ORIX CORP
Form 424B2
November 17, 2006
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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Aggregate offering price	Amount of registration fee(1)
Senior debt securities	$1,000,000,000	$107,000

(1) The filing fee of $107,000 is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Filed pursuant to Rule 424(b)(2)
Registration Number 333-138539

PROSPECTUS SUPPLEMENT

(To prospectus dated November 9, 2006)

US$1,000,000,000

ORIX Corporation
5.48% Notes Due 2011

We will pay interest on the notes on May 22 and November 22 of each year, beginning on May 22, 2007. The notes will mature on November 22, 2011. The notes will not be redeemable prior to maturity, except as set forth under Description of Notes Optional Tax Redemption in this prospectus supplement, and will not be subject to any sinking fund.

The notes will be issued only in registered form in denominations of US$1,000 and integral multiples thereof. The notes are not and will not be listed on any securities exchange.

Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-11 of this prospectus supplement.

	Per Note	Total
Public offering price	100%	$ 1,000,000,000
Underwriting discount	.35%	$ 3,500,000
Proceeds, before expenses, to ORIX	99.65%	$ 996,500,000

Neither the U.S. Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the related prospectus. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book-entry form through the book-entry delivery system of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, and Euroclear Bank S.A./N.V., on or about November 22, 2006.

Joint Bookrunners

Merrill Lynch & Co. Nomura Securities

Co-Lead Managers

Morgan Stanley UBS Investment Bank

Co-Managers

Daiwa Securities SMBC Europe	**Mitsubishi UFJ Securities International plc**	**Mizuho International plc**
Goldman, Sachs & Co.	**Citigroup**	**BNP PARIBAS**
Calyon Securities (USA)	**ING Financial Markets**	**WestLB AG**
Scotia Capital		**Credit Suisse**

The date of this prospectus supplement is November 16, 2006.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of the notes. The second part is the accompanying prospectus dated November 9, 2006, which we refer to as the accompanying prospectus. The accompanying prospectus contains a description of the notes and gives more general information, some of which may not apply to the notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of each of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless the context otherwise requires, references in this prospectus supplement to ORIX refer to ORIX Corporation and to we, us, our and similar terms refer to ORIX Corporation and its subsidiaries, taken as a whole. We use the word you to refer to prospective investors in the notes.

The consolidated financial statements of ORIX have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. Unless otherwise stated or the context otherwise requires, all amounts in such financial statements are expressed in Japanese yen.

In this prospectus and any prospectus supplement, when we refer to dollars, US$ and $, we mean U.S. dollars, and, when we refer to yen and we mean Japanese yen. This prospectus contains a translation of some Japanese yen amounts into U.S. dollars solely for your convenience.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains statements that constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Words such as believe, will, should, expect, intend, anticipate, estimate and similar expressions, among others, forward-looking statements. Forward-looking statements, which include statements contained in Item 5. Operating and Financial Review and Prospects and Item 11. Quantitative and Qualitative Disclosure About Market Risk of ORIX s annual report on Form 20-F for the fiscal year ended March 31, 2006, are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those set forth in such statements.

We have identified some of the risks inherent in forward-looking statements in Item 3 of ORIX s most recent annual report on Form 20-F, Key Information Risk Factors. Other factors could also adversely affect ORIX s results or the accuracy of forward-looking statements in this prospectus, and you should not consider the factors discussed here or in Item 3 of ORIX s most recent annual report on Form 20-F, Key Information Risk Factors, to be a complete set of all potential risks or uncertainties.

The forward-looking statements made in this prospectus supplement speak only as of the date of this prospectus supplement. ORIX expressly disclaims any obligation or undertaking to release any update or revision to any forward-looking statement contained herein to reflect any change in ORIX s expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights key information described in greater detail elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference before making an investment decision.

ORIX CORPORATION

Overview

We are a leading integrated financial services group based in Japan. Through our operations in 23 countries and regions worldwide, we offer a broad array of innovative products and services to both corporate and retail customers. Our primary business segments are:

Segments in Japan

Corporate Financial Services. We provide direct financing leases for such items as computers and equipment to commercial and service industries, in addition to corporate loans, and engage in the cross-selling of life and casualty insurance and investment products, as well as integrated facilities management services.

Automobile Operations. We offer automobile leasing and car rental operations as well as comprehensive vehicle management outsourcing services, such as maintenance, traffic accident related services, delivery of vehicle management systems and vehicle management consulting services.

Rental Operations. Our rental operations include the rental of computers and precision measuring equipment, as well as the provision of technical support, calibration and asset administration.

Real Estate-Related Finance. We provide real estate-related finance to corporations and housing loans to individuals, engage in the provision and securitization of non-recourse loans, and invest in and service non-performing loans.

Real Estate. Our real estate segment encompasses a broad range of activities including the development of residential condominiums; the development, marketing, and leasing of office buildings; the management of hotels, training facilities, golf courses, integrated facilities management and related services; asset management and administration on behalf of a REIT, as well as the development and operation of residential properties offering nursing care services.

Life Insurance. We focus on providing insurance planning for our customers based on their needs, offering insurance products that include term-life insurance, health insurance for hospitalization and cancer insurance.

Other. We are engaged in a range of other activities, issuing card loans, providing venture capital, providing securities brokerage services and making principal investments.

Segments Overseas

The Americas. Our operations in this segment include corporate finance, investment banking, real estate related-businesses and leasing.

Asia, Oceania and Europe. Mainly centered in Asia, we provide financial products and servicing focusing on corporate leasing, hire purchase, lending, ship finance and transportation-related operating leases.

We had total revenues of ¥941.9 billion and net income of ¥166.4 billion for the fiscal year ended March 31, 2006 and total revenues of ¥558.5 billion and net income of ¥91.3 billion for the six months ended September 30, 2006. Our total assets at March 31, 2006 were ¥7,242.5 billion and at September 30, 2006 were ¥7,633.9 billion. The percentage of net income to total average assets was 2.50% for the fiscal year ended March 31, 2006 and 2.46% for the six months ended September 30, 2006 on a consolidated annualized basis.

Strengths and Strategies

Our Strengths

We are always striving to expand our business to offer a wide array of services to both corporate and retail customers, in response to continuous changes in the market environment and increasingly complex customer needs. Our balance between growth, profitability, and financial stability leverages our strengths:

- global sales and marketing network;
- strong customer base of small- and medium-sized enterprises;
- well diversified business portfolio;
- flexibility to respond quickly to new business environment;
- expertise in credit evaluation; and
- strong risk management.

Our Medium- and Long-Term Corporate Management Strategy

We are working to contribute to society by developing leading financial services on a global scale, constantly anticipating market needs, and offering innovative products that create new value for customers. With the continued evaluation of the economy and society, market demands for innovative products and services increasingly impact the financial services sector, our principal operating domain. Accordingly, we have identified management s ability to promptly and flexibly respond to changing market needs as critical to achieving medium- and long-term growth.

We are engaged in business activities across seven operating segments in Japan and two segments overseas. We group these nine segments into three main catagoriers with management resources allocated to ensure maximum efficacy. The position of each segment is subject to constant change in line with shifts in market demand. We establish return on equity, return on assets and shareholders equity ratio as important management indices and are building a business portfolio with a focus on balancing profitability, growth and financial stability. Our nine operating segments according to their current characteristics are as follows:

- *Stable profit segments seeking to achieve further growth*: Corporate Financial Services; Rental Operations; Life Insurance and Asia, Oceania and Europe.

Accelerated growth segments seeking to achieve high growth in profits: Automobile Operations; Real Estate-Related Finance and Real Estate.

Segments seeking to contribute to profits in the future: Other and The Americas.

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Company Information

Our head office is located at Mita NN Bldg., 4-1-23 Shiba, Minato-ku, Tokyo 108-0014, Japan. Our telephone number is +81-3-5419-5102. Our website is found at www.orix.co.jp. The information on our website is not incorporated by reference into the prospectus supplement.

RECENT DEVELOPMENTS

Six Months Ended September 30, 2006

Economic Environment

The world economy, including the United States, Europe and Asia, has generally continued to recover and grow over the last six-month period. The U.S. economy showed signs of expansion, despite concerns regarding the decrease in residential investment towards the end of this period, supported by a steady corporate performance, as well as a slight increase in consumer spending. The European economy continued its trend in recovery backed by an expansion in capital investment and steady consumer spending. While the Chinese economy continued to achieve high growth, other countries across Asia also showed signs of economic improvement.

The Japanese economy continued to recover, despite the economic instability caused by the rise in oil prices, due to growth in private capital investments stemming from improvements in corporate earnings, as well as a recovery in employment trends.

Revenues

Revenues increased 25% to ¥558,529 million in the first half of this fiscal year compared with the same period of the previous fiscal year. Although brokerage commissions and net gains on investment securities and life insurance premiums and related investment income decreased year on year, revenues from direct financing leases, operating leases, interest on loans and investment securities, real estate sales, gains on sales of real estate under operating leases, and other operating revenues were up compared to the same period of the previous fiscal year.

Revenues from direct financing leases slightly increased to ¥48,009 million compared with the same period of the previous fiscal year. In Japan, revenues from direct financing leases were down 9% to ¥32,075 million compared to ¥35,297 million in the same period of the previous fiscal year due to the lower level of operating assets and a decrease in revenues from securitization. Overseas, revenues were up 28% to ¥15,934 million compared to ¥12,458 million in the same period of the previous fiscal year due to the expansion of leasing operations in the Asia, Oceania and Europe segment, and the effect of a depreciation of the yen against the dollar.

Revenues from operating leases increased 17% to ¥124,984 million compared to the same period of the previous fiscal year. In Japan, there was an expansion of automobile and real estate operating leases, as well as an increase in revenues from the precision measuring and other equipment rental operations, that resulted in a 16% increase to ¥95,223 million compared to ¥82,171 million in the same period of the previous fiscal year. Overseas, revenues were up 20% to ¥29,761 million compared to ¥24,712 million in the same period of the previous fiscal year due to the expansion of automobile operating leases in the Asia, Oceania and Europe segment.

Revenues from interest on loans and investment securities increased 24% to ¥95,611 million compared to the same period of the previous fiscal year. In Japan, interest on loans and investment securities increased 16%

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to ¥71,828 million compared to ¥61,857 million in the same period of the previous fiscal year due primarily to an expansion of revenues including non-recourse loans and loans to corporate customers. Overseas, revenues were up 58% to ¥23,783 million compared to ¥15,025 million in the same period of the previous fiscal year due to an expansion of revenues associated with loans to corporate customers in The Americas segment, as well as contributions from interest on investment securities.

Revenues from brokerage commissions and net gains on investment securities decreased 9% to ¥18,534 million compared to the same period of the previous fiscal year. Brokerage commissions were up 12% year on year due to the increase of stock trading value compared to the same period of the previous fiscal year, while the stock market was still in the adjustment phase in Japan. Although there were contributions from revenues of the venture capital operations in Japan and securities investments in The Americas segment, net gains on investment securities were down 13% year on year due to the decrease in net gains on investment securities in Japan.

Life insurance premiums and related investment income were down 7% year on year to ¥63,767 million. Life insurance premiums were down year on year, while life insurance related investment income also decreased year on year.

Real estate sales more than doubled year on year to ¥67,895 million due to an increase in the number of condominiums sold to buyers from 844 units in the first half of the previous fiscal year to 1,702 units in the first half of this fiscal year.

Gains on sales of real estate under operating leases increased 29% year on year to ¥12,170 million due to an increase in sales of office buildings and other real estate under operating leases. Certain rental properties sold or to be disposed of by sale without significant continuing involvements are reported under discontinued operations and the related amounts that had been previously reported have been reclassified retroactively.

Other operating revenues increased 47% year on year to ¥127,559 million. In Japan, revenues were up 21% to ¥101,749 million compared to ¥84,221 million in the same period of the previous fiscal year due to the increases in revenues associated with the automobile maintenance service operations, and our real estate management operations, including hotels, training facilities and golf courses, as well as contribution from the beginning of the first quarter of this fiscal year of companies which we invested in the previous fiscal year, in addition to contributions of servicing fees from our loan servicing operations. Overseas, revenues increased more than 11 times to ¥25,810 million compared to ¥2,281 million in the same period of the previous fiscal year due to the contribution from the beginning of the first quarter of this fiscal year of the investment bank Houlihan Lokey Howard & Zukin (Houlihan Lokey), which entered our consolidated group in the fourth quarter of the previous fiscal year and is included in The Americas segment.

Expenses

Expenses increased 27% to ¥423,368 million compared with the same period of the previous fiscal year. Although life insurance costs, provision for doubtful receivables and probable loan losses, and write-downs of securities were down year on year, interest expense, costs of operating leases, costs of real estate sales, other operating expenses, selling, general and administrative expenses, and write-downs of long-lived assets increased year on year.

Interest expense was up 32% year on year to ¥39,057 million. In Japan, interest expense increased 19% year on year due to the higher average debt levels. Overseas, interest expense increased 52% year on year due to the higher average debt levels and higher interest rates.

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Costs of operating leases were up 16% year on year to ¥77,283 million accompanying the increase in the average balance of investment in operating leases.

Life insurance costs decreased slightly year on year to ¥57,436 million.

Costs of real estate sales were up 98% year on year to ¥55,006 million along with the increase in real estate sales.

Other operating expenses were up 19% year on year to ¥67,199 million accompanying the increase in other operating revenues.

Selling, general and administrative expenses were up 42% year on year to ¥119,973 million due to an increase in personnel and related expenses associated with Houlihan Lokey, which entered our consolidated group in the fourth quarter of the previous fiscal year, as well as an increase in the number of employees in the Corporate Financial Services and Automobile Operations segments as a result of an effort to expand our sales platform in Japan.

Provision for doubtful receivables and probable loan losses was down 46% year on year to ¥3,720 million due to a lower occurrence of new non-performing assets despite an increase in operating assets, and due to some reversals of the provision for doubtful receivables and probable loan losses.

Write-downs of long-lived assets increased year on year to ¥1,318 million. Write-downs of securities were down 20% year on year to ¥2,142 million.

Net Income

Operating income was up 17% year on year to ¥135,161 million, due to the reasons noted above.

Equity in net income of affiliates was down 4% to ¥15,017 million compared to the same period of the previous fiscal year due to a decrease in profits from equity method affiliates overseas, despite an increase in profits from equity method affiliates in Japan.

Gains on sales of subsidiaries and affiliates and liquidation loss were down 36% year on year to ¥1,156 million.

As a result, income before income taxes, minority interests in earnings of subsidiaries, discontinued operations and extraordinary gain increased 14% year on year to ¥151,334 million.

Minority interests in earnings of subsidiaries, net increased 79% year on year to ¥1,747 million as a result of the minority interests in earnings of Houlihan Lokey, which entered our consolidated group in the fourth quarter of the previous fiscal year.

Income from continuing operations increased 13% year on year to ¥87,528 million.

Discontinued operations, net of applicable tax effect decreased 49% year on year to ¥3,225 million. Subsidiaries, business units, and certain rental properties sold or to be disposed of by sale without significant continuing involvements are reported under discontinued operations and the related amounts that had been previously reported have been reclassified retroactively.

As a result, net income increased 9% year on year to ¥91,326 million.

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Operating Assets

Operating assets were up 8% from March 31, 2006 to ¥6,319,087 million. While investment in direct financing leases was down from March 31, 2006, installment loans, investment in operating leases, investment in securities, and other operating assets were up.

Segment Information

Segment profits for the Automobile Operations segment was almost flat year on year; declined for the Rental Operations, Life Insurance, and Asia, Oceania and Europe segments; and increased for the Corporate Financial Services, Real Estate-Related Finance, Real Estate, Other, and The Americas segments compared to the same period of the previous fiscal year. Segment profits refer to income before income taxes.

Operations in Japan

Corporate Financial Services Segment. Segment revenues were up 19% year on year to ¥57,945 million due mainly to the expansion of loans to corporate customers. Although selling, general and administrative expenses increased as a result of upfront costs associated with an increase in the number of employees in an effort to expand our sale and marketing base, segment profits increased 21% to ¥28,734 million compared to ¥23,824 million in the same period of the previous fiscal year due to an increase in segment revenues and the lower provision for doubtful receivables and probable loan losses. Segment assets increased 11% on March 31, 2006 to ¥1,799,827 million due mainly to an increase in loans to corporate customers.

Automobile Operations Segment. Segment revenues increased 13% year on year to ¥72,016 million with the increase in revenues from operating leases and maintenance services in the automobile leasing operations, as well as the steady performance of the automobile rental operations. Segment profits were flat year on year at ¥13,386 million. Expenses increased along with the increase in revenues from operating leases and maintenance services and due to an increase in selling, general and administrative expenses associated with an increase in the number of employees in an effort to develop our customer base focusing on increasing our automobile-related business to individuals. Segment assets increased 8% on March 31, 2006 to ¥548,513 million due to the expansion of the automobile leasing operations that also include operating leases.

Rental Operations Segment. Segment revenues were down 4% year on year to ¥32,412 million due to the recognition of losses on the sale of investment securities, although revenues from operating leases including precision measuring and other equipment rentals expanded year on year. Segment profits decreased 26% to ¥3,897 million compared to ¥5,292 million in the same period of the previous fiscal year accompanying the decrease in segment revenues. Segment assets were up slightly on March 31, 2006 to ¥124,363 million.

Real Estate-Related Finance Segment. Segment revenues increased 10% year on year to ¥38,222 million due to an expansion of revenues associated with corporate loans, including non-recourse loans, and contributions from the gains on sales of real estate under operating leases. Although net gains on investment securities decreased compared to the same period of the previous fiscal year, segment profits increased 3% to ¥21,021 million compared to ¥20,318 million in the same period of the previous fiscal year due to contributions from the loan servicing operations and gains on sales of real estate under operating leases. Segment assets increased 9% on March 31, 2006 to ¥1,328,367 million due mainly to an increase in loans to corporate customers.

Real Estate Segment. Segment revenues increased 45% year on year to ¥142,129 million as more condominiums were sold to buyers in the first half of this fiscal year compared with the same period

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of the previous fiscal year, and due to the increase in revenues associated with the real estate management operations, including office rental activities, in addition to contributions from the gains on sales of real estate under operating leases. Segment profits increased 51% to ¥31,129 million compared to ¥20,562 million in the same period of the previous fiscal year in line with the increase in segment revenues. Segment assets increased 13% on March 31, 2006 to ¥768,622 million due mainly to the expansion of operating assets, including investment in operating leases.

Life Insurance Segment. Segment revenues were down 7% year on year to ¥63,488 million as a result of a decrease in life insurance related investment income, while revenues from life insurance premiums were also down compared to the same period of the previous fiscal year. Segment profits decreased 56% year on year to ¥3,379 million compared to ¥7,753 million in the same period of the previous fiscal year due to lower segment revenues. Segment assets increased 3% on March 31, 2006 to ¥508,409 million.

Other Segment. Segment revenues increased 14% year on year to ¥56,928 million due to an increase in gains on investment securities at the venture capital operations, revenues associated with the securities operations and the steady trend in revenues at the card loan operations. Segment profits increased 18% to ¥19,232 million compared to ¥16,259 million in the same period of the previous fiscal year. While gains on sales of subsidiaries and affiliates decreased year on year, the higher segment revenues and contributions from equity in net income of affiliates led to the higher segment profits. Segment assets increased 5% on March 31, 2006 to ¥699,105 million.

Overseas Operations

The Americas Segment. Segment revenues more than doubled year on year to ¥56,360 million due to the contribution from the beginning of the first quarter of this fiscal year of Houlihan Lokey, which entered our consolidated group in the fourth quarter of the previous fiscal year, and the increase in revenues associated with corporate loans as well as gains on investment securities and interest on investment securities. Segment profits increased 27% to ¥17,922 million compared to ¥14,070 million in the same period of the previous fiscal year. While the sales of real estate under operating leases and equity in net income of affiliates decreased year on year, the higher segment revenues led to the higher segment profits. Segment assets increased 7% on March 31, 2006 to ¥470,165 million due mainly to an increase in corporate loans.

Asia, Oceania and Europe Segment. Segment revenues were up 8% year on year to ¥47,222 million due to the steady performance of the leasing operations, such as automobile leasing that include operating leases. Segment profits decreased 9% to ¥17,926 million compared to ¥19,747 million in the same period of the previous fiscal year as expenses increased along with the increase in segment revenues, and due to decreases in gains on sales of subsidiaries and affiliates. Segment assets were up 11% on March 31, 2006 to ¥624,898 million due mainly to an increase in direct financing leases and investment in affiliates.

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THE OFFERING

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section entitled Description of Notes in this prospectus supplement and the section entitled Description of Senior Debt Securities in the accompanying prospectus.

Issuer	ORIX Corporation.
Notes offered	US$1,000,000,000 of aggregate principal amount of 5.48% notes due 2011.
Maturity date	November 22, 2011.
Issue price	100% of the principal amount.
Interest payment dates	Interest on the notes will be payable on May 22 and November 22 of each year, beginning May 22, 2007.
Interest rate	5.48%.
Calculation of interest	Interest on the notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
Ranking	The notes will be ORIX s direct, unsecured and unsubordinated general obligations and will have the same rank in liquidation as all of ORIX s other unsecured and unsubordinated debt.
Additional amounts	All payments of principal and interest on the notes will be made without withholding or deduction for or on account of any taxes unless such withholding or deduction is required by law. Payments of interest on the notes generally will be subject to Japanese withholding tax unless the beneficial owner of the notes establishes that the notes are held by or for the account of a beneficial owner that is not a Japanese corporation or an individual resident of Japan for Japanese tax purposes (see Tax Considerations Japanese Tax Considerations in this prospectus supplement). If payments of principal and interest on the notes are subject to withholding or deduction under Japanese tax law, we will pay such additional amounts, subject to certain exceptions, in respect of Japanese taxes as will result in the payment of amounts otherwise receivable absent any such withholding or deduction. See Description of Notes Additional Amounts. References to principal and interest in respect of the notes include any additional amounts which may be payable by us.

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Optional tax redemption	If, due to changes in Japanese tax treatment occurring on or after the issue date of the notes, we would be required to pay additional amounts as described under Description of Notes Additional Amounts in this prospectus supplement, we may redeem the notes in whole, but not in part, at a redemption price equal to 100% of the principal amount of the notes plus accrued interest to the redemption date. For a more complete description, see Description of Notes Optional Tax Redemption in this prospectus supplement.
Markets	We are offering the notes only in jurisdictions in the United States, Europe and Asia (other than Japan), subject to certain exceptions, where the offering is permitted, and in all cases in compliance with applicable laws and regulations. See Underwriting in this prospectus supplement for more information.
Form and denominations	The notes will be issued in fully registered form, without coupons, in denominations of US$1,000 and integral multiples thereof and will be represented by one or more global notes. The notes will be issued in the form of global securities deposited in The Depository Trust Company, or DTC. Beneficial interests in the notes may be held through DTC, Clearstream Banking, société anonyme, or Clearstream, or Euroclear Bank S.A./N.A., or Euroclear. For more information about global securities held by DTC through DTC, Clearstream or Euroclear, you should read Clearance and Settlement in the accompanying prospectus.
Covenants	The indenture relating to the notes contains restrictions on our ability to incur liens and merge or transfer assets. For a more complete description see Description of Notes Negative Pledge in this prospectus supplement and Description of Senior Debt Securities Covenants in the accompanying prospectus.
Further issuances	We reserve the right, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to the notes, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the notes. We may also issue other securities under the indenture that have different terms from the notes.
Governing law	The notes and the indenture will be governed by and construed in accordance with the laws of the State of New York.

Rating	The notes are expected to be rated Baa1 by Moody s Investors Service and A- by Standard & Poor s Rating Services.
Use of proceeds	We intend to use the net proceeds of this offering for general corporate purposes.
Listing	The notes will not be listed on any securities exchange.
Trustee	Law Debenture Trust Company of New York.
Paying agent	Citibank, N.A.
Risk factors	You should carefully consider all of the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus before investing in the notes. In particular, we urge you to consider carefully the factors set forth under Risk Factors beginning on page S-11 of this prospectus supplement.
Lock-up agreement	ORIX has agreed with the underwriters to restrictions on issuances and sales of certain notes by ORIX for a period of 30 days from the closing of the offering, as described in greater detail in this prospectus supplement under Underwriting.
Clearance and settlement	The notes have been accepted for clearance through DTC, Euroclear and Clearstream with the following security codes: CUSIP 686330AC5; Common Code 027618219; and ISIN US686330AC52.

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RISK FACTORS

Investing in the notes involves risks. You should consider carefully the risks relating to our business and the risks relating to the notes described below, as well as the other information presented in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, before you decide whether to invest in the notes. If any of these risks actually occurs, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the notes offered could decline, in which case you may lose all or part of your investment.

This prospectus supplement and the accompanying prospectus also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks faced by us described below and elsewhere in this prospectus supplement. See Cautionary Note Regarding Forward-Looking Statements. For purposes of the section captioned Risks relating to our business and industry, capitalized terms used therein but not otherwise defined in this prospectus shall have the meaning ascribed to them in our annual report on Form 20-F for the fiscal year ended March 31, 2006.

Risks relating to our business and industry

We may lose market share or suffer reduced interest margins if our competitors compete with us on pricing and other terms

We compete primarily on the basis of pricing, terms and transaction structure. Other competitive factors include industry experience, client service and relationships. In recent years, Japanese banks, their affiliates and other finance companies have implemented strategies targeted at increasing business with small and medium-sized enterprises, which form the core of our customer base in Japan. Our competitors sometimes seek to compete aggressively on the basis of pricing and terms, without regard to profitability, and we may lose market share if we are unwilling to compete on pricing or terms because we want to maintain our income levels. Since some of our competitors are larger than us and have access to capital at a lower cost than we have, they may be better able to maintain profits at reduced prices. If we compete with our competitors on pricing or terms, we may experience lower income.

Our allowance for doubtful receivables on direct financing leases and probable loan losses may be insufficient

We maintain an allowance for doubtful receivables on direct financing leases and probable loan losses. This allowance reflects our judgment of the loss potential of these items, after considering factors such as:

- the nature and characteristics of obligors;
- current economic conditions and trends;
- prior charge-off experience;
- current delinquencies and delinquency trends;
- future cash flows expected to be received from the direct financing leases and loans; and
- the value of underlying collateral and guarantees.

We cannot be sure that our allowance for doubtful receivables on direct financing leases and probable loan losses will be adequate to cover future credit losses. In particular, this allowance may be inadequate due to adverse changes in the Japanese and overseas economies in which we operate, or discrete events which adversely affect specific customers, industries or markets. If we need to increase our allowance for doubtful receivables on direct financing leases and probable loan losses to cover these changes or events, our financial results could be adversely affected.

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Our credit-related costs might increase

In order to maximize our collection from the debtors, we may forbear from exercising some or all of our rights as a creditor against companies that are unable to fulfill their repayment obligations, and we may forgive or extend additional loans to such companies. As a result there is a possibility that credit-related costs might increase.

Risks of real estate-related business

Our main areas of real estate-related business operation are real estate-related loans and real estate business. Real estate-related loans are loans secured by real estate collateral, loans to domestic real estate companies or construction companies and non-recourse loans for which cash flow from real estate is a repayment resource. Real estate business is the building and sale of condominiums; the development, sale and lease of office buildings; operation of hotels, corporate dormitories, training facilities and golf courses; integrated facilities management and its related services; and asset management services for real estate investment trusts (REITs).

In Japan and overseas, adverse changes in land prices or purchase and leasing demand may cause the condition of the real estate market to deteriorate. This may adversely affect our business activities, the value of our long-lived assets and the value of the collateral that underlies the loans we make. Any such events could have an adverse effect on our results of operations and financial condition.

For instance, if the financial condition of real estate-related companies and construction companies deteriorates, such companies may not be able to repay their loans. Our allowance for probable loan losses may be inadequate to cover credit losses on our loans to these companies. The value of the real estate collateral securing the loans may decline as well, and may prevent us from fully recovering on our loans in the event of default. We may need to increase provisions for probable loan losses if the estimated potential recovery from the collateral is reduced.

Likewise, the value of real estate held by us may decline. We may need to write down additional assets if we determine that it is unlikely that we will be able to recover the carrying value of those assets.

If we initiate a building construction project and there is deterioration in the operating condition of the construction contractor, operational interruptions or prolonged completion time could increase our costs.

When we commence a building construction project, we try to obtain indemnity against any breach or defect of property to the extent possible from the contractor. When we purchase a property, we try to obtain indemnity to the extent possible from the seller to cover losses and expenses caused by any defects of geological condition, structure or material in relation to such property. If there is any defect in a building or facility sold or leased by us and indemnity is not provided by the contractor or seller or if the indemnities provided are insufficient due to a deterioration of their financial condition, we may be required to indemnify tenants or purchasers, and thereby incur losses. In addition, even if we do not incur financial loss, there could be an adverse affect on our reputation as the seller, owner or original developer of the property, depending on the breach or defect.

Asbestos or inadequate earthquake resistance in buildings could adversely affect us in the event we are subject to increased responsibility caused by amendments to applicable laws and regulations, increased costs due to tightening of internal due diligence or prolonged project periods due to tightened operating processes. Also, such conditions may result in an increased likelihood that sales will become difficult due to lowered credibility of the real estate market or shifts in market preferences. These factors could result in a decline in our revenue. Furthermore, since the real estate-related companies to which we make loans may be affected in the same way, debt collection from such companies could be difficult due to deterioration of their business condition. The liquidity of properties held by us as collateral may decline, which could also make debt collection difficult.

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The possibility of disaster or damage from earthquakes in Japan is generally higher than in other parts of the world. The risk of disaster damage is heightened by the fact that a substantial portion of our operations, long-lived assets, and collateral underlying loans are concentrated in Tokyo. If an earthquake or any other natural disaster or act of terrorism or any other human disaster were to occur in Japan, particularly in a metropolitan area like Tokyo, resulting in large-scale destruction, it is likely that our long-lived assets and the collateral underlying loans we make would be adversely affected, and our business, results of operations and financial condition would suffer adverse effects.

We ordinarily carry comprehensive casualty insurance covering our real estate investments with insured limits that we believe are adequate and appropriate against anticipated losses. There are, however, certain types of losses caused by events such as wars, acts of terrorism, willful acts or gross negligence that are uninsurable. In addition, we do not usually carry insurance for damages caused by natural disasters such as earthquakes or typhoons because insurance coverage for such damages is limited and the insurance premium is relatively expensive.

In the event that our real estate investments suffer an uninsured loss, our investment balance in and revenues from such investments could be adversely affected. In addition, we would likely remain liable for indebtedness and other financial obligations relating to the relevant property. No assurance can be given that uninsured losses will not occur in respect of our real estate investments.

Before the Soil Contamination Measures Law went into effect in 2003, we did not, at the time of acquisition, investigate land (including land provided as collateral for a particular loan) that had been used as a factory site or operating facility in which hazardous materials were used or that otherwise could cause health problems due to soil contamination. If it is later determined that such land is polluted and it is necessary to take countermeasures under the Soil Contamination Measures Law, this could have an adverse effect on the sale of the land or the amounts receivable on foreclosure from land held as collateral. Although we have conducted investigations at the time of acquisition with respect to land acquired after the Soil Contamination Measures Law came into effect, a subsequent determination that such land is polluted for any reason may have the same adverse consequences.

We may suffer losses on our investment portfolio and derivative instruments

We hold large investments in debt securities and equity securities, mainly in Japan and the United States. We may suffer losses on these investments because of changes in market prices, defaults or other reasons. While equity prices in the United States and Japan improved during fiscal 2006, the market values of these equity securities are volatile and may decline substantially in the current year or future years. We record unrealized gains and losses on debt and equity securities classified as available-for-sale securities in shareholders equity, net of income taxes, and do not ordinarily charge these directly to income and losses, unless we believe declines in market value on available-for-sale securities and held-to-maturity securities are other than temporary. We have recorded significant losses on securities in the past and may need to record additional losses in the future.

We have substantial investments in debt securities, mainly long-term corporate bonds with fixed interest rates. We may realize a loss on our investments in debt securities as a result of an issuer default or deterioration in an issuer s credit quality. We may also realize losses on our investment portfolio if market interest rates increase.

We also utilize derivative instruments for the purpose of investment portfolio price fluctuation risk reduction, interest rate and foreign exchange rate risk management, and trading activities. However, we may not be able to successfully manage our risks through the use of these derivatives. Counterparties may fail to honor the terms of its derivatives contracts with us. We may suffer losses from trading activities. As a result, our operations and financial condition could be adversely affected. For a discussion of derivative financial instruments and hedging, see Note 26 in Item 18. Financial Statements of our annual report on Form 20-F for the year ended March 31, 2006, which is incorporated by reference into this prospectus.

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We may be exposed to increased risks as we expand or reduce the range of our products and services, or acquire companies or assets, including those related to our corporate rehabilitation business

As we expand the range of our products and services beyond our traditional businesses or acquire companies or assets, including those related to our corporate rehabilitation business, and as the sophistication of financial products and management systems grow, we may be exposed to new and increasingly complex risks. In some cases, we may have little or no experience with the expanded range of these products and services and the risks associated with them.

We cannot guarantee that the price we pay for acquisitions will be fair and appropriate. If the price we pay is too high, our acquisitions could result in future write-downs related to goodwill and other assets.

In connection with the foregoing, our risk management systems may prove to be insufficient and may not work in all cases or to the degree required. As a result, we may face market, credit and other risks in relation to the expanding scope of our new products, services and transactions and we may incur substantial losses.

In addition, our efforts to offer new services and products may not attain the expected results if business opportunities do not increase as expected or if the profitability of opportunities is undermined by competitive pressures.

Restructuring of, or withdrawal from, businesses we engage in could harm our reputation and adversely affect our results of operations and financial condition.

Poor performance or failure of affiliates accounted for using the equity method, which include investments in companies as part of our corporate rehabilitation business, or consolidated companies in which we have invested as part of our corporate rehabilitation business, will have an adverse affect on our results of operations and financial condition

As a result of increased investments and the accumulated earnings of affiliates that are accounted for using the equity method, our investment in affiliates is significant. In some cases, we may be actively involved in the management of these affiliates by dispatching our personnel to them.

In recent years, the contribution from equity method affiliates to our consolidated statements of income has increased and has been an important component of our income. There is no assurance that this contribution can be maintained. Poor performance by or a failure of these investments will adversely affect our financial condition and results of operations. In addition, as part of our corporate rehabilitation business, we have invested directly in or via investment funds in a number of troubled or distressed companies, some of which are now our subsidiaries or equity method affiliates. Some of the operations of these companies, which include a company that builds and sells residential condominiums, a logistics company, a sporting apparel manufacturer and distributor and an overseas life insurance company, are very different from our core businesses. See Item 4. Information on the Company Capital Expenditures and Major M&A Activities of our annual report on Form 20-F for the year ended March 31, 2006, which is incorporated by reference into this prospectus, for more discussion of our recent acquisitions. Our ability to successfully manage and rehabilitate such businesses is still uncertain and the rehabilitation of these distressed companies is not guaranteed. Failure to rehabilitate these companies could result in financial losses as well as losses of future business opportunities. In addition, we may not be able to sell or otherwise dispose of the invested business or company at such time or in such period and at such price as we initially expected. We may also need to invest additional capital in certain of these companies if their financial condition deteriorates. We may lose key personnel upon our investment if such personnel are not satisfied with our management.

While we will continue to review and selectively pursue investment opportunities, there can be no assurance that we can continue to identify attractive opportunities, or that such investments will be as profitable as we originally expected.

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Even if such affiliates or subsidiaries are not performing poorly, in the event that any such affiliate or subsidiary is implicated in a problem of significant public concern and we send our personnel to serve as directors or officers, irrespective of whether or not such persons perform their obligations, our reputation may be adversely affected.

Changes in market interest rates and currency exchange rates could adversely affect our assets and our financial condition and results of operations

Many of our business activities are subject to risks relating to changes in market interest rates and currency exchange rates in Japan and overseas.

Significant increases in market interest rates, or the perception that an increase may occur, could adversely affect the origination of new transactions, including direct financing leases and loans. An increase in market interest rates may increase the repayment burden our customers bear with respect to loans, particularly under floating interest rate loans. These burdens could adversely affect the financial condition of our customers and their ability to repay their obligations, possibly resulting in defaults on our lease transactions and loans. In addition, our funding costs, and as a result, interest expense may increase. If the increase in the amount of interest payable by us as a result of increases in market interest rates exceeds the increase in the amount of interest received by us from interest-earning assets, our results of operations would be adversely affected.

Alternatively, a decrease in interest rates could result in faster prepayments of loans. Moreover, if the decrease in the amount of interest received by us from interest-earning assets as a result of decreases in interest rates exceeds the corresponding decrease in our funding cost, our results of operations could be adversely affected.

Not all of our assets and liabilities are matched by currency. In addition, a significant portion of our operating assets, revenues and income are located overseas, in particular the United States, or are derived from our overseas operations, and subject to foreign exchange risks. As a result, a significant change in currency exchange rates could have an adverse impact on our assets, financial condition and results of operations. For example, if the yen rises in value against the U.S. dollar or other currencies, the value of assets denominated in foreign currencies will decline in yen terms in our consolidated financial statements.

Our access to liquidity and capital may be restricted by economic conditions, instability in the financial markets or potential credit rating downgrades

Our primary sources of funds are cash flows from operations, borrowings from banks and other institutional lenders, and funding from the capital markets, such as offerings of commercial paper, or CP, medium-term notes, straight bonds, asset-backed securities, and other debt securities. A downgrade in our credit ratings could result in an increase in our interest expenses and could have an adverse impact on our ability to access the commercial paper market or the public and private debt markets. Any such developments could have an adverse effect on our financial position, results of operations and liquidity. Although we have access to other sources of liquidity, including bank borrowings, cash flows from our operations and sales of our assets, we cannot be sure that these other sources will be adequate or on terms acceptable to us if our credit ratings are downgraded or other adverse conditions arise. A failure of one or more of our major lenders, a decision by one or more of them to stop lending to us or instability in the Japanese capital markets also could have an adverse impact on our access to funding.

We continue to rely significantly on short-term funding from commercial banks in Japan. We also rely on funding from the capital markets in the form of CP. We are taking steps to reduce refinancing risks by diversifying our funding sources and establishing committed credit facilities with Japanese and foreign banks. See Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources-Sources of Liquidity Committed Credit Facilities of our annual report on Form 20-F for the year ended March 31, 2006, which is incorporated by reference into this prospectus. Despite these efforts, committed credit facilities and loans are subject to financial and other covenants and conditions to drawdown, including minimum net worth requirements, and the risk remains that we will be unable to refinance other short-term funding.

A downgrade of our credit ratings could have a negative effect on our derivative transactions

A downgrade of our credit ratings by one or more credit rating agencies could have a negative effect on our derivative transactions. In the event of a downgrade of our credit ratings, we may be required to accept less favorable terms in our transactions with counterparties, and we may be unable to enter into or continue to engage in some derivative transactions. These circumstances could have a negative impact on our risk management and the profitability of our trading activities, which would adversely affect our liquidity, results of operations and financial condition.

We may not be able to hire or retain human resources to achieve our strategic goals

Our business requires a considerable investment in human resources and requires the stable retention of such resources in order to successfully compete in markets in Japan and overseas. Much of our business involves specialization in the areas of financial services or the management of physical assets such as real estate, vessels and aircraft. If we cannot develop, hire or retain the necessary human resources, or if such personnel resign, we may not be able to achieve our strategic goals.

The departure of senior management could adversely affect us

Our continued success relies significantly on the ability and skills of our senior management. The departure of the current senior management could have an adverse effect on our business activities, financial condition and results of operations.

Risks related to computer and other information systems

We are highly reliant on computer systems and other information systems for financial transactions, personal information management, business monitoring and processing and as part of our business decision-making and risk management activities. System shutdowns, malfunctions or failures due to unexpected contingency, the mishandling or fraudulent acts of employees or third parties, or infection by a computer virus could have an adverse effect on our operations, such as hindered receipt and payment of monies, leak or destruction of confidential information or personal information, and the generation of errors in information used for business decision-making and risk management. In such event, our liquidity or that of the customer who relies on us for financing or payment could be adversely affected, and our relationship with the customer could also be adversely affected. As a result, we could be sued or subject to administrative penalty or our reputation or credibility could be adversely affected.

Our information system equipment could suffer damage from large-scale natural disaster or terrorism. Since information systems serve an increasingly important role in business activities, the risk of stoppage of the network or information system due to disaster or terrorism is increasing. If the network or information system stops, we could experience interruption of business activity, delay in payment or sales, or substantial costs for recovery of the network or the information system.

Inadequate or failed processes or systems, human factors or external events or factors may adversely affect our results of operations, liquidity or reputation

Aggregate amount beneficially owned by each reporting person

62,272,362 (1)(2)

12.

Check if the aggregate amount in Row (11) excludes certain shares (see instructions) ¨

13.

Percent of class represented by amount in Row (11)

53.2% (3)

14.

Type of reporting person (see instructions)

IN

(1) Includes an aggregate of 4,830,470 shares of Holdings Common Stock that may be acquired by certain of the reporting persons within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.

(2) Includes an aggregate of 5,700,163 shares of Holdings Common Stock that may be acquired by the reporting person within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock from Holdings.

(3) Based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, and an aggregate of 10,530,633 shares of Holdings Common Stock that may be acquired by the reporting persons within 60 days upon the exercise of Warrants to purchase shares of Holdings Common Stock.

This Amendment No. 35 to Schedule 13D (this Amendment) relates to common shares, par value $0.01 per share (the Holdings Common Stock), of Sears Holdings Corporation, a Delaware corporation (Holdings). This Amendment amends the Schedule 13D, as previously amended, filed with the Securities and Exchange Commission by ESL Partners, L.P., a Delaware limited partnership (Partners), SPE I Partners, LP, a Delaware limited partnership (SPE I), SPE Master I, LP, a Delaware limited partnership (SPE Master I and, together with SPE I, the SPEs), RBS Partners, L.P., a Delaware limited partnership (RBS), ESL Institutional Partners, L.P., a Delaware limited partnership (Institutional), RBS Investment Management, L.L.C., a Delaware limited liability company (RBSIM), CRK Partners, LLC, a Delaware limited liability company (CRK LLC), ESL Investments, Inc., a Delaware corporation (ESL), and Edward S. Lampert, a United States citizen, by furnishing the information set forth below. Except as otherwise specified in this Amendment, all previous Items are unchanged. Capitalized terms used herein which are not defined herein have the meanings given to them in the Schedule 13D, as previously amended, filed with the Securities and Exchange Commission (SEC).

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and supplemented as follows:

In grants of Holdings Common Stock by Holdings on February 27, 2015 and March 31, 2015, pursuant to the Letter between Holdings and Mr. Lampert, Mr. Lampert acquired an additional 23,556 shares of Holdings Common Stock. Mr. Lampert received the Holdings Common Stock as consideration for serving as Chief Executive Officer and no cash consideration was paid by Mr. Lampert in connection with the receipt of such Holdings Common Stock.

Item 4. Purpose of Transaction.

Item 4 is hereby amended and supplemented as follows:

On April 1, 2015, Holdings announced that Seritage Growth Properties, a Maryland trust formed by Holdings (Seritage), has filed a registration statement on Form S-11 (the Registration Statement) with the SEC. The Registration Statement has not been declared effective. If declared effective, the Registration Statement will provide for a rights offering by Seritage allowing all Holdings stockholders to purchase common shares of beneficial interest of Seritage. Certain of the Reporting Persons have advised Holdings that, if the rights offering occurs, they intend to exercise their *pro rata* portion of the subscription rights in full, though they have not entered into any agreement to do so.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated in its entirety as follows:

(a)-(b) Each Reporting Person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, the beneficial owner of any securities covered by this statement.

Each Reporting Person may be deemed to be a member of a group with respect to Holdings or securities of Holdings for the purposes of Section 13(d) or 13(g) of the Act. Each Reporting Person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, (i) acting (or has agreed or is agreeing to act) with any other person as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of Holdings or otherwise with respect to Holdings or any securities of Holdings or (ii) a member of any syndicate or group with respect to Holdings or any securities of Holdings.

As of April 2, 2015, the Reporting Persons may be deemed to beneficially own the shares of Holdings Common Stock set forth in the table below.

REPORTING PERSON	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENTAGE OF OUTSTANDING SHARES	SOLE VOTING POWER	SHARED VOTING POWER	SOLE DISPOSITIVE POWER	SHARED DISPOSITIVE POWER
ESL Partners, L.P.	57,824,479 (1)(2)	51.9% (3)	26,820,859 (2)	0	26,820,859 (2)	31,003,620 (1)
SPE I Partners, LP	1,939,872	1.8%	1,939,872	0	1,939,872	0
SPE Master I, LP	2,494,783	2.3%	2,494,783	0	2,494,783	0
RBS Partners, L.P.	62,259,134 (1)(4)	55.9% (5)	31,255,514 (4)	0	31,255,514 (4)	31,003,620 (1)
ESL Institutional Partners, L.P.	12,341 (6)	0.0% (7)	12,341 (6)	0	12,341 (6)	0
RBS Investment Management, L.L.C.	12,341 (8)	0.0% (9)	12,341 (8)	0	12,341 (8)	0
CRK Partners, LLC	887 (10)	0.0% (11)	887 (10)	0	887 (10)	0
ESL Investments, Inc.	62,272,362 (1)(12)	55.9% (13)	31,268,742 (12)	0	31,268,742 (12)	31,003,620 (1)
Edward S. Lampert	62,272,362 (1)(14)	53.2% (15)	62,272,362 (1)(14)	0	31,268,742 (14)	31,003,620 (1)

(1) This number includes 25,303,457 shares of Holdings Common Stock held by Mr. Lampert and 5,700,163 shares of Holdings Common Stock that Mr. Lampert has the right to acquire within 60 days pursuant to the Warrants held by Mr. Lampert. Partners has entered into a Lock-Up Agreement with Mr. Lampert that restricts the purchase and sale of securities owned by Mr. Lampert. Pursuant to the Lock-Up Agreement, Partners may be deemed to have shared dispositive power over, and to indirectly beneficially own, securities owned by Mr. Lampert. RBS, ESL and Mr. Lampert may also be deemed to have shared dispositive power over, and to indirectly beneficially own, such securities.

(2) This number includes 21,992,640 shares of Holdings Common Stock held by Partners and 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners.

(3) This is based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, and 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners.

(4) This number includes 21,992,640 shares of Holdings Common Stock held by Partners, 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, 1,939,872 shares of Holdings Common Stock held by SPE I and 2,494,783 shares of Holdings Common Stock held by SPE Master I. RBS is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Partners, SPE I and SPE Master I.

(5) This is based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, and 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners. RBS is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Partners.

(6) This number includes 10,230 shares of Holdings Common Stock held by Institutional and 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional.

(7) This is based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, and 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional.

(8) This number includes 10,230 shares of Holdings Common Stock held by Institutional and 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional. RBSIM is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Institutional.

(9) This is based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, and 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional. RBSIM is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Institutional.

(10) This number includes 747 shares of Holdings Common Stock held by CRK LLC and 140 shares of Holdings Common Stock that CRK LLC has the right to acquire within 60 days pursuant to the Warrants held by CRK LLC.

(11) This is based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, and 140 shares of Holdings Common Stock that CRK LLC has the right to acquire within 60 days pursuant to the Warrants held by CRK LLC.

(12) This number includes 21,992,640 shares of Holdings Common Stock held by Partners, 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, 1,939,872 shares of Holdings Common Stock held by SPE I, 2,494,783 shares of Holdings Common Stock held by SPE Master I, 10,230 shares of Holdings Common Stock held by Institutional, 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional, 747 shares of Holdings Common Stock held by CRK LLC and 140 shares of Holdings Common Stock that CRK LLC has the right to acquire within 60 days pursuant to the Warrants held by CRK LLC. ESL is the general partner of, and may be deemed to indirectly beneficially own securities owned by, RBS. ESL is the manager of, and may be deemed to indirectly beneficially own securities owned by, RBSIM. ESL is the sole member of, and may be deemed to indirectly beneficially own securities owned by, CRK LLC.

(13) This is based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, the 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, the 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional, and the 140 shares of Holdings Common Stock that CRK LLC has the right to acquire within 60 days pursuant to the Warrants held by CRK LLC. ESL is the general partner of, and may be deemed to indirectly beneficially own securities owned by, RBS. ESL is the manager of, and may be deemed to indirectly beneficially own securities owned by, RBSIM. ESL is the sole member of, and may be deemed to indirectly beneficially own securities owned by, CRK LLC.

(14) This number includes 21,992,640 shares of Holdings Common Stock held by Partners, 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, 1,939,872 shares of Holdings Common Stock held by SPE I, 2,494,783 shares of Holdings Common Stock held by SPE Master I, 10,230 shares of Holdings Common Stock held by Institutional, 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional, 747 shares of Holdings Common Stock held by CRK LLC and 140 shares of Holdings Common Stock that CRK LLC has the right to acquire within 60 days pursuant to the Warrants held by CRK LLC.
Mr. Lampert is the Chairman, Chief Executive Officer and Director of, and may be deemed to indirectly beneficially own securities owned by, ESL.

(15) This is based upon 106,555,779 common shares outstanding as of March 9, 2015, as disclosed in Holdings Schedule 14A that was filed by Holdings with the Securities and Exchange Commission on March 17, 2015, the 5,700,163 shares of Holdings Common Stock that Mr. Lampert has the right to acquire within 60 days pursuant to the Warrants held by Mr. Lampert, the 4,828,219 shares of Holdings Common Stock that Partners has the right to acquire within 60 days pursuant to the Warrants held by Partners, the 2,111 shares of Holdings Common Stock that Institutional has the right to acquire within 60 days pursuant to the Warrants held by Institutional, and the 140 shares of Holdings Common Stock that CRK LLC has the right to acquire within 60 days pursuant to the Warrants held by CRK LLC. Mr. Lampert is the Chairman, Chief Executive Officer and Director of, and may be deemed to indirectly beneficially own securities owned by, ESL.

(c) Other than as set forth on Annex B hereto, there have been no transactions in the class of securities reported on that were effected by the Reporting Persons during the past sixty days or since the most recent filing of Schedule 13D, whichever is less.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended and supplemented as follows:

The information set forth in Item 4 is incorporated by reference into this Item 6.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: April 2, 2015

ESL PARTNERS, L.P.

By: RBS Partners, L.P., as its general partner

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert
Name: Edward S. Lampert
Title: Chief Executive Officer

SPE I PARTNERS, LP

By: RBS Partners, L.P., as its general partner

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert
Name: Edward S. Lampert
Title: Chief Executive Officer

SPE MASTER I, LP

By: RBS Partners, L.P., as its general partner

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert
Name: Edward S. Lampert
Title: Chief Executive Officer

RBS PARTNERS, L.P.

By: ESL Investments, Inc., as its general partner

By: /s/ Edward S. Lampert
Name: Edward S. Lampert
Title: Chief Executive Officer

ESL INSTITUTIONAL PARTNERS, L.P.

By: RBS Investment Management, L.L.C., as its general partner

By: ESL Investments, Inc., as its manager

By:	/s/ Edward S. Lampert
Name:	Edward S. Lampert
Title:	Chief Executive Officer

RBS INVESTMENT MANAGEMENT, L.L.C.

By: ESL Investments, Inc., as its manager

By: /s/ Edward S. Lampert
Name: Edward S. Lampert
Title: Chief Executive Officer

CRK PARTNERS, LLC

By: ESL Investments, Inc., as its sole member

By: /s/ Edward S. Lampert
Name: Edward S. Lampert
Title: Chief Executive Officer

ESL INVESTMENTS, INC.

By: /s/ Edward S. Lampert
Name: Edward S. Lampert
Title: Chief Executive Officer

EDWARD S. LAMPERT

By: /s/ Edward S. Lampert

EXHIBIT INDEX

Exhibit	Description of Exhibit
99.1	Amendment, dated March 22, 2005, to the Agreement, dated January 31, 2005, among Kmart Holding Corporation, Sears Holdings Corporation, ESL Partners, L.P., ESL Investors, L.L.C., ESL Institutional Partners, L.P. and CRK Partners II, L.P. (incorporated by reference to Exhibit L to the Amendment to Schedule 13D filed on April 1, 2005).
99.2	Acknowledgement, dated March 24, 2005, by Sears Holdings Corporation (relating to the assumption of the Registration Rights Agreement) (incorporated by reference to Exhibit K to the Amendment to Schedule 13D filed on April 1, 2005).
99.3	Letter Agreement, dated June 2, 2010, between ESL Partners, L.P. and Edward S. Lampert (incorporated by reference to Exhibit 8 to the Amendment to Schedule 13D filed on June 2, 2010).
99.5	Joint Filing Agreement (incorporated by reference to Exhibit 99.5 to the Amendment to Schedule 13D filed on March 11, 2013).
99.6	Form of Letter (incorporated by reference to Exhibit 10.30 to Holdings Annual Report on Form 10-K filed on March 20, 2013).
99.7	Loan Agreement, dated September 15, 2014, among Sears, Roebuck and Co., Sears Development Co. and Kmart Corporation, and JPP II, LLC and JPP, LLC (incorporated by reference to Exhibit 99.7 to the Amendment to Schedule 13D filed on September 16, 2014).
99.8	Participation Agreement, dated September 22, 2014, among PYOF 2014 Loans, LLC, and JPP II, LLC and JPP, LLC (incorporated by reference to Exhibit 99.8 to the Amendment to Schedule 13D filed on September 24, 2014).
99.9	Amended and Restated Participation Agreement, dated September 30, 2014, among PYOF 2014 Loans, LLC, The Fairholme Partnership, LP, and JPP II, LLC and JPP, LLC (incorporated herein by reference to Exhibit 99.9 to the Amendment to Schedule 13D filed on October 1, 2014).
99.10	Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.10 to the Amendment to Schedule 13D filed on October 17, 2014).
99.11	Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE Master I, LP and ESL Partners, L.P. (incorporated herein by reference to Exhibit 99.11 to the Amendment to Schedule 13D filed on October 28, 2014).
99.12	Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE Master I, LP and Mr. Edward S. Lampert (incorporated herein by reference to Exhibit 99.12 to the Amendment to Schedule 13D filed on October 28, 2014).
99.13	Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE I Partners, LP and ESL Partners, L.P. (incorporated herein by reference to Exhibit 99.13 to the Amendment to Schedule 13D filed on October 28, 2014).
99.14	Rights Purchase Agreement, dated as of October 26, 2014, by and between SPE I Partners, LP and Mr. Edward S. Lampert (incorporated herein by reference to Exhibit 99.14 to the Amendment to Schedule 13D filed on October 28, 2014).
99.15	Form of Subscription Rights Certificate (incorporated herein by reference to Exhibit 99.15 to the Amendment to Schedule 13D filed on November 12, 2014).

99.16 Form of Note (incorporated herein by reference to Exhibit 4.3 to the Post-Effective Amendment No. 1 to Form S-3 Registration Statement, filed by Holdings with the Securities and Exchange Commission on October 30, 2014).

99.17 Form of Warrant Certificate (incorporated herein by reference to Exhibit 4.4 to the Post-Effective Amendment No. 1 to Form S-3 Registration Statement, filed by Holdings with the Securities and Exchange Commission on October 30, 2014).

99.18 Amendment to Loan Agreement, entered into on February 25, 2015 and effective as of February 28, 2015, by and between JPP II, LLC and JPP, LLC and Sears, Roebuck and Co., Sears Development Co. and Kmart Corporation (incorporated herein by reference to Exhibit 10.1 to the Form 8-K, filed by Holdings with the Securities and Exchange Commission on February 26, 2015).

ANNEX B

RECENT TRANSACTIONS BY THE REPORTING PERSONS IN THE SECURITIES OF

SEARS HOLDINGS CORPORATION

Entity	Date of Transaction	Description of Transaction	Shares Acquired	Shares Disposed	Price Per Share
Edward S. Lampert	02/27/2015	Grant of Shares Pursuant to a Letter between Edward S. Lampert and Holdings	11,778		$ 0
Edward S. Lampert	03/31/2015	Grant of Shares Pursuant to a Letter between Edward S. Lampert and Holdings	11,778		$ 0