



ORIX Reports Consolidated Financial Results for Q2 FY2019.3 Net Income of 155.0 bn yen, Raise Dividend Payout Ratio to 30% for FY2019.3

Tokyo, Japan –October 26, 2018 – ORIX Corporation (“ORIX”) announced today that for the six-month period ended September 30, 2018 (“the second consolidated period”), total revenues were 1,262.0 billion yen, a 17% decrease year on year. Income before income taxes was 220.9 billion yen, a 13% decrease year on year, and net income was 155.0 billion yen, a 7% decrease year on year.

During the second consolidated period, although gains on sales of shares in Japan and net income of overseas affiliates decreased, net income showed steady progress, toward achieving the mid-term management target from this fiscal year ending March 31, 2019 (“FY2019.3”), “annual net income growth at between 4-8% .” Annualized ROE was 11.3% which exceeded our mid-term target of 11%.

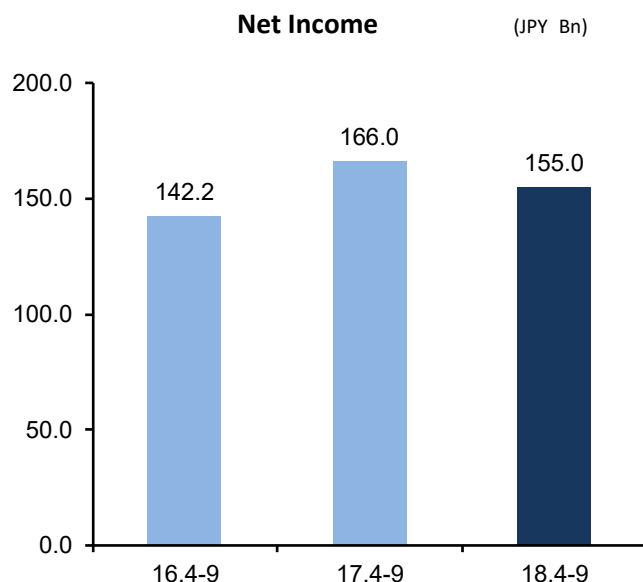
The dividend payout ratio was raised from 27% to 30% for the FY2019.3, therefore the full-year dividend is forecasted at 76 yen per share for FY2019.3.

■ Major Performance Indicators

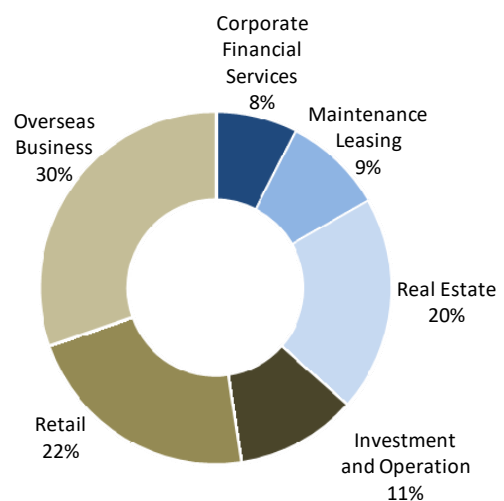
(JPY Bn)	<u>2017.4-9</u>	<u>2018.4-9</u>	Year on Year Change (%)
Total Revenues	1,517.8	1,262.0	(17%)
Income before Income Taxes	252.6	220.9	(13%)
Net Income*	166.0	155.0	(7%)
ROE(annualized)*	13.0%	11.3%	-

	<u>2018.3</u>	<u>2018.9</u>	Year on Year Change (%)
Total Assets	11,426.0	11,778.5	3%
Segment Assets	9,098.9	9,620.5	6%
Shareholders’ Equity*	2,682.4	2,804.0	5%
Shareholders’ Equity Ratio*	23.5%	23.8%	-

*“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 April 1, 2018 – September 30, 2018.” “Return on Equity (ROE, annualized)” and “Shareholders’ Equity Ratio” are calculated based on “ORIX Corporation Shareholders’ Equity.”



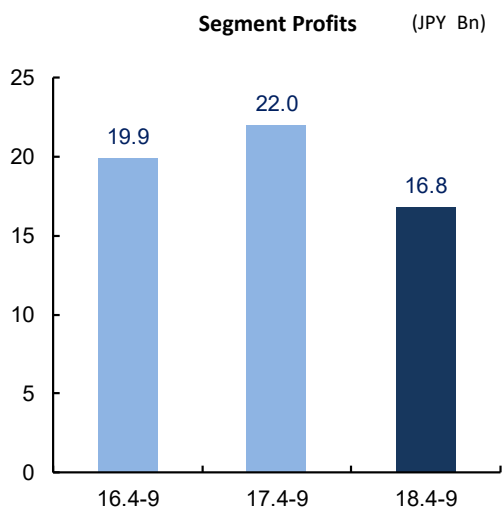
Segment Profits Breakdown (2018.4-9)



Summary of Segment Performance (April 1, 2018 to September 30, 2018)

Corporate Financial Services

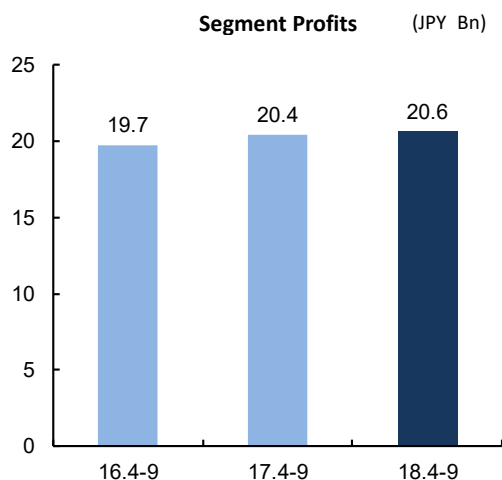
(Loan, leasing and fee business)



- Services income increased due to our stable fee businesses, despite a decrease in finance revenues in line with decreases in average investment balance in direct financing leases and installment loans.
- In the same period of the previous fiscal year, gains from selling shares of affiliates and investment securities were recognized.
- Segment profits decreased 24% YoY to 16.8 bn yen.

Maintenance Leasing

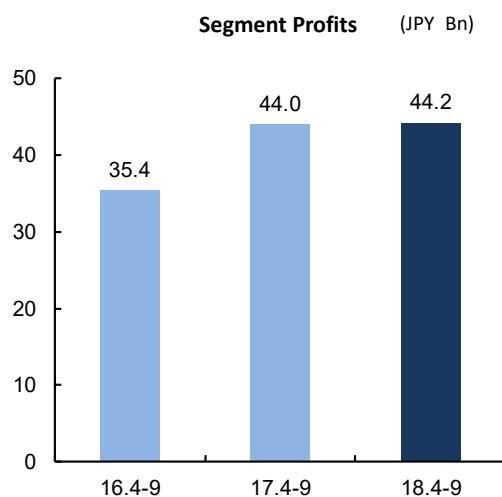
(Automobile leasing and rentals, car-sharing, and test and measurement instruments and IT-related equipment rentals and leasing)



- Lease assets in the automobile leasing business steadily increased.
- Revenues from test and measurement instruments and IT-related equipment rentals business increased YoY.
- Segment profits increased 1% YoY to 20.6 bn yen.

Real Estate

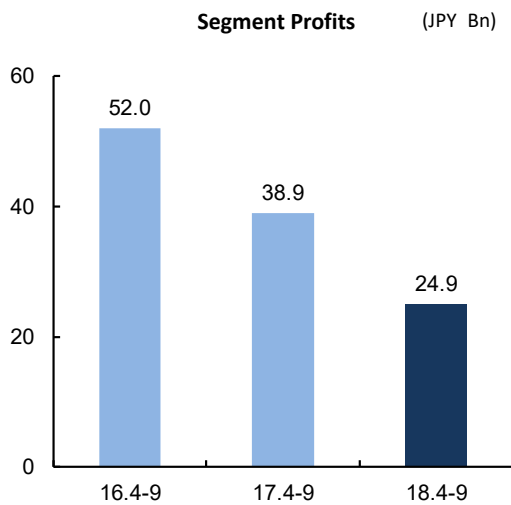
(Real estate development and rental, facility operation, REIT asset management, and real estate investment and advisory services)



- Gains on sales of properties were comparable to the same previous fiscal year, amid an active real estate market.
- New hotels opened in Okinawa, Osaka and Kyoto.
- Segment profits were 44.2 bn yen, the same level as the same period of the previous fiscal year.

Investment and Operation

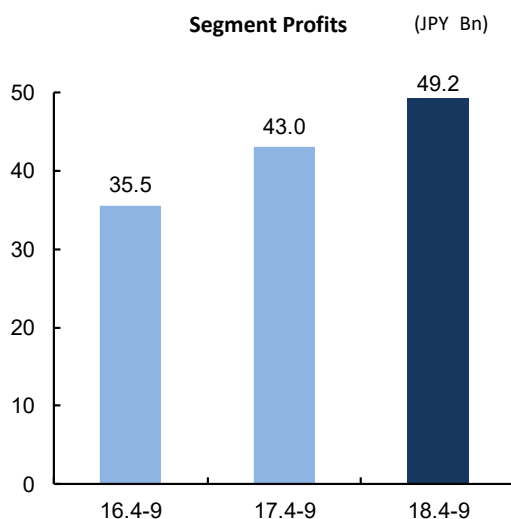
(Environment and energy, principal investment, loan servicing (asset recovery) and concession)



- Profits decreased due to decreases in gains on sales of shares and in net income of affiliates.
- The mega-solar plants under operation steadily increased.
- Segment profits decreased 36% YoY to 24.9 bn yen.

Retail

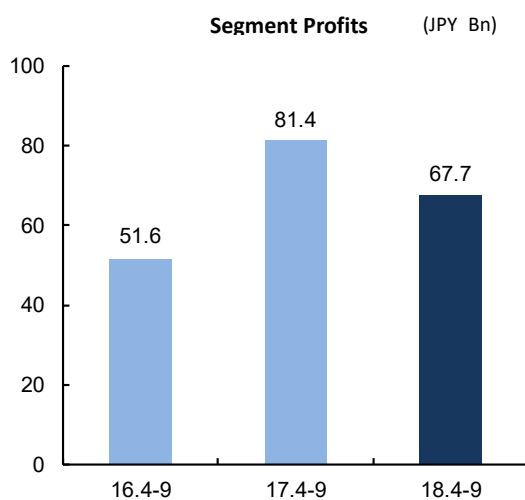
(Life insurance, banking and card loan)



- Revenues from life insurance premiums increased due to an increase in in-force policies.
- In banking business, finance revenues increased in line with an increase in installment loans such as housing loan.
- Segment profits increased 14% YoY to 49.2 bn yen.

Overseas Business

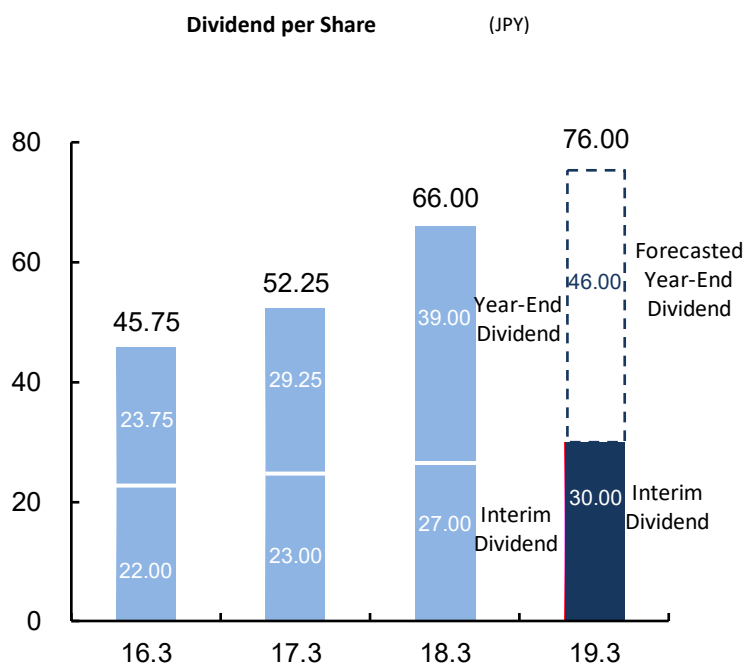
(Leasing, loan, bond investment, asset management and aircraft- and ship-related operations)



- The Americas business and aircraft business marked solid performance.
- Profits decreased due to a decrease in net income of affiliates in India.
- Segment profits decreased 17% YoY to 67.7 bn yen.

■ **Interim Dividend and Dividend Payout Ratio for the Fiscal Year Ending March 31, 2019**

The interim dividend was formally determined at 30 yen per share in FY2019.3 at the meeting of the Board of Directors held today. The dividend payout ratio was raised from 27% to 30% for FY2019.3, therefore the full-year dividend is forecasted at 76 yen per share for FY2019.3. The year-end dividend for this fiscal year is going to be determined in consideration of the optimal balance of securing capital for investment in future profit growth and the making of stable and sustainable distribution of dividends to shareholders.



For more detail, please refer to the financial statement “Consolidated Financial Results April 1, 2018 – September 30, 2018” and Supplementary Information available on the ORIX website.

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

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About ORIX:

ORIX Corporation (TSE: 8591; NYSE: IX) is an opportunistic, diversified, innovation-driven global powerhouse with a proven track record of profitability. Established in 1964, ORIX at present operates a diverse portfolio of businesses in the operations, financial services, and investment spaces. ORIX’s highly complementary business activities span industries including: energy, private equity, infrastructure, automotive, ship and aircraft, real estate and retail financial services. ORIX has also spread its business globally by establishing locations in a total of 38 countries and regions across the world. Through its business activities, ORIX has long been committed to corporate citizenship and environmental sustainability. For more details, please visit our website: <https://www.orix.co.jp/grp/en/>

(As of September 30, 2018)

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 that 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 “1. Summary of Consolidated Financial Results” of the “Consolidated Financial Results April 1, 2017 – March 31, 2018.”