
ORIX Corporation

(TSE: 8591; NYSE: IX)

Conference Call

Consolidated Financial Results

For the Consolidated Fiscal Year Ended March 31, 2010

May 11, 2010

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1. Overview Management Policies for the Year Ended 10.3

Operating Environment Outlook

- Instability in Financial and Real Estate sectors expected to continue
- Macro economic conditions and recession pressures to become less opaque

Management Policy

Basic Policy: Further enhance the soundness of operations thereby adapting to the global economic slowdown and credit crunch

Basic Measures: Strengthening the Corporate Structure and Operational Realignment

Specific Measures

1. Fortification of Financial Stability
2. Enhanced Monitoring of Investee Companies
3. Bolstering Risk Management of the Real Estate Portfolio
4. Operational Realignment

1. Overview Main Points

■ Achieved all targets originally forecasted in the beginning of FY10.3

	Main Points	10.3	10.3 Initial Forecast	Result
1	Net Income ^{*1}	37.8	30.0	Upward Revision
2	D/E Ratio ^{*2}	3.4 x	Below 4x	Achieved
3	Asset Reduction ^{*3}	748.7	432.7	Achieved
4	Reduction of Real Estate Related Assets	370.1	291.2	Achieved

*1 Net Income Attributable to ORIX

*2 Excluding deposits of ORIX Trust and Banking

*3 Total Segment Assets



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1. Overview Income Statement

■ Strengthened the corporate structure and achieved 170% of Net Profit year on year

	(JPY Bn)	09.3	10.3	10.3 (Initial Forecast)
Total Revenues		1,053.5	932.8	960.0
Total Expenses		1,000.2	903.3	
Provision for doubtful receivables and probable loan losses		77.0	71.5	78.0
Income before Income Taxes		8.7	55.6	
Net Income ^{*1}		21.9	37.8	30.0
Total Assets		8,369.7	7,739.8	7,750.0
Shareholders' Equity		1,167.5	1,298.7	
Shareholders' Equity Ratio		13.9%	16.8%	
D/E Ratio ^{*2}		4.5x	3.4x	Below 4x
Dividend		70 yen	75 yen	

*1 Net Income Attributable to ORIX

*2 Excluding deposits of ORIX Trust and Banking

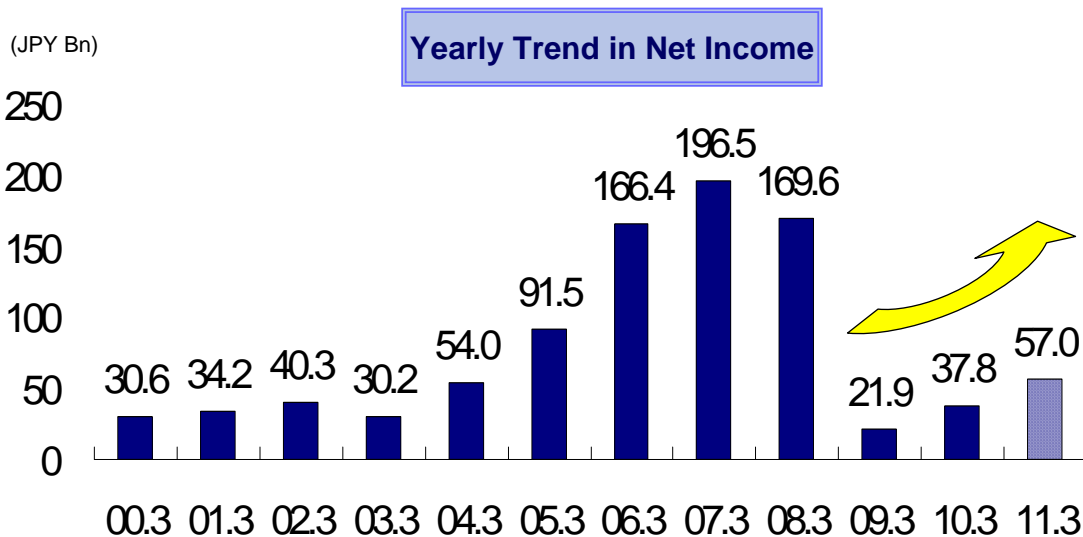


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1. Overview Further Growth having Overcame the Unprecedented Financial Crisis

- Achieved 37.8bn yen in Net Income*, with original forecast of 30.0bn
- “Business Diversification” and “Funding Diversification” have been proved effective during the crisis
- Turn the helm once again toward growth using the experience of the crisis



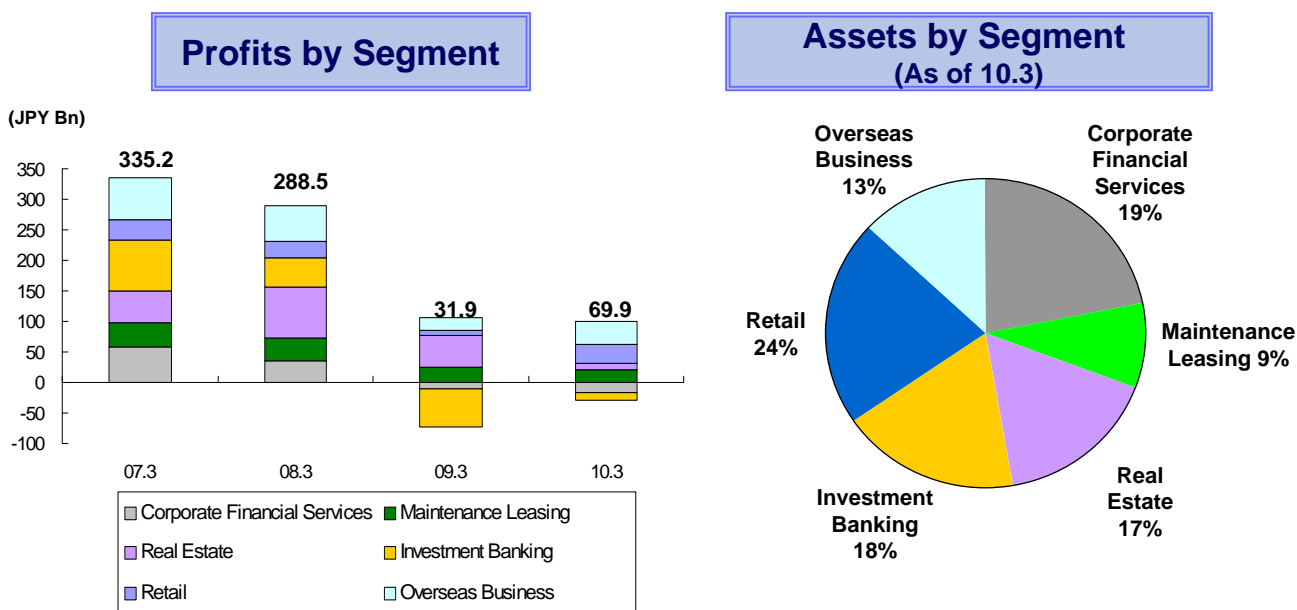
*1 Net Income Attributable to ORIX



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1. Overview Sound Business Diversification

- Diversified businesses portfolio ranging from finance to service-related
- Strength in each business and business networks

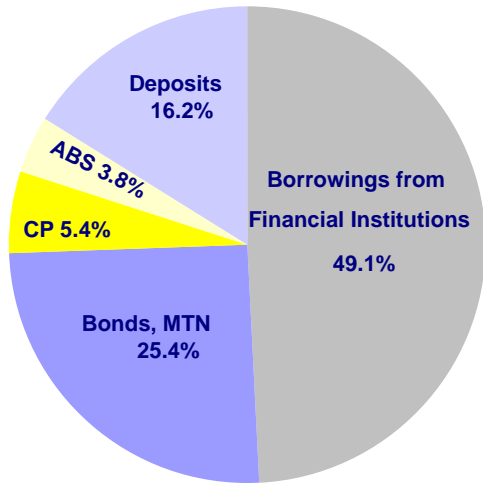


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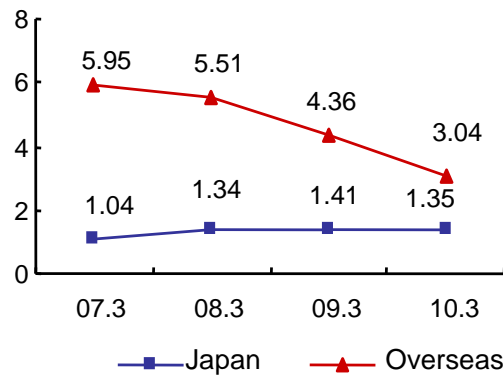
1. Overview Financial Stability (Funding Diversification)

- Maintained historical 50:50 ratio of direct and indirect funding
- Maintained stable relationships with a diversified base of more than 200 domestic and international financial institutions
- Maintained long-term debt balance resulting from aggressive long-term bond issuances in the past
- Stable domestic and overseas funding cost even after the crisis

Interest-bearing Debt
(As of March 31, 2010)



Stable Funding Cost



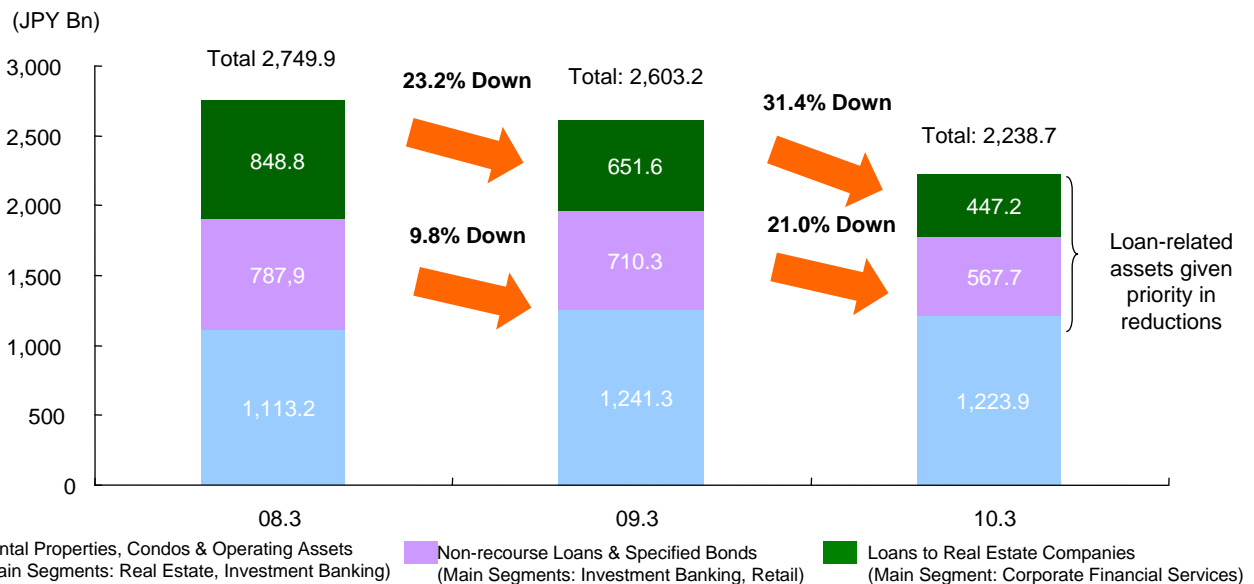
* Funding costs = Interest expense / Average balance of total debt and deposits



1. Overview Enhanced Risk Management

- Particularly enhanced the risk management of real estate-related assets
- Loan-related assets given priority in asset reductions
- Have sufficient strength to wait for the real estate market to recover after the crisis

Trend in Real Estate-Related Assets



1. Overview Management Policy for FY11.3

Management Policy

1. 50% Net Income increase, profitability in all segments

2. Strengthen financial stability

3. Reinforce risk management

4. Pursue further sophistication of expertise

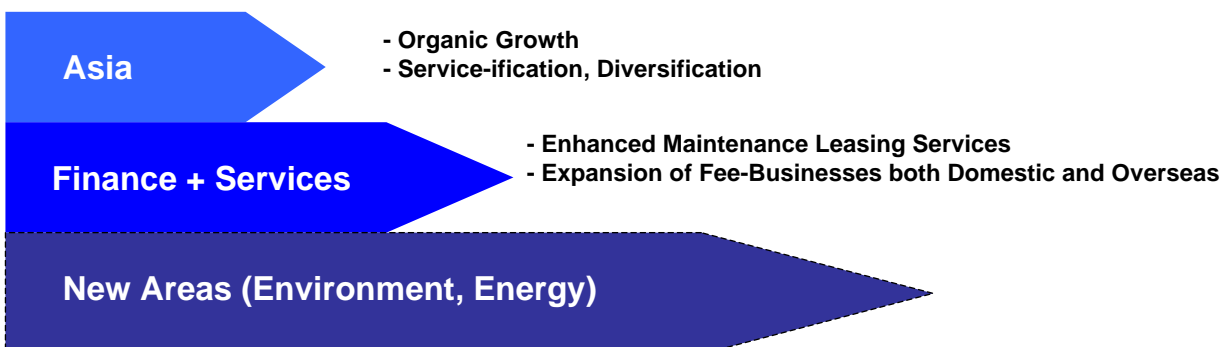


Net Income forecast for 11.3: 57bn, mid-term target: ROE 10%



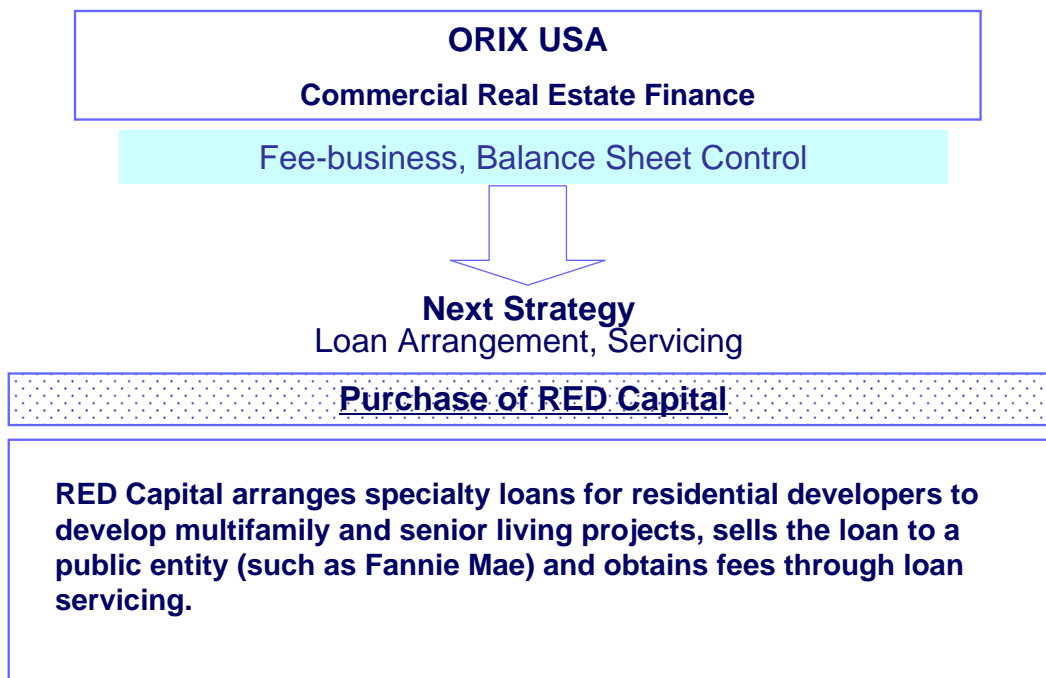
1. Overview Toward the Next Growth Stage

- Profit contributions expected from Asia in 1 to 2 years, “Finance + Services” in 2 to 3 years.
- New areas (Environment, Energy) are forecasted to become businesses in about 5 years.



1. Overview Ex. 1: Expanding Fee-businesses in the U.S.

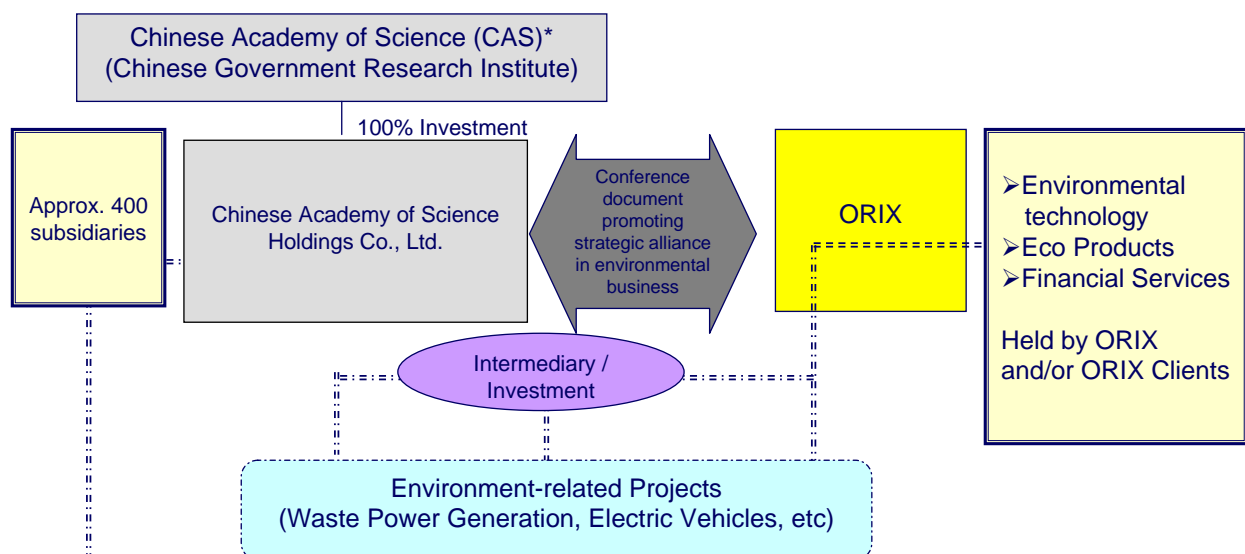
■ Capitalize on existing profound expertise to enhance “Finance + Services” for growth



1. Overview Ex. 2: Strategic Alliance in China

■ Promote strategic business alliances with strong local partners

- ORIX has entered a comprehensive tie-up with the Chinese Academy of Science, a research institute directly controlled by the Chinese government, to jointly promote environmental businesses



* Chinese Academy of Science: The Ministry in charge of science and technology in China. CAS is the top Chinese research institute for natural science and high-tech research. With approx. 400 subsidiaries, CAS has assumed a leading role in cultivating China's environmental industry. ORIX has entered into a tie-up with Chinese Academy of Science Holdings Co., Ltd., a 100% subsidiary of CAS.



2. Overview of Performance Segment Performance

- Significant profit contributions from the Overseas Business and Retail segments

(JPY Bn)	09.3	10.3	10.3 (Initial Forecast)
Corporate Financial Services	(10.5)	(17.6)	(10.0)
Maintenance Leasing	25.6	21.7	25.0
Real Estate	50.5	9.4	20.0
Investment Banking	(63.4)	(12.0)	(15.0)
Retail	9.6	31.1	20.0
Overseas Business	20.1	37.1	15.0
Segment Profit Total	31.9	69.9	55.0
Net Income	21.9	37.8	30.0

* Segment profit includes "income before income taxes and discontinued operations" as well as results of "discontinued operations" and net income attributable to the noncontrolling interests before applicable tax effect



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3-1. Corporate Financial Services / Performance

Three Year Trend in Segment Profits (JPY Bn)

	08.3	09.3	10.3
Segment Revenues	139.9	137.7	113.7
Segment Profit	35.4	(10.5)	(17.6)
Segment Assets	1,993.4	1,583.6	1,236.9
ROA	1.8%	-0.6%	-1.2%

March 31, 2010 Results

- Reduced assets, mainly real estate-related assets
- New occurrence of non-performing assets past the peak
- Significantly improved asset quality



3-1. Corporate Financial Services / Forecast

11.3 Strategy and Forecast

- Expand “Finance + Services”
 - Expand client base by enhancing cooperation with ORIX Auto and ORIX Rentec
 - Capitalize on expertise to exploit the needs of various industries and uncover new business opportunities
- Increase quality assets while continuing to strengthen credit management
- ◆ Forecast to return to profitability due to reduced provisions, increased fee-based revenue and quality assets



3-2. Maintenance Leasing / Performance

Three Year Trend in Segment Profits (JPY Bn)

	08.3	09.3	10.3
Segment Revenues	236.4	236.0	223.0
Segment Profit	37.2	25.6	21.7
Segment Assets	649.8	648.3	561.5
ROA	5.8%	3.9%	3.6%

March 31, 2010 Results

- Performed solidly in a severe environment due to ORIX Auto and Rentec expertise despite decreased profits



3-2. Maintenance Leasing / Forecast

11.3 Strategy and Forecast

- Promote Group-wide cross functional collaboration, target further expansion
- Venture in to Asia while actively promoting ORIX Auto's "Comprehensive Auto Management Service" and Rentec's "IT Asset Management Service"
- ◆ Increase assets and profits



3-3. Real Estate / Performance

Three Year Trend in Segment Profits (JPY Bn)

	08.3	09.3	10.3
Segment Revenues	288.8	270.0	189.5
Segment Profit	83.1	50.5	9.4
Segment Assets	1,077.6	1,175.4	1,079.3
ROA	8.4%	4.5%	0.8%

March 31, 2010 Results

- Maintained property yields through rental property leasing expertise and Group collaboration
- Achieved gains on sales even in the stagnant real estate market



3-3. Real Estate / Forecast

11.3 Strategy and Forecast

- Capitalize on leasing expertise to make use of the distinctive small and diversified rental property portfolio to increase occupancy and yields
- Seek various exit strategies, promote asset turnover
- Aim to create new value by promoting large projects
- ◆ Profits flat year on year given the unstable market



3-4. Investment Banking / Performance

Three Year Trend in Segment Profits (JPY Bn)

	08.3	09.3	10.3
Segment Revenues	127.2	94.6	89.6
Segment Profit	47.5	(63.4)	(12.0)
Segment Assets	1,698.5	1,321.5	1,166.7
ROA	3.1%	-4.2%	-1.0%

March 31, 2010 Results

- Decreased the non-recourse loan balance by cooperating with the real estate and corporate financial services segments
- Decreased losses from major investments



3-4. Investment Banking / Forecast

11.3 Strategy and Forecast

- Capitalize on the highly-rated & high-share servicer function
 - Acquire CMBS related profit opportunities
 - Strengthen the corporate rehabilitation business
- Actively pursue selective equity investment
- ◆ Return to profitability due to minimal risk of loss from major investments



3-5. Retail / Performance

Three Year Trend in Segment Profits (JPY Bn)

	08.3	09.3	10.3
Segment Revenues	198.9	183.3	155.9
Segment Profit	27.5	9.6	31.1
Segment Assets	1,450.2	1,554.0	1,578.8
ROA	1.9%	0.6%	2.0%

March 31, 2010 Results

- Life Insurance premiums and related investment income significantly increased, with pre-tax income exceeding 10bn yen
- Trust and Banking increased assets in line with further diversification of lending



3-5. Retail / Forecast

11.3 Strategy and Forecast

Life Insurance

- Expand business by developing distinctive “third sector” (medical and cancer insurance) products and enhancing the agencies channel

Trust and Banking

- Continue to expand corporate lending

- ◆ Further profit expansion as the Life Insurance business is now in the growth stage
- ◆ Increased segment profits, excluding the 10.3 gain on the sale of the card loan business and securities brokerage



3-6. Overseas Business / Performance

Three Year Trend in Segment Profits (JPY Bn)

	08.3	09.3	10.3
Segment Revenue	218.2	167.6	185.9
Segment Profits	57.9	20.1	37.1
Segment Assets	1,037.3	949.9	860.8
ROA	5.3%	2.0%	4.1%

March 31, 2010 Results

- U.S. operations have accumulated expertise and increased profits despite the financial crisis
- Stable leasing profits in Asia. Gains on sales of equity investments were also recognized, resulting in increased profits



3-6. Overseas Business / Forecast

11.3 Strategy and Forecast

U.S.

- Expand “Finance + Services” based on accumulated high expertise
- Aggressively expand operations, including future M&As

Asia

- Embrace growth in Asia. Seek out high-profit initiatives, especially in China led by the Chinese HQ in Dalian

- ◆ Maintain high segment profits



APPENDIX

4. Appendix: (1) Fortified Financial Positioning - Funding

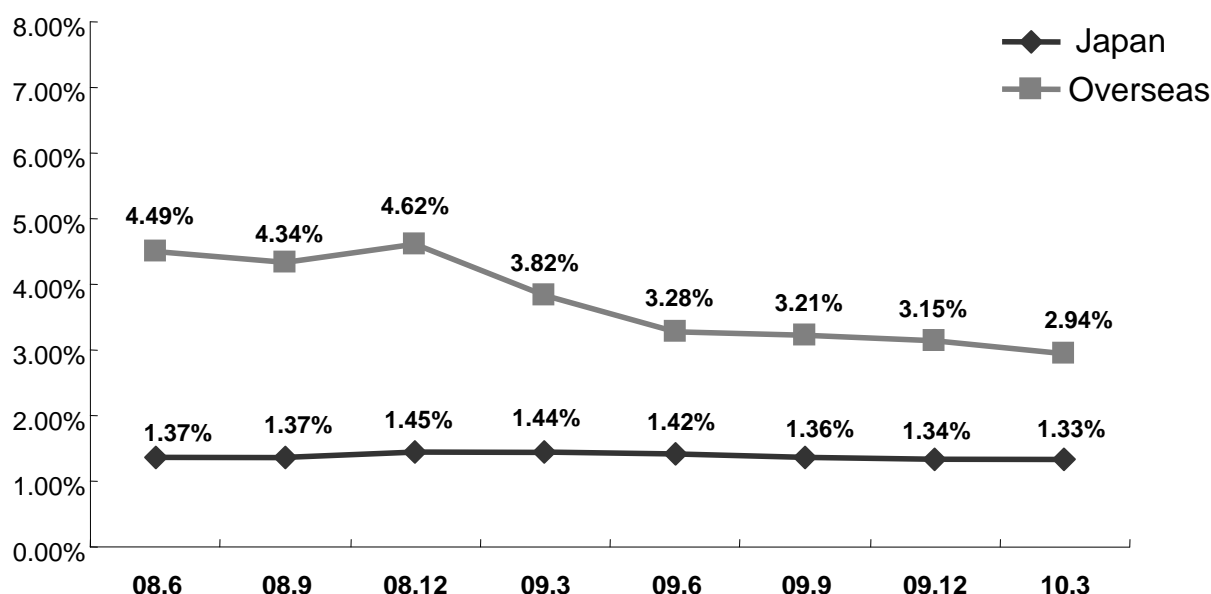
- Steadily reduced interest-bearing debt through sufficient cash flow and capital increase
- Maintain sufficient liquidity on hand by increasing cash on hand and available commitment lines

	(JPY Bn)	09.3	Change	10.3	10.3 (Initial Forecast)
D/E Ratio *		4.5x	(1.1x)	3.4x	Below 4x
CP		226.0	56.8	282.8	230.0
Borrowings from Financial Institutions		3,244.8	(659.2)	2,585.6	2,820.0
Bonds/MTN		1,422.2	(83.0)	1,339.2	1,160.0
ABS		359.0	(156.8)	202.2	240.0
Subtotal		5,252.0	(842.2)	4,409.8	4,450.0
Deposits		667.6	185.7	853.3	860.0
Interest-bearing Debt		5,919.6	(656.5)	5,263.1	5,310.0
Long-term Debt Ratio		85%	-	87%	81%
Shareholders' Equity		1,167.5	131.2	1,298.7	
Available Commitment Line		270.5	115.4	385.9	270.0
Cash		460.0	179.1	639.1	300.0

*Excludes deposits of ORIX Trust and Banking

4. Appendix: (1) Fortified Financial Positioning – Trend in Funding Costs

- Funding costs are following a stable trend



* Funding costs = Interest expense / Average balance of total debt and deposits

* As overseas loans are calculated on a yen basis, figures are subject to varying quarter-end exchange rates

* Interest expense reflects figures before reclassification to earnings from discontinued operations



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4. Appendix: (1) Fortified Financial Positioning -Asset Reduction-

- Total assets reduced approx. 630.0 billion yen, mainly from debt-related assets in the Corporate Financial Services and Investment Banking segments, achieving the initial fiscal year forecast

	(JPY Bn)	09.3	Change	10.3	Change vs. Forecast	10.3 Initial Forecast
Corporate Financial Services		1,583.6	(346.7)	1,236.9	(63.1)	1,300.0
Maintenance Leasing		648.3	(86.8)	561.5	(88.5)	650.0
Real Estate		1,175.4	(96.1)	1,079.3	(20.7)	1,100.0
Investment Banking		1,321.5	(154.8)	1,166.7	(133.3)	1,300.0
Retail		1,554.0	24.8	1,578.8	28.8	1,550.0
Overseas Business		949.9	(89.1)	860.8	(39.2)	900.0
Total Segment Assets		7,232.7	(748.8)	6,483.9	(316.1)	6,800.0
Total Assets		8,369.7	(629.9)	7,739.8	(10.2)	7,750.0



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4. Appendix:(2) Bolster Real Estate Risk Management: Main Points

- Cautiously seek exits, aim to replace with quality assets

(JPY Bn)

Type of Business	Main Segment	09.3	Change	10.3	Progress	10.3 (Initial Forecast)
Loans to Real Estate Companies	Corporate Financial Services	651.6	(204.4)	447.2	155%	520.0
Non-recourse Loans Specified Bonds	Investment Banking	710.3	(142.6)	567.7	76%	522.2
Rental Properties		82.2	62.4	144.6	71%	170.0
Real Estate Investment Residential Development	Real Estate	1,159.1	(79.8)	1,079.3	135%	1,100.0
Total		2,603.2	(364.5)	2,238.7	125%	2,312.2



4. Appendix: (2) Bolster Real Estate Risk Management Non-Recourse Loans and Specified Bonds in the Investment Banking Segment

- Diversified collateral. Around 85% in three main metropolitan areas

NRL and Specified Bond Collateral Assets by Type and Location

(JPY Bn)	Balance					Total (Real Estate Collateral)
	Tokyo 23 Wards	Tokyo Metro Area	Osaka Nagoya	Other		
Office Buildings	75.4	32.7	7.9	2.8	118.8	Collateral by property specification 2.0 billion yen from non-property collateral
Residential	55.3	6.4	13.1	25.9	100.7	
Commercial Facilities, Hotels	65.3	15.4	24.8	23.2	128.8	
Logistics Centers	0.0	14.3	0.0	0.0	14.3	
Other	10.0	7.0	5.6	6.5	29.1	
Total	206.0	75.9	51.5	58.4	391.7	

Redemption Schedule

	10/4-11/3	11/4-12/3	12/4-13/3	13/4-	Forfeit upon maturity*	Total
Senior	97.8	64.1	52.7	24.5	41.9	281.0
Mezzanine (ORIX Group holds senior portion)	19.2	6.9	11.6	1.3	0.0	39.0
Mezzanine	19.5	20.3	23.1	5.0	5.8	73.8
Total	136.5	91.3	87.4	30.8	47.6	393.7

*Loans forfeited upon maturity are uncollected loans upon maturity and total balance is recognized as "loans individually evaluated for impairment".



4. Appendix: (2) Bolster Real Estate Risk Management Non-Recourse Loans and Specified Bonds in the Investment Banking Segment

■ 9% development projects. Of these, 80% are under construction

■ All development projects in Tokyo are within the 5 main Tokyo wards* (JPY Bn)

		Balance			
		Senior	Mezzanine (ORIX Group holds the senior portion)	Mezzanine	Total
Development NRL	Not Started	0.0	0.0	7.5	7.5
	Under Constr.	18.0	0.0	10.5	28.5
	subtotal	18.0	0.0	18.0	36.0
Non-Development NRL		263.0	39.0	55.8	357.7
Total		281.0	39.0	73.8	393.7

(JPY Bn)

		5 Main Tokyo Wards*	Tokyo Metro Area	Osaka Nagoya	Other	Total
Development NRL	Not Started	7.5	0.0	0.0	0.0	7.5
	Under Constr.	22.7	0.0	5.8	0.0	28.5
Total		30.2	0.0	5.8	0.0	36.0

5 Main Wards: Chiyoda, Chuo, Minato, Shibuya and Shinjuku



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4. Appendix: (2) Bolster Real Estate Risk Management Non-Recourse Loans and Specified Bonds in the Investment Banking Segment

■ Y125.9bn in installment loans and investment in securities reclassified under investment in operating leases

■ Shift from financing other companies toward businesses where we can manage our own revenues and risk

■ Approx 60% of held properties are in the 23 wards of Tokyo

Balance and NOI Yield (JPY Bn)

Under Lease	
Balance	108.3
NOI Yield	4.0%

*Y10.0bn are not under operation

Properties by Type and Location

(JPY Bn)

Property Type	Balance				
	Tokyo 23 Wards	Tokyo Metro Area	Osaka Nagoya	Other	Total
Office Buildings	10.8	11.4	2.2	0.0	24.4
Residential	48.6	1.3	3.1	7.2	60.2
Commercial Facilities	8.8	0.0	7.8	7.1	23.7
Total	68.2	12.7	13.1	14.3	108.3



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4. Appendix: (2) Bolster Real Estate Risk Management

Rental Properties in the Real Estate Segment

- Stable cash flows, sufficient profitability
- Over 80% in three main metropolitan areas

(JPY Bn)

Property Type	Under Lease		Under Development	Total
		NOI Yield		
Office Buildings	190.6	4.2%	123.9	314.5
Logistics Centers	46.4	6.4%	23.1	69.4
Commercial Facilities	118.3	6.8%	50.2	168.6
Rental Condos	116.3	5.2%	24.7	140.9
Other	73.7	7.5%	32.2	105.8
Total	545.2	5.6%	254.0	799.3

	Under Lease	Under Development	Total
Tokyo	170.6	111.6	282.2
Kanto (excl. Tokyo)	91.9	42.2	134.1
Osaka	100.4	55.7	156.0
Kansai (excl. Osaka)	39.1	3.3	42.4
Nagoya	22.5	15.5	38.0
Sapporo, Sendai, Fukuoka	60.6	16.9	77.5
Other	60.1	8.9	69.0
Total	545.2	254.0	799.3

Market Environment

- Increase in office building vacancy rates, rents continue to decline

Current conditions

- Rental property NOI: 5.6% (09.3: 5.7%, 09.9: 5.7%)
- Vacancy rate: 4.4% (09.3: 5.7%, 09.9: 6.2%)

Policies

- Continued strengthening of leasing operations
 - Target vacancy rate below 5%
- Continue sales of rental properties



4. Appendix: (2) Bolster Real Estate Risk Management

Condos and Operating Properties in the Real Estate Segment

Condominium-related Assets

- Re-start new development projects in response to changes in the operating environment
- 142.4 billion in Condo assets.

	Number of Projects	Total Units	Contracted Units	Non-contracted Units (Completed Inventory)
Units available for sale	27	2,284	1,541	742 (421)
Under development*	60		-	-
	87			

*Excluding "available for sale" units

Main Operating Assets

Property Type	Total (Billions of yen)
Golf Courses	61.5
Training Centers	21.7
Hotels	17.7
Japanese Inns	8.1
Other	19.3
Total	128.3

Condominium Business

Market Environment

- Recovery of condo contract rate due to reduced condo supply
- Decline in construction price
- Decrease in the number of competitors

Current condition

- Decreased condo-related assets (Down Y21.7 bn from end of March)
- Sufficiently control completed inventory levels

Policy

- Start new projects in response to changing operating environment

Forecast

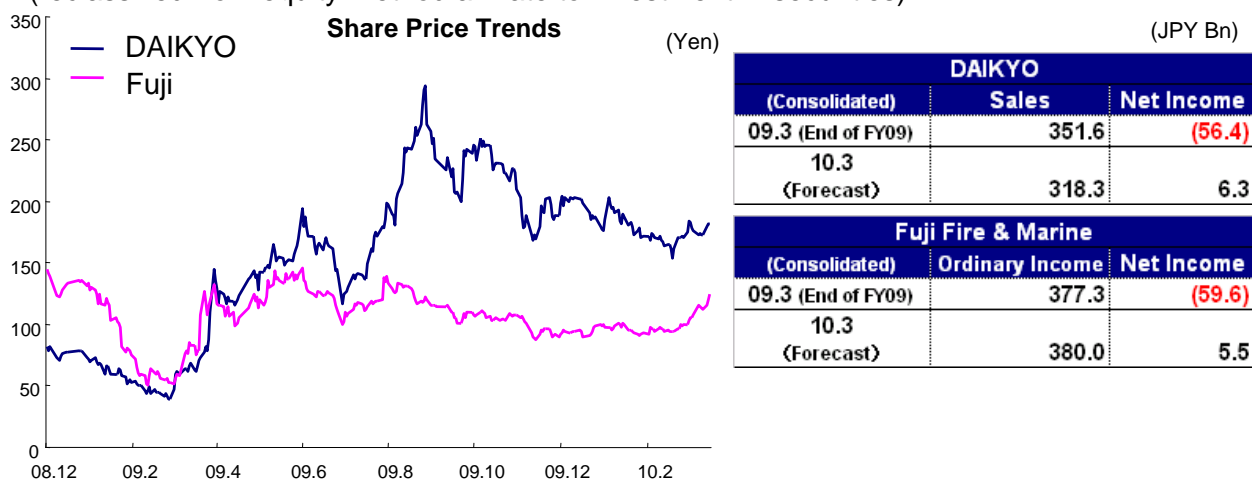
- Assets remain flat as new projects started, including the purchase of properties
- Maintain sales price in line with market recovery



4. Appendix: (3) Enhanced Monitoring of Investments

Business Conditions of Companies Invested In

- Significant improvement seen in both companies' financial stability and performance in 10.3, low risk of additional impairment
- Third-party allotment to AIU Group by Fuji Fire & Marine. ORIX holding below 15% (reclassified from equity-method affiliate to investment in securities)



Source: Company disclosures



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4. Appendix: (3) Condition of Market-related Assets -Investment in Securities-

- Significant decrease in realized losses, unrealized gains back in the black (JPY Bn)

	Asset Balance		Unrealized Gains (Losses)		Realized Losses ^{*3}	
	09.3	10.3	09.3	10.3	09.3	10.3
Trading Securities	7.4	49.6	-	-	(13.1)	8.8
Available-for-Sale Securities	729.3	845.2	(8.7)	12.0	(5.5)	(3.8)
Gov't Municipal Bonds	87.2	165.7	0.1	0.5	1.8	1.7
Corporate Debt Securities	151.0	199.3	(7.1)	(0.6)	(0.7)	(0.5)
Equity Securities	45.5	84.6	2.8	13.1	(3.6)	0.8
CMBS/RMBS (U.S.)	72.1	64.0	(3.8)	0.3	(1.2)	(2.5)
Specified Bonds ^{*1}	300.8	246.3	(1.7)	(3.4)	(0.2)	(1.0)
Others	72.8	85.4	1.0	2.2	(1.7)	(2.2)
Held to Maturity Securities	0.0	43.7	-	-	-	-
Other Securities ^{*2}	189.5	165.6	(0.1)	(0.1)	(22.1)	(13.8)
Total	926.1	1,104.2	(8.8)	11.9	(40.7)	(8.8)

*1 Specified bonds are debt securities issued by SPEs, which are equivalent to non-recourse loans

*2 "Other Securities" is mainly comprised of unmarketable securities, preferred securities and investment funds

*3 Realized gains (loss) consist of gains (loss) from sales of securities in addition to gains (loss) in short term trading securities and write-downs of securities of available-for-sale securities and others



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4. Appendix: (3) Condition of Market-related Assets –Overseas / U.S.-

■ U.S. operations continuing to generate profits despite stagnant real economy in the U.S.

■ Enhanced monitoring of the CMBS portfolio

Performance			(JPY Bn)	
	09.3	10.3	Balance (10.3)	
Segment Revenues	68.1	96.9	Installment Loans 209.2	
Segment Profit	3.2	18.7	Investment Securities 150.2	
Provisions	(1.7)	(6.9)	Direct Financing Leases, Real Estate, etc. 48.3	
Segment Assets	441.7	407.7	Total 407.7	

Investment in Securities	Asset Balance (10.3)				Unrealized Gains (Losses) ^{*1}		Realized Gains (Losses) ^{*2}	
	Available for Sale	Trading	Other	Total	09.3	10.3	09.3	10.3
					CMBS/RMBS	64.0	0.0	0.0
HY Bonds	3.6	6.6	0.0	10.2	(0.5)	(0.4)	(7.8)	4.0
Other (Municipal Bonds, etc.)	15.2	43.0	17.9	76.1	(1.1)	2.1	(3.4)	7.2
Total	82.8	49.6	17.9	150.2	(5.4)	2.0	(17.0)	8.7

*1 Unrealized gains (losses) are valuation gains (losses) on available for sale securities.

*2 Realized gains (losses) consists of gains from sales of securities in addition to gains (losses) in short term trading securities and valuation losses of available-for-sale securities and others.



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4. Appendix: (4) Credit Cost

■ 71.5 billion yen of provisions, 92% of 78.0 billion full-year forecast

		(JPY Bn)				
Credit Cost		09.1-3	09.4-6	09.7-9	09.10-12	10.1-3
Provisions for Doubtful Receivables and Probable Loan Losses						
Direct Financing Leases		3.7	1.1	1.2	0.9	1.7
Loans Not Individually Evaluated for Impairment		2.1	2.5	3.2	(0.1)	3.4
Loans Individually Evaluated for Impairment		20.9	8.8	22.7	8.5	17.6
Provisions		26.7	12.4	27.1	9.3	22.7

		(JPY Bn)				
Asset Quality		09.3	09.6	09.9	09.12	10.3
90+ Days Past-Due Direct Financing Leases		27.9	29.8	26.8	27.0	25.7
90+ Days Past-Due Loans Not Individually Evaluated for Impairment		17.9	18.7	11.8	12.5	12.3
Loans Individually Evaluated for Impairment		449.7	444.5	389.2	382.7	348.1
Impaired Loans Requiring Valuation Allowance ^{*1}		262.1	272.3	279.2	269.3	268.1
Valuation Allowance ^{*2}		89.2	96.3	103.5	100.7	100.3

*1 When the expected amount upon collection (including collection from collateral) is less than the loan balance, the total loan balance is recognized under "Impaired Loans Requiring Valuation Allowance"

*2 The total amount estimated to be uncollectible of an "Impaired Loan Requiring Valuation Allowance" is accounted for as "Valuation Allowance"



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4. Appendix: (4) Corporate Financial Services Credit Cost

- Provisions Charged to Income remain high
- Loans Individually Evaluated for Impairment significantly decreased since the fourth quarter of the previous fiscal year

(JPY Bn)

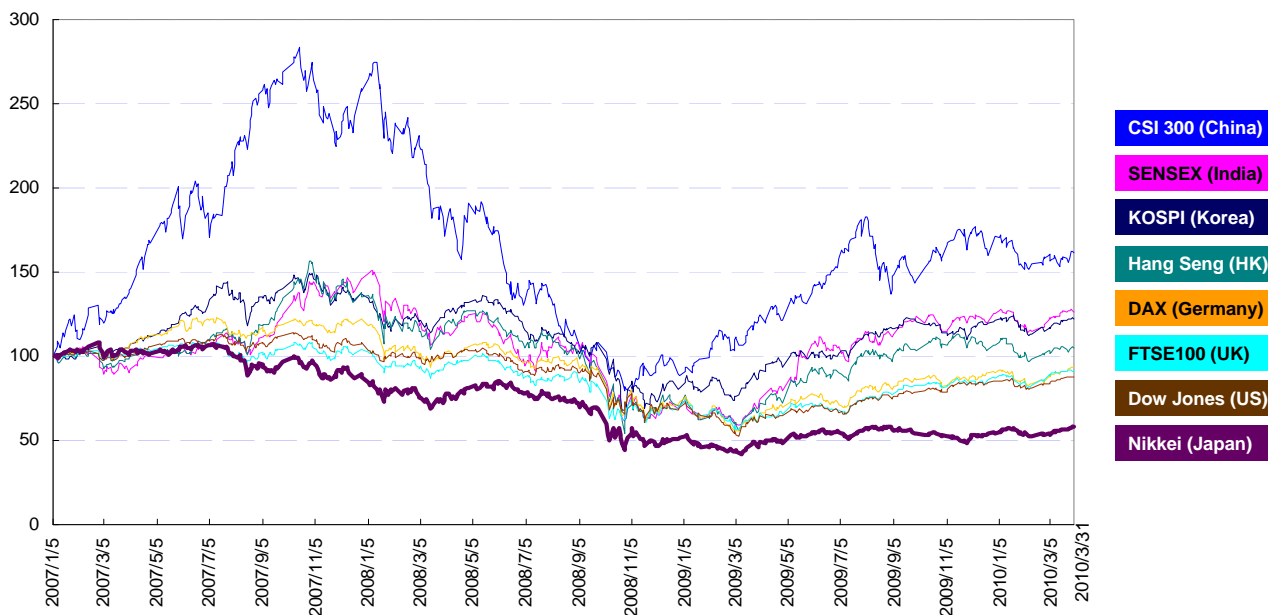
	08.10-12	09.1-3	09.4-6	09.7-9	09.10-12	10.1-3
Investment in Direct Financing Leases	416.6	387.6	343.8	328.7	322.8	307.7
90+ Days Past-Due Direct Financing Leases	19.8	22.5	23.8	21.0	21.1	20.0
Installment Loans	1,235.6	1,107.7	1,046.9	958.4	887.2	825.5
Loans Individually Evaluated for Impairment	290.7	256.5	254.8	227.4	220.6	212.3
incl. New Occurrences	91.6	54.0	20.5	7.2	26.3	20.0
Impaired Loans Requiring Valuation Allowance	142.4	157.2	159.4	175.4	160.0	164.8
Valuation Allowance	36.3	50.1	54.0	59.8	57.4	59.7
Provisions Charged to Income	13.2	16.5	5.8	16.9	5.4	12.8

Macro Economy

Stock Market

The Japanese stock market may be oversold

Performance of Major Stock Markets since January 2007



Source: Bloomberg



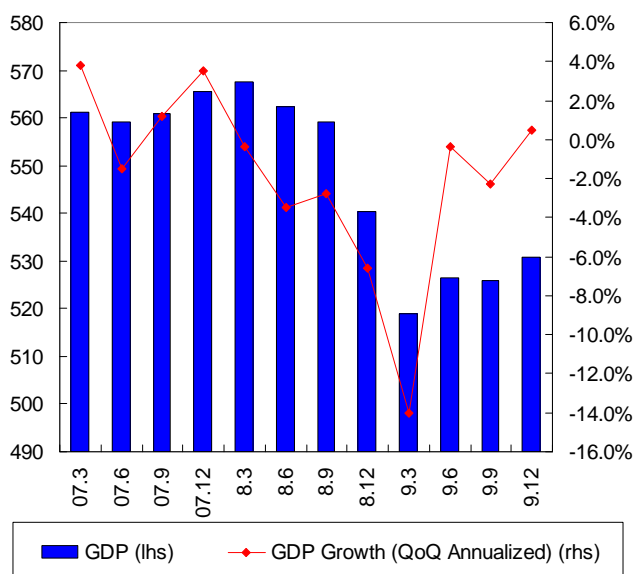
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Macro Economic Indicators

Deflationary pressures present in the Japanese economy

Real GDP Growth in Japan

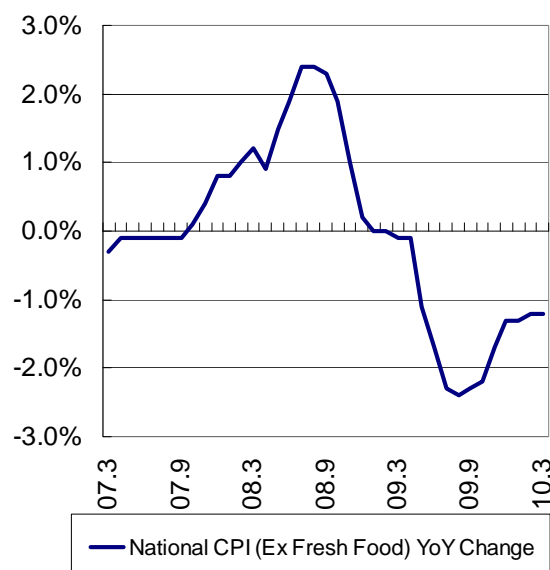
(QoQ Change)



Source: Economic and Social Research Institute, Cabinet Office

National CPI (Ex Fresh Food)

(YoY Change)



Source: Ministry of Internal Affairs and Communications

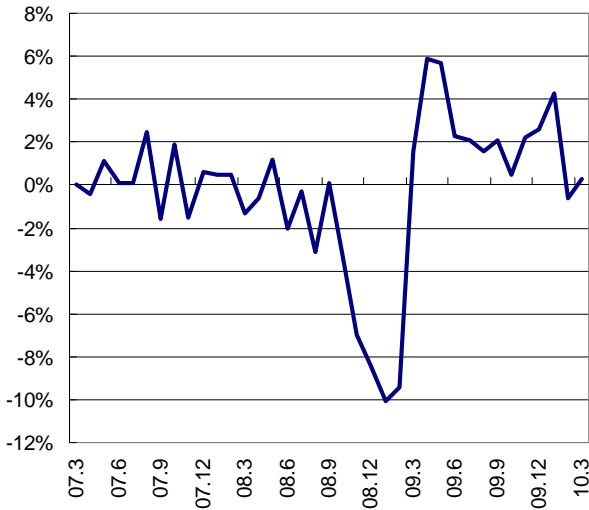


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Industrial Indices

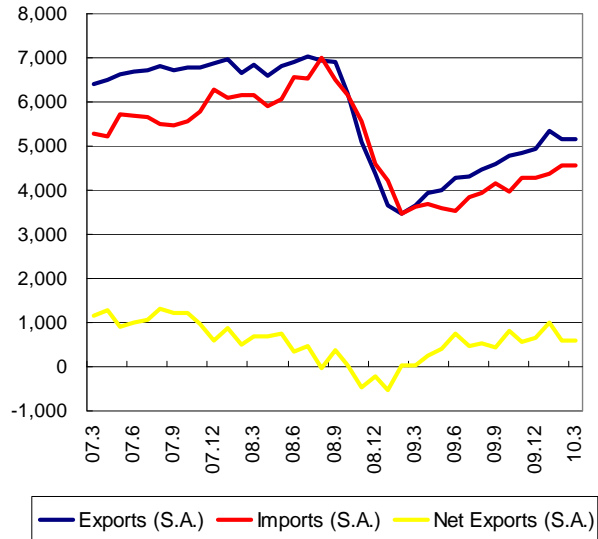
Industrial Production and Net Exports returning after a period of inventory adjustment

Industrial Production
(Month on Month Change)



Source: Ministry of Economy, Trade and Industry

(Billions of yen) **Exports / Imports**



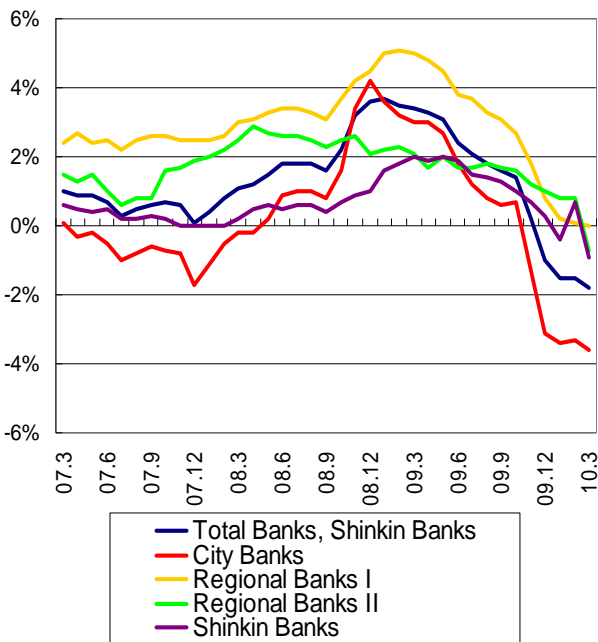
Source: Ministry of Finance



Bank Lending in Japan

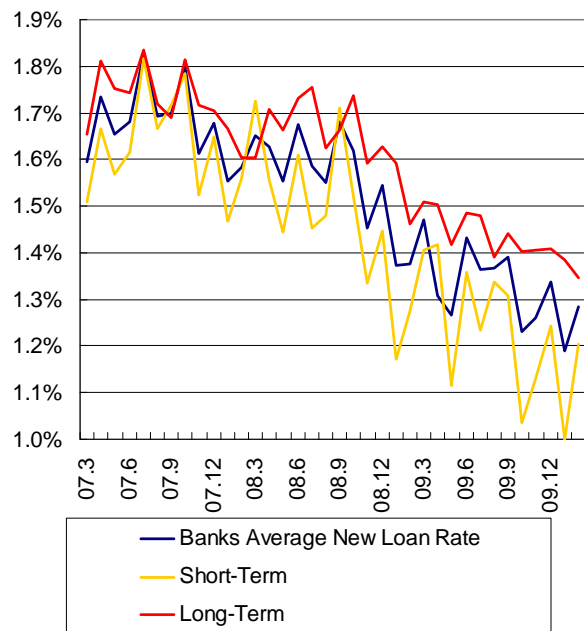
Banks are maintaining a cautious stance toward lending

Bank Lending in Japan (YoY Change)



Source: Bank of Japan

Japanese Banks' Average New Loan Rates

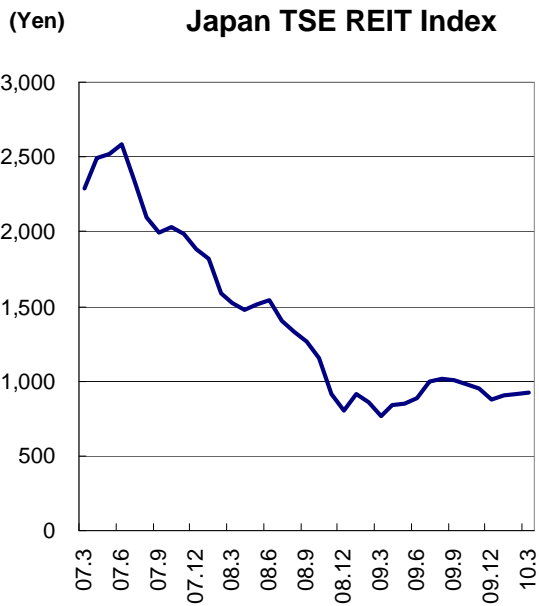


Source: Bank of Japan

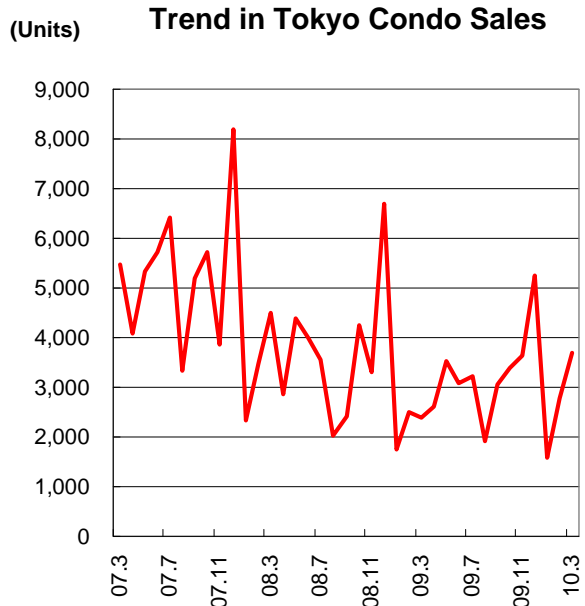


REIT Performance and Condo Sales in Japan

The real estate market remains sluggish



Source: Tokyo Stock Exchange

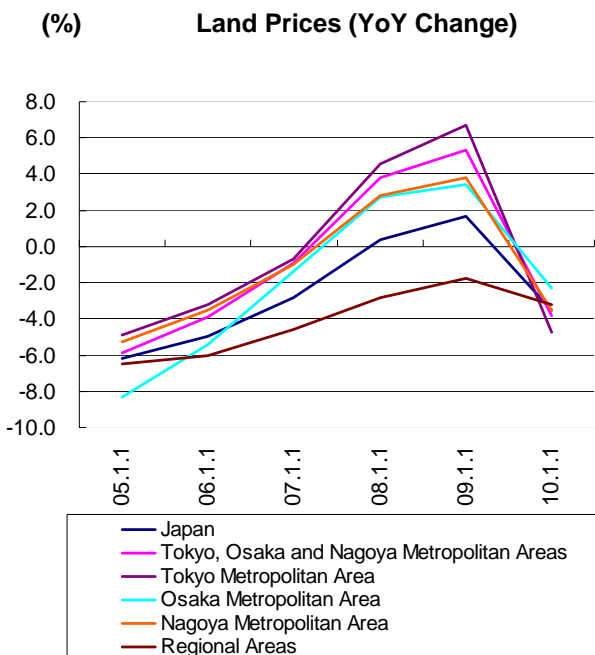


Source: Real Estate Economy Research Institute

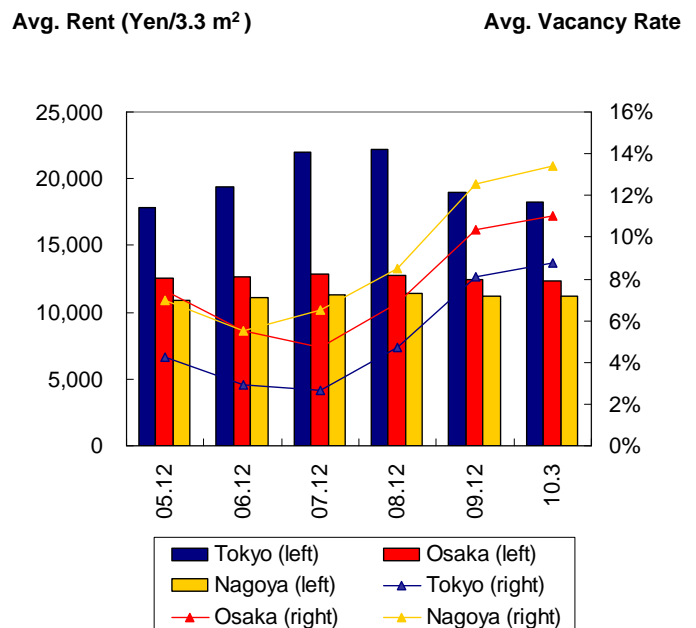


Japan Land Price Index & Office Rent/Vacancy

Land prices and rents low, vacancy rates remain high



Source: Ministry of Land, Infrastructure and Transport



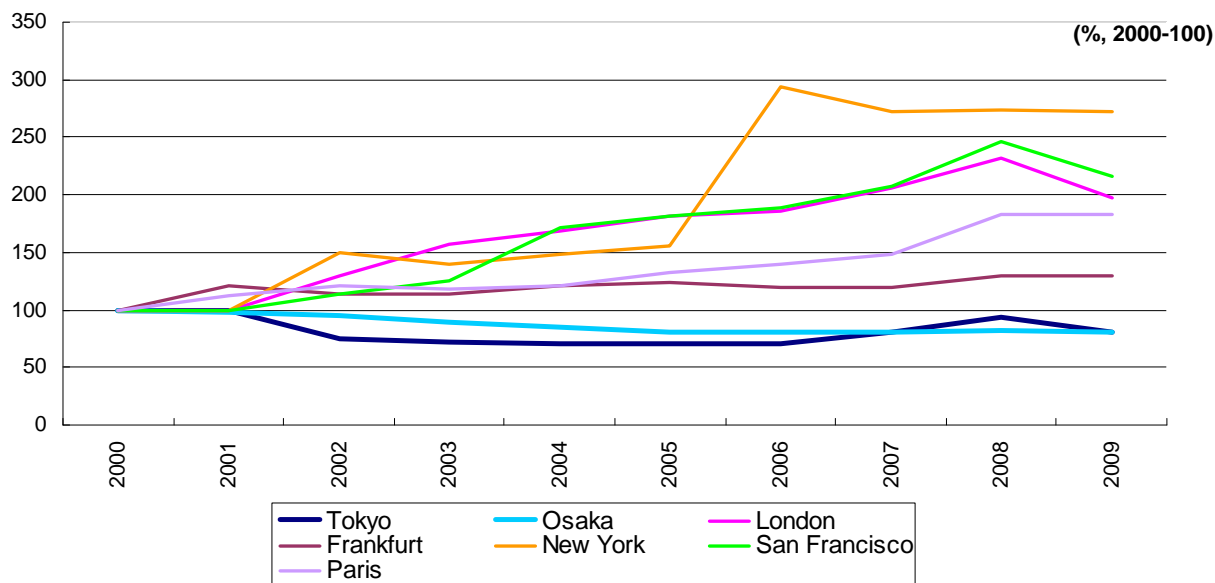
Source: Miki Shoji Co., Ltd.



Urban Land Price Comparison

Urban land prices in Japan less affected than other major cities

Japanese land prices not expected to further decrease significantly



Source: World Land Value Survey (biennial), Japan Assoc. of Real Estate Appraisal



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Additional Information

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ORIX Website: URL: http://www.orix.co.jp/grp/index_e.htm

IR Website: URL: http://www.orix.co.jp/grp/ir_e/ir_index.htm

Financial Reports: URL: http://www.orix.co.jp/grp/ir_e/data/report/index.htm

1. Annual Reports since Fiscal 2000

2. Five-Year Excel Data of Major Financial Data

3. Annual Report Filed with the U.S. SEC Form 20-F

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