



Answers,  
Custom Fit.

# ORIX Corporation

Consolidated Financial Results

For the Consolidated Fiscal Year Ended March 31, 2018

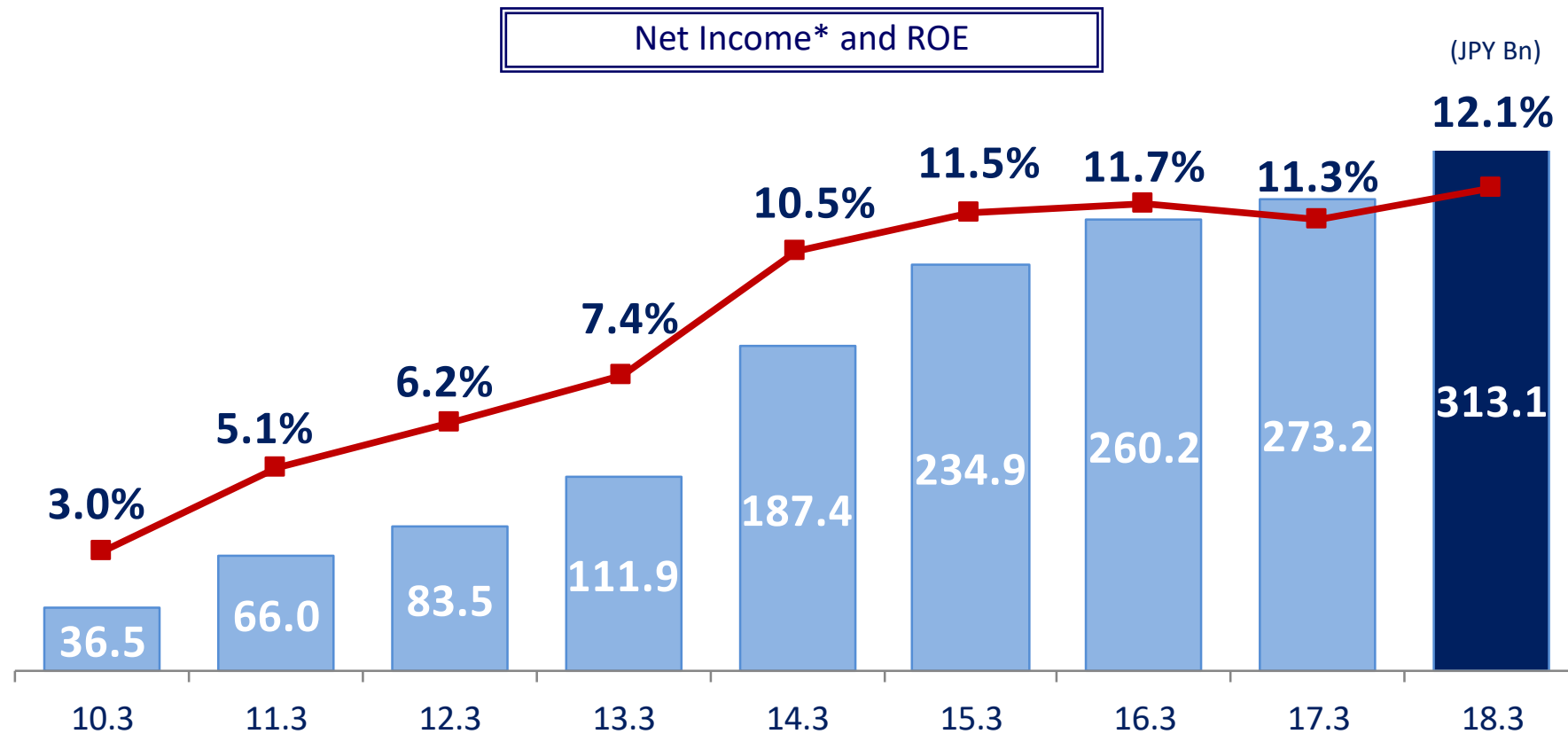
Makoto Inoue	Director, Representative Executive Officer President & CEO
Kazuo Kojima	Director, Representative Executive Officer Deputy President
Hitomaro Yano	Executive Officer Head of Treasury and Accounting Headquarters

May 10, 2018

(TSE: 8591; NYSE: IX)

# Overview (1)

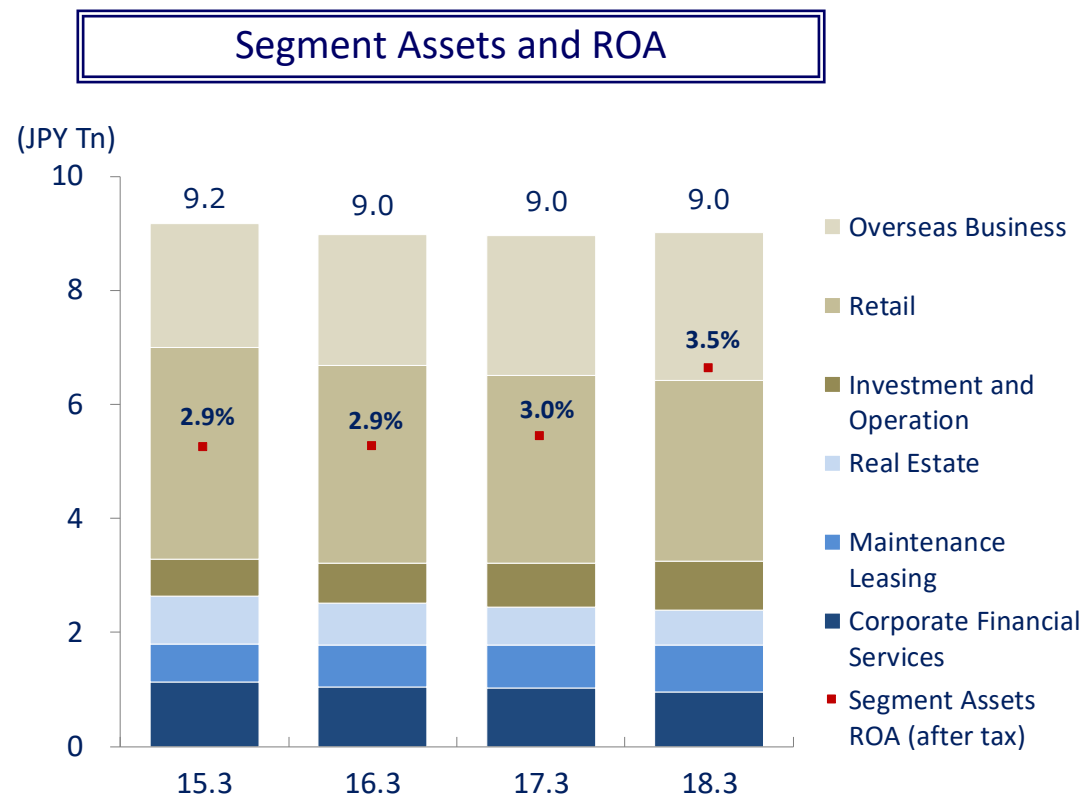
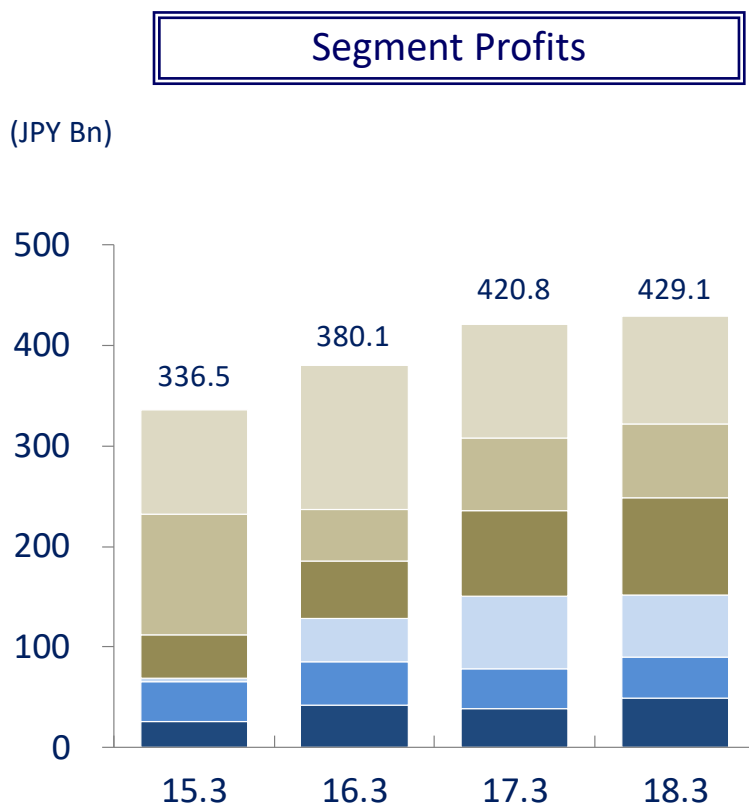
- ✓ 313.1bn yen in net income, up by 15% YoY
- ✓ New record high in four consecutive years and growth in nine consecutive years
- ✓ ROE at 12.1%



\*Net Income refers to Net Income Attributable to ORIX Corporation Shareholders

# Overview (2)

- ✓ Segment Profits at 429.1bn yen, up by 2% YoY
- ✓ Segment Assets at 9,017.3bn yen, flat YTD



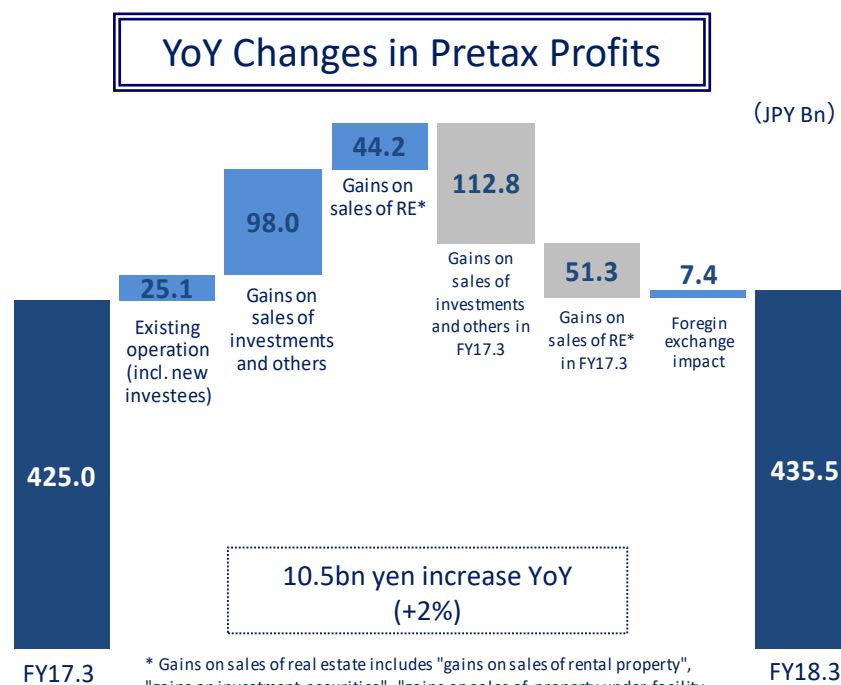
# Overview (3)

## ■ Pretax Profits: 10.5bn yen increase YoY (+2%)

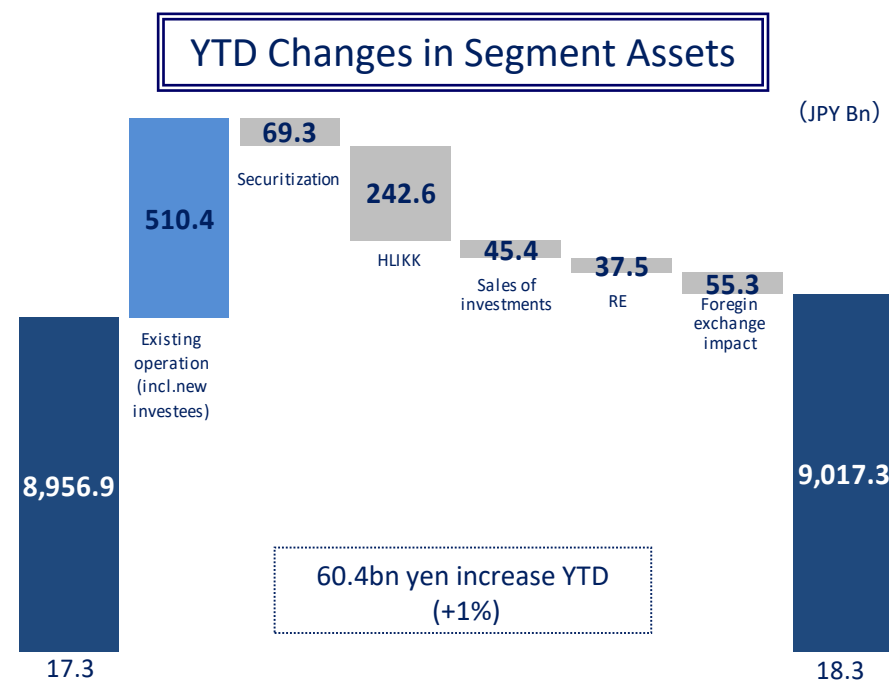
- ✓ Positive contribution from the existing operation such as aircraft and ship-related operations, concession, asset management, and environment and energy
- ✓ Gains on sales decreased YoY

## ■ Segment Assets: 60.4bn yen increase YTD (+1%)

- ✓ Increased in existing operation such as aircraft and ship-related operations, environment and energy, banking business, etc.



\* Gains on sales of real estate includes "gains on sales of rental property", "gains on investment securities", "gains on sales of property under facility operations", "gains on sales of subsidiaries and affiliates and liquidation losses", and "gains on sales of equity method affiliates" (excl. condominium related gains) under Real Estate segment



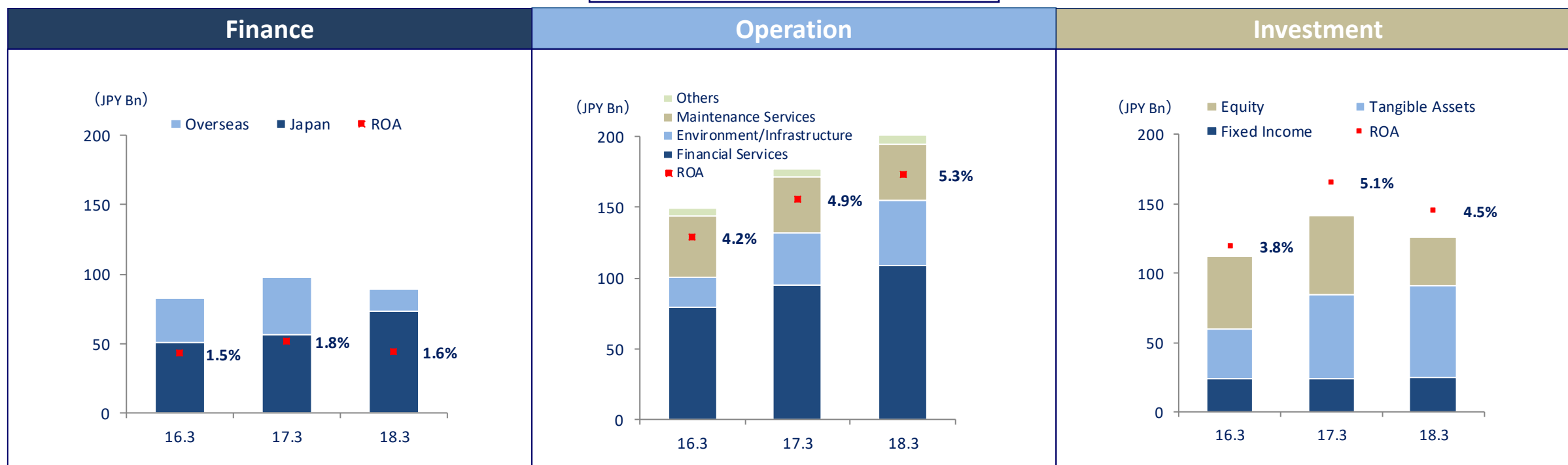
# Performance in Three Categories

See P.43 for details on the three categories



- Finance: Banking business and gain on investment securities contributed in Japan, loss on sales of shares of affiliates in overseas
- Operation: Overseas asset management business and domestic real estate asset management business had steady profit growth  
Steady progress in Environment / Infrastructure as well
- Investment: Profit of equity investment decreased YoY due to the absence of large capital gain, etc.  
Profit growth in aircraft and ship-related operations and fixed income investment

## Segment Profits (3 Categories)



(\*1) FY16.3 Segment Profits in Operation excludes capital gains/valuation gains (c. 39.6bn yen) associated with the IPO of Houlihan Lokey and ordinary profit/loss contribution from HLIKK

(\*2) FY17.3 Segment Profits in Operation excludes ordinary profit/loss contribution from HLIKK

(\*3) FY18.3 Segment Profits in Operation excludes capital gain from the sale of Houlihan Lokey shares and ordinary profit/loss contribution from HLIKK

# Review of Previous Mid-term Strategic Directions

✓ Management Targets from FY2016.3 to FY2018.3 were all achieved

	FY15.3 Results	FY18.3 Targets	FY18.3 Results	Evaluation
Net Income	234.9bn yen	300.0bn yen	313.1bn yen	Achieved
Capital Efficiency (ROE)	11.5%	11-12%	12.1%	Achieved
Credit Rating	R&I (Long-Term Debt) A+(Stable) S&P (Long-Term Debt) A- (Negative) Fitch (Long-Term Debt) A- (Stable) Moody's (Long-Term Debt) Baa1(Stable)	Single A	R&I (Long-Term Debt) A+(Stable) S&P (Long-Term Debt) A- (Stable) Fitch (Long-Term Debt) A- (Stable) Moody's (Long-Term Debt) A3(Stable)※	Achieved

※As of April 16, 2018

# FY18.3 New Investments

- ✓ New investments of approximately 740bn yen in the “Operation” and “Investment” (approx. 600bn yen in FY17.3)
- ✓ Promoted portfolio rebalance as well

Operation	Environment/ Infrastructure 120bn yen	<ul style="list-style-type: none"> <li>Expansion of environment and energy business in Overseas and Japan</li> <li>Overseas: New investment in geothermal energy business (Ormat Technologies)</li> <li>Japan: Additional investment in mega solar power projects. Construction of power plants</li> </ul>
	Financial Services, Maintenance Leasing 130bn yen	<ul style="list-style-type: none"> <li>New investments in the Americas (incl. acquiring Lancaster Pollard, a mortgage servicing company)</li> <li>Acquiring Yodogawa Transformer, the largest renter of power receiving and transforming facilities and equipment in Japan</li> </ul>
Investment	Fixed Income 140bn yen	<ul style="list-style-type: none"> <li>Municipal bond and CMBS mainly in the Americas</li> </ul>
	Tangible Assets 310bn yen	<ul style="list-style-type: none"> <li>Purchase of 68 aircraft (incl. JV investment) and investment in ship mortgage loan</li> <li>New investments in logistics centers</li> </ul>
	Equity 40bn yen	<ul style="list-style-type: none"> <li>Focus on business with growth potentials considering change of economic demand</li> <li>Japan: Information processing service    The Americas: Traffic control services and products</li> <li>Asia, Greater China: Vehicle dispatch service, Fintech services</li> </ul>

# Mid-Term Strategic Directions

## Management Targets from FY2019.3 to FY2021.3

<b>Profit Growth</b>	<b>Annual net income growth at between 4-8%</b>
<b>Capital Efficiency</b>	<b>ROE above 11%</b>
<b>Financial Soundness</b>	<b>Maintain single A credit rating</b>
<b>ERM with global best practice</b>	

## Shareholders returns policy

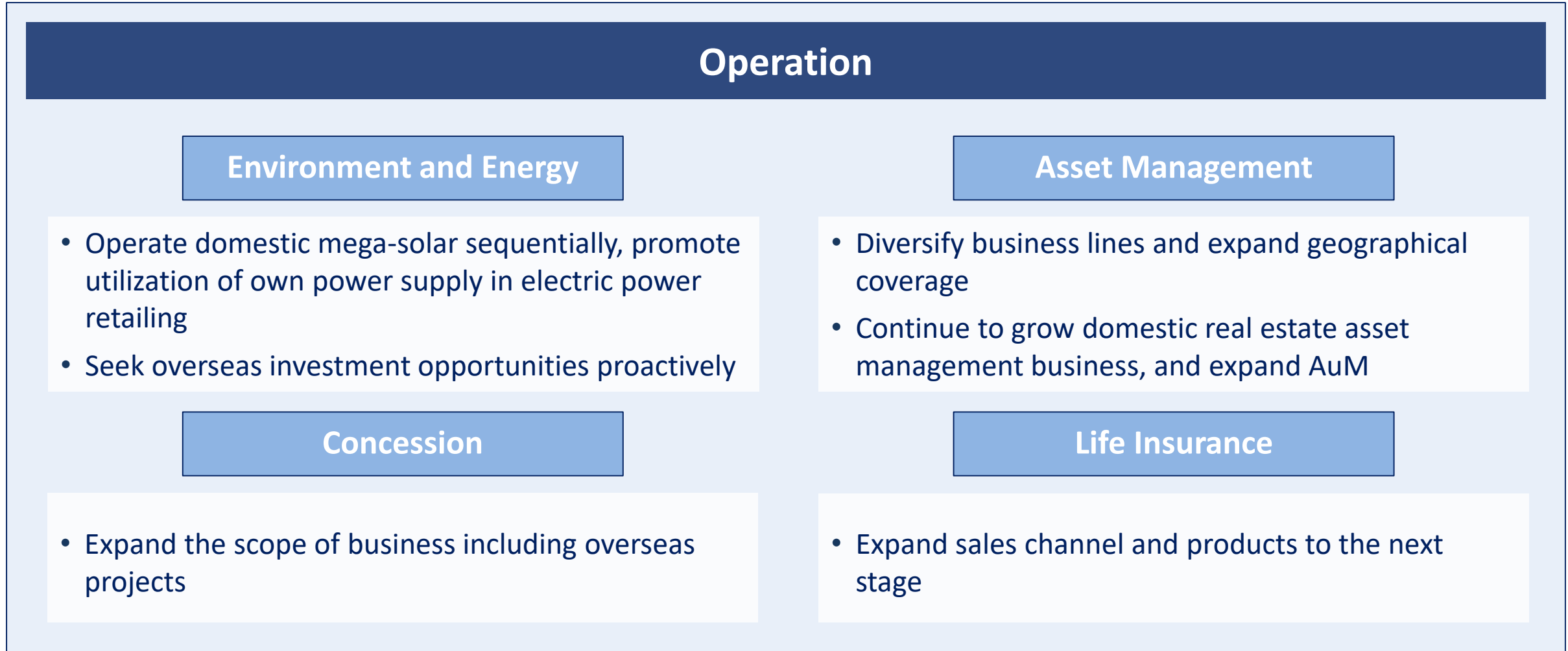
- **Dividend payout ratio target at 27%**
- **Share buyback as proactive capital management**

(Released on October 31, 2017)



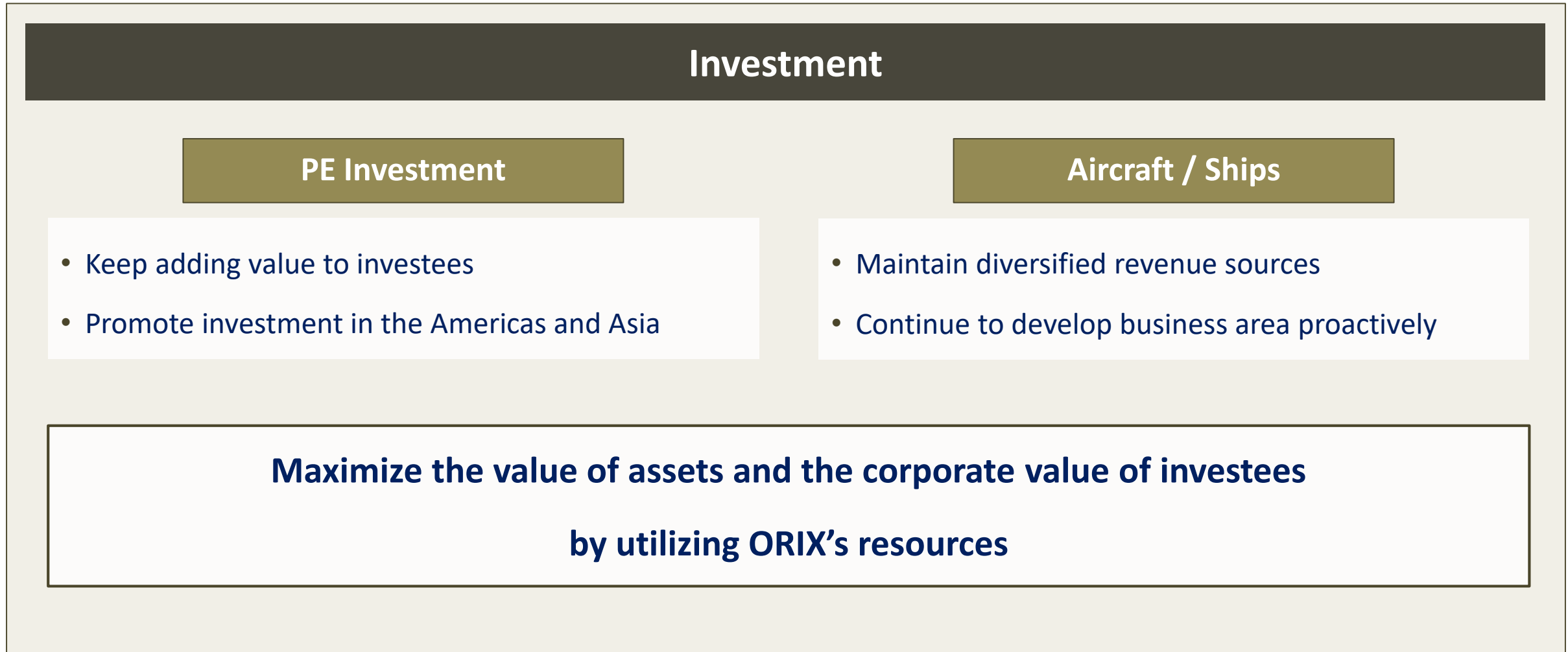
# Business Areas for Further Growth in “Operation”

- ✓ Aiming portfolio expansion through new investments and M&A



# Business Areas for Further Growth in “Investment”

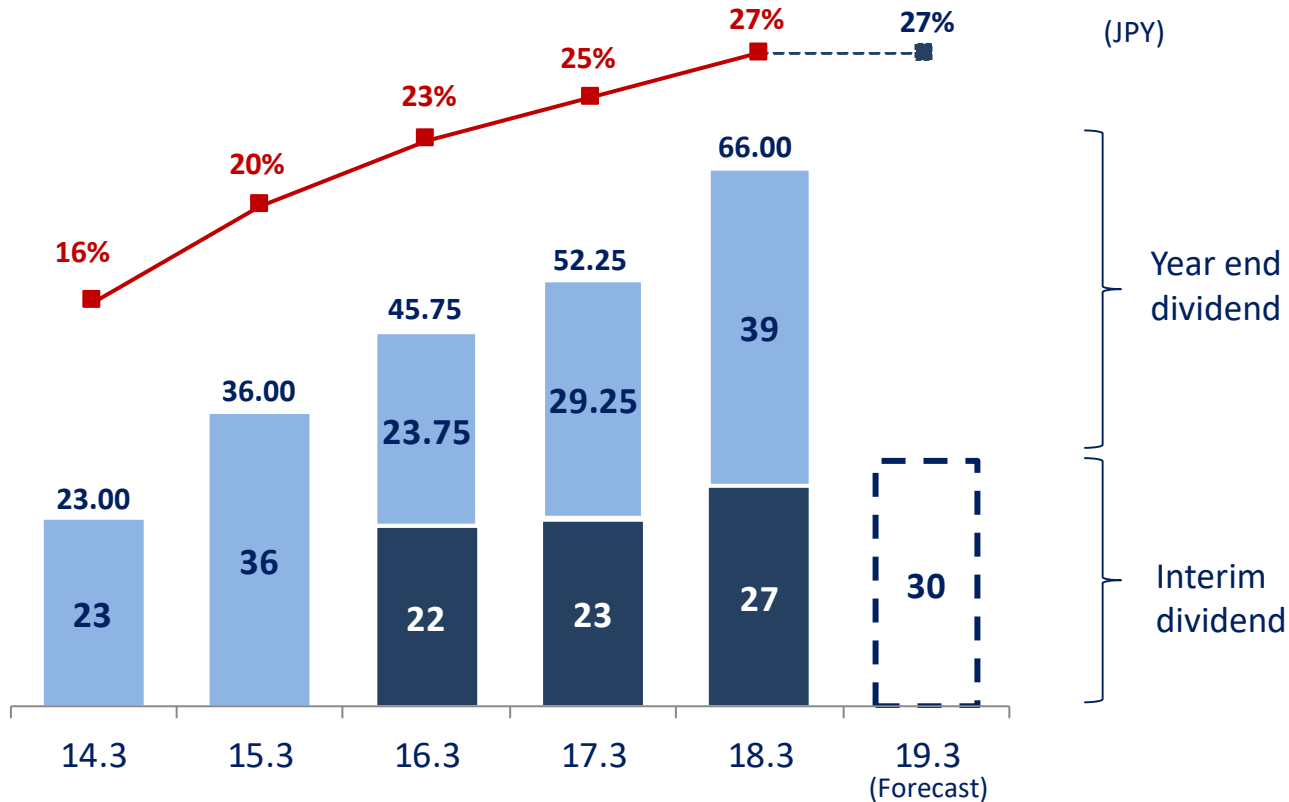
- ✓ Aiming to expand assets with optimal funding sources and schemes for each projects



# Shareholder Return

- ✓ Dividend payout ratio at 27% in FY18.3, full year dividend at 66 yen per share, up by 26% YoY
- ✓ Forecasted interim dividend at 30 yen per share in FY19.3, aiming to increase dividends by profit growth
- ✓ Maintain the optimal balance between investment opportunities for sustainable future profit growth and stable dividend growth

Dividend per Share and Payout Ratio



Status of Shareholder Return

(JPY Bn)

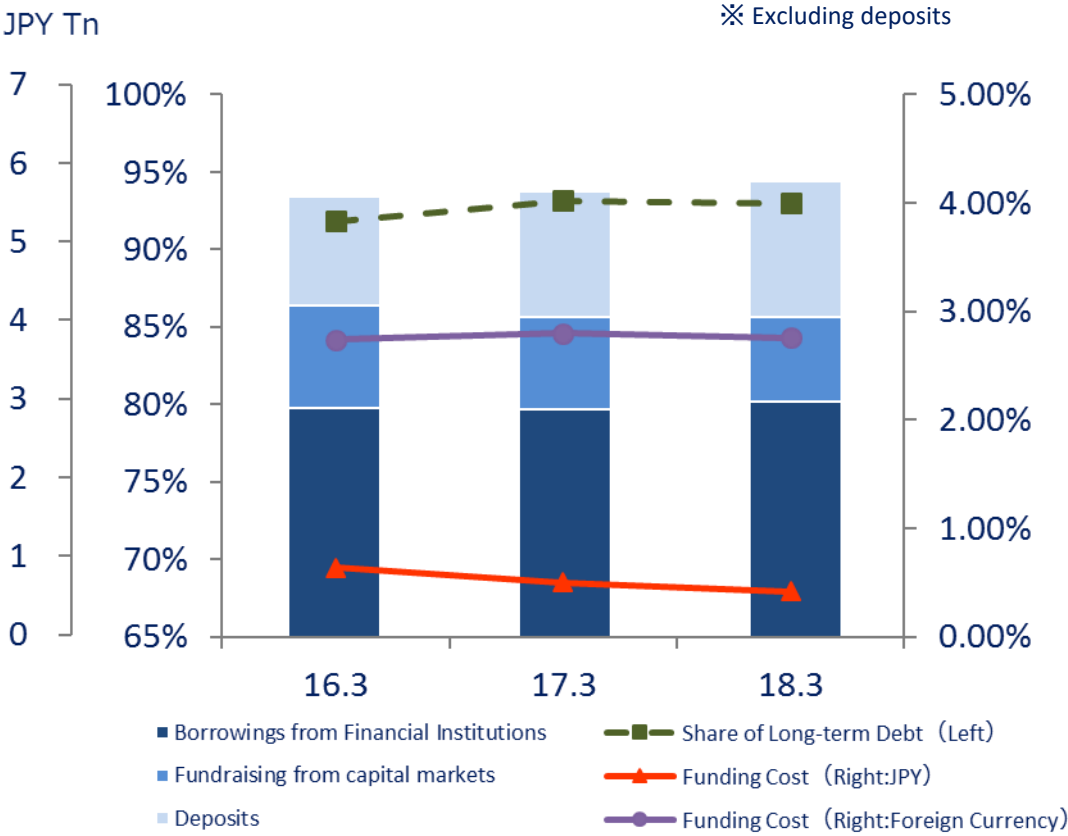
	14.3	15.3	16.3	17.3	18.3
Total Amount of Dividends	30.1	47.2	60.0	68.3	84.6
Share Buybacks (Based on Acquisition Year)	-	-	50bn Buyback	10.9	39.1
Total Return of Shareholders	30.1	47.2	60.0	79.2	123.7
Total Return Ratio	16%	20%	23%	29%	40%

# Financials (1) Funding Structure

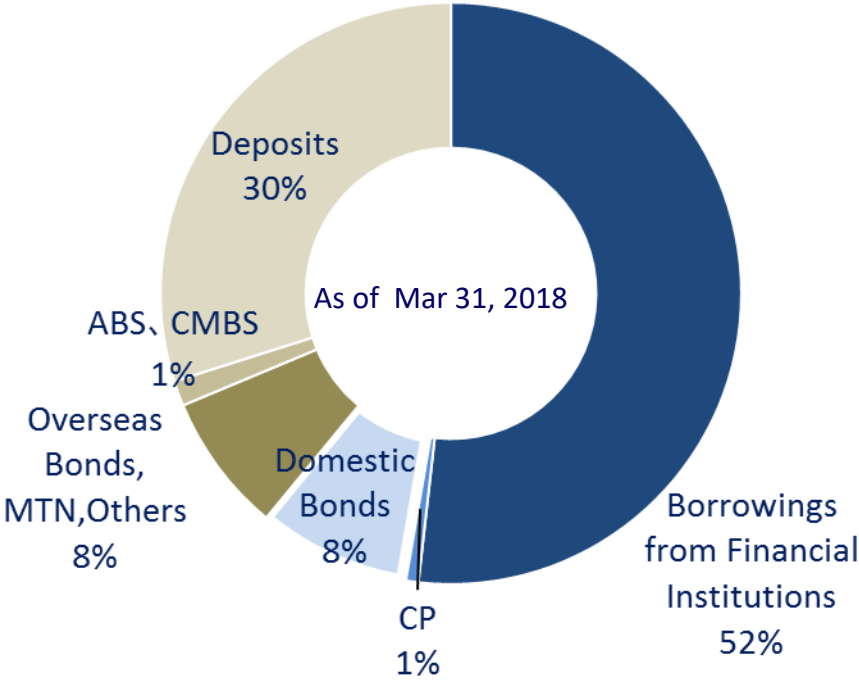


- ✓ Lengthening and stabilization of funding
- ✓ Funding cost control

Breakdown of Funding, Trend in Share of Long-term Debt (※) and Funding Cost

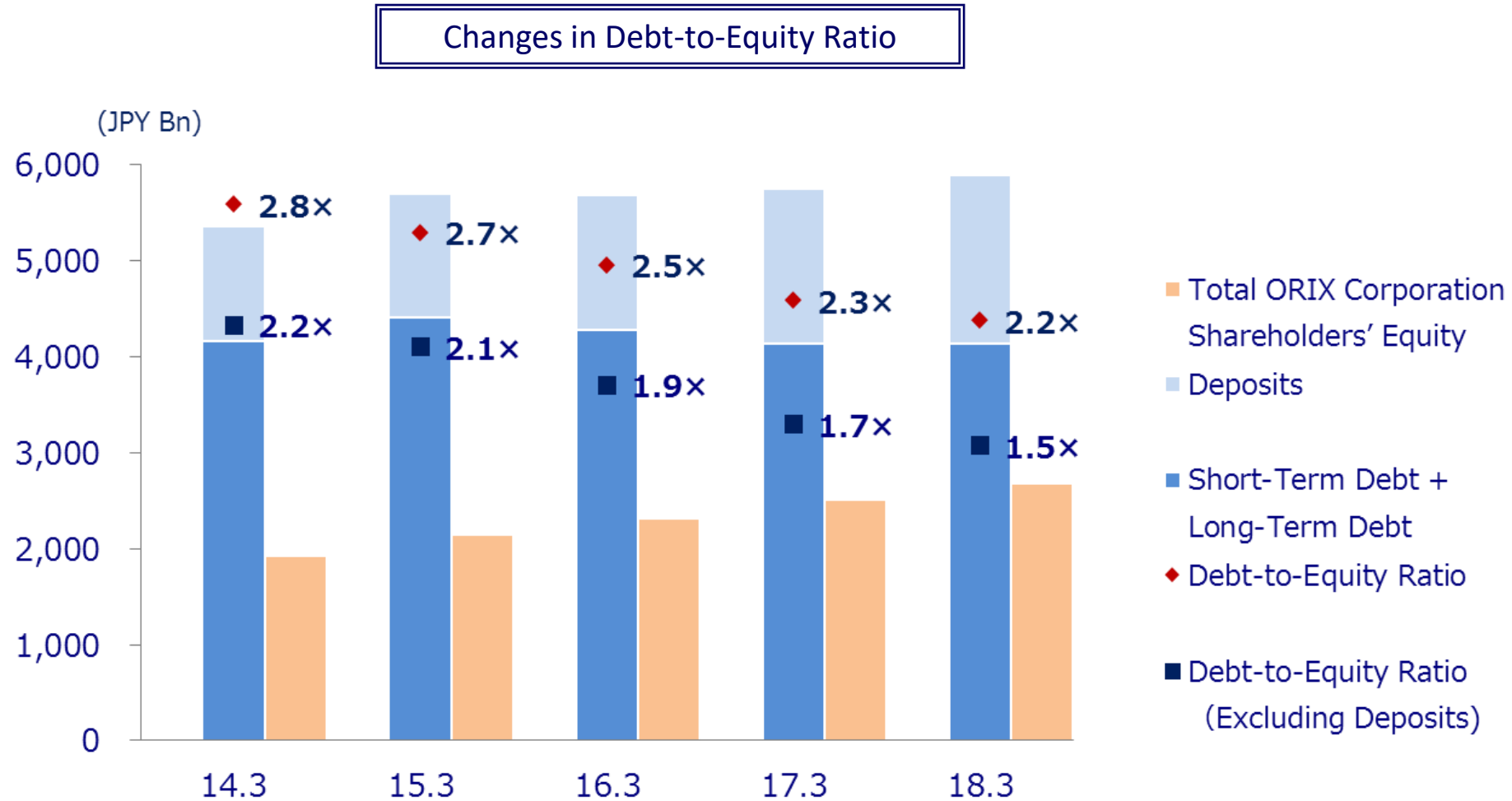


Funding Composition



## Financials (2) Debt-to-Equity Ratio

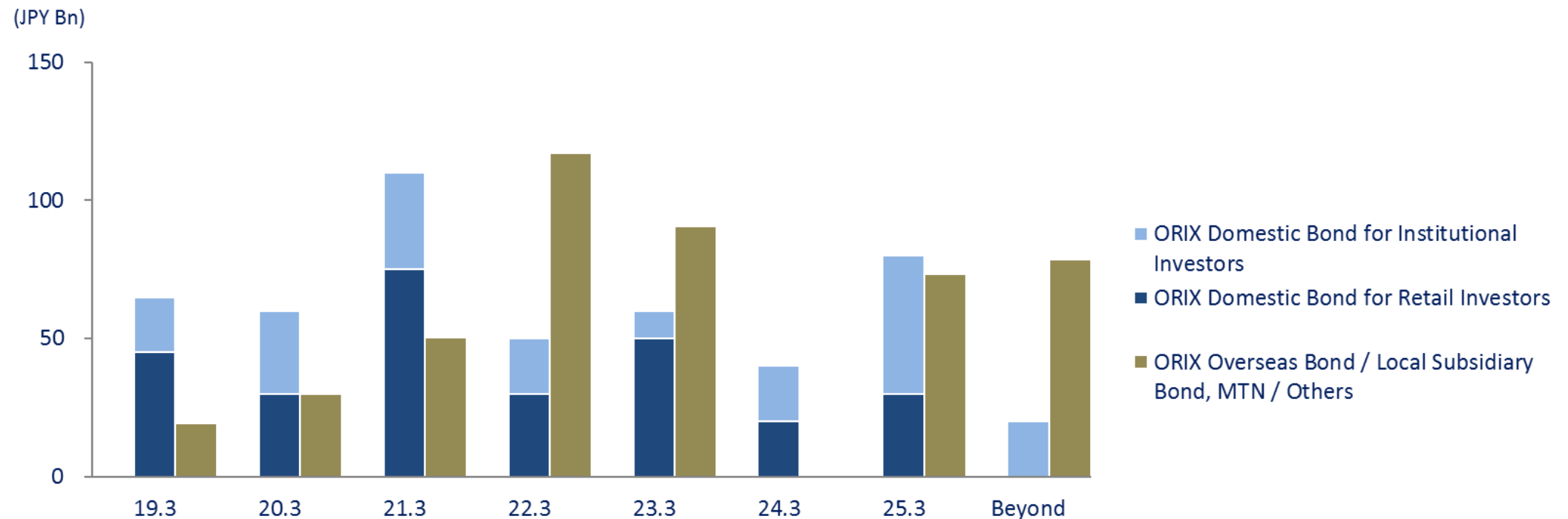
- ✓ Debt-to-Equity Ratio continues to decrease



# Financials (3) Bond Maturity Ladder

- ✓ Leveled out annual redemption amounts by dispersing bond maturities

Maturity Ladder (As of Mar 31, 2018)



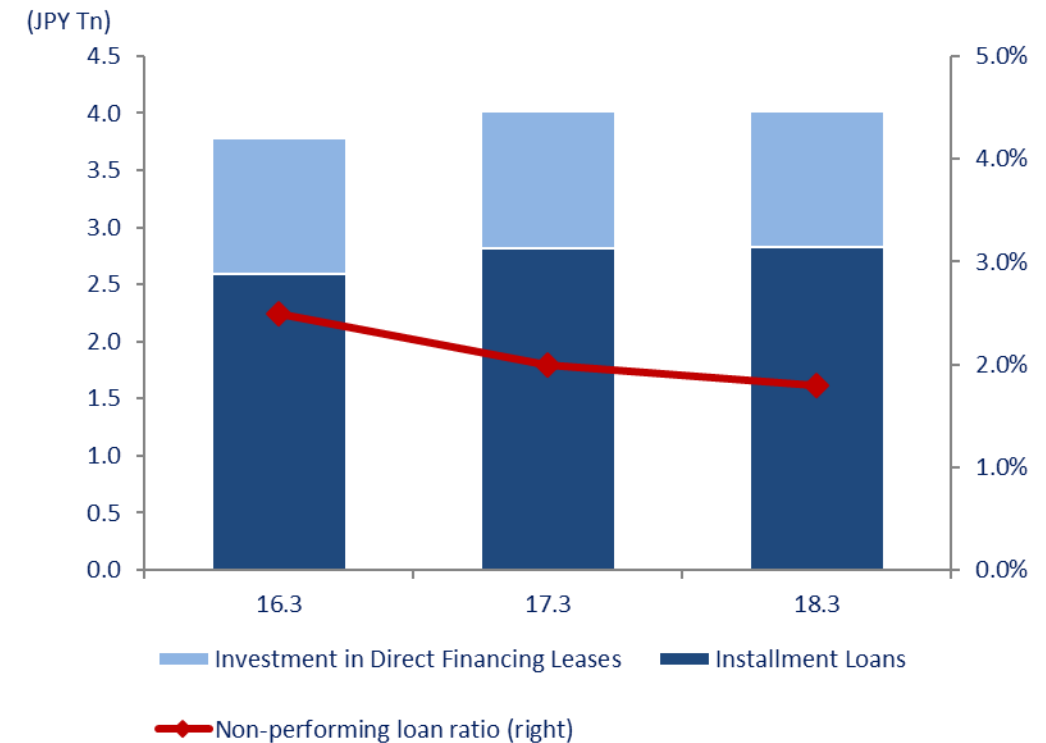
- ✓ Non-performing loan ratio continues to improve

## Coverage Ratio of Loans Individually Evaluated for Impairment

(JPY Bn)	16.3	17.3	18.3
Loans individually evaluated for impairment (a)	73.6	59.0	47.1
Estimated collectable amount	51.1	39.0	* 32.8
Amount covered by collaterals such as real estate	40.6	31.6	27.2
Coverage (b)	63.1	51.7	41.6
Amount covered by collaterals such as real estate	40.6	31.6	27.2
Valuation Allowance (Provision)	22.5	20.1	14.3
Coverage ratio (b)/(a)	85.8%	87.5%	88.2%

- The amount consists of loans individually evaluated for impairment which is covered by collaterals such as real estate (JPY 27.2Bn), and receivable which cashflow is expected to be collected other than collateral disposal (JPY 5.6Bn).

## Changes in Non-Performing Loan Ratio



**Achieved 313.1bn yen in net income, up 15% YoY,  
New record high in four consecutive years**

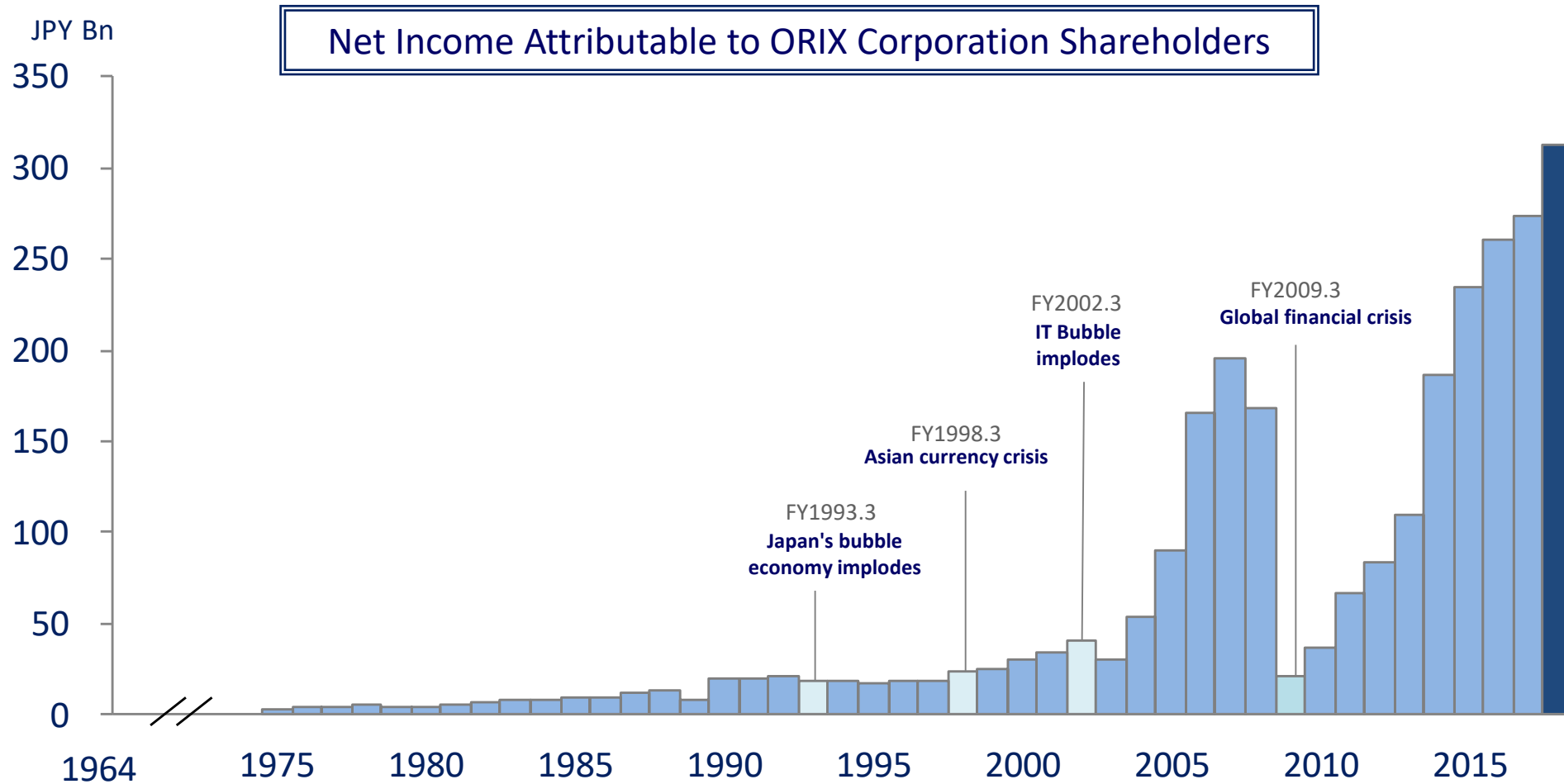
**Management targets from FY2015.3 to FY2018.3 were all achieved**

**Turn into a company with robust business base  
as a “Multinational Boutique Enterprise”**



# Appendix

- ✓ ORIX has achieved 53 years of sustained, profitable growth

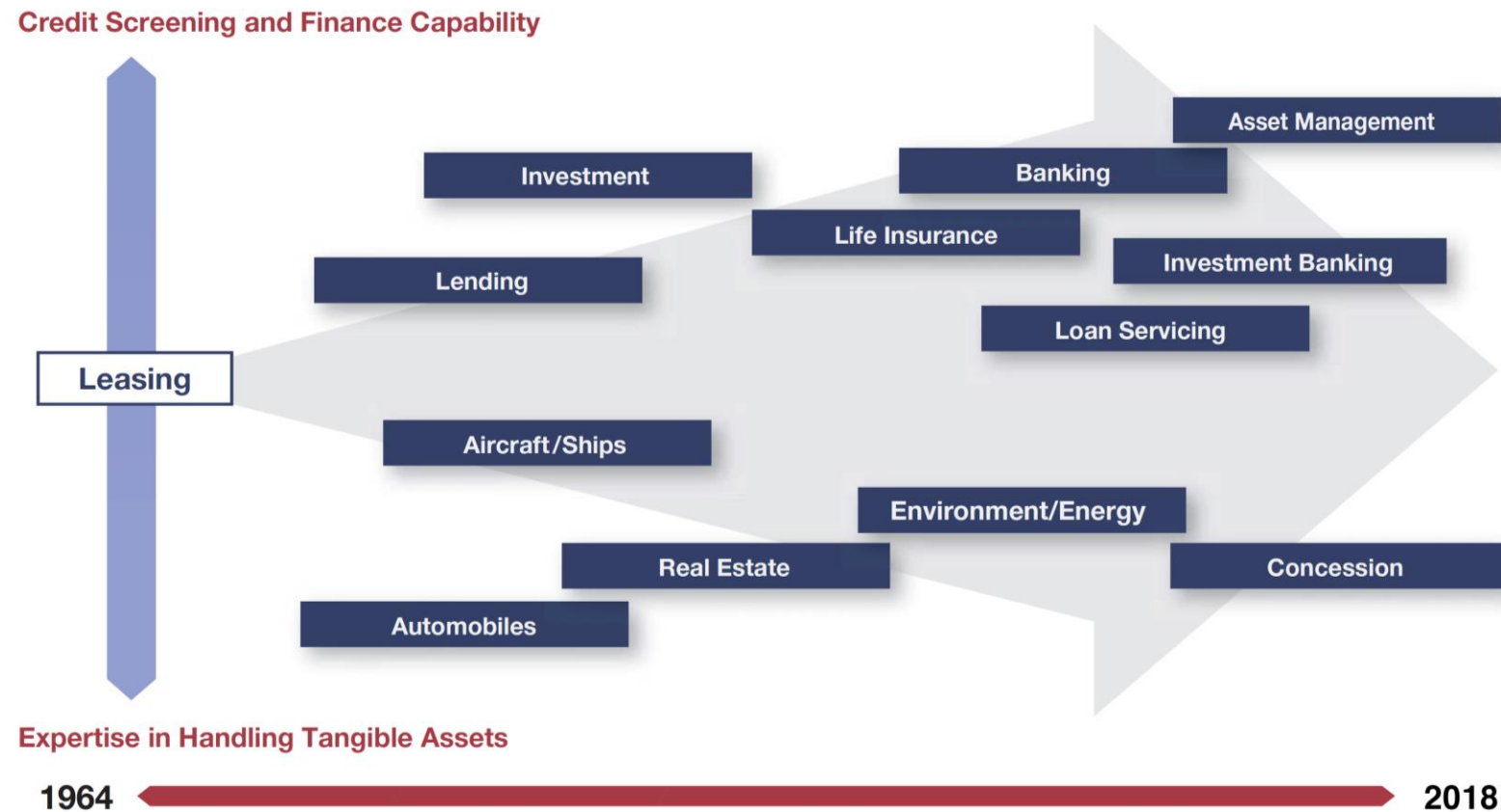


# About ORIX

## Evolving and Dynamic Portfolio

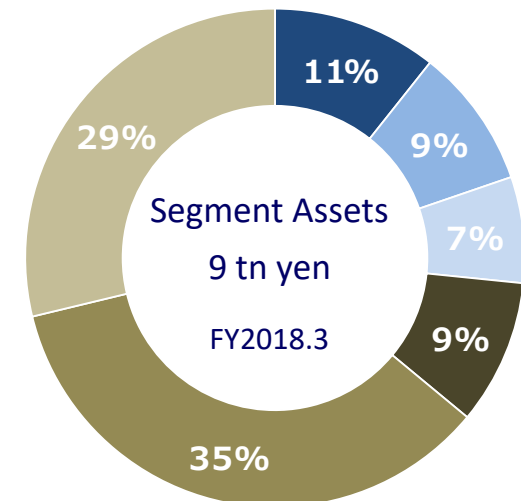
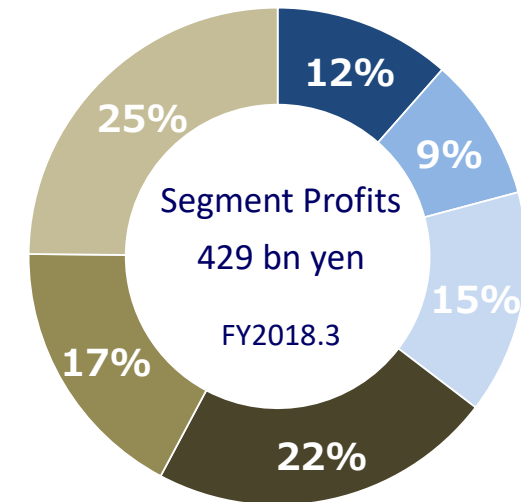


- ✓ ORIX will continue to enhance our experience in finance and tangible assets as we synergistically expand our businesses

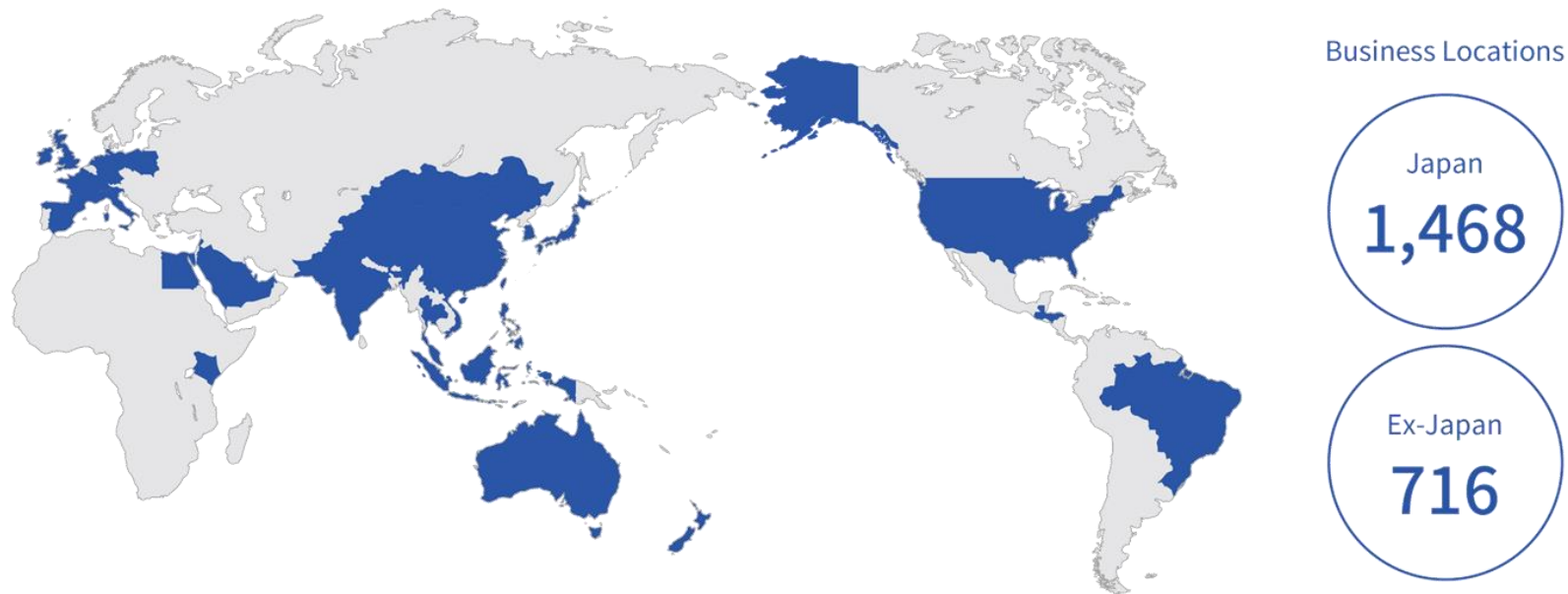


- ✓ Our highly diversified company contains many complementary businesses, providing ample opportunity for synergies and knowledge sharing

<b>Corporate Financial Services</b>	Loan, Leasing, Fee businesses
<b>Maintenance Leasing</b>	Automobile leasing and rentals, Car sharing, Test and measurement instruments and IT-related equipment rentals and leasing
<b>Real Estate</b>	Real estate development and rental, facility operation, REIT asset management, and real estate investment advisory services
<b>Investment and Operation</b>	Environment and energy business, Principal investment and Loan servicing, Concession
<b>Retail</b>	Life insurance, Banking, Card loan
<b>Overseas Business</b>	Leasing, Loan, Bond investment, Asset management, Aircraft and Ship-related operations



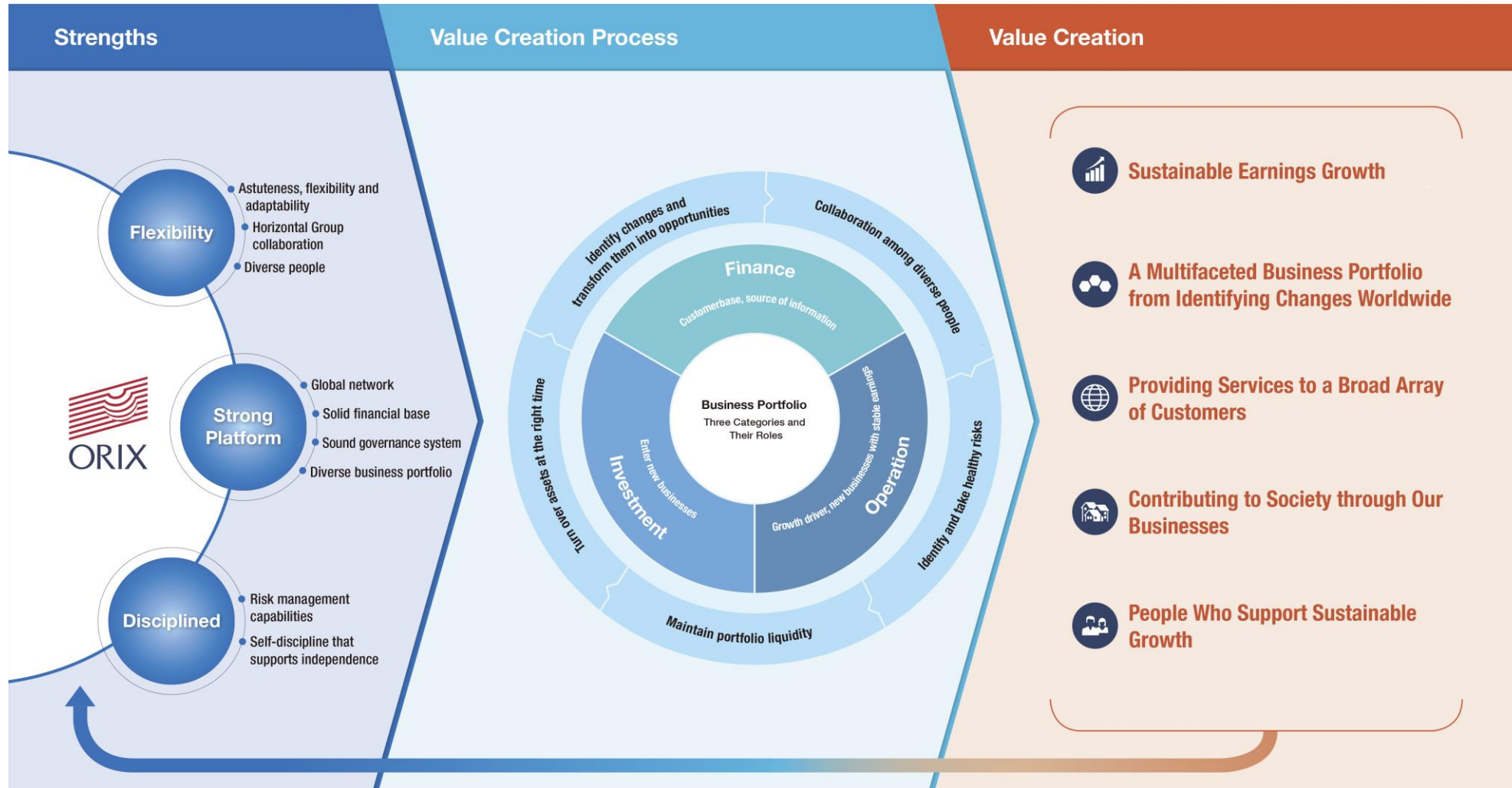
✓ ORIX has spread its business globally by expanding operations in 38 countries and regions worldwide



(As of March 31, 2018)

1970s	1980s	1990s	2000s	2010s
Global Network and Number of Countries				
7 countries	12 countries	18 countries	26 countries	38countries
Overseas expansion mainly through Leasing business in Asia		Further overseas expansion via diversification into aircraft-related and equity investment businesses		Expansion of business operations through acquisition of Robeco and development of the environment and energy business

- ✓ Contribute to society by identifying changes in society and markets to create new value



# Appendix (1) Performance Overview

	(JPY Bn)			
	FY16.3	FY17.3	FY18.3	Change (YoY)
Total Revenues	2,369.2	2,678.7	2,862.8	107%
Net Income *1	260.2	273.2	313.1	115%
Segment Assets	8,972.4	8,956.9	9,017.3	101%
Total Assets	10,992.9	11,231.9	11,426.0	102%
Shareholders' Equity	2,310.4	2,507.7	2,682.4	107%
Shareholders' Equity Ratio	21.0%	22.3%	23.5%	+1.2%
ROE	11.7%	11.3%	12.1%	0.8%
Return on Segment Assets (ROA)	2.87%	3.05%	3.48%	0.43%
D/E Ratio				
(Short and Long-Term Debt+Deposits)/Shareholders' Equity	2.5x	2.3x	2.2x	-0.1x
(Short and Long-Term Debt)/Shareholders' Equity	1.9x	1.7x	1.5x	-0.2x

\*1 Net Income Attributable to ORIX Corporation Shareholders

## Appendix (2) Profits by Segment

(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Corporate Financial Services	42.4	38.0	49.3	130%
Maintenance Leasing	42.9	39.8	40.2	101%
Real Estate	42.9	72.8	62.4	86%
Investment and Operation	57.2	85.0	96.1	113%
Retail	51.8	72.9	74.5	102%
Overseas Business	142.9	112.3	106.6	95%
<b>Total Segment Profits</b>	<b>380.1</b>	<b>420.8</b>	<b>429.1</b>	<b>102%</b>



# Appendix (3) Assets by Segment

(JPY Bn)

	16.3	17.3	18.3	Change (YTD)
Corporate Financial Services	1,049.9	1,032.2	961.9	93%
Maintenance Leasing	731.3	752.5	818.2	109%
Real Estate	739.6	657.7	620.2	94%
Investment and Operation	704.2	768.7	847.7	110%
Retail	3,462.8	3,291.6	3,174.5	96%
Overseas Business	2,284.7	2,454.2	2,594.7	106%
<b>Total Segment Assets</b>	<b>8,972.4</b>	<b>8,956.9</b>	<b>9,017.3</b>	<b>101%</b>

# Appendix (4) Income Statement Data

(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance revenues	200.9	200.6	214.1	107%
Gains on investment securities and dividends	35.8	30.3	43.3	143%
Operating leases	128.8	155.1	127.3	82%
Life insurance premiums and related investment income	68.1	95.8	96.5	101%
Sales of goods and real estate	85.8	86.5	75.5	87%
Services income	289.8	286.6	312.3	109%
<b>Gross Profits*1</b>	<b>809.2</b>	<b>854.9</b>	<b>869.1</b>	<b>102%</b>
Interest expense	72.8	72.9	76.8	105%
Selling, general and administrative expenses	422.7	418.7	431.6	103%
Provisions/Impairments	29.7	38.4	24.0	63%
Other (income) and expense, net	-3.7	-4.4	0.4	-
<b>Operating Income</b>	<b>287.7</b>	<b>329.2</b>	<b>336.2</b>	<b>102%</b>
Equity in Net Income of Affiliates	45.7	26.5	50.1	189%
Gains on Sales of Subsidiaries and Affiliates, etc	57.9	69.2	49.2	71%
<b>Income before Income Taxes</b>	<b>391.3</b>	<b>425.0</b>	<b>435.5</b>	<b>102%</b>
<b>Net Income Attributable to ORIX Corporation Shareholders</b>	<b>260.2</b>	<b>273.2</b>	<b>313.1</b>	<b>115%</b>

\*1 Each revenue component deducted with corresponding costs and expenses

# Appendix (5) Funding

(JPY Bn)

Funding	16.3	17.3	18.3	Change (YoY)
CP	102.4	50.1	54.9	4.8
Borrowings from Financial Institutions	2,970.6	2,958.2	3,056.2	98.0
Bonds / MTN	938.1	885.1	940.1	55.0
Deposits	1,398.5	1,614.6	1,757.5	142.9
ABS, CMBS	275.5	245.1	82.1	-163.0
<b>Short-term Debt, Long-term Debt and Deposits</b>	<b>5,685.0</b>	<b>5,753.1</b>	<b>5,890.7</b>	<b>137.6</b>
<b>Share of Long-Term Debt</b>	<b>92%</b>	<b>93%</b>	<b>93%</b>	<b>0%</b>

Liquidity (excl. ORIX Bank, ORIX Life Insurance)	16.3	17.3	18.3	Change (YoY)
Cash and Cash Equivalents (1)	588.7	586.6	617.7	31.1
Available Commitment Line (2)	389.9	394.0	332.7	-61.3
Liquidity (1+2)	978.6	980.6	950.4	-30.2
Marketable Short-term Debt (3) *1	362.3	290.9	138.4	-152.5
Liquidity Coverage Ratio (1+2)/(3)	270%	337%	687%	350%

Funding Costs (including Deposits)	FY16.3	FY17.3	FY18.3	Change (YoY)
Domestic Currency	0.64%	0.50%	0.42%	-0.08%
Foreign Currency	2.74%	2.80%	2.76%	-0.04%

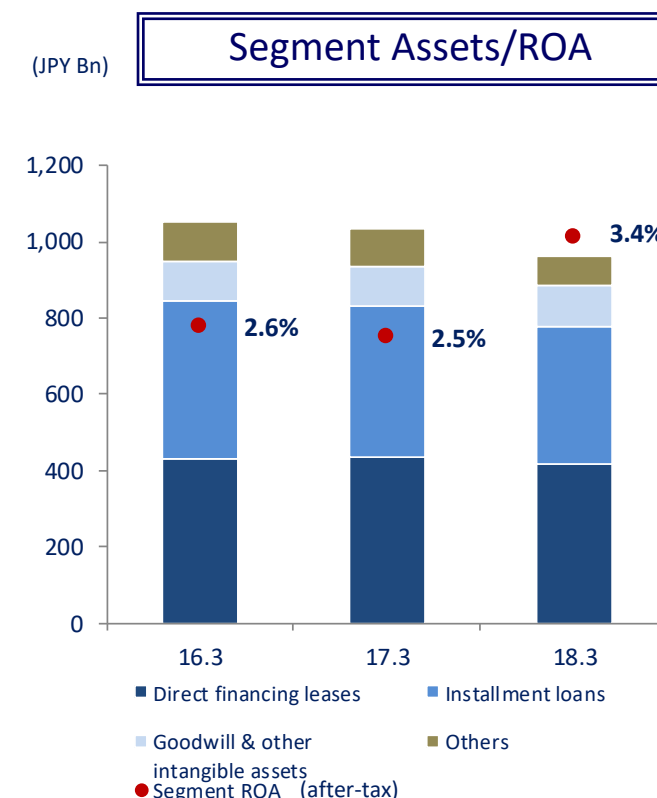
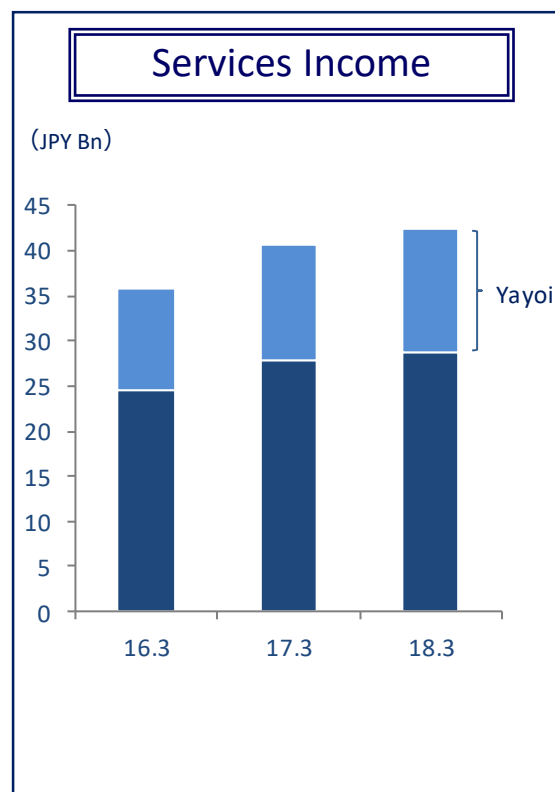
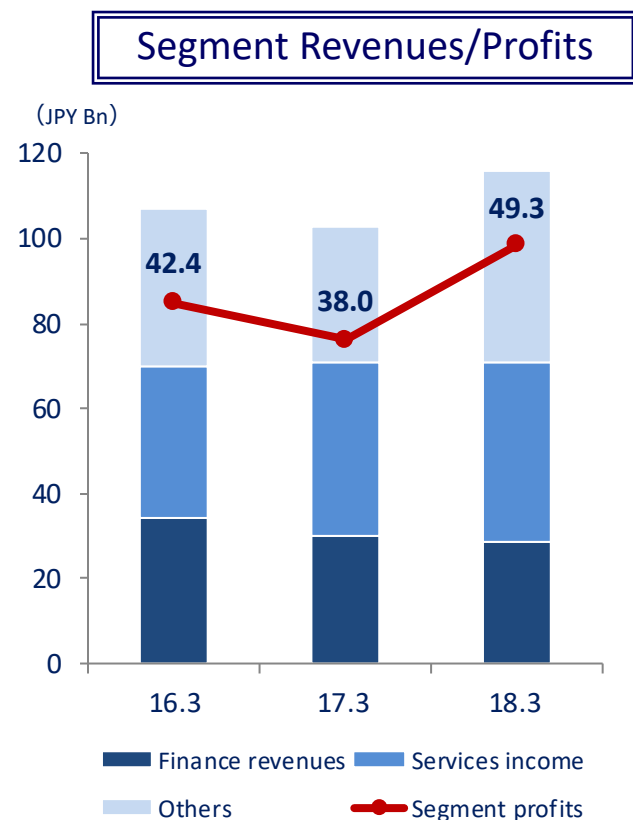
\*1 Marketable Short-term Debt is the total of bonds and MTN expected to reach maturity within 1 year and the balance of CP.

# Segment Performance

# Segment Performance (1) Corporate Financial Services

- Segment Profits: 49.3bn yen, up by 11.2bn yen YoY (+30%)
  - ✓ Gains on sales of investment securities and shares of affiliates were recognized
  - ✓ Increase in services income YoY by 1.9bn yen
- Segment Assets: 961.9bn yen, down by 70.3bn yen YTD (▲7%)
  - ✓ Outstanding balance of Installment loan decreased

Yayoi contributed 6.4bn yen  
in segment profits



# Segment Performance (1) Corporate Financial Services



(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance revenues	34.2	30.2	28.4	94%
Operating leases	25.5	25.6	23.4	91%
Services income	35.7	40.6	42.5	105%
Gains on investment securities and dividends and others	11.7	6.6	21.5	325%
<b>Segment Revenues</b>	<b>107.2</b>	<b>103.0</b>	<b>115.7</b>	<b>112%</b>
Segment Expenses	65.5	68.0	68.7	101%
<b>Segment Profits</b>	<b>42.4</b>	<b>38.0</b>	<b>49.3</b>	<b>130%</b>
Investment in Direct Financing Leases	431.6	433.9	415.3	
Installment Loans	411.8	398.6	364.0	
<b>Segment Assets</b>	<b>1,049.9</b>	<b>1,032.2</b>	<b>961.9</b>	
<b>ROA</b>	<b>2.59%</b>	<b>2.50%</b>	<b>3.38%</b>	

## FY18.3 Results

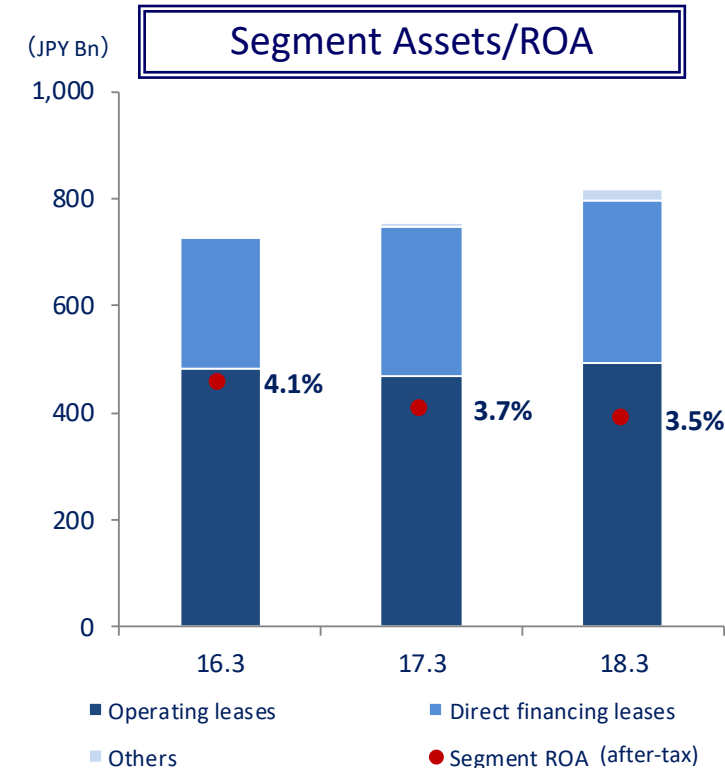
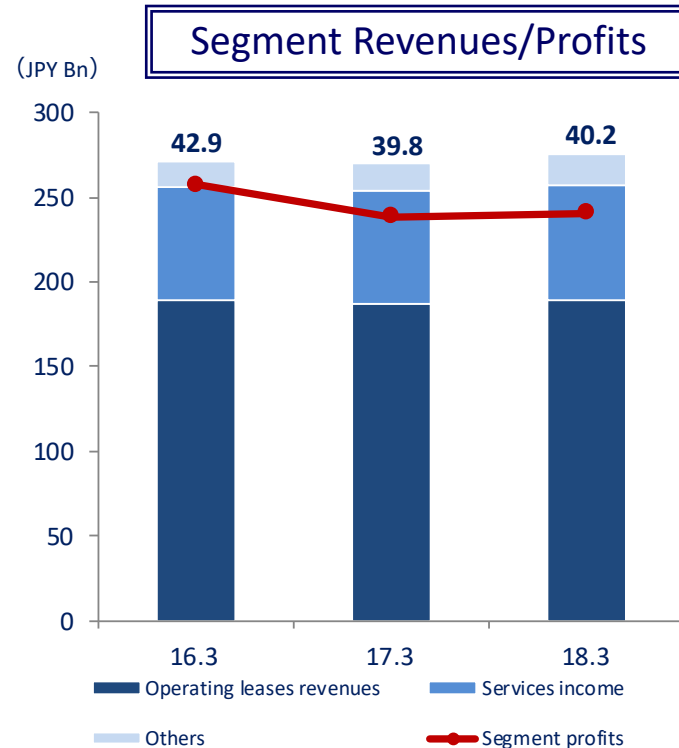
- Fee business contributed to stable revenue
- Started to build a new distribution network of fruits and vegetables
- Commenced an online lending service for small businesses

## Mid-Term Strategic Directions

- Diversify the source of services income
- Maximize synergy potential with Yayoi
- Utilize domestic network to develop new businesses

# Segment Performance (2) Maintenance Leasing

- Segment Profits: 40.2bn yen, up by 0.4bn yen YoY (+1%)
  - ✓ Increase in revenue in line with asset growth while the gain on sales of used cars decreased
- Segment Assets: 818.2bn yen, up by 65.7bn yen YTD (+9%)
  - ✓ Increase in new auto leases, acquisition a renter of power receiving and transforming facilities and equipment



# Segment Performance (2) Maintenance Leasing

(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance revenues	12.1	13.0	14.1	108%
Operating leases	188.8	187.2	189.6	101%
Services income	66.8	66.3	67.8	102%
<b>Segment Revenues</b>	<b>271.7</b>	<b>270.6</b>	<b>275.7</b>	<b>102%</b>
Segment Expenses	228.7	230.8	235.4	102%
<b>Segment Profits</b>	<b>42.9</b>	<b>39.8</b>	<b>40.2</b>	<b>101%</b>
Investment in Direct Financing Leases	245.3	277.5	305.0	
Investment in Operating Leases	481.0	469.8	491.4	
<b>Segment Assets</b>	<b>731.3</b>	<b>752.5</b>	<b>818.2</b>	
<b>ROA</b>	<b>4.10%</b>	<b>3.66%</b>	<b>3.49%</b>	

## FY18.3 Results

- Increased in new auto leases
- Developed IoT services with telematics for cars
- Acquired Yodogawa Transformer, the largest renter of power receiving and transforming facilities and equipment

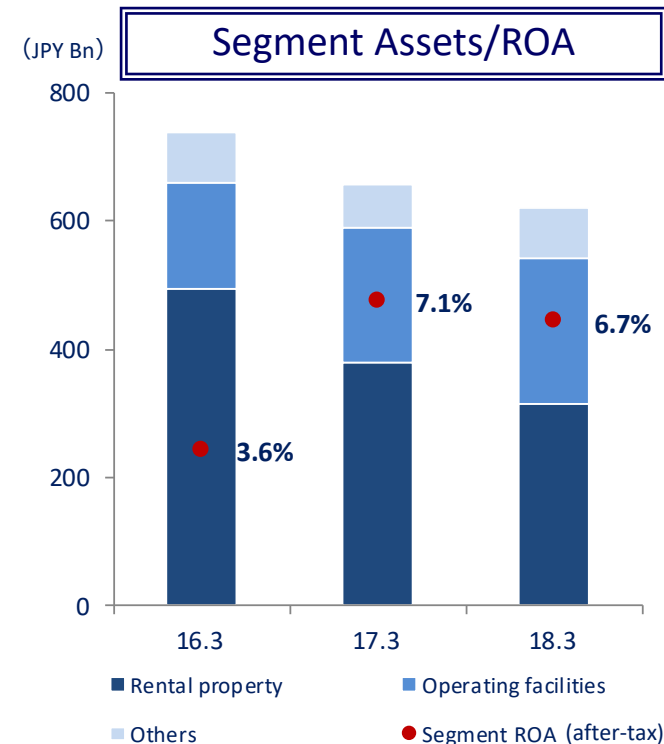
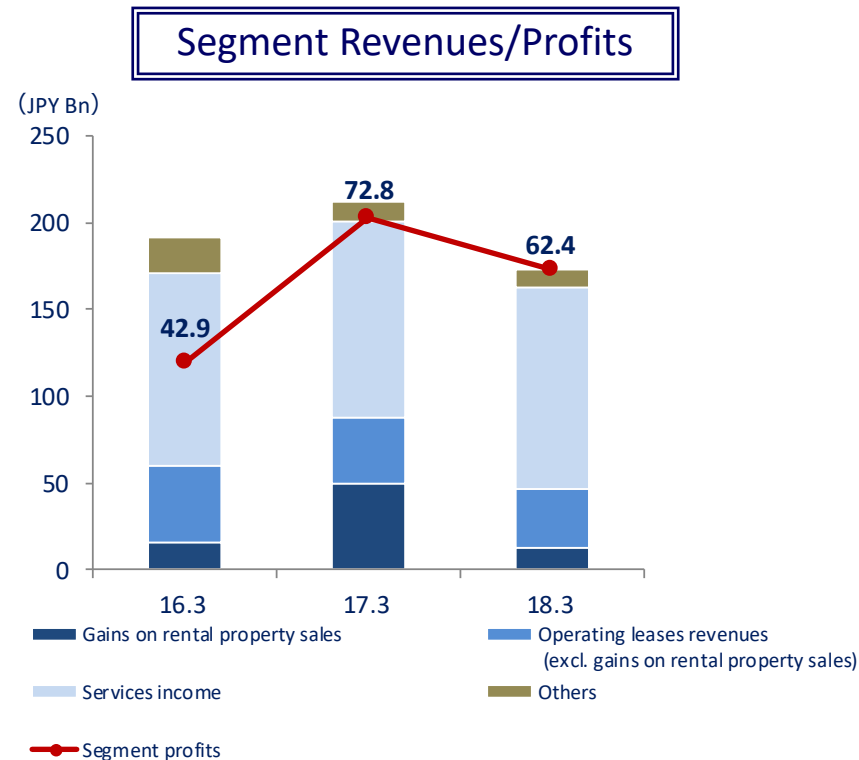
## Mid-Term Strategic Directions

- Capitalize on competitive advantage to increase market shares
- Make the change of industrial structure into new business opportunities
- Strengthen engineering solution business



# Segment Performance (3) Real Estate

- Segment Profits: 62.4bn yen, down by 10.5bn yen YoY (▲14%)
  - ✓ Decreased YoY due to the absence of large capital gain, solid contribution from service income
- Segment Assets: 620.2bn yen, down by 37.5bn yen YTD (▲6%)
  - ✓ Assets decreased YTD due to the sales of rental properties
  - ✓ Assets increased by 14.5bn yen from the end of Q3



# Segment Performance (3) Real Estate



(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance revenues	6.7	2.3	2.1	89%
Operating leases	60.3	88.2	46.9	53%
Gains on Rental Property Sales	16.1	49.7	13.0	26%
Services income	110.6	112.6	116.1	103%
Sales of goods and real estate and others	13.9	9.0	7.9	88%
<b>Segment Revenues</b>	<b>191.5</b>	<b>212.1</b>	<b>172.9</b>	<b>82%</b>
Segment Expenses	154.6	143.1	143.2	100%
<b>Segment Profits</b>	<b>42.9</b>	<b>72.8</b>	<b>62.4</b>	<b>86%</b>
Investment in Operating Leases	375.1	298.2	247.0	
Property under Facility Operations	177.5	185.0	195.5	
Advances for Investment in Operating Leases	38.5	18.6	20.5	
Investment in Affiliates	91.0	99.3	86.7	
<b>Segment Assets</b>	<b>739.6</b>	<b>657.7</b>	<b>620.2</b>	
<b>ROA</b>	<b>3.62%</b>	<b>7.12%</b>	<b>6.67%</b>	

## FY18.3 Results

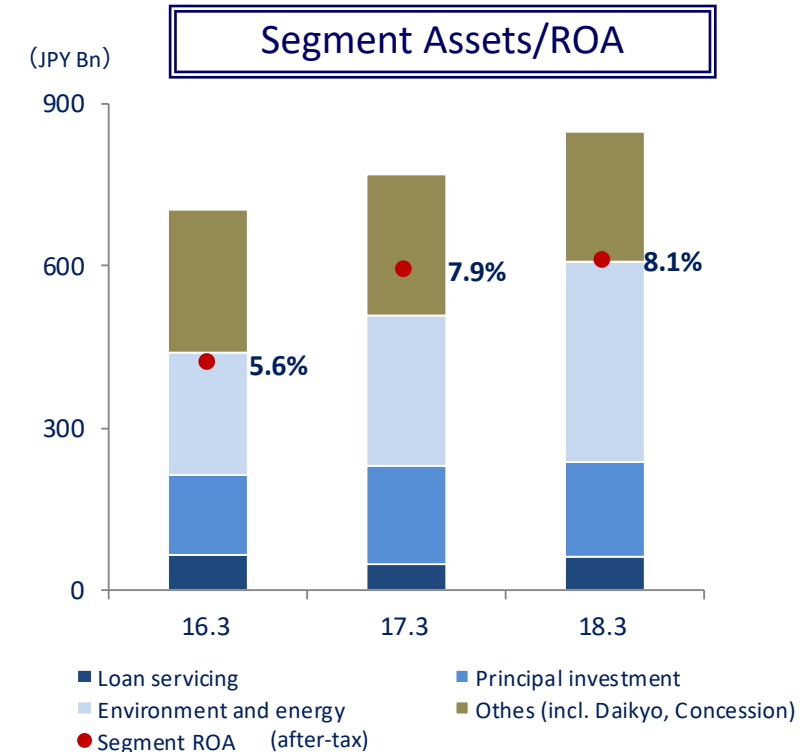
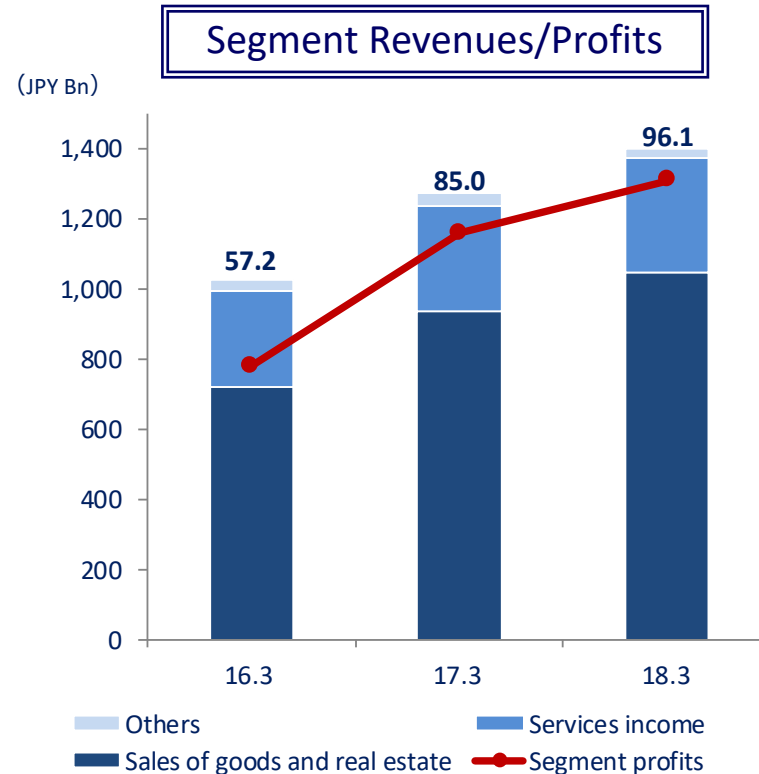
- Promoted portfolio rebalance as a market remained favorable
- The revenue from asset management business increased
- Opened new operating facilities

## Mid-Term Strategic Directions

- Expand asset management business
- Accumulate expertise by operating various facilities
- Develop new businesses by taking advantage of the value chain

# Segment Performance (4) Investment and Operation

- Segment Profits: 96.1bn yen, up by 11.1bn yen YoY (+13%)
  - ✓ Profit from environment and energy business and concession business increased steadily
- Segment Assets: 847.7bn yen, up by 79.0bn yen YTD (+10%)
  - ✓ New investments in environment and energy business



# Segment Performance (4) Investment and Operation

(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance revenues	12.6	10.7	9.0	84%
Gains on investment securities and dividends	10.3	13.0	7.6	59%
Sales of goods and real estate	718.9	938.4	1,048.7	112%
Services income	277.2	299.7	326.5	109%
<b>Segment Revenues</b>	<b>1,028.4</b>	<b>1,272.0</b>	<b>1,402.3</b>	<b>110%</b>
Segment Expenses	983.2	1,224.3	1,350.1	110%
Equity in Net Income of Affiliates and others	12.1	37.3	43.9	118%
<b>Segment Profits</b>	<b>57.2</b>	<b>85.0</b>	<b>96.1</b>	<b>113%</b>
Installment Loans	76.0	56.4	48.1	
Investment in Securities	71.7	51.5	32.6	
Property under Facility Operations	130.6	187.7	208.1	
Inventories	98.0	112.8	101.5	
Investment in Affiliates	108.2	71.5	170.4	
<b>Segment Assets</b>	<b>704.2</b>	<b>768.7</b>	<b>847.7</b>	
<b>ROA</b>	<b>5.58%</b>	<b>7.88%</b>	<b>8.12%</b>	

## FY18.3 Results

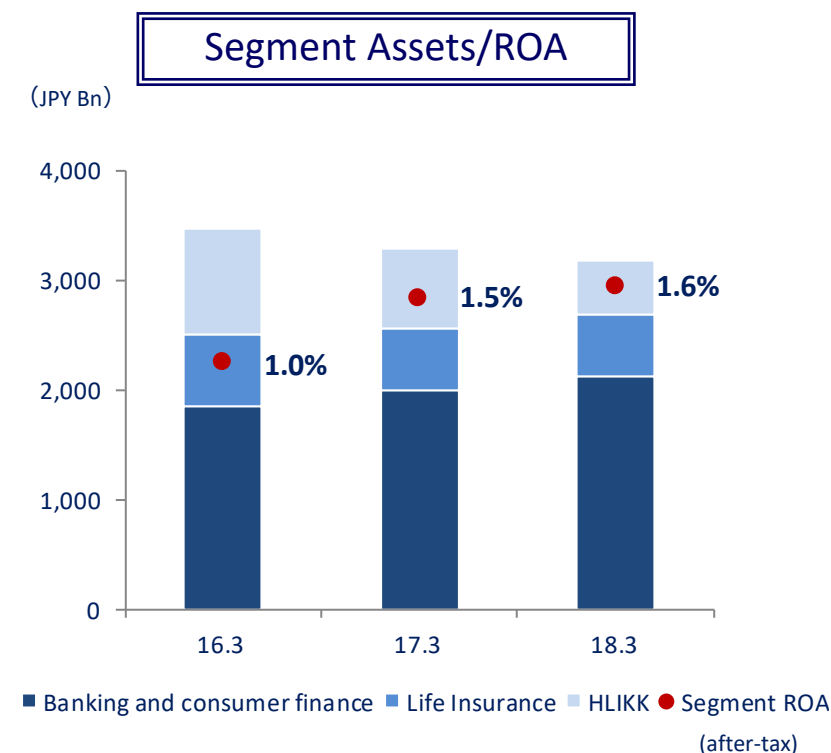
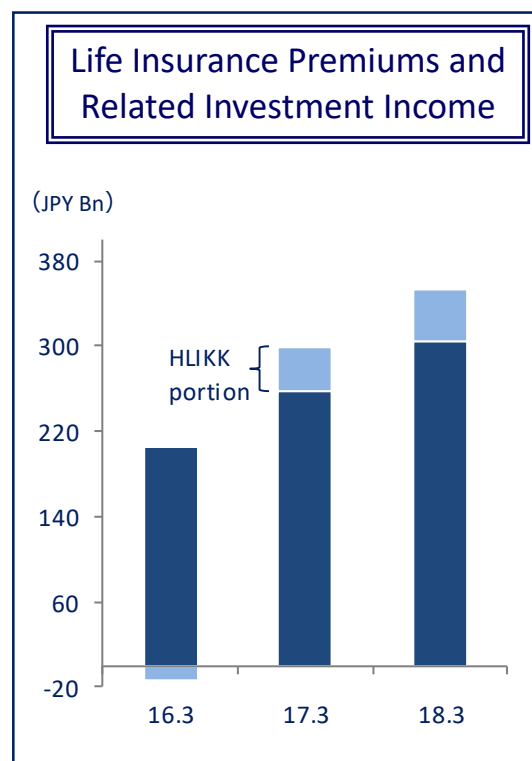
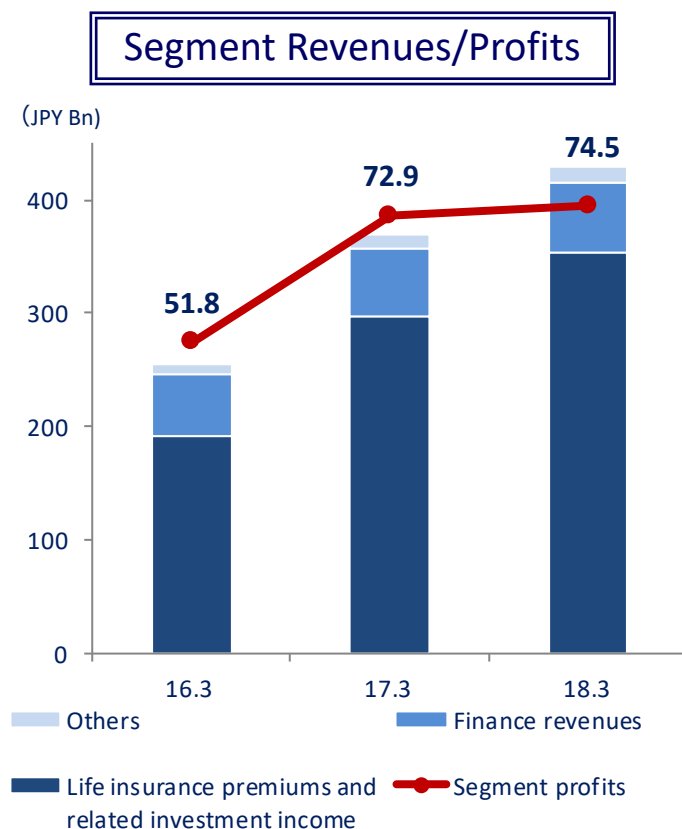
- The profit from concession business increased
- Both asset and profit increased in environment and energy business
- Invested in Ormat Technologies, a geothermal power generation company

## Mid-Term Strategic Directions

- Accelerate renewable energy business in overseas
- Diversify the methods and expand the target zone in the business investment area
- Expand the scope in concession business

# Segment Performance (5) Retail

- Segment profits: 74.5bn yen, up by 1.7bn yen YoY (+2%)
  - ✓ Finance revenue in banking business and life insurance premiums increased
- Segment assets: 3,174.5bn yen, down by 117.1bn yen YTD (▲4%)
  - ✓ Assets decreased due to sales of investment securities in OLI and run-off in HLIKK portfolio
  - ✓ Increased in installment loans in banking business



# Segment Performance (5) Retail



(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance revenues	55.3	59.2	61.2	103%
Life insurance premiums and related investment income	190.8	297.9	353.0	118%
Services income and others	8.2	11.6	14.5	125%
<b>Segment Revenues</b>	<b>254.3</b>	<b>368.7</b>	<b>428.7</b>	<b>116%</b>
Segment Expenses	203.3	295.8	354.2	120%
<b>Segment Profits</b>	<b>51.8</b>	<b>72.9</b>	<b>74.5</b>	<b>102%</b>
Installment Loans	1,496.4	1,718.7	1,852.8	
Investment in Securities	1,893.6	1,509.2	1,260.3	
<b>Segment Assets</b>	<b>3,462.8</b>	<b>3,291.6</b>	<b>3,174.5</b>	
<b>ROA</b>	<b>0.96%</b>	<b>1.47%</b>	<b>1.57%</b>	

## FY18.3 Results

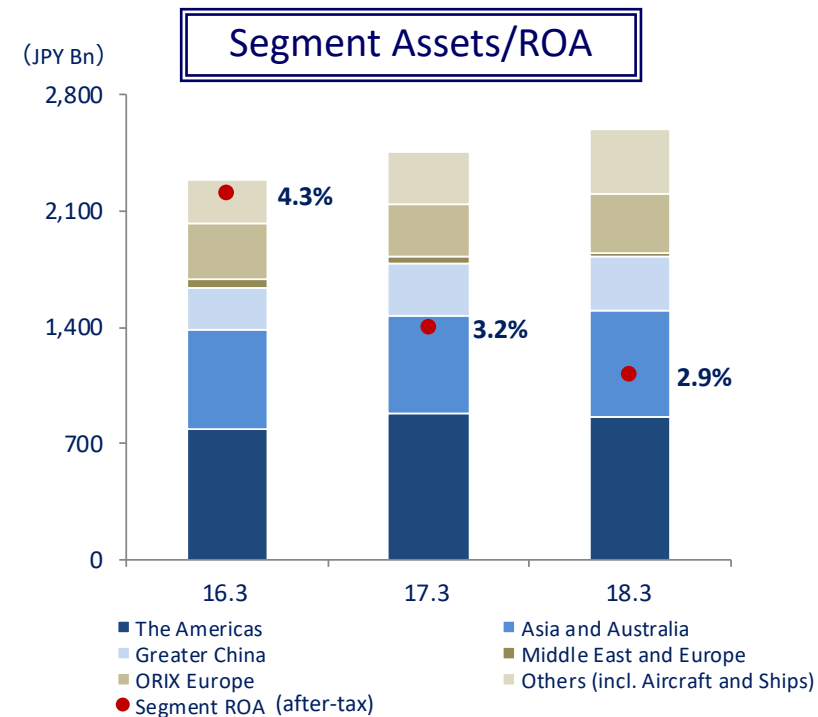
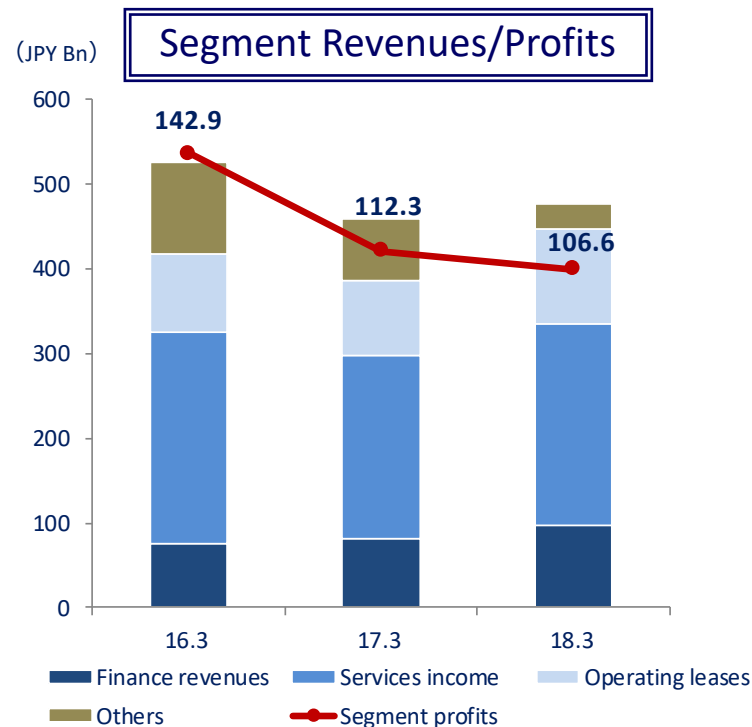
- Life insurance policies in force steadily increased
- Finance revenues increased due to growth in housing loans and card loans of ORIX Bank

## Mid-Term Strategic Directions

- Grow from a mid size insurer to a major insurer
- Develop new business areas of ORIX Bank

# Segment Performance (6) Overseas Business

- Segment Profits: 106.6bn yen, down by 5.7bn yen YoY (▲5%)
  - ✓ 5.2bn yen increased due to FX rate fluctuation
  - ✓ Profit growth in aircraft and ship-related operations as well as asset management business
  - ✓ Loss on sales of shares of affiliates, lower contribution from affiliates
- Segment Assets: 2,594.7bn yen, up by 140.5bn yen YTD (+6%)
  - ✓ 55.3bn yen decreased due to FX rate fluctuation
  - ✓ Assets of aircraft and ship-related operations increased



\*Robeco Groep N.V. changed its name into ORIX Corporation Europe N.V. (ORIX Europe) on January 1, 2018

# Segment Performance (6) Overseas Business



(JPY Bn)

	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance revenues	75.0	81.3	96.4	119%
Gain on investment securities and dividends	16.1	13.3	17.5	131%
Operating leases	92.0	88.5	111.4	126%
Services income	250.1	216.7	238.6	110%
<b>Segment Revenues</b>	<b>526.0</b>	<b>458.9</b>	<b>477.4</b>	<b>104%</b>
Segment Expenses	452.2	386.8	380.8	98%
Equity in Net Income of Affiliates and others	69.0	40.2	9.9	25%
Net Income Attributable to Redeemable Noncontrolling Interests	(7.8)	(2.3)	(1.8)	-
<b>Segment Profits</b>	<b>142.9</b>	<b>112.3</b>	<b>106.6</b>	<b>95%</b>
Investment in Direct Financing Leases	351.0	357.7	368.7	
Installment Loans	407.9	457.4	520.1	
Investment in Operating Leases	375.4	420.2	491.0	
Investment in Securities	383.2	465.9	414.0	
Investment in Affiliates	305.7	332.2	314.6	
<b>Segment Assets</b>	<b>2,284.7</b>	<b>2,454.2</b>	<b>2,594.7</b>	
<b>ROA</b>	<b>0.43%</b>	<b>0.32%</b>	<b>2.88%</b>	

## FY18.3 Results

- Aircraft-related operations steadily expanded
- PE investment in the Americas increased
- Invested in Chinese fintech companies

## Mid-Term Strategic Directions

- Proactively develop aircraft and ship-related operations
- Expand asset management and PE investment business
- Diversify overseas business with strengthened functions



# Segment Performance (6) Overseas Business



## ■ Breakdown of segment assets in Overseas Business

(JPY Bn)

By Region	16.3	17.3	18.3	Change (YTD)
The Americas	787.2	879.3	855.6	97%
Asia and Australia	592.3	593.6	643.5	108%
Greater China	260.3	315.6	329.6	104%
Middle East and Europe	49.3	36.5	20.5	56%
ORIX Europe	340.9	317.3	353.8	111%
Aircraft and Ships	242.9	296.9	381.7	129%
Others	11.8	15.0	9.9	66%
<b>Total</b>	<b>2,284.7</b>	<b>2,454.2</b>	<b>2,594.7</b>	<b>106%</b>

\*Robeco Groep N.V. changed its name into ORIX Corporation Europe N.V. (ORIX Europe) on January 1, 2018

# **Business Portfolio in Three Categories**

# Business Portfolio in Three Categories

Categories		Finance		Operation				Investment		
	Main Risk	Credit risk		Operation/Business risk				Market risk		
	Capital Requirement	Low		Medium-High				High		
Segments		Japan	Overseas	Environment/ Infrastructure	Financial Services	Maintenance Services	Others	Fixed Income	Tangible Assets	Equity
	Corporate Financial Services	Leasing, Loan, Fee business					Yayoi			New business development
	Maintenance Leasing					ORIX Auto, ORIX Rentec				
	Real Estate			Facilities operation	REIT, RE investment advisory				RE investment	
	Investment and Operation			Environment and energy, Concession				Loan servicing		PE investment, Daikyo
	Retail	Banking, Consumer finance, Guarantee			Life insurance, HLIKK					
	Overseas Business		Leasing, Loan		Asset Management, Houlihan Lokey			Bond investment	Aircraft, Ships	PE investment

# Business Portfolio in Three Categories

## Segment Profits

(JPY Bn)

The 3 categories	Sub Categories	FY16.3	FY17.3	FY18.3	Change (YoY)
Finance	Japan	50.4	56.0	73.4	131%
	Overseas	32.3	41.4	15.5	37%
	Subtotal	82.6	97.3	88.8	91%
Operation	Environment/Infrastructure	21.8	37.0	45.7	123%
	Financial Services	115.8	99.1	122.0	123%
	(Hartford Life Insurance)	(2.9)	4.3	3.6	83%
	Maintenance Services	42.9	39.8	40.2	101%
	Others	5.4	5.6	6.4	114%
	Subtotal	185.8	181.6	214.2	118%
Investment	Fixed Income	23.6	23.4	25.1	107%
	Tangible assets	36.2	61.6	65.9	107%
	Equity	51.9	57.0	35.0	61%
	Subtotal	111.7	141.9	126.0	89%
Total Segment Profits		380.1	420.8	429.1	102%

# Business Portfolio in Three Categories

## Segment Assets

(JPY Bn)

The 3 categories	Sub Categories	16.3	17.3	18.3	Change (YTD)
Finance	Japan	2,775.9	2,905.3	2,969.8	102%
	Overseas	868.3	901.3	977.4	108%
	Subtotal	3,644.2	3,806.6	3,947.2	104%
Operation	Environment/Infrastructure	451.7	505.9	608.6	120%
	Financial Services	2,143.7	1,855.8	1,649.5	89%
	(Hartford Life Insurance)	957.2	739.6	497.0	67%
	Maintenance Services	731.3	752.5	818.2	109%
	Others	104.6	102.7	100.7	98%
	Subtotal	3,431.4	3,216.9	3,177.1	99%
Investment	Fixed Income	523.8	529.1	456.4	86%
	Tangible Assets	788.4	762.0	808.6	106%
	Equity	584.6	642.3	627.9	98%
	Subtotal	1,896.9	1,933.4	1,892.9	98%
Total Segment Assets		8,972.4	8,956.9	9,017.3	101%

# Usage of Shareholders' Equity

- ✓ Employed capital ratio\* is controlled within the range meeting single A rating requirement

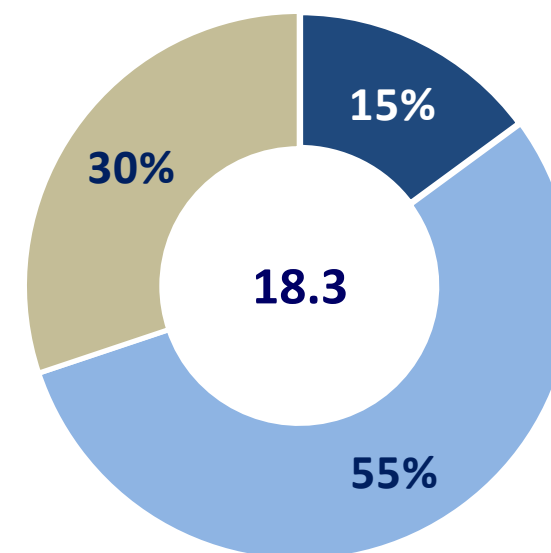
\*ORIX calculation (Risk Capital/Shareholders' Equity)

## Employed Capital Ratio

(JPY Bn)

	<b>18.3</b>
Shareholders' Equity	2,682.4
Employed	2,269.8
Unemployed	412.6
<b>Employed Capital Ratio</b>	<b>84.6%</b>

## Breakdown of Capital Employed



■ Finance ■ Operation ■ Investment

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A large circular graphic on the left side of the slide, composed of three concentric rings. The outermost ring is red, the middle ring is blue, and the innermost ring is purple. The text "Answers, Custom Fit." is centered within the white space of the innermost ring.

Answers, Custom Fit.

For the current IR materials and archives of  
past financial data please access our website

ORIX Website

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

IR Section

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