

ORIX Corporation

(TSE: 8591; NYSE: IX)

Conference Call

Third Quarter Consolidated Financial Results
For the Nine-Month Period ended December 31, 2014

January 29, 2015

Haruyuki Urata

Deputy President & CFO

Shintaro Agata

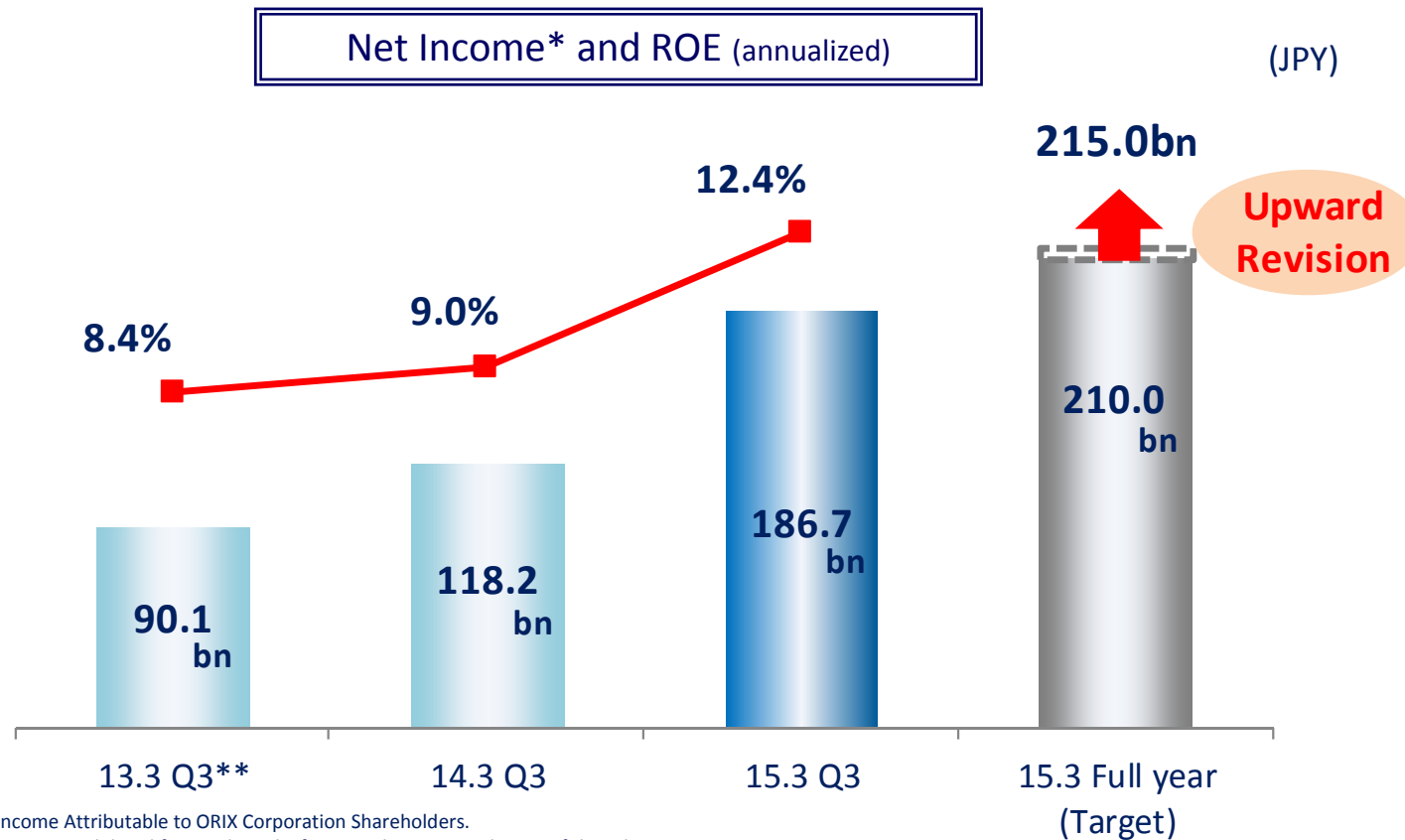
Corporate Executive Vice President,
Head of the Treasury Headquarters

Takao Kato

Corporate Senior Vice President,
Head of the Accounting Headquarters

Performance Overview

- ✓ 186.7bn yen in Net Income, up 58% year on year
- ✓ Full year Net Income target revised upward from 210.0bn to 215.0bn yen (87% progress on the revised target)

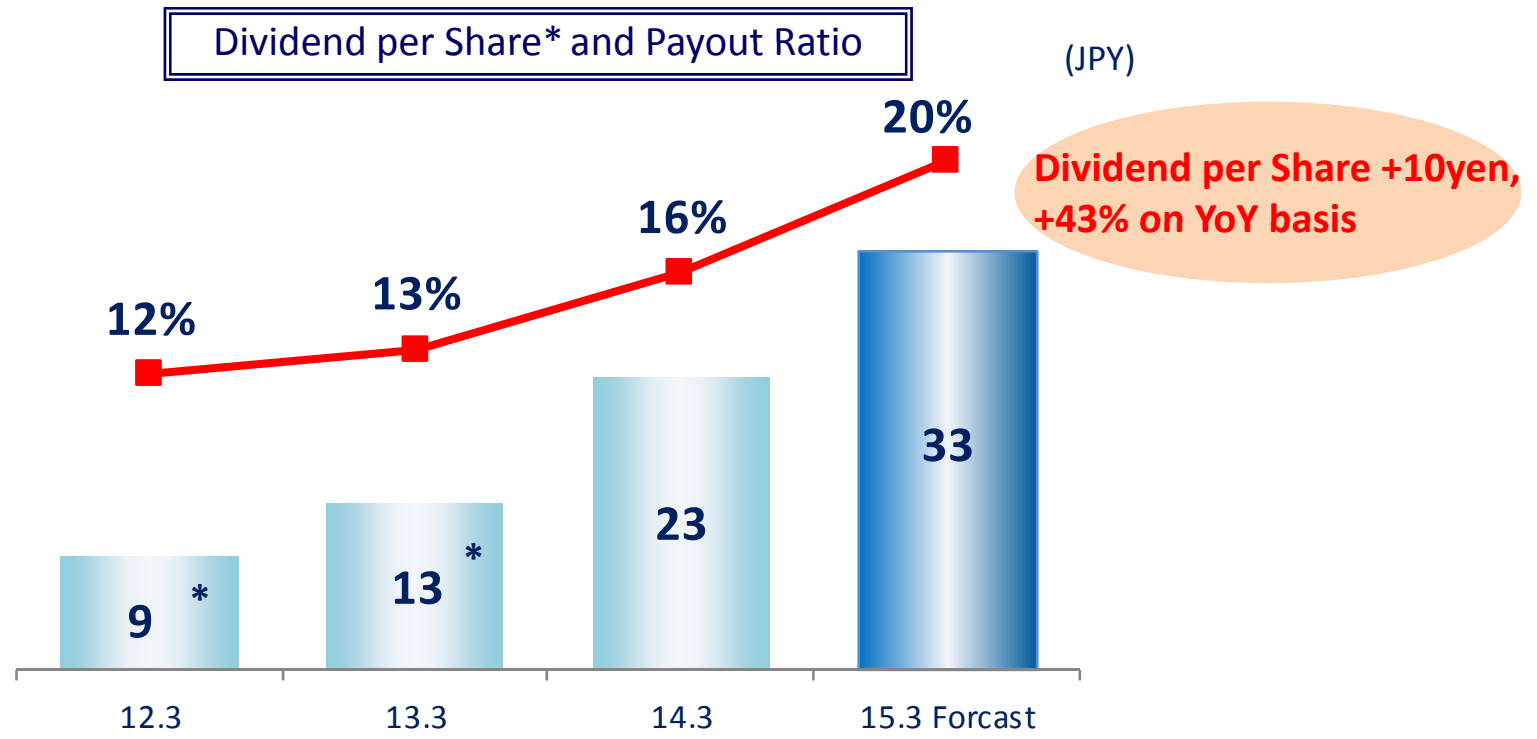


*Net income refers to Net Income Attributable to ORIX Corporation Shareholders.

**Q3 refers to the third quarter consolidated financial results from April 1 to December 31 of the relevant year.

FY2015.3 Dividend Forecast

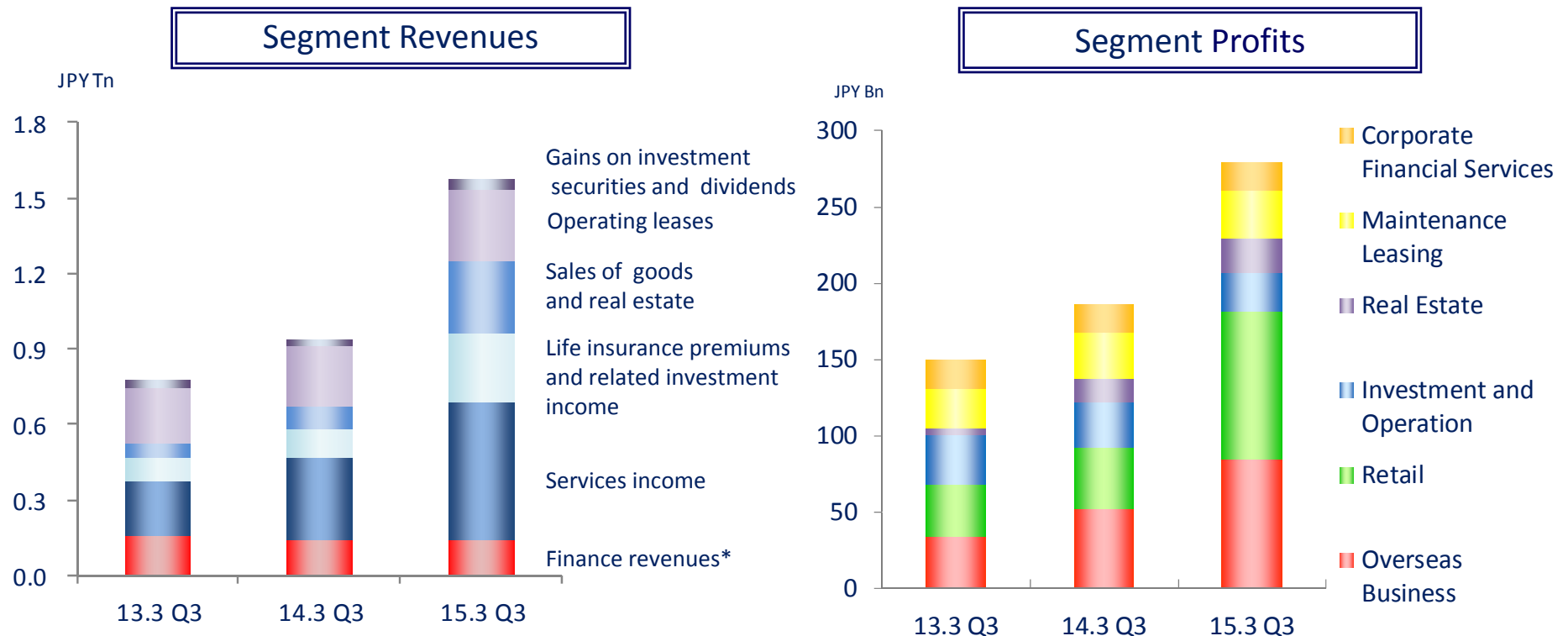
- ✓ Dividend per share up to 33 yen, payout ratio up to 20%, interim dividend to be implemented from FY2016.3
- ✓ Continue to focus on the optimal balance between active investment in growth opportunities and shareholders' return



*Retrospectively adjusted to reflect share splits.

Segment Performance

- ✓ Revenues: Revenues increased in the non-finance business
- ✓ Profits: Profits increase largely driven by Retail, Overseas Business, and Real Estate segments. Corporate Financial Services and Maintenance Leasing also contributed to such increase



*Finance revenues is the aggregate of previously presented line items of "Direct financing leases" and "Interest on loans and Investment securities".

Segment Performance (Corporate Financial Services)

- ✓ Services income driven by increase in fee revenues
- ✓ Secured new customer base through consolidation of Yayoi Co.

(JPY Bn)	13.3	14.3	14.3 Q3	15.3 Q3	Change (YoY)
Finance revenues	39.6	37.2	27.8	27.0	97%
Operating leases	24.5	25.6	19.6	18.4	94%
Services income	13.9	14.9	9.5	13.6	143%
Segment Revenues	78.4	78.8	57.7	61.1	106%
Segment Expenses	53.5	54.6	40.1	42.8	-
Segment Profits	25.9	24.9	18.0	18.7	104%
Investment in Direct Financing Leases	366.8	450.3	413.8	429.6	
Installment Loans	508.6	470.7	470.3	452.8	
Segment Assets	943.3	992.1	954.6	1,083.2	
ROA	1.7%	1.6%	1.6%	1.5%	

Segment Performance (Maintenance Leasing)

- ✓ Operating leases revenues and services income increased due to growth in auto-business assets
- ✓ Maintained high ROA by providing high value-added services

(JPY Bn)	13.3	14.3	14.3 Q3	15.3 Q3	Change (YoY)
Finance revenues	9.1	9.5	7.0	8.0	113%
Operating leases	161.8	177.1	133.0	140.4	106%
Services income	58.4	60.3	45.5	47.0	103%
Segment Revenues	234.7	251.3	188.8	198.2	105%
Segment Expenses	199.9	214.3	158.6	166.6	-
Segment Profits	34.9	37.1	30.3	31.6	104%
Investment in Direct Financing Leases	126.7	150.0	132.6	182.2	
Investment in Operating Leases	418.8	468.0	459.4	488.8	
Segment Assets	549.3	622.0	596.2	675.8	
ROA	4.1%	3.9%	4.3%	4.2%	

Segment Performance (Real Estate)

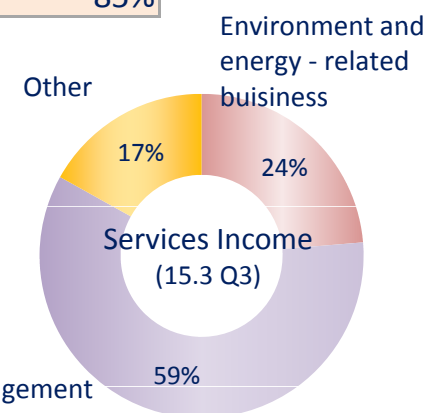
- ✓ Recorded strong rental property sales and operating leases revenues while assets continues to downsize
- ✓ Maintained high level of services income from facility operation and asset management

(JPY Bn)	13.3	14.3	14.3 Q3	15.3 Q3	Change (YoY)
Operating leases	69.4	66.6	52.3	55.9	107%
<i>Gains on Rental Property Sales</i>	<i>10.3</i>	<i>13.8</i>	<i>10.2</i>	<i>18.1</i>	<i>178%</i>
Services income	94.9	101.8	79.1	81.6	103%
Sales of goods and real estate and other	43.9	28.8	17.2	6.6	38%
Segment Revenues	219.6	203.4	153.6	147.2	96%
Segment Expenses	212.7	190.3	142.0	128.0	-
Segment Profits	5.6	18.0	15.7	22.5	143%
Investment in Operating Leases	592.0	527.1	562.8	443.2	
Property under Facility Operations	172.3	166.6	167.5	169.6	
Advances for Investment in Operating Leases	85.6	61.6	50.7	51.8	
Investment in Affiliates	73.1	62.5	60.4	97.9	
Segment Assets	1,133.2	962.4	1,008.0	877.8	
ROA	0.3%	1.1%	1.2%	2.1%	

Segment Performance (Investment and Operation)

- ✓ Significant increase in segment revenues due to consolidation of Daikyo and other newly acquired investees in the PE business
- ✓ Steady expansion in the Environment and energy - related business

(JPY Bn)	13.3	14.3	14.3 Q3	15.3 Q3	Change (YoY)
Finance revenues	23.9	18.3	14.5	11.6	80%
Gains on investment securities and dividends	18.8	9.7	8.3	6.9	82%
Sales of goods and real estate	36.3	89.7	53.7	235.2	438%
Services income	43.1	60.9	43.6	169.7	389%
Segment Revenues	123.7	180.1	121.4	428.8	353%
Segment Expenses	96.0	154.2	100.0	407.0	-
Equity in Net Income of Affiliates and others	7.3	68.2	8.5	3.4	-
Segment Profits	34.9	94.1	29.9	25.2	85%
Installment Loans	157.6	118.8	130.9	96.3	
Investment in Securities	128.2	95.2	100.1	80.8	
Property under Facility Operations	38.1	53.6	46.5	78.1	
Inventories	2.9	111.7	9.1	104.6	
Investment in Affiliates	65.7	76.7	98.2	66.7	
Segment Assets	444.3	565.7	444.6	604.9	
ROA	4.7%	11.5%	5.5%	3.7%	



Segment Performance (Retail)

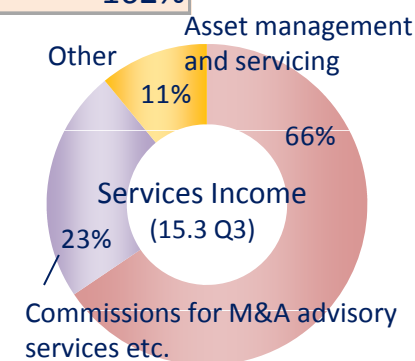
- ✓ Steady expansion in the banking and life insurance businesses
- ✓ Both profits and assets increased significantly due to the consolidation of Hartford Life Insurance K.K.

(JPY Bn)	13.3	14.3	14.3 Q3	15.3 Q3	Change (YoY)
Finance revenues	45.8	50.4	37.8	39.6	105%
Life insurance premiums and related investment income	139.5	155.8	113.3	276.2	244%
Gains on investment securities and dividends and other	3.5	5.4	4.3	19.4	455%
Segment Revenues	188.8	211.6	155.4	335.3	216%
Segment Expenses	150.3	165.7	119.6	275.2	-
Equity in Net Income of Affiliates and others	4.7	3.9	3.7	36.5	-
Segment Profits	43.2	49.9	39.6	96.6	244%
Installment Loans	1,206.1	1,276.8	1,240.2	1,336.3	
Investment in Securities	636.7	776.1	725.8	2,334.2	
Segment Assets	1,994.1	2,167.0	2,096.9	3,771.0	
ROA	1.4%	1.5%	1.6%	2.8%	

Segment Performance (Overseas Business)

- ✓ Services income increased due to solid performance of Robeco and fee business in the U.S.
- ✓ Assets in the U.S. and Asia increased compared to end of last FY (net of FX effect)

(JPY Bn)	13.3	14.3	14.3 Q3	15.3 Q3	Change (YoY)
Finance revenues	55.0	57.3	43.7	46.5	106%
Gain on investment securities and dividends	13.7	15.8	9.9	14.0	142%
Operating leases	61.5	76.6	57.4	60.0	105%
Services income	72.7	228.8	150.6	235.3	156%
Segment Revenues	203.5	412.2	274.9	406.5	148%
Segment Expenses	150.5	337.9	217.5	335.2	-
Equity in Net Income(Loss) of Affiliates and others	-0.2	-4.6	-5.0	13.4	-
<i>Net Income Attributable to Redeemable Noncontrolling Interests</i>	<i>-8.7</i>	<i>-9.1</i>	<i>-7.4</i>	<i>-13.0</i>	<i>-</i>
Segment Profits	52.8	69.7	52.4	84.8	162%
Investment in Direct Financing Leases	296.8	332.6	332.2	395.4	
Installment Loans	216.7	246.8	225.0	347.7	
Investment in Operating Leases	244.3	264.0	271.2	294.9	
Investment in Securities	271.2	323.3	300.4	441.9	
Investment in Affiliates	143.0	143.5	151.2	202.3	
Segment Assets	1,318.4	1,972.1	1,928.7	2,268.6	
ROA	2.7%	2.6%	2.7%	3.4%	



Business Activity Topics

- ✓ New business initiatives taken to expand non-finance businesses
- ✓ Utilizing our core competence and business base to challenge new business fields

Corporate Financial Services

- Acquired software service provider Yayoi
- Formed an alliance with leading global information service company Experian plc, and commenced provision of information on foreign companies
- Launched a sales promotion support service using in-house prepaid card issuance system

Auto

- Opened "ORIX Truck Rental" in Kitakyushu City
- Commenced the "e-Telematics PRO," a telematics service for operators of delivery businesses

Real Estate Operation

- Two new private nursing homes opened, expanding nationwide nursing home portfolio to 23 facilities with over 1,900 rooms

PE Investment

- Invested in medical equipment sales company INNOMEDICS

Environment and Energy

- Lease and rental service for solar panels and storage batteries system bundled together

Summary

186.7bn yen in Net Income, 58% increase YoY, ROE12.4%

Full year Net Income target revised upward to 215.0bn yen

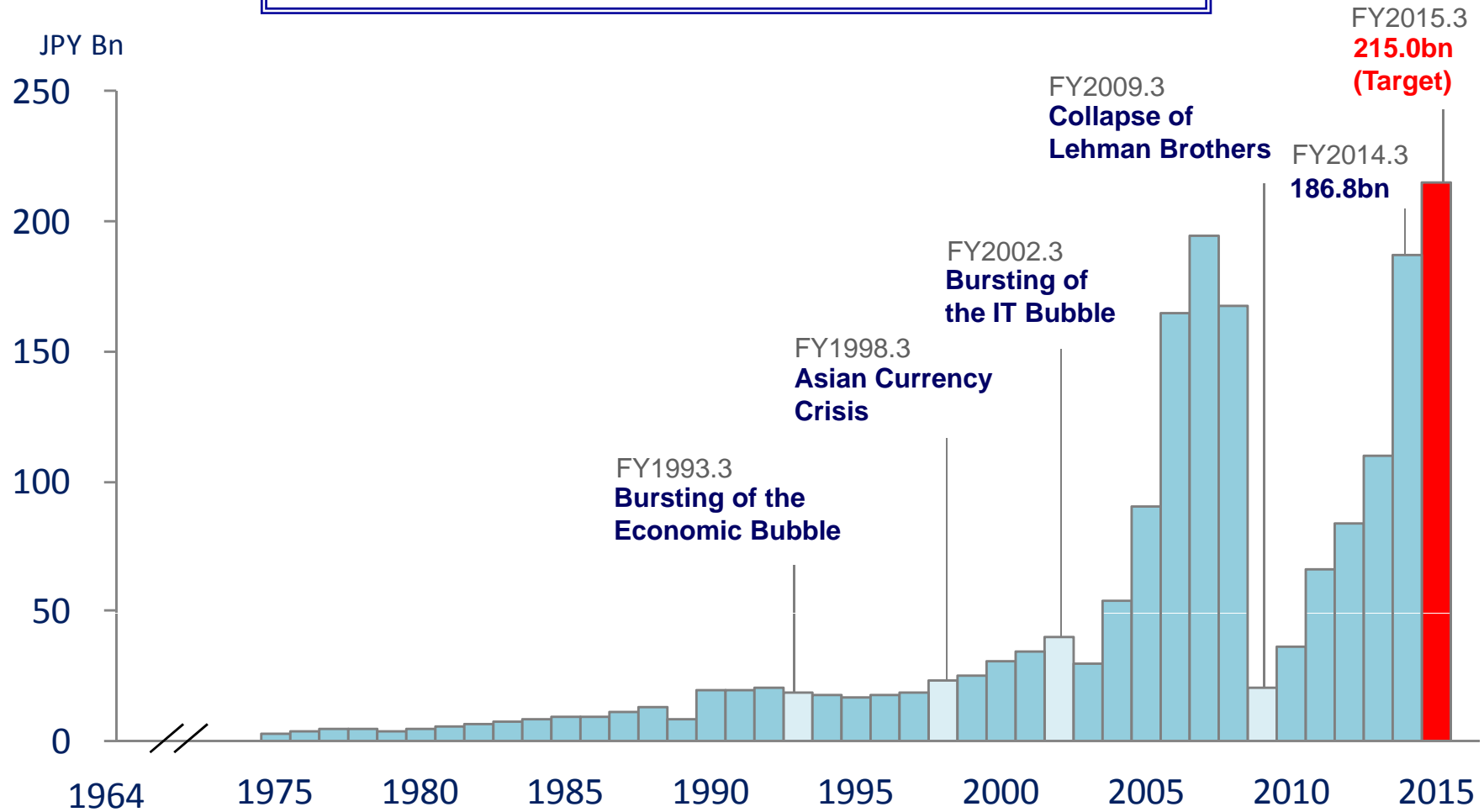
Full year dividend forecast at 33 yen, payout ratio raised to 20%

Appendix

About ORIX Sustainable Growth

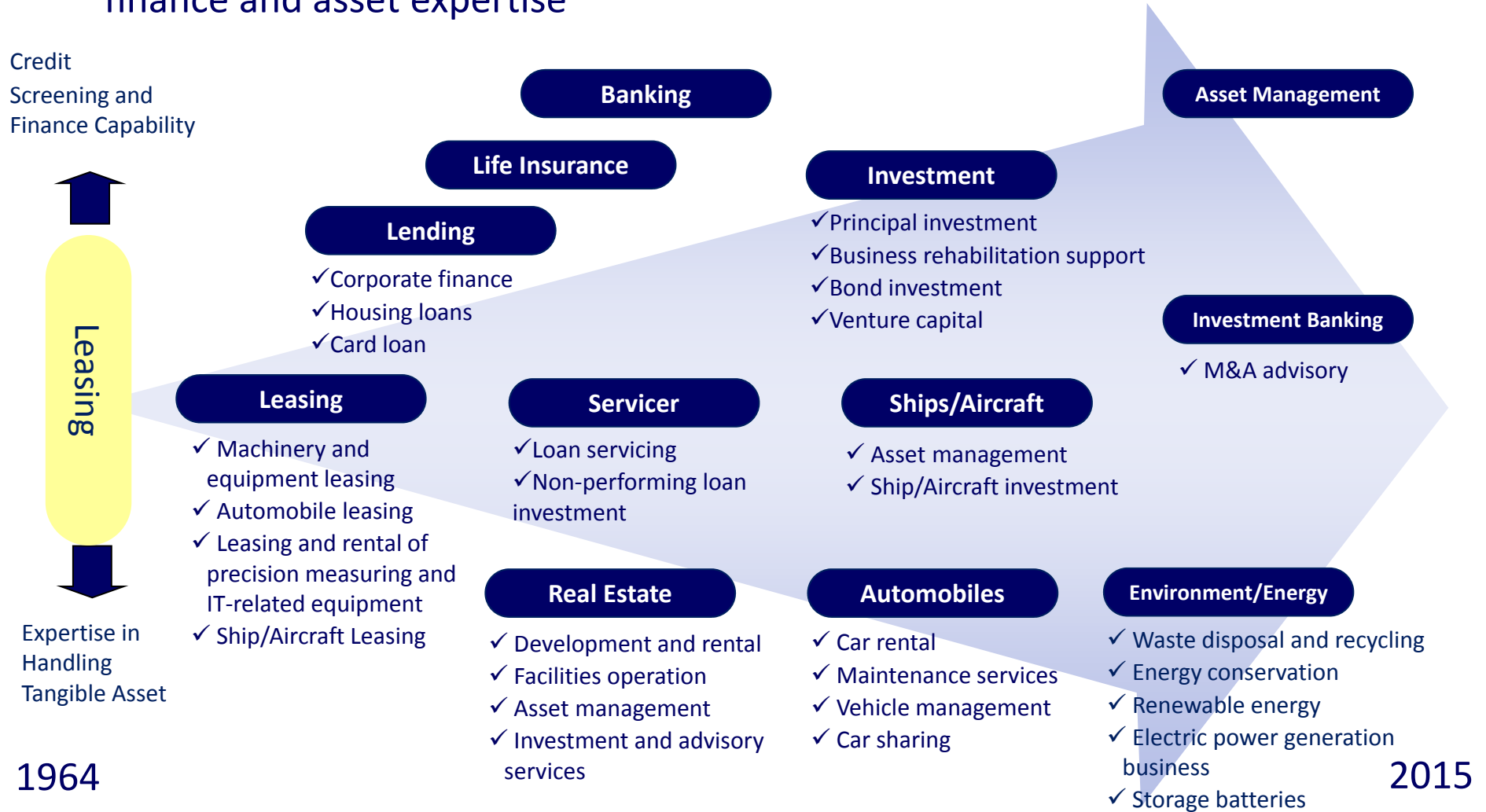
✓ Aim to break past record of Net Income in FY15.3

Net Income Attributable to ORIX Corporation



About ORIX Business expertise and Group-wide capability

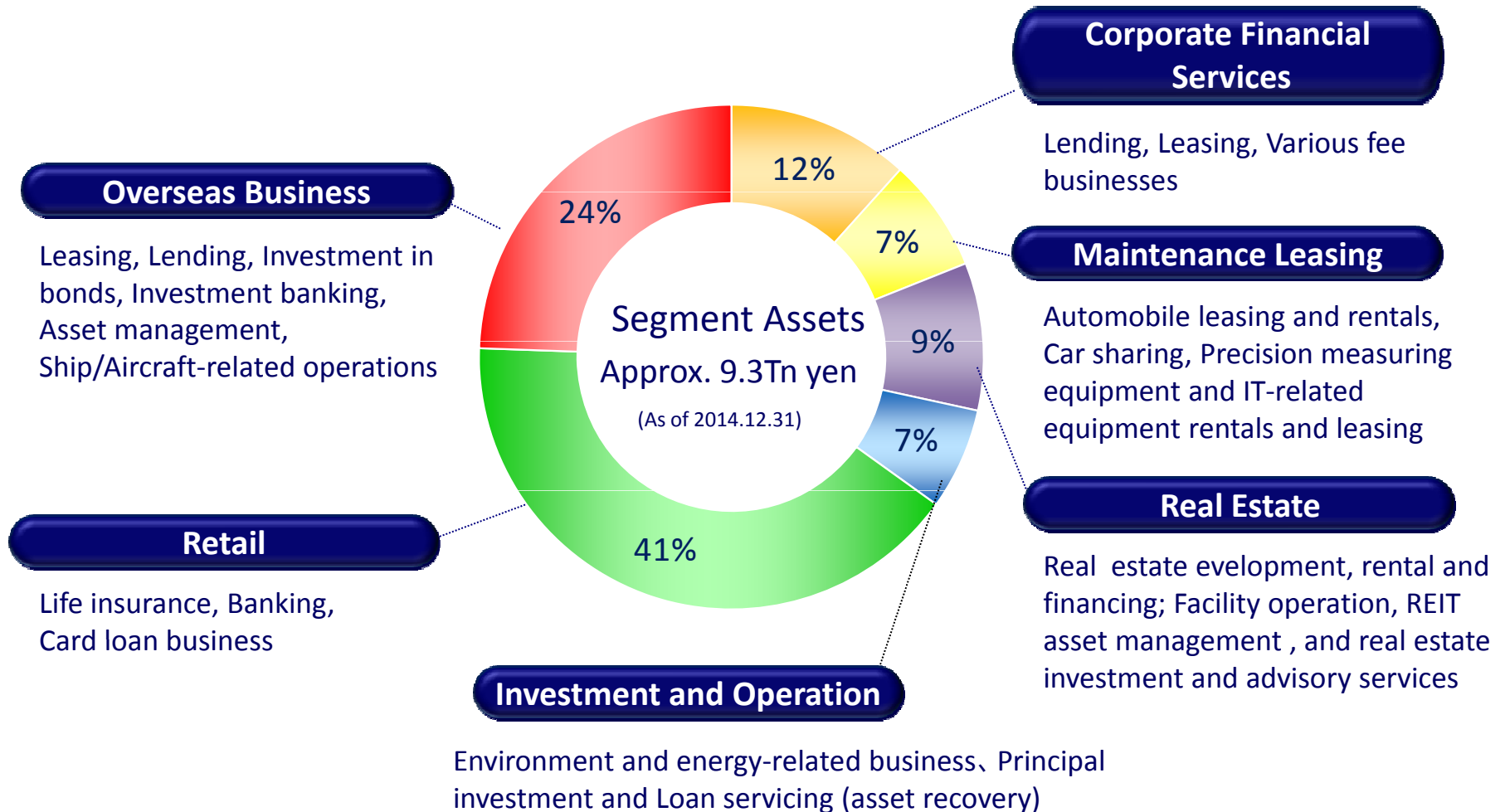
✓ ORIX evolved by moving into neighboring areas while increasing its finance and asset expertise



About ORIX

Assets by Segment

- ✓ Maximizing core competencies of each segment while creating group synergy



About ORIX

Expansive Domestic and Overseas Network

- ✓ Expanded its global reach starting with Hong Kong in 1971, using knowhow developed in Japan
- ✓ Not as ambitious as to call it a globalization, but rather it is a way of eliminating barriers that exist in Japan

36 Countries and Regions worldwide
(As of 2014.9.30)

Business Network
Development

- | | |
|--------------------------|--|
| 1971 Hong Kong | 1994 Oman |
| 1972 Singapore | 1995 Poland |
| 1973 Malaysia | 1997 Egypt |
| 1975 Indonesia | 2001 Saudi Arabia, South Korea |
| 1977 Philippines | 2002 United Arab Emirates |
| 1978 Thailand | 2004 China |
| 1980 Sri Lanka | 2005 Kazakhstan |
| 1986 Pakistan, Australia | 2010 Vietnam |
| 1988 New Zealand | 2013 Bahrain, Mongolia, Cambodia,
Netherlands (acquired Robeco) |
| 1991 Taiwan, Ireland | |
| 1993 India | |

- 1981 Established ORIX USA
- 1997 Launched Commercial Mortgage-Backed Securities (CMBS) servicing business
- 2006 Acquired investment bank (Houlihan Lokey)
- 2010 Acquired loan servicing business (RED Capital)
- 2010 Acquired fund management company (Mariner Investment)
- 2012 Established Brazilian Subsidiary

Asia, Australia, and Europe

Japan

Americas

Appendix(1) Real Estate

■ Trend in Real Estate Segment Assets by Type

(JPY Bn)

	13.3	14.3	15.3 Q3
Rental Property	754.4	665.8	598.8
Under Lease	603.4	536.9	494.7
Under Development	151.0	128.9	104.1
Condo Assets	55.4	31.1	22.7
NRL / Specified Bonds	113.4	48.8	* 31.5
Operating Facilities	161.4	159.8	162.2
Other	48.6	56.9	62.6
Total	1,133.2	962.4	877.8

*excludes 13.3bn yen of NRL/specified bonds held by domestic Group companies (2014.12)

■ Rental Property Sales

	13.3	14.3	15.3 Q3
Amount of Rental Property Sales	163.4	101.0	111.3
Gains on Rental Property Sales	10.3	13.8	18.1

Appendix(2) Overseas Business 1

■ Breakdown of Overseas Business Segment Assets

(JPY Bn)

By Region	13.3	14.3	15.3 Q3
Americas	475.9	518.1	767.4
Asia / Australia	492.4	655.6	635.5
Greater China	180.4	196.6	250.7
Middle East / Europe	15.9	41.9	42.4
Robeco	-	375.1	389.4
Other	153.7	184.9	183.2
Total	1,318.4	1,972.1	2,268.6

By Operation	13.3	14.3	15.3 Q3
Americas	475.9	518.1	767.4
Leasing Operation (excl. Americas)	503.0	567.5	673.2
Investment Operation (excl. Americas)	339.5	511.5	438.5
Robeco	-	375.1	389.4
Total	1,318.4	1,972.1	2,268.6

Appendix(3) Overseas Business 2

■ Performance of Robeco

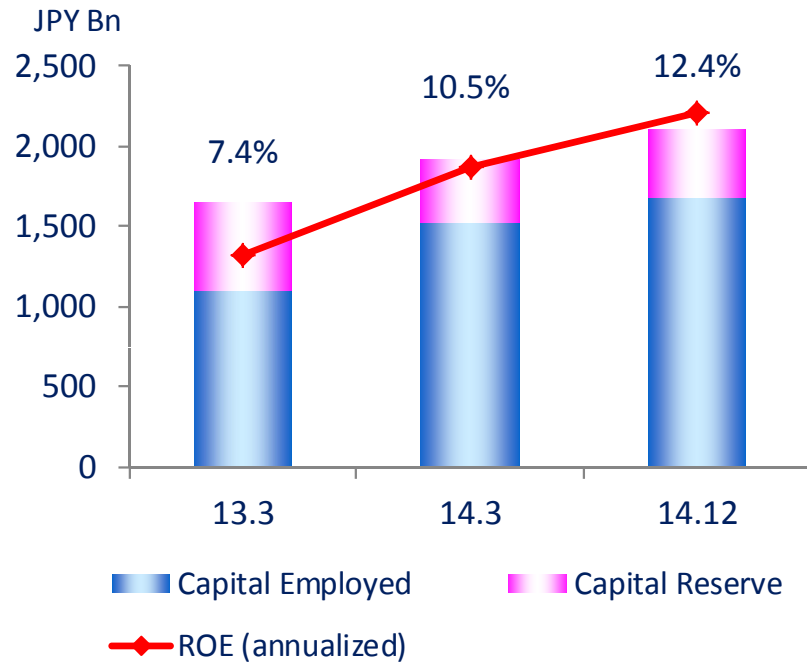
(JPY Bn)	14.3 Q4	15.3 Q1	15.3 Q2	15.3 Q3
Segment Profits	11.2	8.3	7.0	12.6
Segment Assets	375.1	368.5	369.4	389.4
Segment Asset ROA (annualized)	5.0%	5.7%	5.3%	6.2%

(EUR Bn)	14.3 Q4	15.3 Q1	15.3 Q2	15.3 Q3
End of Period AUM	210.8	223.0	237.7	246.0
Net New Money	2.1	2.9	2.7	-1.6
NNM as % of BoP AUM	1.1%	1.4%	1.3%	-0.8%
Institutional AUM	101.1	106.6	114.1	117.6
Retail AUM	109.7	116.4	123.6	128.4
Net Fee Revenues (EUR Mn)	182.9	200.3	229.2	328.8

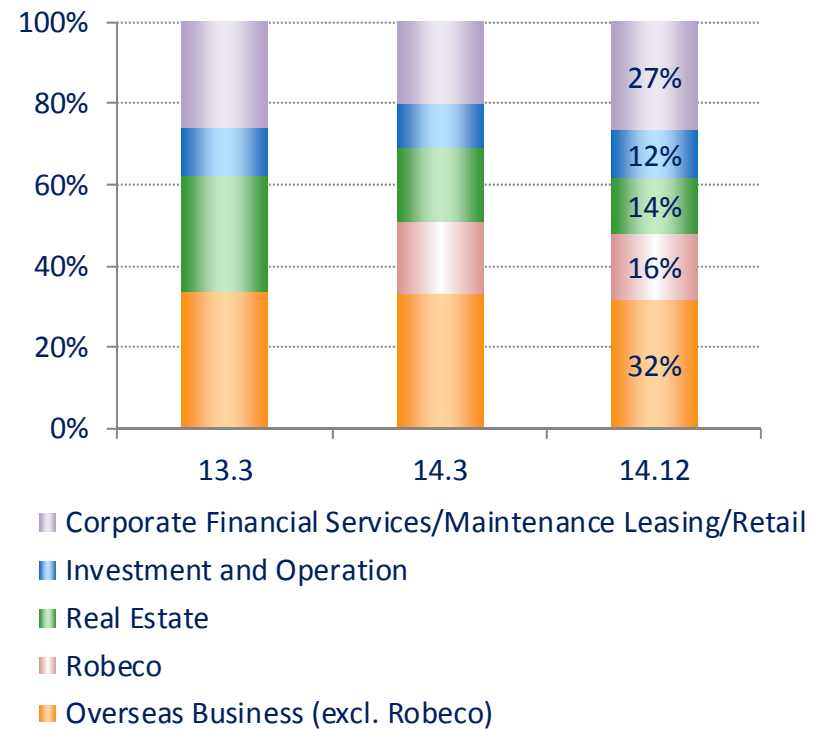
Appendix(4) Status of Shareholders' Equity

- ✓ Ratio of employed capital is controlled under 80%
- ✓ Maintain adequate capital reserve in conjunction with portfolio turnover

Employed Capital Ratio and ROE



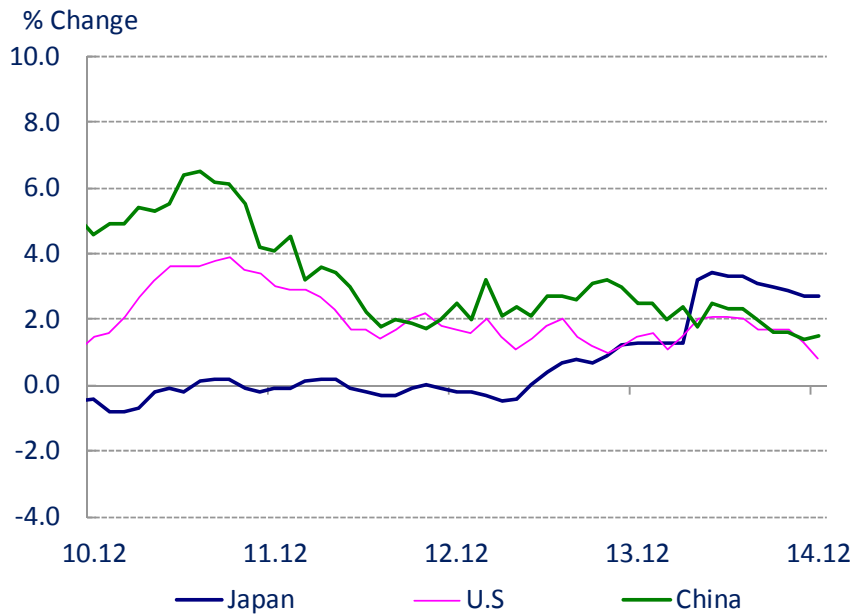
Breakdown of Deployed Capital



Reference Data

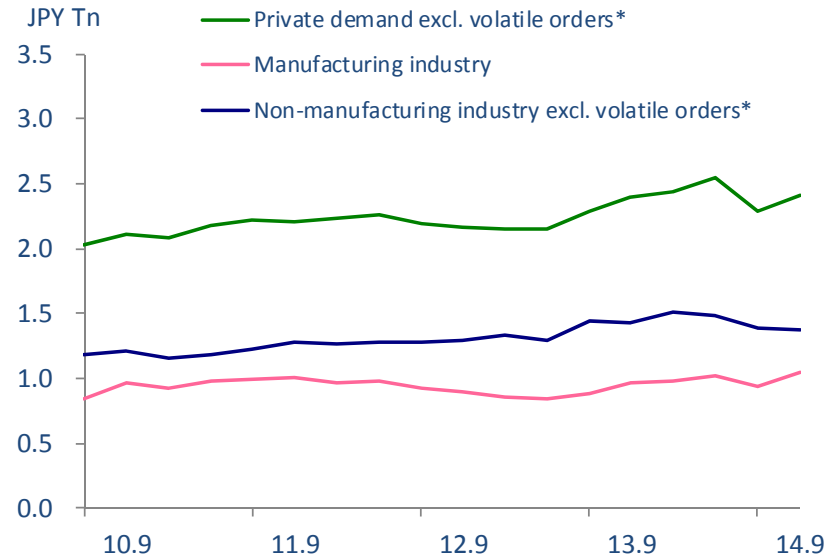
Macro Economic Indicators

National CPI (Ex Fresh Food) (YoY Change)



Source: Bloomberg

Trends in Machinery Orders

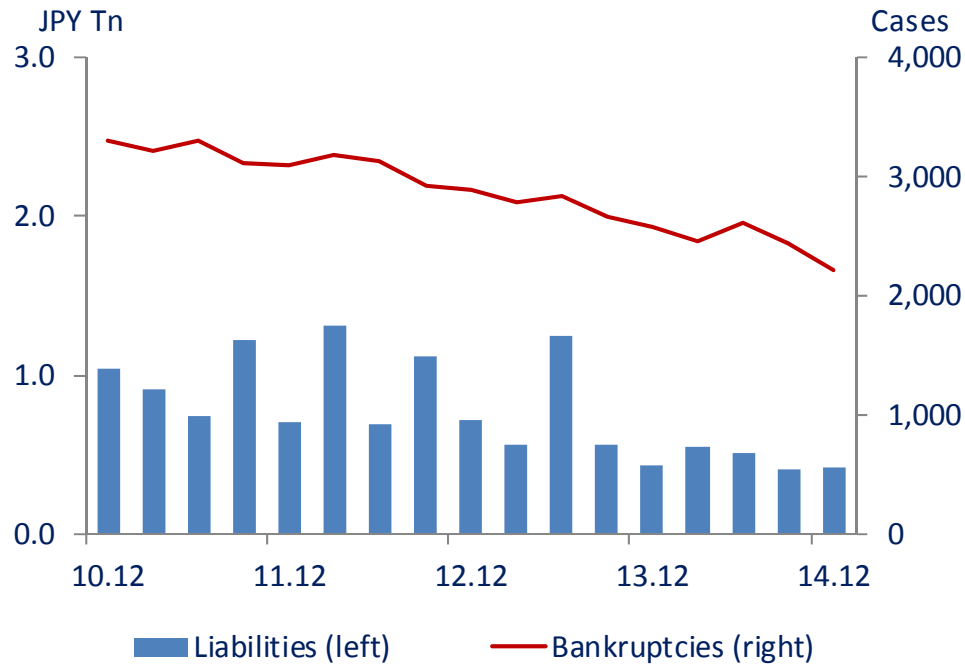


*Volatile orders: Orders from ships and electric power companies.

Source: Cabinet Office, Government of Japan

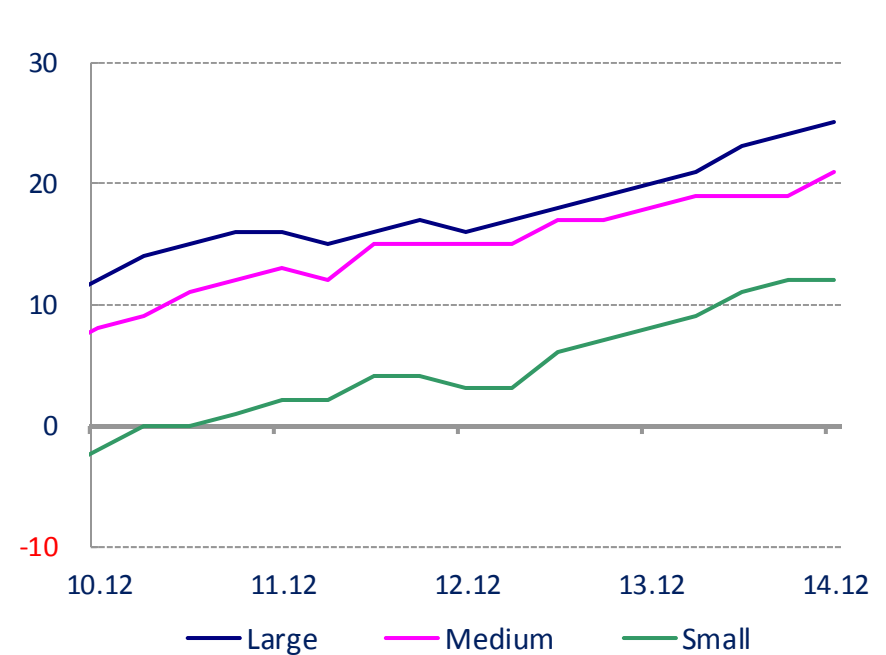
Japanese Corporate Indices

Corporate Bankruptcies (Quarterly Basis)



Source: Teikoku Databank, Ltd.

Tankan Corporate Diffusion Index (Quarterly Basis)



Source: Bank of Japan

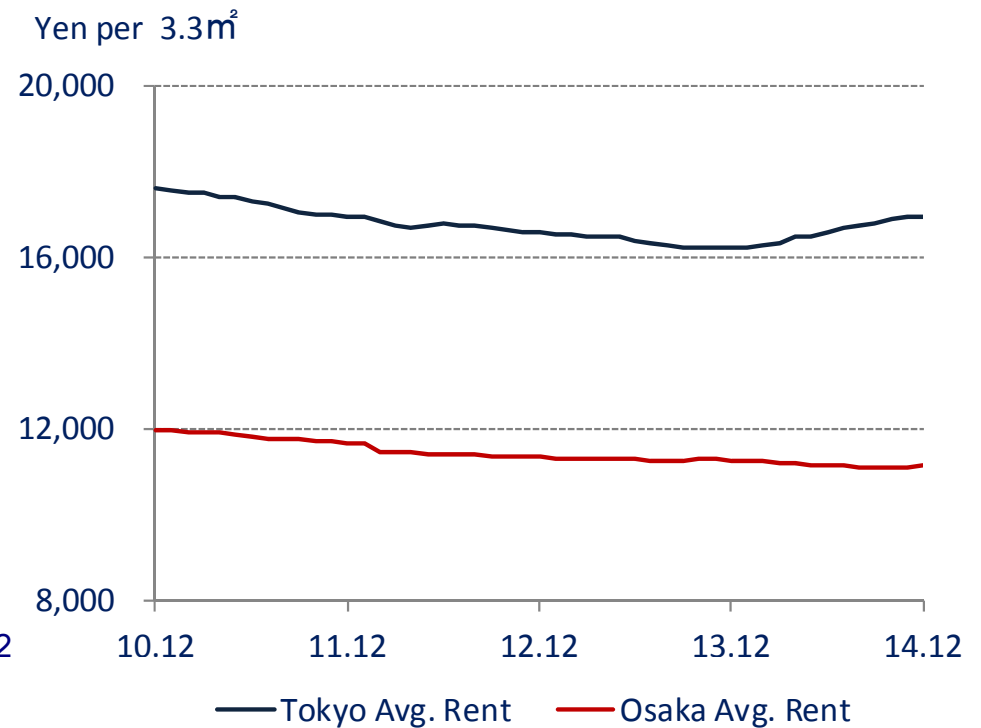
Japanese Real Estate Indicators

Japan TSE REIT Index



Source: Tokyo Stock Exchange

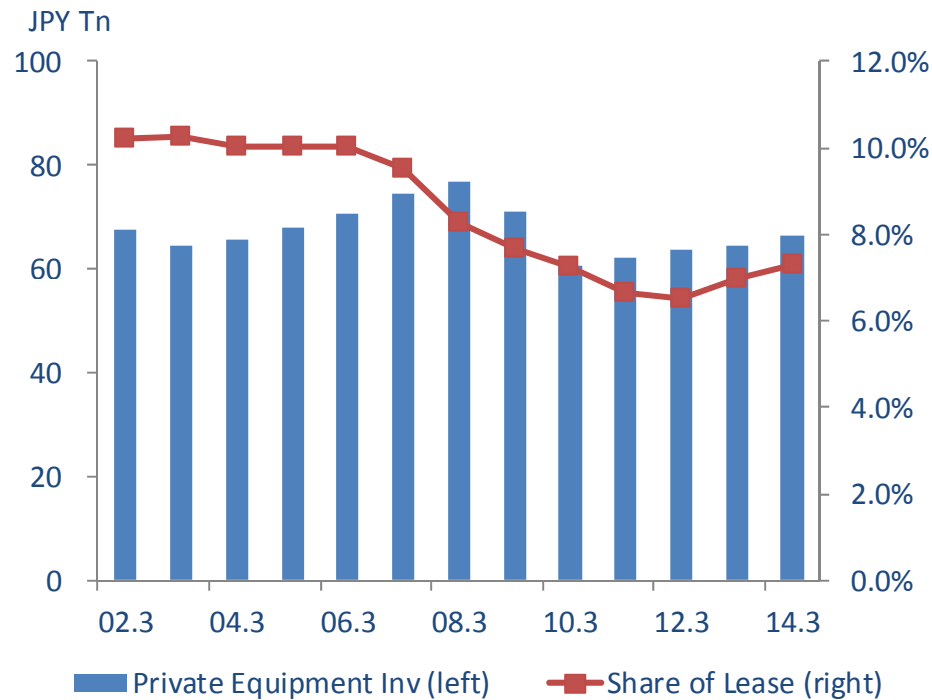
Office Rental Rates



Source: Miki Shoji

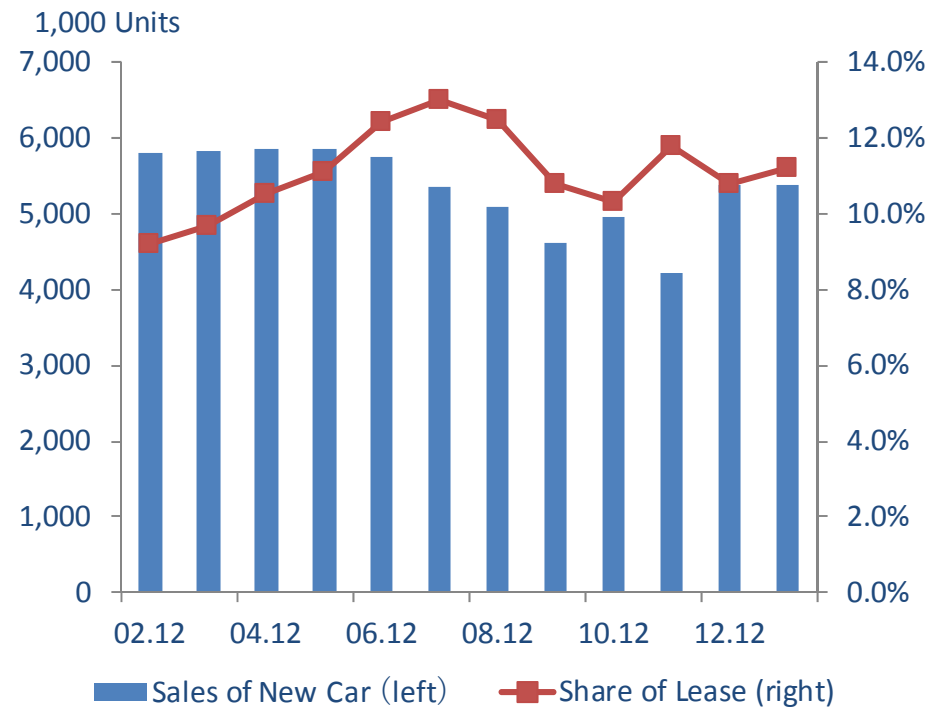
Domestic Lease Business Indicators

Private Equipment Investment



Source: Japan Leasing Association

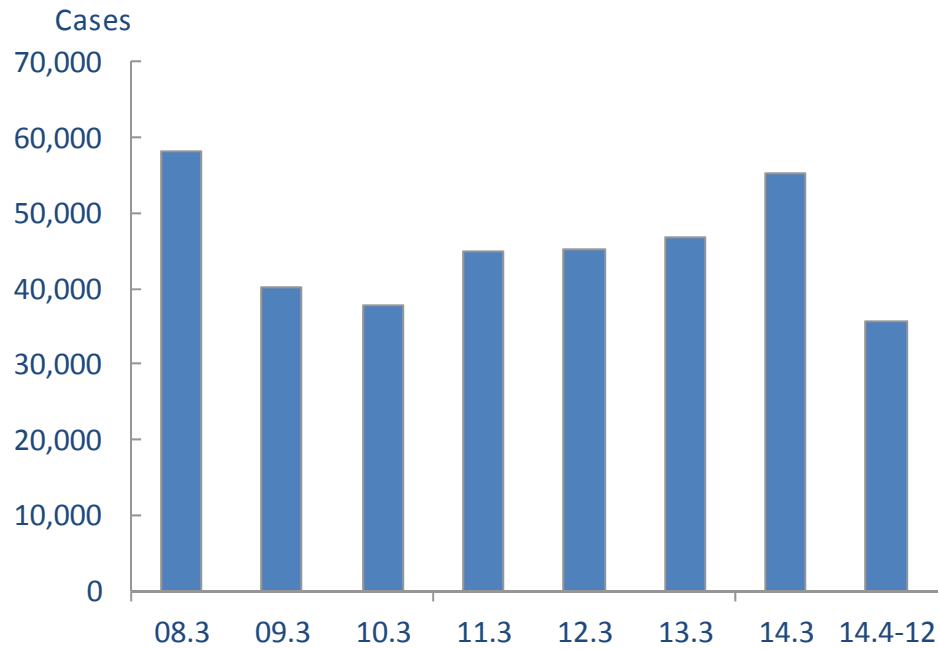
New Car Sales



Source: Japan Automotive Leasing Association

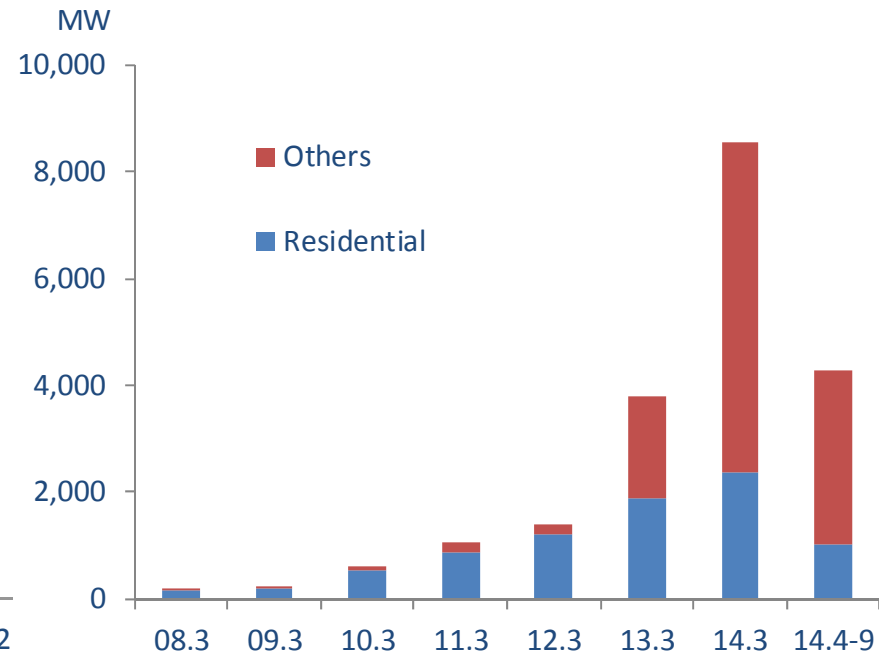
Other Domestic Indicators

Number of condominium sold in the Tokyo metropolitan area



Source: Real Estate Economy Research Institute

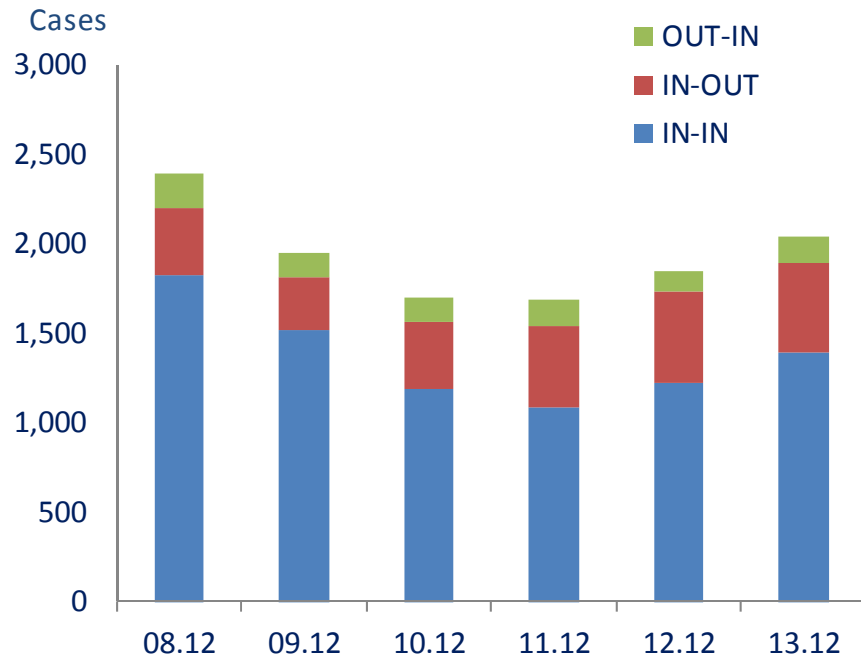
Domestic Shipping Amount of Solar Cell



Source: Japan Photovoltaic Energy Association

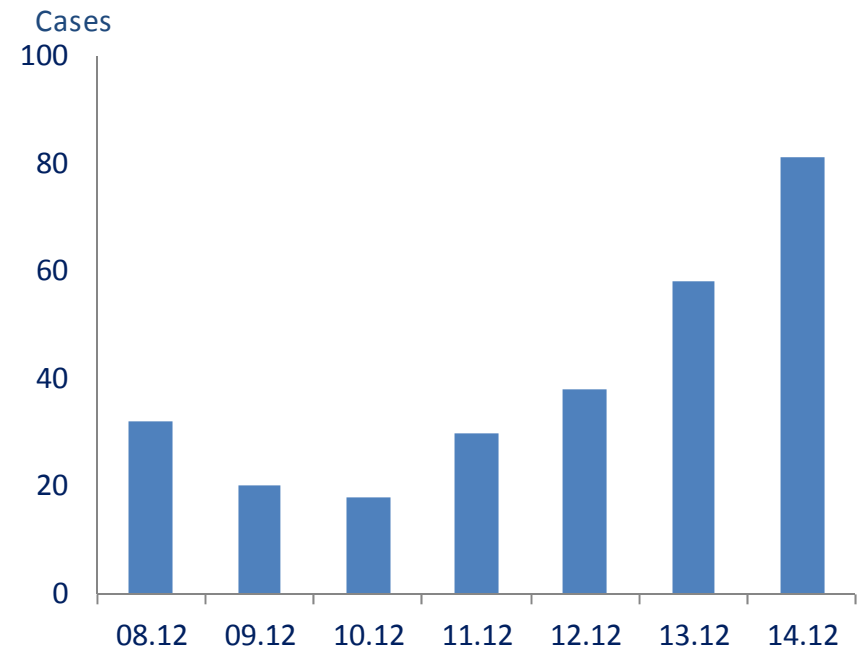
Other Domestic Indicators

The number of M&A



Source: RECOF Corporation

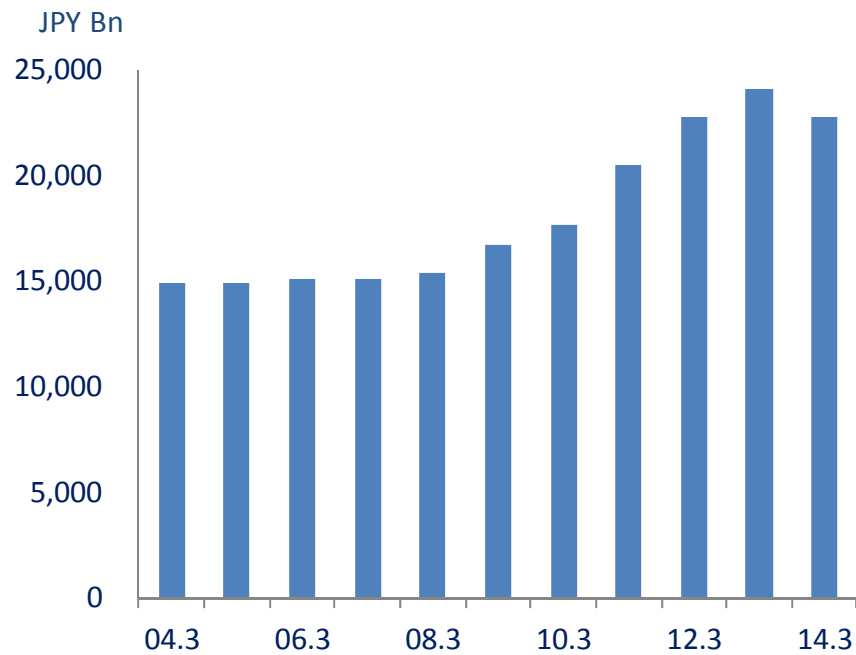
The number of the New Listed Companies



Source: Tokyo Stock Exchange

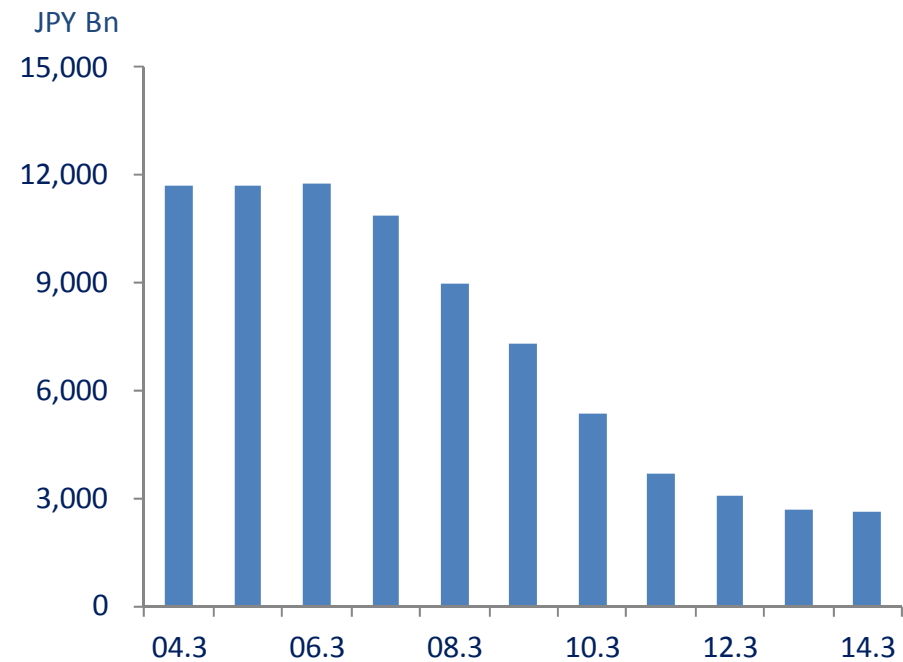
Other Domestic Indicators

Premium Income for Individual Insurance



Source: Japan Statistics Bureau

Consumer Finance Loan Balance



Source: Japan Financial Services Agency

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- Some of the financial information in these materials is unaudited.
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