGORY:** Dividends

**FROM:** Mario Zaccardi, Supervisor, Dividend Department

**ATTENTION:** Operations, Reorg & Dividend Managers, Partners & Cashiers

**SUBJECT:** TaxRelief - Country: Japan  
Orix Corporation American Depositary Note ("ADN")  
Record Date: 03/15/01 Payable Date: 04/02/01  
CUSIP: 686330AB7 EDS Cut-Off Date: 03/20/01

DTC has been notified by Citibank N.A. that qualified U.S. beneficial owners of Orix Corporation ADN, as defined in the double taxation convention between the United States and Japan, are entitled to a reduced tax treaty of 0% rather than the statutory withholding tax rate of 15%.

As stated in Important Notice # 6064 dated February 5, 1999, the Depository Trust Company has expanded the Elective Dividend Service ("EDS") to provide withholding tax relief on interest from certain Japanese debt obligations for new issues at DTC. The above referenced ADN is backed by convertible corporate debt and meets the criteria required to be included on EDS. This interest payment is subject to **15%** (unfavorable) and **0%** (tax exempt) withholding tax for qualified beneficial holders. Participants can use DTC's EDS function over PTS to certify all or a portion of their position entitled to the applicable tax rates. **Participants are urged to consult the PTS function TAXI before certifying their elections over EDS.**

In general, Japanese withholding tax rules require that a Japanese tax at the rate of **15%** be withheld on interest payments from certain Japanese debt obligations issued outside of Japan on or after April 1, 1998, and from Japanese government bonds denominated in non-Japanese currency and issued abroad on or after April 1, 1998, unless the payee satisfies certain eligibility and documentation requirements to demonstrate that they qualify for an exemption from the 15% tax. To qualify for an exemption for this withholding tax (**0%**), payees must demonstrate, directly or through an intermediary, that the beneficial owner is not a Japanese resident for tax purposes, or that the payee is a Japanese Designated Financial Institution ("DFI").

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**NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS MARCH 20, 2001.**

The participant hereby certifies that it will indemnify Citibank N.A., as a Depository (and its local Custodian) for any liability Citibank N.A. may incur as a result of reliance upon information provided by such participant in connection with the treaty rate information. The participant agrees to return any funds erroneously received (including any interest, penalties, and additions to tax thereon). The participant will be liable for any foreign exchange fluctuations impacting the amount of refunds or claims with the Japanese tax authorities.

Participants can use DTC's Elective Dividend Service (EDS) function over the Participant Terminal System (PTS) to certify all or a portion of their position entitled to the applicable withholding tax rate.

Participants who miss the EDS certification deadline (Non-Japanese), may contact the following for information concerning filing a tax reclamation:

Citibank, N.A. / Globe Tax Services  
90 Broad Street – 8<sup>th</sup> floor  
New York, NY 10004  
Attn: Michael Docktor

Participants who fail to meet the EDS deadline or have other beneficial holders that are not eligible for the EDS process for whom they wish to file a reclaim may also use DTC's **TaxReclaim<sup>sm</sup>** form preparation service, available by using the Tax Reclaim System (TAXR) function over PTS. **TaxReclaim<sup>sm</sup>** is DTC's proprietary withholding tax form preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for filing with the foreign taxing authorities or other designated agent. To enroll in **TaxReclaim<sup>sm</sup>**, please contact your Relationship Manager.

**Important: Prior to certifying over EDS, participants are reminded to read, understand and comply with information in the "Legal Conditions" category of TAXINFO – Japan under the PTS function TAXI. Also, it is important to note that DTC does not require Participants to use the EDS system.**

Eligibility rules and all other legal conditions with respect to the use of EDS are contained in DTC's **TAXINFO (TAXI)** function over the Participant Terminal System (PTS).

Questions may be directed to Mr. Michael Docktor of Globe Tax Services at (800) 628-4646.

Questions regarding this Important Notice may be directed to Mr. George Di Garbo of DTC's Dividend Department or myself at (212) 855-4539/4540 respectively.