

Financial Section

Eleven-Year Summary

ORIX Corporation and its Consolidated Subsidiaries
Years ended March 31, 2010 through 2020

(Millions of yen)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Financial Position:											
Net Investment in Leases	¥ 756,481	¥ 830,853	¥ 900,886	¥ 989,380	¥1,094,073	¥ 1,216,454	¥ 1,190,136	¥ 1,204,024	¥ 1,194,888	¥ 1,155,632	¥ 1,080,964
Installment Loans	2,464,251	2,983,164	2,769,898	2,691,171	2,315,555	2,478,054	2,592,233	2,815,706	2,823,769	3,277,670	3,740,486
Investment in Operating Leases	1,213,223	1,270,295	1,309,998	1,395,533	1,379,741	1,296,220	1,349,199	1,313,164	1,344,926	1,335,959	1,400,001
Investment in Securities	1,104,158	1,175,381	1,147,390	1,093,668	1,214,452	2,846,257	2,344,792	2,026,512	1,729,455	1,928,916	2,245,323
Property under Facility Operations	186,396	207,480	194,576	218,697	295,863	278,100	327,016	398,936	434,786	441,632	562,485
Total Assets	7,722,017	8,561,910	8,332,830	8,435,193	9,063,517	11,439,874	10,992,918	11,231,895	11,425,982	12,174,917	13,067,528
Short-term Debt, Long-term Debt and Deposits	5,263,104	6,075,076	5,828,967	5,556,330	5,363,968	5,701,356	5,685,014	5,753,059	5,890,720	6,423,512	6,847,889
Long- and Short-term Debt	4,409,835	5,009,901	4,725,453	4,477,743	4,157,555	4,413,976	4,286,542	4,138,451	4,133,258	4,495,771	4,616,186
Debt/Equity Ratio											
Short-term Debt, Long-term Debt and Deposits/ Shareholders' Equity (Times)	4.1	4.6	4.2	3.4	2.8	2.7	2.5	2.3	2.2	2.2	2.3
Short-term Debt and Long-term Debt/ Shareholders' Equity (Times)	3.4	3.8	3.4	2.7	2.2	2.1	1.9	1.7	1.5	1.6	1.5
Share of Long-term Debt (%)	87	90	90	91	93	94	92	93	93	93	93
ORIX Corporation Shareholders' Equity	1,287,179	1,306,582	1,380,736	1,643,596	1,919,346	2,152,198	2,310,431	2,507,698	2,682,424	2,897,074	2,993,608
Shareholders' Equity Ratio (%)	16.7	15.3	16.6	19.5	21.2	18.8	21.0	22.3	23.5	23.8	22.9
Revenues and Expenses:											
Total Revenues	¥ 887,290	¥ 938,258	¥ 963,721	¥1,052,477	¥1,375,292	¥ 2,174,283	¥ 2,369,202	¥ 2,678,659	¥ 2,862,771	¥ 2,434,864	¥ 2,280,329
Total Expenses	856,326	865,992	841,506	901,624	1,172,244	1,917,454	2,081,461	2,349,435	2,526,576	2,105,426	2,010,648
Provision for Doubtful Receivables and Probable Loan Losses	71,857	31,065	19,186	10,016	13,838	11,631	11,717	22,667	17,265	22,525	24,425
Income before Income Taxes and Discontinued Operations	56,748	90,271	127,515	172,572	286,339	344,017	391,302	424,965	435,501	395,730	412,561
Income from Continuing Operations	35,723	65,437	82,907	118,890	187,786	254,960	270,990	280,926	321,589	327,039	306,724
Net Income Attributable to ORIX Corporation Shareholders	36,512	66,021	83,509	111,909	187,364	234,948	260,169	273,239	313,135	323,745	302,700
ROA (%)	0.45	0.81	0.99	1.33	2.14	2.29	2.32	2.46	2.76	2.74	2.40
ROE (%)	3.0	5.1	6.2	7.4	10.5	11.5	11.7	11.3	12.1	11.6	10.3
Per Share Data (Yen):											
Net Income Attributable to ORIX Corporation Shareholders:											
Basic Earnings per Share	¥ 35.83	¥ 61.42	¥ 77.68	¥ 102.87	¥ 147.75	¥ 179.47	¥ 198.73	¥ 208.88	¥ 244.40	¥ 252.92	¥ 237.38
Diluted Earnings per Share	30.58	51.83	65.03	87.37	143.20	179.21	198.52	208.68	244.15	252.70	237.17
ORIX Corporation Shareholders' Equity per Share	1,197.55	1,215.44	1,284.15	1,345.63	1,465.77	1,644.60	1,764.34	1,925.17	2,095.64	2,263.41	2,386.35
Cash Dividends	7.50	8.00	9.00	13.00	23.00	36.00	45.75	52.25	66.00	76.00	76.00
Segment:											
Segment Profits	¥ 77,176	¥ 134,009	¥ 169,979	¥ 210,752	¥ 322,843	¥ 338,950	¥ 404,287	¥ 441,411	¥ 453,215	¥ 424,869	¥ 443,252
Segment Assets	6,345,044	7,248,218	6,970,998	7,031,316	7,491,827	9,458,077	9,237,950	9,190,667	9,087,803	9,986,916	10,883,545
Return on Segment Assets (ROA) (%)	0.58	0.97	1.17	1.60	2.58	2.77	2.78	2.97	3.43	3.39	2.90
Number of Employees	17,725	17,578	17,488	19,043	25,977	31,035	33,333	34,835	31,890	32,411	31,233

Notes: 1. In FY2011.3, the Company and its subsidiaries adopted FASB Accounting Standards Update No. 2009-16 (ASC 860 ("Transfers and Servicing")) and FASB Accounting Standards Update No. 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.

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, FASB 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.

7. From the first quarter of FY2020.3, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

8. From the fourth quarter of FY2020.3, FASB Accounting Standards Update No. 2018-20 (Leases (Topic 842): Narrow-Scope Improvements for Lessors) has been applied, and the method of presentation on the statement of income has changed for certain expenses, including taxes on lessors' direct financing leases and operating leases.

9. From the first quarter of FY2021.3, the classification of business segments has been reorganized. Segment profits and segment assets for previous years have been retrospectively reclassified to reflect this change.

10. From the first quarter of FY2021.3, the methods of allocating expenses to business divisions and calculating segment profits have changed. Segment profits for previous years have been retrospectively reclassified to reflect this change.

Consolidated Balance Sheets

ORIX Corporation and its Consolidated Subsidiaries
As of March 31, 2018, 2019 and 2020

	(Millions of yen)		
	2018	2019	2020
ASSETS			
Cash and Cash Equivalents	¥ 1,321,241	¥ 1,161,032	¥ 982,666
Restricted Cash	83,876	122,548	152,618
Net Investment in Leases	1,194,888	1,155,632	1,080,964
Installment Loans	2,823,769	3,277,670	3,740,486
<small>The amounts of ¥17,260 million as of March 31, 2018, ¥38,671 million as of March 31, 2019 and ¥90,893 million as of March 31, 2020 are measured at fair value by electing the fair value option under FASB ASC 825.</small>			
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(54,672)	(58,011)	(56,836)
Investment in Operating Leases	1,344,926	1,335,959	1,400,001
Investment in Securities	1,729,455	1,928,916	2,245,323
<small>The amounts of ¥37,631 million as of March 31, 2018, ¥27,367 million as of March 31, 2019 and ¥25,295 million as of March 31, 2020 are measured at fair value by electing the fair value option under FASB ASC 825.</small>			
Property under Facility Operations	434,786	441,632	562,485
Investment in Affiliates	591,363	842,760	821,662
Trade Notes, Accounts and Other Receivable	294,773	280,590	312,744
Inventories	111,001	115,695	126,013
Office Facilities	112,962	108,390	203,930
Other Assets	1,437,614	1,462,104	1,495,472
<small>The amounts of ¥15,008 million as of March 31, 2018, ¥12,449 million as of March 31, 2019 and ¥18,206 million as of March 31, 2020 are measured at fair value by electing the fair value option under FASB ASC 825.</small>			
Total Assets	¥11,425,982	¥12,174,917	¥13,067,528

Note: 1. From the first quarter of FY2020.3, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

	(Millions of yen)		
	2018	2019	2020
LIABILITIES			
Short-term Debt	¥ 306,754	¥ 309,549	¥ 336,832
Deposits	1,757,462	1,927,741	2,231,703
Trade Notes, Accounts and Other Payable	262,301	293,480	282,727
Policy Liabilities and Policy Account Balances	1,511,246	1,521,355	1,591,475
<small>The amounts of ¥444,010 million as of March 31, 2018, ¥360,198 million as of March 31, 2019 and ¥300,739 million as of March 31, 2020 are measured at fair value by electing the fair value option under FASB ASC 825.</small>			
Income Taxes:			
Current	18,798	42,010	28,203
Deferred	348,149	313,833	328,147
Long-term Debt	3,826,504	4,186,222	4,279,354
Other Liabilities	588,474	617,746	912,921
Total Liabilities	8,619,688	9,211,936	9,991,362
Redeemable Noncontrolling Interests	7,420	9,780	10,331
Commitments and Contingent Liabilities			
EQUITY			
Common Stock:	220,961	221,111	221,111
Authorized		2,590,000,000 shares	
Issued		March 31, 2018 1,324,495,728 shares	
		March 31, 2019 1,324,629,128 shares	
		March 31, 2020 1,324,629,128 shares	
Additional Paid-in Capital	267,291	257,625	257,638
Retained Earnings	2,315,283	2,555,585	2,754,461
Accumulated Other Comprehensive Income (Loss):			
Net unrealized gains on investment in securities	10,465	17,389	(5,001)
Debt valuation adjustments	—	582	1,457
Defined benefit pension plans	(20,487)	(27,902)	(26,375)
Foreign currency translation adjustments	(31,806)	(43,558)	(72,471)
Net unrealized losses on derivative instruments	(3,738)	(7,854)	(16,142)
Sub-Total	(45,566)	(61,343)	(118,532)
Treasury Stock, at Cost:	(75,545)	(75,904)	(121,070)
March 31, 2018		44,494,856 shares	
March 31, 2019		44,667,776 shares	
March 31, 2020		70,157,472 shares	
ORIX Corporation Shareholders' Equity	2,682,424	2,897,074	2,993,608
Noncontrolling Interests	116,450	56,127	72,227
Total Equity	2,798,874	2,953,201	3,065,835
Total Liabilities and Equity	¥11,425,982	¥12,174,917	¥13,067,528

Notes: 1. The Company's shares held through the Board Incentive Plan Trust (1,651,443 shares as of March 31, 2018, 1,823,993 shares as of March 31, 2019 and 1,476,828 shares as of March 31, 2020) are included in the number of treasury shares as of March 31, 2018, 2019 and 2020, respectively.

2. From the first quarter of FY2020.3, FASB Accounting Standards Update No. 2016-02 (Leases (Topic 842)) has been applied, and investment in direct financing leases has been reclassified to net investment in leases.

Consolidated Statements of Income

ORIX Corporation and its Consolidated Subsidiaries
For the years ended March 31, 2018, 2019 and 2020

(Millions of yen)

	2018	2019	2020
Revenues:			
Finance revenues	¥ 228,252	¥ 242,893	¥ 276,864
Gains on investment securities and dividends	43,302	15,958	22,499
Operating leases	379,665	413,918	430,665
Life insurance premiums and related investment income	351,590	347,136	367,778
Sales of goods and real estate	1,079,052	596,165	406,511
Services income	780,910	818,794	776,012
Total revenues	2,862,771	2,434,864	2,280,329
Expenses:			
Interest expense	76,815	93,337	99,138
Costs of operating leases	252,327	257,321	289,604
Life insurance costs	255,070	246,533	269,425
Costs of goods and real estate sold	1,003,509	535,261	354,006
Services expense	482,796	508,320	483,914
Other (Income) and expense	429	1,301	14,925
Selling, general and administrative expenses	431,594	437,028	460,199
Provision for doubtful receivables and probable loan losses	17,265	22,525	24,425
Write-downs of long-lived assets	5,525	2,418	3,043
Write-downs of securities	1,246	1,382	11,969
Total expenses	2,526,576	2,105,426	2,010,648
Operating Income	336,195	329,438	269,681
Equity in Net Income of Affiliates	50,103	32,978	67,924
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	49,203	33,314	74,001
Bargain Purchase Gain	—	—	955
Income before Income Taxes	435,501	395,730	412,561
Provision for Income Taxes	113,912	68,691	105,837
Net Income	321,589	327,039	306,724
Net Income Attributable to the Noncontrolling Interests	8,002	2,890	3,640
Net Income Attributable to the Redeemable Noncontrolling Interests	452	404	384
Net Income Attributable to ORIX Corporation Shareholders	¥ 313,135	¥ 323,745	¥ 302,700

(Yen)

Amounts per Share of Common Stock for Income Attributable to ORIX Corporation Shareholders:

	2018	2019	2020
Basic	¥ 244.40	¥ 252.92	¥ 237.38
Diluted	244.15	252.70	237.17
Cash Dividends	66.00	76.00	76.00

- Notes: 1. Cash Dividends represent the amount of dividends per share for the corresponding fiscal year.
2. From the first quarter of FY2019.3, the classification method of the statement of income has changed. Figures for the previous year have been reclassified to reflect the change.
3. From the fourth quarter of FY2020.3, FASB Accounting Standards Update No. 2018-20 (Leases (Topic 842): Narrow-Scope Improvements for Lessors) has been applied, and the method of presentation on the statement of income has changed for certain expenses, including taxes on lessors' direct financing leases and operating leases. Due to this application, figures for the first quarter to the third quarter of FY2020.3 have been reclassified.
4. Due to the application of FASB Accounting Standards Update No. 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, 2018, 2019 and 2020

(Millions of yen)

	2018	2019	2020
Net Income	¥321,589	¥327,039	¥306,724
Other comprehensive income (loss), net of tax			
Net change of unrealized gains (losses) on investment in securities	(22,834)	10,215	(22,456)
Net change of debt valuation adjustments	—	231	875
Net change of defined benefit pension plans	(2,962)	(7,346)	1,529
Net change of foreign currency translation adjustments	(1,955)	(11,537)	(31,664)
Net change of unrealized gains (losses) on derivative instruments	779	(4,118)	(8,556)
Total other comprehensive income (loss)	(26,972)	(12,555)	(60,272)
Comprehensive Income	294,617	314,484	246,452
Comprehensive Income Attributable to the Noncontrolling Interests	6,433	2,784	756
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	36	730	187
Comprehensive Income Attributable to ORIX Corporation Shareholders	¥288,148	¥310,970	¥245,509

Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2020)

(Millions of yen)

	Corporate Financial Services and Maintenance Leasing	Real Estate	PE Investment and Concession	Environment and Energy	Insurance
Main Components of Segment Assets	1,789,693	821,194	322,522	478,796	1,580,158
Net Investment in Leases	Corporate leasing, sales finance and auto leasing 648,627	Real estate leasing 73,279	—	Leasing of energy-saving equipment 25,355	—
Installment Loans	Corporate loans, loans purchased under loan servicing unit 379,541	—	—	—	17,720
Investment in Operating Leases	Leasing and rental of auto and precision measuring equipment 572,492	Real estate rental 319,550	Investees' operating assets 9,367	—	Operating assets (rental properties) 29,271
Investment in Securities	Investment in listed shares 28,616	Investment in funds 7,274	Investment in listed shares and in funds 17,916	—	Management of corporate and government bonds and other assets 1,528,042
Property under Facility Operations and Servicing Assets	Solar power facilities (JV with Kyudenko Corporation) 19,992	Facility operation 140,416	Investees' operating assets 43,735	Environment and energy-related facilities and equipment 338,695	—
Inventories	—	Condominiums 82,762	Investees' operating assets 40,263	—	—
Advances for Finance Leases and Operating Leases	—	Rental properties under development 37,272	—	—	—
Investment in Affiliates	Investment in joint ventures including new businesses 18,347	Joint development of rental properties 91,835	Investment in concession business and PE investment 68,603	Investment in power business abroad 82,253	—
Advances for Property under Facility Operations	—	Operating facilities under development 7,327	—	Environment and energy-related facilities and equipment under development 12,229	—
Goodwill, Intangible Assets Acquired in Business Combinations	—	—	—	—	—
	120,289	61,479	142,252	15,860	5,125
Main Components of Segment Revenues	428,036	468,086	296,365	148,423	371,387
Finance Revenues	Interest revenues from loans, revenues from corporate leasing and sales finance, and auto leasing revenues 61,402	Revenues from real estate leasing 6,723	—	Leasing revenues from energy-saving equipment 1,959	—
Gains on Investment Securities and Dividends	Gains on listed shares 111	—	Gains on sales of investees, equity income/dividends from investees and funds (139)	—	—
Operating Leases	Auto and precision measuring equipment leasing, rental revenues and gains on sales from used cars 243,977	Rental revenues from rental properties and gains on sales of rental properties 63,149	—	—	—
Life Insurance Premiums and Related Investment Income	—	—	—	—	Life insurance premiums and investment income 370,144
Sales of Goods and Real Estate	Revenues from sales of software of Yayoi and used rental equipment 11,536	Gains on sales of condominiums 122,230	Revenues from sales of goods by investees 261,475	—	—
Services Income	Various fees and revenues from vehicle maintenance services 111,010	Revenues from facility operation and asset management fees 276,123	Revenues from services provided by investees 32,465	Revenues from Environment and Energy businesses and gains on sales 141,714	—
					1,023

Breakdown of Assets and Revenues by Segment (Fiscal year ended March 31, 2020)

(Millions of yen)

	Banking and Credit		Aircraft and Ships		ORIX USA		ORIX Europe		Asia and Australia		Total
Main Components of Segment Assets		2,603,736		585,304		1,374,027		317,847		1,010,268	10,883,545
Net Investment in Leases	—	—	—	1,839	—	1,172	—	—	Leasing and sales finance	330,346	1,080,759
Installment Loans	Real estate investment loans and card loans	2,318,347	Ship loans purchased	24,088	Corporate loans	778,249	—	—	Auto loans and corporate loans	222,465	3,740,409
Investment in Operating Leases	—	—	Aircraft and ship leasing	253,717	—	9,148	—	—	Auto leasing	195,660	1,391,163
Investment in Securities	Management of corporate and government bonds and other assets	273,218	—	—	Investment in municipal bonds, CMBS and funds	320,217	Investment in funds	38,056	Investment in funds	29,248	2,242,780
Property under Facility Operations and Servicing Assets	—	—	—	—	Mortgage servicing rights	66,416	—	—	—	2,600	611,854
Inventories	—	—	—	—	—	1,442	—	—	—	242	125,839
Advances for Finance Leases and Operating Leases	—	—	Vessels under construction	4,990	—	1,259	—	—	—	1,742	47,417
Investment in Affiliates	—	400	Investment in Avolon	284,453	PE investment	52,361	—	1,495	PE investment	221,853	821,599
Advances for Property under Facility Operations	—	—	—	—	—	—	—	—	—	—	20,560
Goodwill, Intangible Assets Acquired in Business Combinations	—	11,771	—	16,217	—	143,763	—	278,295	—	6,112	801,164
Main Components of Segment Revenues		84,355		64,650		135,709		148,524		137,797	2,283,332
Finance Revenues	Interest revenues from real estate investment loans and card loans	80,868	—	2,478	Interest revenues from loans and CMBS	79,973	—	559	Leasing and sales finance revenues and interest revenues	43,694	278,001
Gains on Investment Securities and Dividends	—	195	—	6	Gains on sales of investees, equity income from PE funds and gains on sales of municipal bonds	15,956	Equity income from funds	(2,079)	Equity income from PE funds	8,971	22,986
Operating Leases	—	—	Lease income and gains on sales of aircraft and ships	49,271	—	715	—	—	Auto leasing revenues and gains on sales of used cars	66,322	425,723
Life Insurance Premiums and Related Investment Income	—	—	—	—	—	—	—	—	—	—	370,144
Sales of Goods and Real Estate	—	—	—	2,680	—	1,949	—	—	—	487	405,154
Services Income	—	3,291	Investment arrangement fees, asset management income	10,216	Asset management fee revenues	37,116	Asset management fee revenues	150,044	Revenues from auto maintenance services	18,323	781,323