

Financial Section

Eleven-Year Summary

ORIX Corporation and its Consolidated Subsidiaries
Years ended March 31, 2009 through 2019

	2009	2010	2011	2012
Financial Position:				
Investment in Direct Financing Leases	¥ 914,444	¥ 756,481	¥ 830,853	¥ 900,886
Installment Loans	3,304,101	2,464,251	2,983,164	2,769,898
Investment in Operating Leases	1,226,624	1,213,223	1,270,295	1,309,998
Investment in Securities	926,140	1,104,158	1,175,381	1,147,390
Property under Facility Operations	189,560	186,396	207,480	194,576
Total Assets	8,353,852	7,722,017	8,561,910	8,332,830
Short-term Debt, Long-term Debt and Deposits	5,919,639	5,263,104	6,075,076	5,828,967
Long- and Short-term Debt	5,252,012	4,409,835	5,009,901	4,725,453
Debt/Equity Ratio				
Short-term Debt, Long-term Debt and Deposits/ Shareholders' Equity (Times)	5.1	4.1	4.6	4.2
Short-term Debt and Long-term Debt/Shareholders' Equity (Times)	4.5	3.4	3.8	3.4
Share of Long-term Debt (%)	85	87	90	90
ORIX Corporation Shareholders' Equity	1,157,269	1,287,179	1,306,582	1,380,736
Shareholders' Equity Ratio (%)	13.9	16.7	15.3	16.6
Revenues and Expenses:				
Total Revenues	¥1,014,289	¥ 887,290	¥ 938,258	¥ 963,721
Total Expenses	961,003	856,326	865,992	841,506
Provision for Doubtful Receivables and Probable Loan Losses	77,015	71,857	31,065	19,186
Income before Income Taxes and Discontinued Operations	11,195	56,748	90,271	127,515
Income from Continuing Operations	15,054	35,723	65,437	82,907
Net Income Attributable to ORIX Corporation Shareholders	20,674	36,512	66,021	83,509
ROA (%)	0.24	0.45	0.81	0.99
ROE (%)	1.7	3.0	5.1	6.2
Per Share Data (Yen):				
Net Income Attributable to ORIX Corporation Shareholders:				
Basic Earnings per Share	¥ 23.25	¥ 35.83	¥ 61.42	¥ 77.68
Diluted Earnings per Share	22.07	30.58	51.83	65.03
ORIX Corporation Shareholders' Equity per Share	1,294.48	1,197.55	1,215.44	1,284.15
Cash Dividends	7.00	7.50	8.00	9.00
Segment:				
Segment Profits	¥ 29,960	¥ 67,909	¥ 117,001	¥ 145,276
Segment Assets	6,982,736	6,378,552	7,276,434	6,989,138
Segment Assets ROA (%)	0.28	0.55	0.97	1.17
Number of Employees	18,920	17,725	17,578	17,488

Notes: 1. In fiscal 2011, the Company and its subsidiaries adopted FASB Accounting Standards Update 2009-16 (ASC 860 ("Transfers and Servicing")) and FASB Accounting Standards Update 2009-17 (ASC 810 ("Consolidation")). The effects of adopting these updates on the Company and its subsidiaries' financial conditions at the initial adoption date were an increase of ¥1,147.4 billion in total assets, an increase of ¥1,169.0 billion in total liabilities and a decrease of ¥22.5 billion in retained earnings, net of tax, in the consolidated balance sheets.

2. Cash dividends represent the amount of dividend per share for the corresponding fiscal year.

3. Balance sheet data and income statement data have been changed beginning in the third consolidated fiscal period of FY2015.3. The amounts in the previous years have been retrospectively reclassified to reflect this change.

(Millions of yen)

2013	2014	2015	2016	2017	2018	2019
¥ 989,380	¥1,094,073	¥ 1,216,454	¥ 1,190,136	¥ 1,204,024	¥ 1,194,888	¥ 1,155,632
2,691,171	2,315,555	2,478,054	2,592,233	2,815,706	2,823,769	3,277,670
1,395,533	1,379,741	1,296,220	1,349,199	1,313,164	1,344,926	1,335,959
1,093,668	1,214,452	2,846,257	2,344,792	2,026,512	1,729,455	1,928,916
218,697	295,863	278,100	327,016	398,936	434,786	441,632
8,435,193	9,063,517	11,439,874	10,992,918	11,231,895	11,425,982	12,174,917
5,556,330	5,363,968	5,701,356	5,685,014	5,753,059	5,890,720	6,423,512
4,477,743	4,157,555	4,413,976	4,286,542	4,138,451	4,133,258	4,495,771
3.4	2.8	2.7	2.5	2.3	2.2	2.2
2.7	2.2	2.1	1.9	1.7	1.5	1.6
91	93	94	92	93	93	93
1,643,596	1,919,346	2,152,198	2,310,431	2,507,698	2,682,424	2,897,074
19.5	21.2	18.8	21.0	22.3	23.5	23.8
¥1,052,477	¥1,375,292	¥ 2,174,283	¥ 2,369,202	¥ 2,678,659	¥ 2,862,771	¥ 2,434,864
901,624	1,172,244	1,917,454	2,081,461	2,349,435	2,526,576	2,105,426
10,016	13,838	11,631	11,717	22,667	17,265	22,525
172,572	286,339	344,017	391,302	424,965	435,501	395,730
118,890	187,786	254,960	270,990	280,926	321,589	327,039
111,909	187,364	234,948	260,169	273,239	313,135	323,745
1.33	2.14	2.29	2.32	2.46	2.76	2.74
7.4	10.5	11.5	11.7	11.3	12.1	11.6
¥ 102.87	¥ 147.75	¥ 179.47	¥ 198.73	¥ 208.88	¥ 244.40	¥ 252.92
87.37	143.20	179.21	198.52	208.68	244.15	252.70
1,345.63	1,465.77	1,644.60	1,764.34	1,925.17	2,095.64	2,263.41
13.00	23.00	36.00	45.75	52.25	66.00	76.00
¥ 200,082	¥ 312,244	¥ 339,809	¥ 385,742	¥ 420,911	¥ 429,078	¥ 401,395
7,051,291	7,520,949	9,464,833	9,246,340	9,201,921	9,098,918	9,997,698
1.59	2.57	2.77	2.78	2.96	3.42	3.39
19,043	25,977	31,035	33,333	34,835	31,890	32,411

4. During FY2015.3, we eliminated the accounting period gap that previously existed between DAIKYO and ORIX. The amounts in the previous years have been retrospectively reclassified to reflect this change.

5. From FY2017.3, Accounting Standards Update No. 2015-03 (Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs) has been applied retroactively to consolidated financial statements for prior fiscal years.

6. From the first quarter of FY2019.3, consolidated VIEs for securitizing financial assets such as direct financing lease receivables and loan receivables are included in segment revenues, segment profits and segment assets. The amounts in the previous years have been retrospectively reclassified to reflect this change.

Financial Section

Consolidated Balance Sheets

ORIX Corporation and its Consolidated Subsidiaries
As of March 31, 2017, 2018 and 2019

(Millions of yen)

	2017	2018	2019
ASSETS			
Cash and Cash Equivalents	¥ 1,039,870	¥ 1,321,241	¥ 1,161,032
Restricted Cash	93,342	83,876	122,548
Investment in Direct Financing Leases	1,204,024	1,194,888	1,155,632
Installment Loans	The amounts of ¥19,232 million as of March 31, 2017, ¥17,260 million as of March 31, 2018 and ¥38,671 million as of March 31, 2019 are measured at fair value by electing the fair value option under FASB ASC 825. 2,815,706	2,823,769	3,277,670
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(59,227)	(54,672)	(58,011)
Investment in Operating Leases	1,313,164	1,344,926	1,335,959
Investment in Securities	The amounts of ¥24,894 million as of March 31, 2017, ¥37,631 million as of March 31, 2018 and ¥27,367 million as of March 31, 2019 are measured at fair value by electing the fair value option under FASB ASC 825. 2,026,512	1,729,455	1,928,916
Property under Facility Operations	398,936	434,786	441,632
Investment in Affiliates	524,234	591,363	842,760
Trade Notes, Accounts and Other Receivable	283,427	294,773	280,590
Inventories	117,863	111,001	115,695
Office Facilities	110,781	112,962	108,390
Other Assets	The amounts of ¥22,116 million as of March 31, 2017, ¥15,008 million as of March 31, 2018 and ¥12,449 million as of March 31, 2019 are measured at fair value by electing the fair value option under FASB ASC 825. 1,363,263	1,437,614	1,462,104
Total Assets	¥11,231,895	¥11,425,982	¥12,174,917

(Millions of yen)

	2017	2018	2019
LIABILITIES			
Short-term Debt	¥ 283,467	¥ 306,754	¥ 309,549
Deposits	1,614,608	1,757,462	1,927,741
Trade Notes, Accounts and Other Payable	251,800	262,301	293,480
Policy Liabilities and Policy Account Balances	1,564,758	1,511,246	1,521,355
	The amounts of ¥605,520 million as of March 31, 2017, ¥444,010 million as of March 31, 2018 and ¥360,198 million as of March 31, 2019 are measured at fair value by electing the fair value option under FASB ASC 825.		
Income Taxes:			
Current	93,884	18,798	42,010
Deferred	351,828	348,149	313,833
Long-term Debt	3,854,984	3,826,504	4,186,222
Other Liabilities	562,393	588,474	617,746
Total Liabilities	8,577,722	8,619,688	9,211,936
Redeemable Noncontrolling Interests	6,548	7,420	9,780
Commitments and Contingent Liabilities			
EQUITY			
Common Stock:	220,524	220,961	221,111
Authorized	2,590,000,000 shares		
Issued	March 31, 2017	1,324,107,328 shares	
	March 31, 2018	1,324,495,728 shares	
	March 31, 2019	1,324,629,128 shares	
Additional Paid-in Capital	268,138	267,291	257,625
Retained Earnings	2,077,474	2,315,283	2,555,585
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains on investment in securities	32,279	10,465	17,389
Debt valuation adjustments	—	—	582
Defined benefit pension plans	(17,330)	(20,487)	(27,902)
Foreign currency translation adjustments	(31,736)	(31,806)	(43,558)
Net unrealized losses on derivative instruments	(4,483)	(3,738)	(7,854)
Sub-Total	(21,270)	(45,566)	(61,343)
Treasury Stock, at Cost:	(37,168)	(75,545)	(75,904)
March 31, 2017	21,520,267 shares		
March 31, 2018	44,494,856 shares		
March 31, 2019	44,667,776 shares		
ORIX Corporation Shareholders' Equity	2,507,698	2,682,424	2,897,074
Noncontrolling Interests	139,927	116,450	56,127
Total Equity	2,647,625	2,798,874	2,953,201
Total Liabilities and Equity	¥11,231,895	¥11,425,982	¥12,174,917

Note: 1. The Company's shares held through the Board Incentive Plan Trust (2,126,076 shares as of March 31, 2017, 1,651,443 shares as of March 31, 2018 and 1,823,993 shares as of March 31, 2019) are included in the number of treasury shares as of March 31, 2017, 2018 and 2019, respectively.

Financial Section

Consolidated Statements of Income

ORIX Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2017, 2018 and 2019

(Millions of yen)

	2017	2018	2019
Revenues:			
Finance revenues	¥ 211,852	¥ 228,252	¥ 242,893
Gains on investment securities and dividends	30,328	43,302	15,958
Operating leases	398,655	379,665	413,918
Life insurance premiums and related investment income	295,940	351,590	347,136
Sales of goods and real estate	1,015,249	1,079,052	596,165
Services income	726,635	780,910	818,794
Total revenues	2,678,659	2,862,771	2,434,864
Expenses:			
Interest expense	72,910	76,815	93,337
Costs of operating leases	243,537	252,327	257,321
Life insurance costs	200,158	255,070	246,533
Costs of goods and real estate sold	928,794	1,003,509	535,261
Services expense	451,277	482,796	508,320
Other (income) and expense, net	(4,396)	429	1,301
Selling, general and administrative expenses	418,746	431,594	437,028
Provision for doubtful receivables and probable loan losses	22,667	17,265	22,525
Write-downs of long-lived assets	9,134	5,525	2,418
Write-downs of securities	6,608	1,246	1,382
Total expenses	2,349,435	2,526,576	2,105,426
Operating Income	329,224	336,195	329,438
Equity in Net Income of Affiliates	26,520	50,103	32,978
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	63,419	49,203	33,314
Bargain Purchase Gain	5,802	—	—
Income before Income Taxes	424,965	435,501	395,730
Provision for Income Taxes	144,039	113,912	68,691
Net Income	280,926	321,589	327,039
Net Income Attributable to the Noncontrolling Interests	7,255	8,002	2,890
Net Income Attributable to the Redeemable Noncontrolling Interests	432	452	404
Net Income Attributable to ORIX Corporation Shareholders	¥ 273,239	¥ 313,135	¥ 323,745

(Yen)

Amounts per Share of Common Stock for Income Attributable to ORIX Corporation Shareholders:			
Basic	¥ 208.88	¥ 244.40	¥ 252.92
Diluted	208.68	244.15	252.70
Cash Dividends	52.25	66.00	76.00

Notes: 1. Cash Dividends represent the amount of dividend per share for the corresponding fiscal year.

2. Revenues from guarantees in the consolidated statements of income have been reclassified from "Services income" to "Finance revenues" from the first quarter of FY2019.3. This change aims to reflect the revenue structure of the Company and its subsidiaries more appropriately accompanying the adoption of ASC606 ("Revenue from Contracts with Customers"). Corresponding to this change, the presented amounts in the consolidated statements of income for the previous fiscal year have also been reclassified retrospectively to conform to the presentation for FY2019.3.

3. Due to the adoption of FASB Accounting Standards Update 2016-01 (Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities) from the first quarter of FY2019.3, unrealized changes in fair value of equity securities are included in "Gains on investment securities and dividends."

Consolidated Statements of Comprehensive Income

ORIX Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2017, 2018 and 2019

(Millions of yen)

	2017	2018	2019
Net Income	¥280,926	¥321,589	¥327,039
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	(14,926)	(22,834)	10,215
Net change of debt valuation adjustments	—	—	231
Net change of defined benefit pension plans	7,670	(2,962)	(7,346)
Net change of foreign currency translation adjustments	(5,968)	(1,955)	(11,537)
Net change of unrealized gains (losses) on derivative instruments	326	779	(4,118)
Total other comprehensive income (loss)	(12,898)	(26,972)	(12,555)
Comprehensive Income	268,028	294,617	314,484
Comprehensive Income Attributable to the Noncontrolling Interests	4,276	6,433	2,784
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	374	36	730
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥263,378	¥288,148	¥310,970

Financial Section

Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2019)

Segment Assets

(Millions of yen)

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
Segment Assets	¥959,725	¥873,775	¥720,221	¥733,612	¥3,571,437	¥3,138,928	¥9,997,698
Investment in Direct Financing Leases	403,639	328,424	35,420	25,696	42	362,391	1,155,612
Installment Loans	364,818	—	316	47,573	2,049,980	814,847	3,277,534
Investment in Operating Leases	24,143	525,392	242,022	5,474	29,810	509,117	1,335,958
Investment in Securities	31,522	506	8,038	25,786	1,474,750	385,339	1,925,941
Property under Facility Operations and Servicing Assets	16,973	988	146,100	264,994	—	44,149	473,204
Inventories	51	587	80,920	30,776	—	3,161	115,495
Advances for DFL and Operating Leases	122	669	29,946	1,340	—	10,932	43,009
Investment in Affiliates	16,276	33	107,072	161,966	631	556,682	842,660
Advances for Property under Facility Operations	—	—	6,790	11,291	—	—	18,081
Goodwill and Other Intangible Assets Acquired in Business Combinations	102,181	17,176	63,597	158,716	16,224	452,310	810,204

Segment Revenues

(Millions of yen)

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business	Total
Segment Revenues	¥95,212	¥288,211	¥529,064	¥615,151	¥428,904	¥490,730	¥2,447,272
Finance Revenues	28,829	14,352	2,065	9,063	76,693	111,634	242,636
Gains on Investment Securities and Dividends	(777)	(47)	(32)	78	346	16,565	16,133
Operating Leases	23,522	197,963	72,483	827	—	121,913	416,708
Life Insurance Premiums and Related Investment Income	—	—	—	—	348,255	—	348,255
Sales of Goods and Real Estate	4,379	5,392	141,489	436,044	—	7,508	594,812
Services Income	39,259	70,551	313,059	169,139	3,610	233,110	828,728

Note: Figures in the table above may vary from figures reported in the consolidated statements of income and the consolidated balance sheets because items considered as corporate assets and revenues are not included.

Main Components of Segment Assets

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business
Investment in Direct Financing Leases	Corporate leasing and sales finance	Auto leasing	Real estate leasing	Leasing of energy saving equipment	—	Leasing and sales finance of local subsidiaries
Installment Loans	Corporate loans	—	—	Loans purchased under loan servicing unit	Real estate investment loans, card loans, and corporate loans	Corporate loans in the U.S., auto loans and corporate loans in Asia
Investment in Operating Leases	Lease renewal and real estate leasing	Leasing, rental, lease renewal of auto and precision measuring equipments	Real estate rental	—	ORIX Life Insurance's operating assets (rental properties)	Auto leasing in local subsidiaries and aircraft leasing
Investment in Securities	Investment in listed shares	—	Investment in funds	Investment in listed shares, PE funds	Corporate and government bonds, listed shares, the assets under management of variable annuity and variable life insurance contracts	Investment in municipal bonds and CMBS in the U.S., investment in funds in the U.S., Europe and Asia
Property under Facility Operations and Servicing Assets	Solar power facilities (JV with Kyudenko Corporation)	—	Operating facilities including hotels, Japanese inns, aquariums, etc.	Environment and energy related facilities and equipment	—	Mortgage servicing rights in the U.S.
Inventories	—	—	Condominiums	Investees' operating assets	—	Investees' operating assets
Advances for DFL and Operating Leases	—	—	Rental properties under development	—	—	Vessels under construction
Investment in Affiliates	Investment in joint ventures such as new businesses	—	Joint development of rental properties	PE investment, investment in power business abroad, investment in concession business	—	Investment in joint ventures, PE investment in Asia, and investment in U.S. investment banks
Advances for Property under Facility Operations	—	—	Operating facilities under development	Environment and energy related facilities and equipment under development	—	—
Goodwill and Other Intangible Assets Acquired in Business Combinations	Goodwill and intangible assets resulting from M&As					

Main Components of Segment Revenues

	Corporate Financial Services	Maintenance Leasing	Real Estate	Investment and Operation	Retail	Overseas Business
Finance Revenues	Leasing and sales finance revenues and interest revenues from corporate loans	Auto leasing revenues	Revenues from real estate leasing	Gains on loan collection in loan servicing and leasing revenues from energy saving equipment	Interest revenues from real estate investment loans, card loans and corporate loans	Leasing and sales finance revenues and interest revenues of local subsidiaries, and interest revenues from CMBS in the U.S.
Gains on Investment Securities and Dividends	Gains on sales of listed shares	—	—	Gains on sales of investees and equity income/dividends from investees and PE funds	Gains on sales of corporate and government bonds held by ORIX Bank	Gains on sales of investees and equity income from PE funds, gains on sales of municipal bonds in the U.S.
Operating Leases	Lease renewal revenues and revenues from real estate leasing	Auto and precision measuring equipment leasing, rental, and leasing renewal revenues and gains on sales from used cars	Rental revenues from rental properties and gains on sales of rental properties	—	—	Auto leasing revenues of local subsidiaries, gains on sales of used cars, aircraft leasing revenues and gains on sales of aircraft
Life Insurance Premiums and Related Investment Income	—	—	—	—	Life insurance premiums and related investment income	—
Sales of Goods and Real Estate	Revenues from sales of software of Yayoi	Revenues from sales of used rental equipment	Gains on sales of condominiums	Revenues from sales of goods by investees	—	Revenues from sales of goods by investees
Services Income	Revenues from after-sales services of Yayoi, insurance agency commissions, environment and energy business related fees	Revenues from vehicle maintenance services	Revenues from operating facilities (including gains on sales), asset management fees, real estate investment advisory fees and DAIKYO's real estate management services	Revenues from Environment and Energy businesses (including gains on sales) and income from investees	Life insurance consulting fees	ORIX Corporation Europe's asset management fee revenues, and income from auto maintenance services of local subsidiaries