

**Consolidated Financial Results**  
**April 1, 2019 - September 30, 2019**

October 28, 2019

*In preparing its consolidated financial information, ORIX Corporation (the “Company”) and its subsidiaries have complied with generally accepted accounting principles in the United States of America.*

*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.*

*The Company believes that it may have been a “passive foreign investment company” for U.S. federal income tax purposes in the year to which these consolidated financial results relate by reason of the composition of its assets and the nature of its income. In addition, the Company may be a PFIC for the foreseeable future. Assuming that the Company is a PFIC, a U.S. holder of the shares or ADSs of the Company will be subject to special rules generally intended to eliminate any benefits from the deferral of U.S. federal income tax that a holder could derive from investing in a foreign corporation that does not distribute all of its earnings on a current basis. Investors should consult their tax advisors with respect to such rules, which are summarized in the Company’s annual report.*

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## Consolidated Financial Results from April 1, 2019 to September 30, 2019

(U.S. GAAP Financial Information for ORIX Corporation and its Subsidiaries)

Corporate Name: ORIX Corporation  
 Listed Exchanges: Tokyo Stock Exchange (Securities No. 8591)  
 New York Stock Exchange (Trading Symbol : IX)  
 Head Office: Tokyo JAPAN  
 Tel: +81-3-3435-3121  
 (URL <https://www.orix.co.jp/grp/en/ir/>)

### 1. Performance Highlights as of and for the Six Months Ended September 30, 2019

#### (1) Performance Highlights - Operating Results (Unaudited)

(millions of yen)\*1

	Total Revenues	Year-on-Year Change	Operating Income	Year-on-Year Change	Income before Income Taxes	Year-on-Year Change	Net Income Attributable to ORIX Corporation Shareholders	Year-on-Year Change
September 30, 2019	1,112,678	(11.8%)	161,702	(17.1%)	228,629	3.5%	159,150	2.6%
September 30, 2018	1,262,014	(16.9%)	195,094	3.2%	220,945	(12.5%)	155,050	(6.6%)

"Comprehensive Income Attributable to ORIX Corporation Shareholders" was ¥123,365 million for the six months ended September 30, 2019 (year-on-year change was a 26.5% decrease) and ¥167,820 million for the six months ended September 30, 2018 (year-on-year change was a 7.0% decrease).

	Basic Earnings Per Share	Diluted Earnings Per Share
September 30, 2019	124.34	124.24
September 30, 2018	121.13	121.03

\*Note 1: Unless otherwise stated, all amounts shown herein are in millions of Japanese yen, except for Per Share and dividend amounts which are in single yen.

#### (2) Performance Highlights - Financial Position (Unaudited)

	Total Assets	Total Equity	Shareholders' Equity	Shareholders' Equity Ratio
September 30, 2019	12,511,073	3,027,716	2,962,073	23.7%
March 31, 2019	12,174,917	2,953,201	2,897,074	23.8%

\*Note 2: "Shareholders' Equity" refers to "Total ORIX Corporation Shareholders' Equity."

"Shareholders' Equity Ratio" is the ratio of "Total ORIX Corporation Shareholders' Equity" to "Total Assets."

### 2. Dividends (Unaudited)

	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
March 31, 2019	—	30.00	—	46.00	76.00
March 31, 2020	—	35.00	—	—	—
March 31, 2020 (Est.)	—	—	—	41.00	76.00

\*Note 3: For details of dividend forecast for the fiscal year ending March 31, 2020, please refer to "Announcement Regarding Interim Dividend and Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2020" announced today.

### 3. Forecast for the Year Ending March 31, 2020 (Unaudited)

	Net Income Attributable to ORIX Corporation Shareholders	Year-on-Year Change
March 31, 2020	300,000	(7.3%)

\*Note 4: Although forward-looking statements in this document are attributable to current information available to ORIX Corporation and are based on assumptions deemed reasonable by ORIX Corporation, actual financial results may differ materially due to various factors. Readers are urged not to place undue reliance on such forward-looking statements.

Factors causing a result that differs from forward-looking statements include, but are not limited to, those described under "Risk Factors" in our Form 20-F submitted to the U.S. Securities and Exchange Commission.

### 4. Other Information

#### (1) Changes in Significant Consolidated Subsidiaries

Addition - None ( ) Exclusion - None ( ) Yes ( ) No ( x )

#### (2) Adoption of Simplified Accounting Method

Yes ( ) No ( x )

#### (3) Changes in Accounting Principles, Procedures and Disclosures

1. Changes due to adoption of new accounting standards Yes ( x ) No ( )  
 2. Other than those above Yes ( ) No ( x )

\*Note 5: For details, please refer to "2. Financial Information (6) Changes in Accounting Policies" on page 12.

#### (4) Number of Issued Shares (Ordinary Shares)

- The number of issued shares, including treasury stock, was 1,324,629,128 as of September 30, 2019, and 1,324,629,128 as of March 31, 2019.
- The number of treasury stock was 42,843,944 as of September 30, 2019, and 42,843,783 as of March 31, 2019.
- The average number of outstanding shares was 1,279,965,110 for the six months ended September 30, 2019, and 1,280,070,926 for the six months ended September 30, 2018.  
 The Company's shares held through the Board Incentive Plan Trust (1,796,993 shares as of September 30, 2019 and 1,823,993 shares as of March 31, 2019) are not included in the number of treasury stock as of the end of the periods, but are included in the average number of shares outstanding as treasury stock that are deducted from the basis of the calculation of per share data.

# 1. Summary of Consolidated Financial Results

## (1) Financial Highlights

### Financial Results for the Six Months Ended September 30, 2019

		Six months ended September 30, 2018	Six months ended September 30, 2019	Change	
				Amount	Percent
Total Revenues	(millions of yen)	1,262,014	1,112,678	(149,336)	(12)%
Total Expenses	(millions of yen)	1,066,920	950,976	(115,944)	(11)%
Income before Income Taxes	(millions of yen)	220,945	228,629	7,684	3 %
Net Income Attributable to ORIX Corporation Shareholders	(millions of yen)	155,050	159,150	4,100	3 %
Earnings Per Share (Basic)	(yen)	121.13	124.34	3.21	3 %
(Diluted)	(yen)	121.03	124.24	3.21	3 %
ROE (Annualized) *1	(%)	11.3	10.9	(0.4)	—
ROA (Annualized) *2	(%)	2.67	2.58	(0.09)	—

\*Note 1: ROE is the ratio of Net Income Attributable to ORIX Corporation Shareholders for the period to average ORIX Corporation Shareholders' Equity.

\*Note 2: ROA is calculated based on Net Income Attributable to ORIX Corporation Shareholders.

### Overview of Business Performance (April 1, 2019 to September 30, 2019)

Total revenues for the six months ended September 30, 2019 (hereinafter, "the second consolidated period") decreased 12% to ¥1,112,678 million compared to ¥1,262,014 million during the same period of the previous fiscal year due to a decrease in sales of goods and real estate despite increases in finance revenues and gains on investment securities and dividends.

Total expenses decreased 11% to ¥950,976 million compared to ¥1,066,920 million during the same period of the previous fiscal year due to a decrease in costs of goods and real estate sold despite an increase in selling, general and administrative expenses.

In addition, as a result of increases in equity in net income of affiliates and gains on sales of subsidiaries and affiliates and liquidation losses, net, income before income taxes for the second consolidated period increased 3% to ¥228,629 million compared to ¥220,945 million during the same period of the previous fiscal year, and net income attributable to ORIX Corporation shareholders increased 3% to ¥159,150 million compared to ¥155,050 million during the same period of the previous fiscal year.

## Segment Information

Total segment profits for the second consolidated period increased 3% to ¥230,389 million compared to the same period of the previous fiscal year.

ORIX made DAIKYO INCORPORATED (hereinafter, “DAIKYO”) a wholly-owned subsidiary in January 2019 to complement their respective real estate businesses and to jointly aim for medium- and long-term growth as a comprehensive real estate business. Accordingly, ORIX changed the segment classification of DAIKYO from Investment and Operation segment to Real Estate segment. As a result of this change, segment figures during the same period of the previous fiscal year have been reclassified.

The Company and its subsidiaries adopted Accounting Standards Update 2016-02 (ASC 842 (“Leases”)) (hereinafter, “new lease standard”) on April 1, 2019. This adoption has resulted in a gross up of right-of-use (hereinafter, “ROU”) assets of investment in operating leases and property under facility operations principally for operating leases, where it is the lessee, such as land leases and office and equipment leases in all of our segments except for Retail segment. For further information, see “(6) Changes in Accounting Policies - (Adoption of New Accounting Standards)”.

Segment information for the second consolidated period is as follows:

### **Corporate Financial Services Segment:** Finance and fee business

	Six months ended September 30, 2018 (millions of yen)	Six months ended September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	51,067	45,690	(5,377)	(11)
Segment Profits	16,788	9,151	(7,637)	(45)

	As of March 31, 2019 (millions of yen)	As of September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	959,725	996,971	37,246	4

Segment revenues decreased 11% to ¥45,690 million compared to the same period of the previous fiscal year due to decreases in finance revenues and services income.

As a result of the foregoing and an increase in selling, general and administrative expenses, segment profits decreased 45% to ¥9,151 million compared to the same period of the previous fiscal year.

Segment assets increased 4% to ¥996,971 million compared to the end of the previous fiscal year due to an increase in investment in operating leases as a result of our adoption of the new lease standard described above.

**Maintenance Leasing Segment:** Automobile leasing and rentals, car-sharing; test and measurement instruments and IT-related equipment rentals and leasing

	Six months ended September 30, 2018 (millions of yen)	Six months ended September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	141,642	147,216	5,574	4
Segment Profits	20,583	16,625	(3,958)	(19)

	As of March 31, 2019 (millions of yen)	As of September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	873,775	886,277	12,502	1

Segment revenues increased 4% to ¥147,216 million compared to the same period of the previous fiscal year due to an increase in operating leases revenues.

Segment profits decreased 19% to ¥16,625 million compared to the same period of the previous fiscal year due to an increase in selling, general and administrative expenses.

Segment assets increased 1% to ¥886,277 million compared to the end of the previous fiscal year due to an increase in investment in operating leases as a result of our adoption of the new lease standard described above.

**Real Estate Segment:** Real estate development, rental and management; facility operation; real estate investment management

	Six months ended September 30, 2018 (millions of yen)	Six months ended September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	243,998	229,188	(14,810)	(6)
Segment Profits	44,164	46,178	2,014	5

	As of March 31, 2019 (millions of yen)	As of September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	720,221	742,445	22,224	3

Segment revenues decreased 6% to ¥229,188 million compared to the same period of the previous fiscal year due to a decrease in services income from facilities operations which recognized significant gains on sales of property during the same period of the previous fiscal year.

Segment profits increased 5% to ¥46,178 million compared to the same period of the previous fiscal year due to the recognition of gains on sales of shares of a subsidiary.

Segment assets increased 3% to ¥742,445 million compared to the end of the previous fiscal year due to an increase in investment in operating leases as a result of our adoption of the new lease standard described above.

**Investment and Operation Segment:** Environment and energy, private equity and concession

	Six months ended September 30, 2018 (millions of yen)	Six months ended September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	367,675	225,057	(142,618)	(39)
Segment Profits	24,890	28,387	3,497	14

	As of March 31, 2019 (millions of yen)	As of September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	733,612	772,972	39,360	5

Segment revenues decreased 39% to ¥225,057 million compared to the same period of the previous fiscal year due to a decrease in sales of goods.

Segment profits increased 14% to ¥28,387 million compared to the same period of the previous fiscal year due to an increase in equity in net income of affiliates.

Segment assets increased 5% to ¥772,972 million compared to the end of the previous fiscal year due to an increase in property under facility operations as a result of our adoption of the new lease standard described above.

**Retail Segment:** Life insurance, banking and card loan

	Six months ended September 30, 2018 (millions of yen)	Six months ended September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	221,735	225,580	3,845	2
Segment Profits	49,175	43,185	(5,990)	(12)

	As of March 31, 2019 (millions of yen)	As of September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	3,571,437	3,946,721	375,284	11

Segment revenues increased 2% to ¥225,580 million compared to the same period of the previous fiscal year due to an increase in life insurance premiums and finance revenues.

Segment profits decreased 12% to ¥43,185 million compared to the same period of the previous fiscal year due to increases in life insurance costs and selling, general and administrative expenses.

Segment assets increased 11% to ¥3,946,721 million compared to the end of the previous fiscal year due to increases in investment in securities and installment loans.

**Overseas Business Segment:** Asset management, aircraft- and ship-related operations, private equity and finance

	Six months ended September 30, 2018 (millions of yen)	Six months ended September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	238,763	244,355	5,592	2
Segment Profits	67,716	86,863	19,147	28

	As of March 31, 2019 (millions of yen)	As of September 30, 2019 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	3,138,928	3,087,300	(51,628)	(2)

Segment revenues increased 2% to ¥244,355 million compared to the same period of the previous fiscal year due to increases in finance revenues and gains on investment securities.

As a result of the foregoing and an increase in equity in net income of affiliates, segment profits increased 28% to ¥86,863 million compared to the same period of the previous fiscal year.

Segment assets decreased 2% to ¥3,087,300 million compared to the end of the previous fiscal year due to a decrease in investment in affiliates.

## (2) Consolidated Financial Condition

### Summary of Assets, Liabilities, Shareholders' Equity

	As of March 31, 2019	As of September 30, 2019	Change	
			Amount	Percent
Total Assets (millions of yen)	12,174,917	12,511,073	336,156	3 %
(Segment Assets)	9,997,698	10,432,686	434,988	4 %
Total Liabilities (millions of yen)	9,211,936	9,473,819	261,883	3 %
(Long- and Short-term Debt)	4,495,771	4,345,615	(150,156)	(3)%
(Deposits)	1,927,741	2,092,413	164,672	9 %
Shareholders' Equity (millions of yen)	2,897,074	2,962,073	64,999	2 %
Shareholders' Equity Per Share (yen)	2,263.41	2,314.14	50.73	2 %

Notes: 1. Shareholders' Equity refers to ORIX Corporation Shareholders' Equity based on U.S. GAAP.

2. Shareholders' Equity Per Share is calculated using total ORIX Corporation Shareholders' Equity.

Total assets increased 3% to ¥12,511,073 million compared to ¥12,174,917 million at the end of the previous fiscal year due to not only increases in installment loans and investment in securities, but also increases in investment in operating leases, property under facility operations and office facilities as a result of our adoption of the new lease standard. In addition, segment assets increased 4% to ¥10,432,686 million compared to the end of the previous fiscal year.

Total liabilities increased compared to the end of the previous fiscal year due to an increase in other liabilities as a result of our adoption of the new lease standard despite decreases in short-term debt and long-term debt.

Shareholders' equity increased 2% to ¥2,962,073 million compared to the end of the previous fiscal year due primarily to an increase in retained earnings.



## 2. Financial Information

### (1) Condensed Consolidated Balance Sheets (Unaudited)

	(millions of yen)	
	As of March 31, 2019	As of September 30, 2019
<b>Assets</b>		
Cash and Cash Equivalents	1,161,032	981,565
Restricted Cash	122,548	127,875
Investment in Direct Financing Leases	1,155,632	0
Net Investment in Leases	0	1,123,863
Installment Loans	3,277,670	3,475,131
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2019	¥38,671 million	
September 30, 2019	¥30,619 million	
Allowance for Doubtful Receivables on Finance Leases and Probable Loan Losses	(58,011)	(55,173)
Investment in Operating Leases	1,335,959	1,441,191
Investment in Securities	1,928,916	2,110,469
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2019	¥27,367 million	
September 30, 2019	¥23,687 million	
Property under Facility Operations	441,632	462,327
Investment in Affiliates	842,760	806,634
Trade Notes, Accounts and Other Receivable	280,590	259,653
Inventories	115,695	126,332
Office Facilities	108,390	194,220
Other Assets	1,462,104	1,456,986
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2019	¥12,449 million	
September 30, 2019	¥11,382 million	
<b>Total Assets</b>	<u>12,174,917</u>	<u>12,511,073</u>
<b>Liabilities and Equity</b>		
Short-term Debt	309,549	274,813
Deposits	1,927,741	2,092,413
Trade Notes, Accounts and Other Payable	293,480	232,877
Policy Liabilities and Policy Account Balances	1,521,355	1,559,062
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2019	¥360,198 million	
September 30, 2019	¥336,840 million	
Current and Deferred Income Taxes	355,843	368,859
Long-term Debt	4,186,222	4,070,802
Other Liabilities	617,746	874,993
<b>Total Liabilities</b>	<u>9,211,936</u>	<u>9,473,819</u>
<b>Redeemable Noncontrolling Interests</b>	<u>9,780</u>	<u>9,538</u>
<b>Commitments and Contingent Liabilities</b>		
Common Stock	221,111	221,111
Additional Paid-in Capital	257,625	258,178
Retained Earnings	2,555,585	2,655,773
Accumulated Other Comprehensive Income (Loss)	(61,343)	(97,128)
Treasury Stock, at Cost	(75,904)	(75,861)
<b>Total ORIX Corporation Shareholders' Equity</b>	<u>2,897,074</u>	<u>2,962,073</u>
<b>Noncontrolling Interests</b>	<u>56,127</u>	<u>65,643</u>
<b>Total Equity</b>	<u>2,953,201</u>	<u>3,027,716</u>
<b>Total Liabilities and Equity</b>	<u>12,174,917</u>	<u>12,511,073</u>

**Note 1: Breakdowns of Accumulated Other Comprehensive Income (Loss)**

	As of March 31, 2019	As of September 30, 2019
Accumulated Other Comprehensive Income (Loss)		
Net unrealized gains on investment in securities	17,389	22,300
Debt valuation adjustments	582	786
Defined benefit pension plans	(27,902)	(27,116)
Foreign currency translation adjustments	(43,558)	(79,587)
Net unrealized losses on derivative instruments	(7,854)	(13,511)
Total	<u>(61,343)</u>	<u>(97,128)</u>

**Note 2:** Accounting Standards Update 2016-02 (ASC 842 (“Leases”)) has been adopted since April 1, 2019, and the amounts of investment in direct financing leases have been reclassified to net investment in leases. For further information, see “(6) Changes in Accounting Policies - (Adoption of New Accounting Standards)”.

**(2) Condensed Consolidated Statements of Income (Unaudited)****(millions of yen)**

	Six months ended September 30, 2018	Six months ended September 30, 2019
<b>Revenues :</b>		
Finance revenues	117,352	126,124
Gains on investment securities and dividends	11,735	20,381
Operating leases	208,975	202,405
Life insurance premiums and related investment income	180,604	182,468
Sales of goods and real estate	330,761	184,494
Services income	412,587	396,806
<b>Total Revenues</b>	<b>1,262,014</b>	<b>1,112,678</b>
<b>Expenses :</b>		
Interest expense	41,848	50,243
Costs of operating leases	127,366	130,921
Life insurance costs	125,734	130,960
Costs of goods and real estate sold	305,313	160,042
Services expense	247,572	247,749
Other (income) and expense, net	(503)	(775)
Selling, general and administrative expenses	210,646	221,191
Provision for doubtful receivables and probable loan losses	8,210	10,573
Write-downs of long-lived assets	26	36
Write-downs of securities	708	36
<b>Total Expenses</b>	<b>1,066,920</b>	<b>950,976</b>
<b>Operating Income</b>	<b>195,094</b>	<b>161,702</b>
Equity in Net Income of Affiliates	6,819	32,617
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, net	19,032	33,288
Bargain Purchase Gain	0	1,022
<b>Income before Income Taxes</b>	<b>220,945</b>	<b>228,629</b>
Provision for Income Taxes	64,326	66,965
<b>Net Income</b>	<b>156,619</b>	<b>161,664</b>
<b>Net Income Attributable to the Noncontrolling Interests</b>	<b>1,484</b>	<b>2,192</b>
<b>Net Income Attributable to the Redeemable Noncontrolling Interests</b>	<b>85</b>	<b>322</b>
<b>Net Income Attributable to ORIX Corporation Shareholders</b>	<b>155,050</b>	<b>159,150</b>

### (3) Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	(millions of yen)	
	Six months ended September 30, 2018	Six months ended September 30, 2019
<b>Net Income :</b>	<u>156,619</u>	<u>161,664</u>
Other comprehensive income (loss), net of tax:		
Net change of unrealized gains (losses) on investment in securities	(1,606)	4,904
Net change of debt valuation adjustments	(81)	204
Net change of defined benefit pension plans	(201)	786
Net change of foreign currency translation adjustments	14,789	(38,045)
Net change of unrealized gains (losses) on derivative instruments	690	(5,728)
Total other comprehensive income (loss)	<u>13,591</u>	<u>(37,879)</u>
<b>Comprehensive Income</b>	<u>170,210</u>	<u>123,785</u>
<b>Comprehensive Income Attributable to the Noncontrolling Interests</b>	<u>1,803</u>	<u>373</u>
<b>Comprehensive Income Attributable to the Redeemable Noncontrolling Interests</b>	<u>587</u>	<u>47</u>
<b>Comprehensive Income Attributable to ORIX Corporation Shareholders</b>	<u><u>167,820</u></u>	<u><u>123,365</u></u>

### (4) Assumptions for Going Concern

There is no corresponding item.

### (5) Significant Changes in Shareholders' Equity

There is no corresponding item.

## **(6) Changes in Accounting Policies**

### **(Adoption of New Accounting Standards)**

In February 2016, the new lease standard was issued, and related amendments were issued thereafter. These updates require a lessee to recognize most leases on the balance sheet. Lessor accounting remains substantially similar to current U.S. GAAP but with some changes. These updates require an entity to disclose more information about leases than under the current disclosure requirements. The Company and its subsidiaries adopted these updates, including Accounting Standards Update 2019-01, on April 1, 2019 and used the beginning of the fiscal year of adoption as the date of initial adoption. Consequently, financial information of comparative periods has not been updated and the disclosures required under the new lease standard are not provided for periods before April 1, 2019.

The new lease standard provides a number of optional practical expedients in transition. The Company and its subsidiaries have elected the “package of practical expedients”, which permits the Company and its subsidiaries to not reassess under the new lease standard the prior conclusions about lease identification, lease classification and initial direct costs. The Company and its subsidiaries have elected other new lease standard’s available transitional practical expedients. The new lease standard also provides practical expedients for an entity’s ongoing accounting. The Company and its subsidiaries have elected the short-term lease recognition exemption mainly for vehicle and office equipment leases. Consequently, for those leases that meet the requirements, the Company and its subsidiaries have not recognized ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition. The Company and its subsidiaries also have elected the practical expedient to not separate lease and non-lease components for part of leases as lessors.

The impact of the adoption of these updates has resulted in a gross up of ROU assets and corresponding lease liabilities principally for operating leases, such as land leases and office and equipment leases where it is the lessee. The effect of the adoption of these updates on the Company and its subsidiaries’ financial position at the adoption date was increases of ROU assets of ¥ 134,345 million in investment in operating leases, ¥ 77,989 million in property under facility operations, ¥ 75,805 million in office facilities and lease liabilities of ¥ 284,867 million in other liabilities in the consolidated balance sheet as of April 1, 2019. ROU assets in investment in operating leases, property under facility operations and office facilities were ¥ 127,071 million, ¥ 70,292 million and ¥ 72,277 million, respectively, and lease liabilities in other liabilities were ¥ 266,166 million as of September 30, 2019. The adoption had no material effect on the Company and its subsidiaries’ results of operations for the second consolidated period.

## (7) Segment Information (Unaudited)

### Segment Information by Sector

(millions of yen)

	Six Months ended September 30, 2018		Six Months ended September 30, 2019		March 31, 2019	September 30, 2019
	Segment Revenues	Segment Profits	Segment Revenues	Segment Profits	Segment Assets	Segment Assets
Corporate Financial Services	51,067	16,788	45,690	9,151	959,725	996,971
Maintenance Leasing	141,642	20,583	147,216	16,625	873,775	886,277
Real Estate	243,998	44,164	229,188	46,178	720,221	742,445
Investment and Operation	367,675	24,890	225,057	28,387	733,612	772,972
Retail	221,735	49,175	225,580	43,185	3,571,437	3,946,721
Overseas Business	238,763	67,716	244,355	86,863	3,138,928	3,087,300
<b>Segment Total</b>	<b>1,264,880</b>	<b>223,316</b>	<b>1,117,086</b>	<b>230,389</b>	<b>9,997,698</b>	<b>10,432,686</b>
Difference between Segment Total and Consolidated Amounts	(2,866)	(2,371)	(4,408)	(1,760)	2,177,219	2,078,387
<b>Consolidated Amounts</b>	<b>1,262,014</b>	<b>220,945</b>	<b>1,112,678</b>	<b>228,629</b>	<b>12,174,917</b>	<b>12,511,073</b>

**Note 1:** The Company evaluates the performance of segments based on income before income taxes, adjusted for net income attributable to the noncontrolling interests and net income attributable to the redeemable noncontrolling interests before applicable tax effect. Tax expenses are not included in segment profits.

**Note 2:** ORIX made DAIKYO a wholly-owned subsidiary in January 2019 to complement their respective real estate businesses and to jointly aim for medium- and long-term growth as a comprehensive real estate business. Accordingly, ORIX changed the segment classification of DAIKYO from Investment and Operation segment to Real Estate segment. As a result of this change, segment figures during the same period of the previous fiscal year have been reclassified.

**Note 3:** The Company and its subsidiaries adopted the new lease standard on April 1, 2019. The impact of the adoption has resulted in gross up of ROU assets of investment in operating leases and property under facility operations principally for operating leases, where it is the lessee, such as land leases and office and equipment leases in all of our segments except for retail segment. For further information, see “(6) Changes in Accounting Policies - (Adoption of New Accounting Standards)”.

**Note 4:** Inter-segment transactions are included in segment revenues, and eliminations of inter-segment transactions are included in difference between segment total and consolidated amounts.

## (8) Subsequent Events

There are no material subsequent events.