



ORIX Reports Consolidated Financial Results for Q1 FY2017.3
76.8 bn yen in Net Income and ROE 13.2%
Expansion in Non-Finance Achieved and Investments in New Fields Determined

Tokyo, Japan – July 26, 2016 – ORIX Corporation (“ORIX”), a leading integrated financial services group, announced today that for the three month period ended June 30, 2016 (“the first consolidated period”), total revenues of 587.9 billion yen, a 3% decrease year on year. Income before income taxes were 118.4 billion yen, a 4% decrease year on year, and net income was 76.8 billion yen, a 6% decrease year on year. The ROE was around 13.2% which exceeds our mid-term target of 11 to 12%.

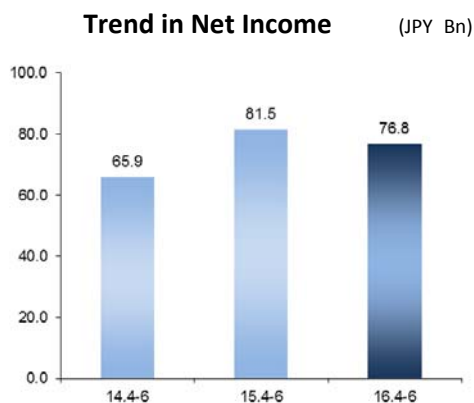
Even in the increasingly unclear economic environment caused by, for instance, the United Kingdom's recent vote to exit the European Union, services income from domestic businesses such as the environment and energy-related business which generates stable profits increased. In addition, aiming for the future growth, investments in the new fields in Japan and overseas were decided, for example, those which are to be made in Japanese veterinary pharmaceutical manufacturer and the United States' one of the largest syndicators in the LIHTC¹ industry.

■ **Trends of Major Performance Indicators**

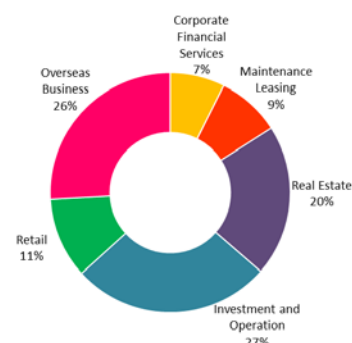
| (JPY Bn) | <u>2015.4-6</u> | <u>2016.4-6</u> | Year on Year Change (%) |
|----------------------------|-----------------|-----------------|-------------------------|
| Total Revenues | 606.1 | 587.9 | (3%) |
| Income before Income Taxes | 123.9 | 118.4 | (4%) |
| Net Income* | 81.5 | 76.8 | (6%) |
| ROE(annual basis)* | 15.0% | 13.2% | - |

| | <u>2016.3</u> | <u>2016.6</u> | Year on Year Change (%) |
|-----------------------------|---------------|---------------|-------------------------|
| Total Assets | 10,992.9 | 10,762.9 | (2%) |
| Segment Assets | 8,972.4 | 8,570.2 | (4%) |
| Shareholders' Equity* | 2,310.4 | 2,327.0 | 1% |
| Shareholders' Equity Ratio* | 21.0% | 21.6% | - |

*“Net income” and “Shareholders' equity” used in this release are the same as “Net income attributable to ORIX Corporation Shareholders” and “ORIX Corporation Shareholders' Equity” referred to in the financial statement “Consolidated Financial Results June 30, 2016.”
 “Return on Equity (ROE, annual basis)” and “Shareholders' Equity Ratio” is calculated based on “ORIX Corporation Shareholders' Equity.”



Segment Profits Breakdown (2016.4-6)



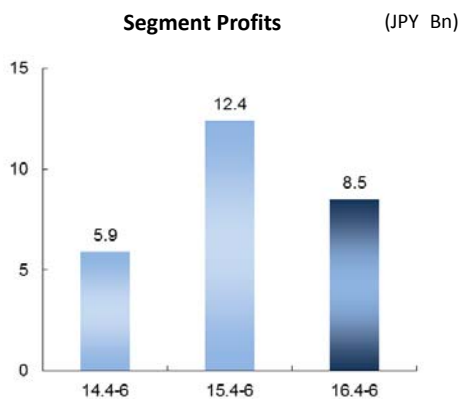
¹ The Low Income Housing Tax Credit (LIHTC) is a tax credit granted to suppliers and developers of rental housing for low income earners in the United States. The LIHTC grants a 10-year tax credit based on certain conditions for investment in the building or renovation of rental housing aimed at low income earners by private sector businesses.

■ Summary of Segment Performance (April 1, 2016 to June 30, 2016)

During the first consolidated period, the Real Estate and the Investment and Operation segments generated higher profits compared to the same period of the previous fiscal year. In addition, services income in the Corporate Financial Services and Maintenance Leasing segments increased. In the Retail segment, each subsidiary's income excluding investment losses due to fluctuations in market prices increased. Although assets and profits of the Overseas Business segment in yen terms decreased due to the rise in the yen's value.

Corporate Financial Services

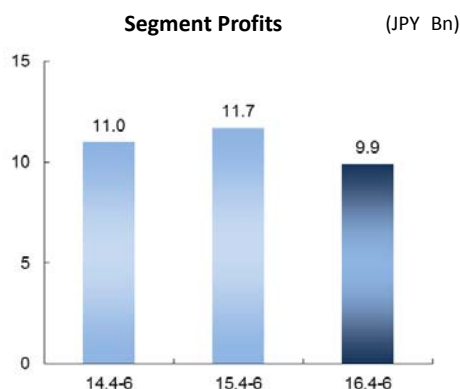
(Lending, leasing and fee business)



- Service income including revenues from Yayoi which was acquired in December 2014 increased.
- In the same period of the previous fiscal year, a gain on sales of investment securities of investees was recognized (approximately 3 bn yen).
- Segment profits decreased 31% y/y to 8.5 bn yen.

Maintenance Leasing

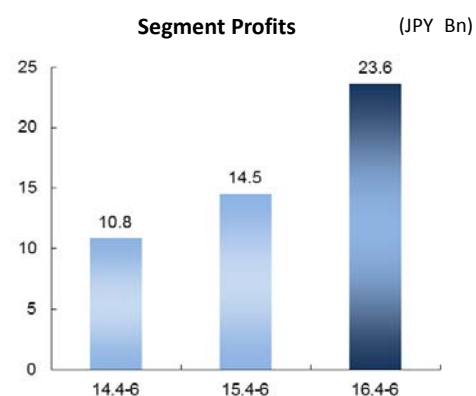
(Automobile leasing and rentals, car sharing and precision measuring equipment and IT-related equipment rentals and leasing)



- Revenues earned from value-added services such as fleet management increased steadily, despite a decrease in gains on sales of automobiles.
- Lease assets in the automobile leasing business increased.
- Segment profits decreased 15% y/y to 9.9 bn yen.

Real Estate

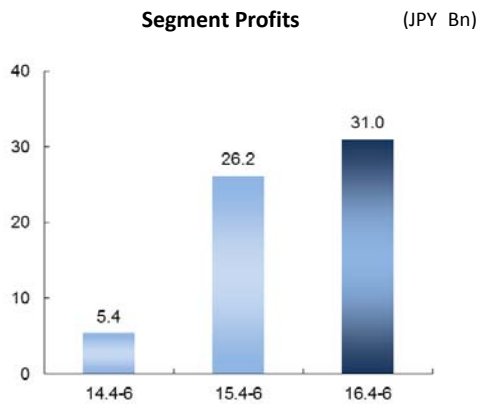
(Real estate development, rental, facility operation, REIT asset management, real estate investment and advisory services)



- The real estate market remained active, which resulted in an increase in gains on sales of rental properties.
- Segment expenses decreased due to decreased interest expenses and asset write-downs.
- Segment profits increased 63% y/y to 23.6 bn yen.

Investment and Operation

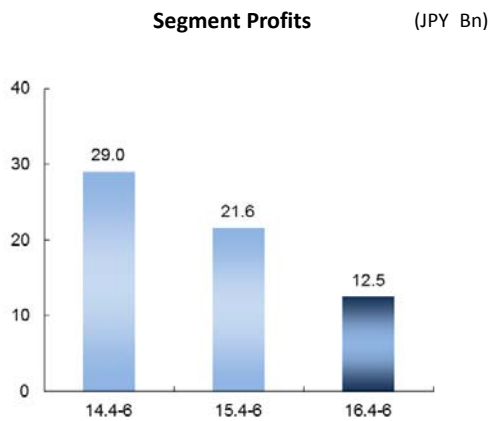
(Environment and energy-related business, principal investment, loan servicing {asset recovery} and concession businesses)



- Service income from the electric power retailing for business customers and mega-solar projects increased.
- Gains on sales of shares and bargain purchase gains from new investments were recognized.
- Segment profits increased 18% y/y to 31 bn yen.

Retail

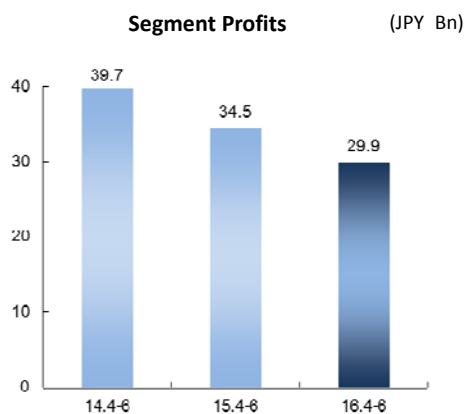
(Life insurance, banking and card loan business)



- In Q1 FY2015.3, a gain on sale of Monex Group shares (approximately 15 bn yen) was recognized.
- Excluding the impact caused by investment profits and losses as well as increases and decreases of assets of former Hartford Life Insurance K.K., profits of each subsidiary of this segment increased y/y.
- Segment profits decreased 42% y/y to 12.5 bn yen.

Overseas Business

(Leasing, lending, investment in bonds, asset management and ship- and aircraft-related operations)



- Revenues from Robeco which earned one-time gain in the same period of the previous fiscal year as well as gains on gains on investment securities decreased.
- Service income decreased as Houlihan Lokey, Inc. which was sold in August 2015 is no longer recognized as a consolidated subsidiary.
- Segment profits decreased 13% y/y to 29.9 bn yen due the impact caused by exchange rates.

ORIX will continue its pursuit of “Expansion in Non-Finance Businesses” while focusing on expanding operations through business portfolio diversification. Furthermore, ORIX aims to achieve its mid-term full year net income target of 300 billion yen by FY2018.3 through accelerating “Organic Growth” and “Investment in Key Areas” while utilizing ORIX’s strength and expertise.

For more detail, please refer to the financial statement “Consolidated Financial Results June 30, 2016” and Supplementary Information available on the ORIX website.

URL: <http://www.orix.co.jp/grp/en/ir/settlement/>

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About ORIX:

ORIX Corporation (TSE: 8591; NYSE: IX) is a financial services group which provides innovative products and services to its customers by constantly pursuing new businesses. Established in 1964, from its start in the leasing business, ORIX has advanced into neighboring fields and at present has expanded into lending, investment, life insurance, banking, asset management, automobile related, real estate and environment and energy related businesses. Since its first overseas expansion into Hong Kong in 1971, ORIX has spread its businesses globally by establishing locations in a total of 37 countries and regions across the world. Moving forward, ORIX aims to contribute to society while continuing to capture new business opportunities. For more details, please visit our website: <http://www.orix.co.jp/grp/en/>

Caution Concerning Forward Looking Statements:

These documents may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under “Risk Factors” in the Company’s annual report on Form 20-F filed with the United States Securities and Exchange Commission and under “4. Risk Factors” of the “Summary of Consolidated Financial Results” of the “Consolidated Financial Results April 1, 2015 – March 31, 2016.”