



Answers,
Custom Fit.

ORIX Corporation

Second Quarter Consolidated Financial Results
For the Six-Month Period Ended September 30, 2018

Makoto Inoue Director, Representative Executive Officer
President & CEO

October 29, 2018

(TSE: 8591; NYSE: IX)

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Overview of FY19.3 H1

Maintain above 11% level of ROE while profit decreased 6.6% YoY

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New Investments

New investments in FY19.3 H1 was about 400billion yen, continue to make investments contributing to future growth

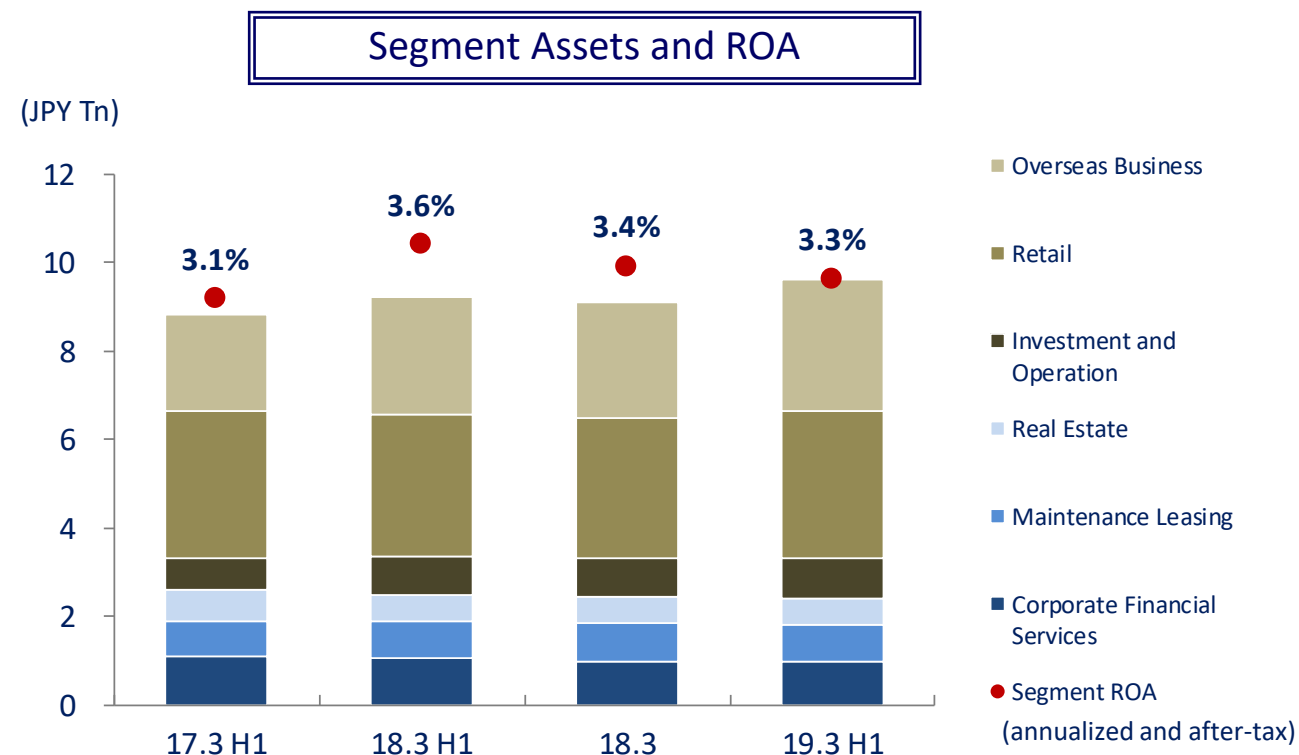
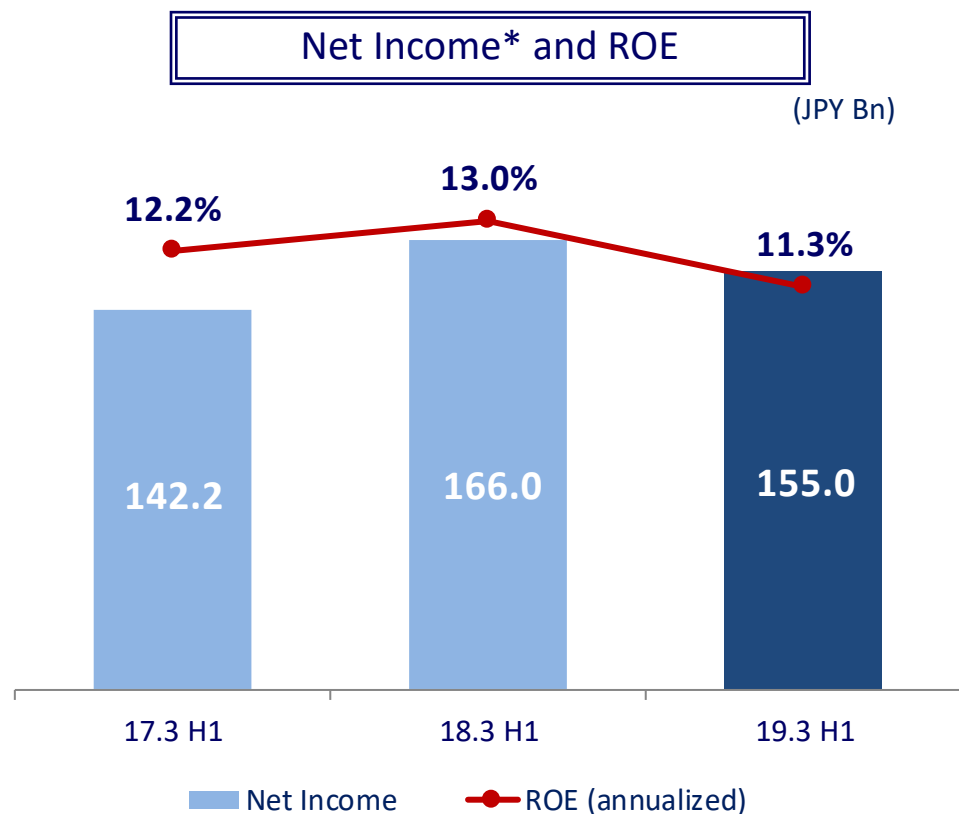
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Shareholder Return

Dividend payout ratio was raised to 30% for FY19.3, forecasted 76 yen per share at full year dividend

Overview

- ✓ 155.0bn yen in net income, down by 6.6% YoY. Annualized ROE at 11.3%
- ✓ Segment assets at 9,620.5bn yen, up by 5.7% YTD



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

New Investments: NXT Capital Group, LLC Acquisition

- ✓ Acquired US loan origination, servicing, and asset management company NXT Capital for an equity value at closing of USD 860 million (JPY 95 billion)
- ✓ Expand the functions of asset management business

(JPY)

Main Subsidiaries		Principal Business	AUM*1	Segment Profit (Pre-Tax) Scale*2
ORIX Europe (Previously Robeco)	Robeco Institutional Asset Management B.V. Boston Partners Global Investors, Inc., etc.	Asset Management	38 Trillion	44.5 Billion
	NXT Capital Group, LLC	Loan Servicing and Asset Management	500 Billion	10.0 Billion *3
ORIX USA	RED Capital Group, LLC	Loan Servicing	1.8 Trillion	4.8 Billion
	Mariner Investment Group entities	Fund Operation and Management	1.1 Trillion	0.9 Billion
	RB Capital S.A.	Real Estate Securitization, Asset Management, Real Estate Development and Investment	800 Billion	0.9 Billion
	Boston Financial Investment Management, LP	Low-Income Housing Tax Credit Syndicator	800 Billion	3.2 Billion
	Lancaster Pollard Holdings, LLC	Mortgage Banking and Loan Servicing	700 Billion	1.5 Billion*4
Real Estate	ORIX Asset Management Corporation	Asset Management of J-REIT	669 Billion	2.0 Billion
	ORIX Real Estate Investment Advisors Corporation	Real Estate Investment, etc. (Private fund)	400 Billion	6.6 Billion
Total			44.8 Trillion	74.4 Billion

*1: AUM are rough amounts including servicing assets, etc. *2: Estimation based on FY2018.3 results *3: Estimate in FY2020.3 *4: 7 month figure (acquired in September 2017)

New Investments: Investing in Avolon Holdings Limited



- ✓ Signed an agreement to acquire 30% of issued shares of Avolon, the third largest aircraft leasing company, at USD 2.2 billion (JPY 250 billion)
- ✓ Estimate 12.0 billion JPY pre-tax profit per year

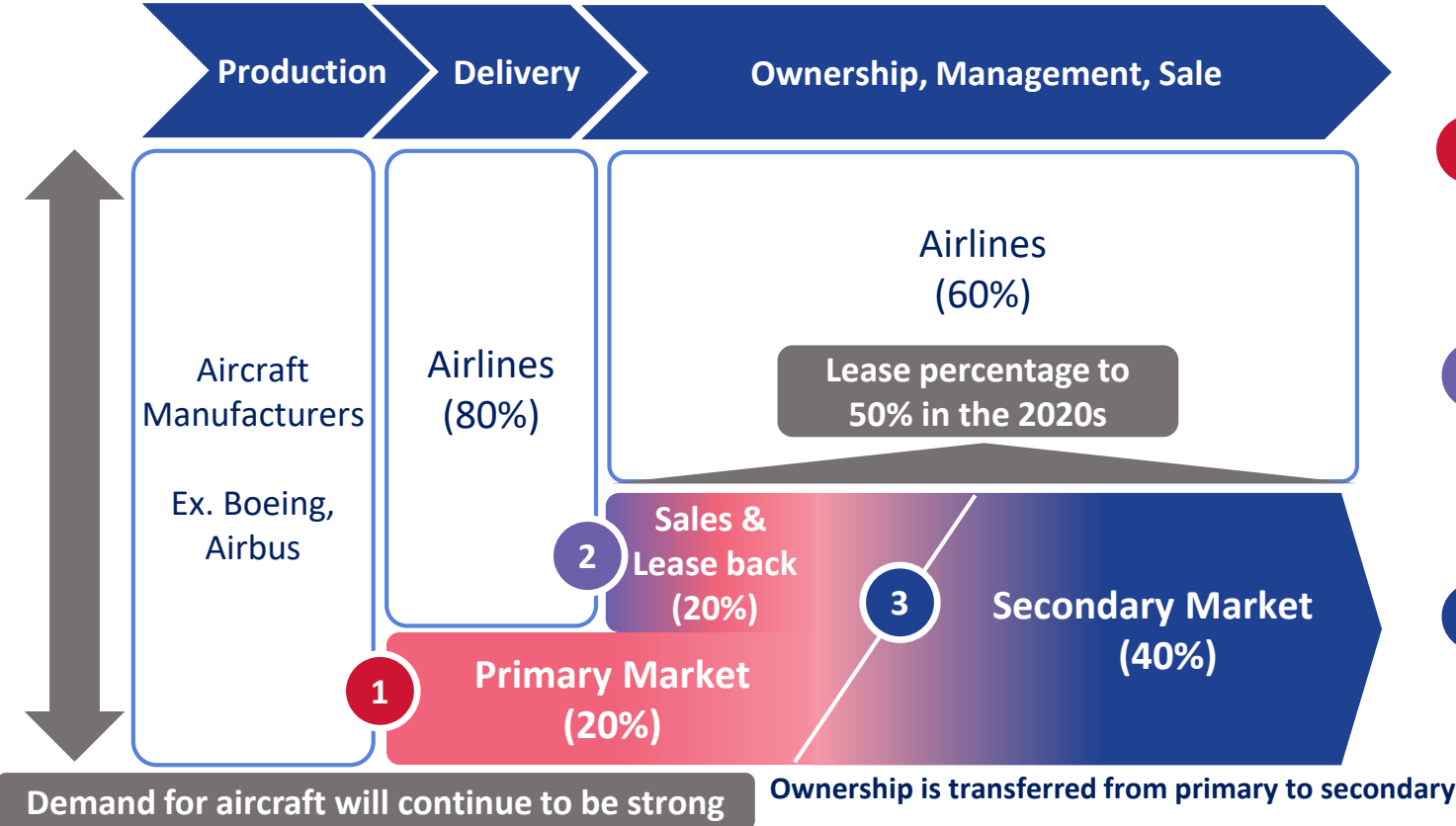
■ ORIX aircraft-related operation and Avolon

	ORIX Aircraft-Related Operation	Avolon (ORIX's share is 30%)	Investment Significance Expected Synergy
Pre-Tax Profit	JPY 18.4 Billion (FY2018.3)	JPY 60.0 Billion (FY2017.12)	<u>Investment significance</u> • Start investing at reasonable price
Assets	JPY 385.5 Billion (September 30, 2018)	JPY 3 Trillion (December 31, 2017)	<u>Synergy</u> • Entry into the upstream business (primary market) with a large market scale
Owned, Managed and Committed	Owned & Managed 214 aircraft (September 30, 2018)	Owned & Managed 571 aircraft (September 30, 2018) Committed 319 aircraft	• Supply of Avolon's aircraft to Japanese investors, increase in fee income
Strength	• Knowledge and skills of asset management • Japanese investors base	• Ability to market and procure as a primary market player	• Profit growth by improving the funding conditions of Avolon

Value Chain of Aircraft Business and Potential of Future Growth

- ✓ Pursue synergies such as origination of investments for operating leases by expanding the value chain
- ✓ Enhance our presence in the aircraft leasing market where high growth is expected in the future

Aircraft Market and Lease Percentage



(Business field comparison / Avolon and ORIX aircraft business)

Feature	Procurement	Aircraft	Avolon	ORIX
1 Primary Market Purchase directly from the manufacturers and lease. Finance and marketing strength required.	Manufacturers	New	◎	×
2 Sales & Lease back Purchase aircraft from the airlines. Recently, competition intensified as new entrants are increasing.	Airlines	New	◎	○
3 Secondary Market Purchase aircraft with a lease from the primary player, and possess, undertake management, etc.	Others	Used	△	◎

Source: Made by ORIX referring to Ascend "Fleet Analyzer", CAPA "Fleet Database", Flight Global "Fleet Watch 2018"
Numbers in parentheses represent the percentage of total aircraft

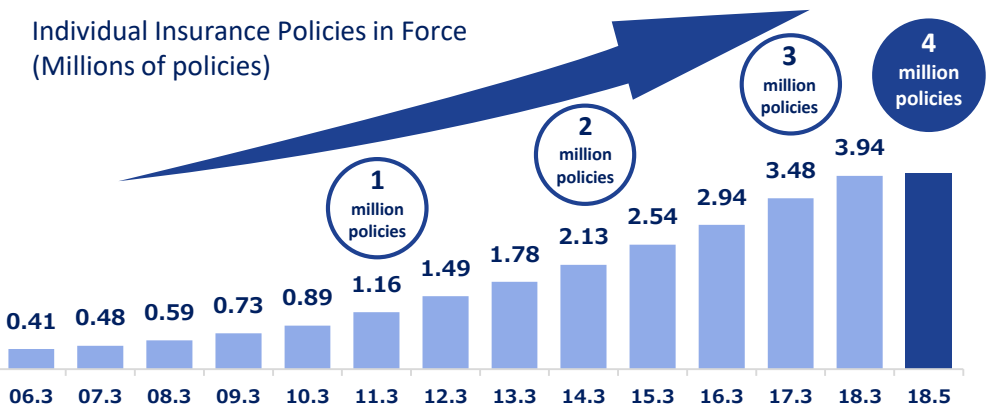
FY19.3 H1 Other Results

- ✓ Life insurance: Expand sales channel and products to the next stage
- ✓ Environment and energy: Operate domestic mega-solar sequentially, promote utilization of own power supply in electric power retailing, and seek overseas investment opportunities proactively

Life Insurance

- **Growth in individual insurance policies in force**
The number of individual insurance policyholders exceeded 4 million as of May 31, 2018, and the business has steadily grown, achieving double digit growth for 12 consecutive years since FY2006.3
- **Price change of third-sector insurance products and new special contracts release**
Maintain price competitiveness of insurance premium

Individual Insurance Policies in Force
(Millions of policies)



Environment and Energy

- **Established a company to operate, manage, and maintain renewable energy power plants**
Aim for optimal operation leading to maximization of power generation capacity by strengthening O&M (Operation & Maintenance)
- **M&A in overseas**
Established a base in London to explore renewable energy business overseas

(As of September 30, 2018)

	Secured	In Operation
Mega solar in Japan	1,000MW	780MW

Daikyo to be a Wholly-Owned Subsidiary

* Please refer to “Announcement of Commencement of Tender Offer for Shares of DAIKYO INCORPORATED (Securities Code: 8840)” released on October 26, 2018 for detailed



- ✓ Conduct the Tender Offer intended to make a listed subsidiary Daikyo a wholly-owned subsidiary
- ✓ Transfer from “Investment and Operation” to “Real Estate” segment. Plan to complement with ORIX real estate business each other

■ Financial figures of Daikyo (from Daikyo results briefing in FY2018.3)

Billions of yen	FY2018 Results	FY2019 Forecast	YoY Change
Net sales	335.1	365.0	+29.8
Real Estate Management	170.9	187.0	+16.0
Real Estate Brokerage	63.5	65.0	+1.4
Real Estate Development and Sales	108.2	120.0	+11.7
Eliminations or Corporate Assets/Expenses	▲7.5	▲7.0	+0.5
Operating Income	20.1	22.0	+1.8
(Operating income margin)	6.0%	6.0%	+0.0p
Real Estate Management	11.0	13.0	+1.9
Real Estate Brokerage	3.6	3.9	+0.2
Real Estate Development and Sales	8.8	9.5	+0.6
Eliminations or Corporate Assets/Expenses	▲3.3	▲4.4	▲1.0
Ordinary income	19.7	20.5	+0.7
(Ordinary income margin)	5.9%	5.6%	▲0.3p
Profit attributable to owners of parent	13.8	14.0	+0.1

(Japan GAAP)

■ After making Daikyo a wholly-owned subsidiary

	Daikyo	ORIX Real Estate Segment	Total
Pre-Tax Profit (Billions of yen)	20.5*1	62.4 (Segment profit)	82.9
Segment Assets (Billions of yen)	181.7*2	620.2	801.9
Number of Employee	5,621	4,978	10,599

*1: Ordinary income of FY2019.3 (Estimate) (FY2018.3)

*2: Assets booked in ORIX Investment and Operation segment

Mutual Complement between Daikyo and ORIX Real Estate Business

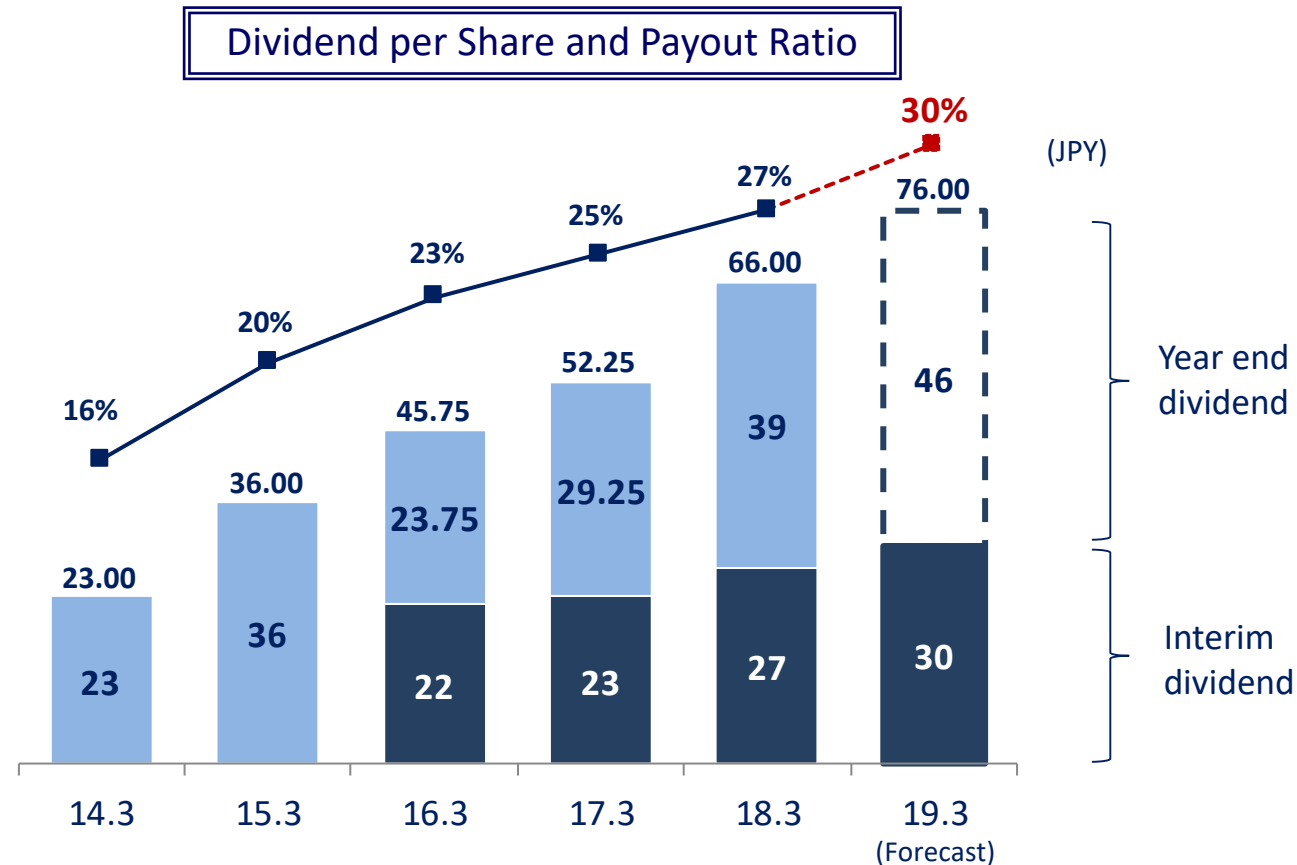


- ✓ As a comprehensive real estate group, aiming for medium to long term growth with the ORIX Group
- ✓ Establish an organization that can conduct overseas projects and large-scale projects



Shareholder Return

- ✓ The interim dividend at 30 yen per share in FY19.3
- ✓ Raised dividend payout ratio to 30% for FY19.3, expected 76 yen per share at full year dividend (up by 10 yen, 15%)
- ✓ Maintain the optimal balance between investment opportunities for sustainable future profit growth and stable dividend growth



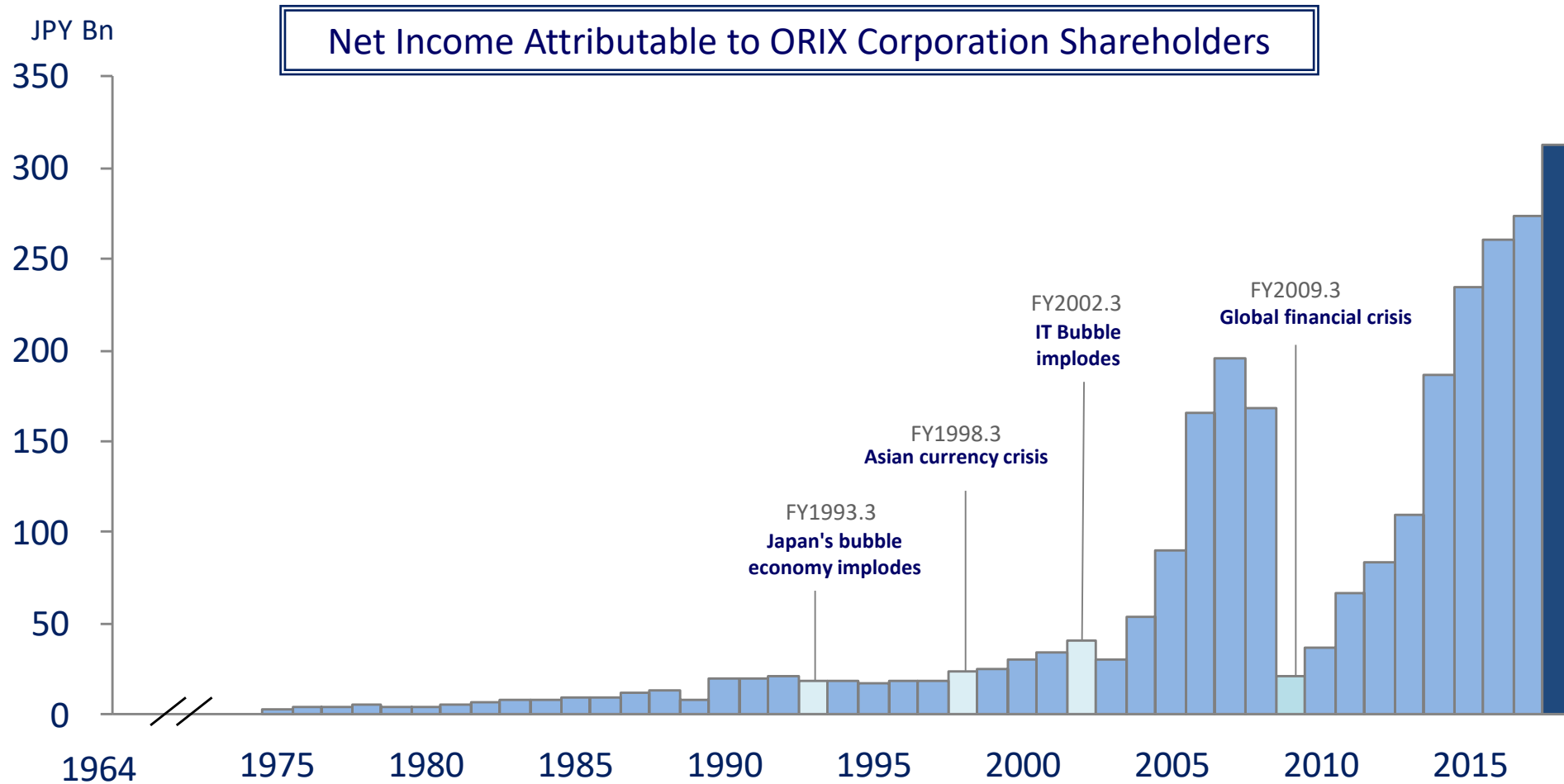
FY19.3 HI net income was 155.0bn yen, annualized ROE at 11.3%

**Keep making efforts to achieve the targets,
4-8% profit growth and ROE above 11% in FY2019**

**Raise the dividend payout ratio in FY2019 from 27% to 30%
Maintain the optimal balance between investment and shareholder return**

Appendix

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

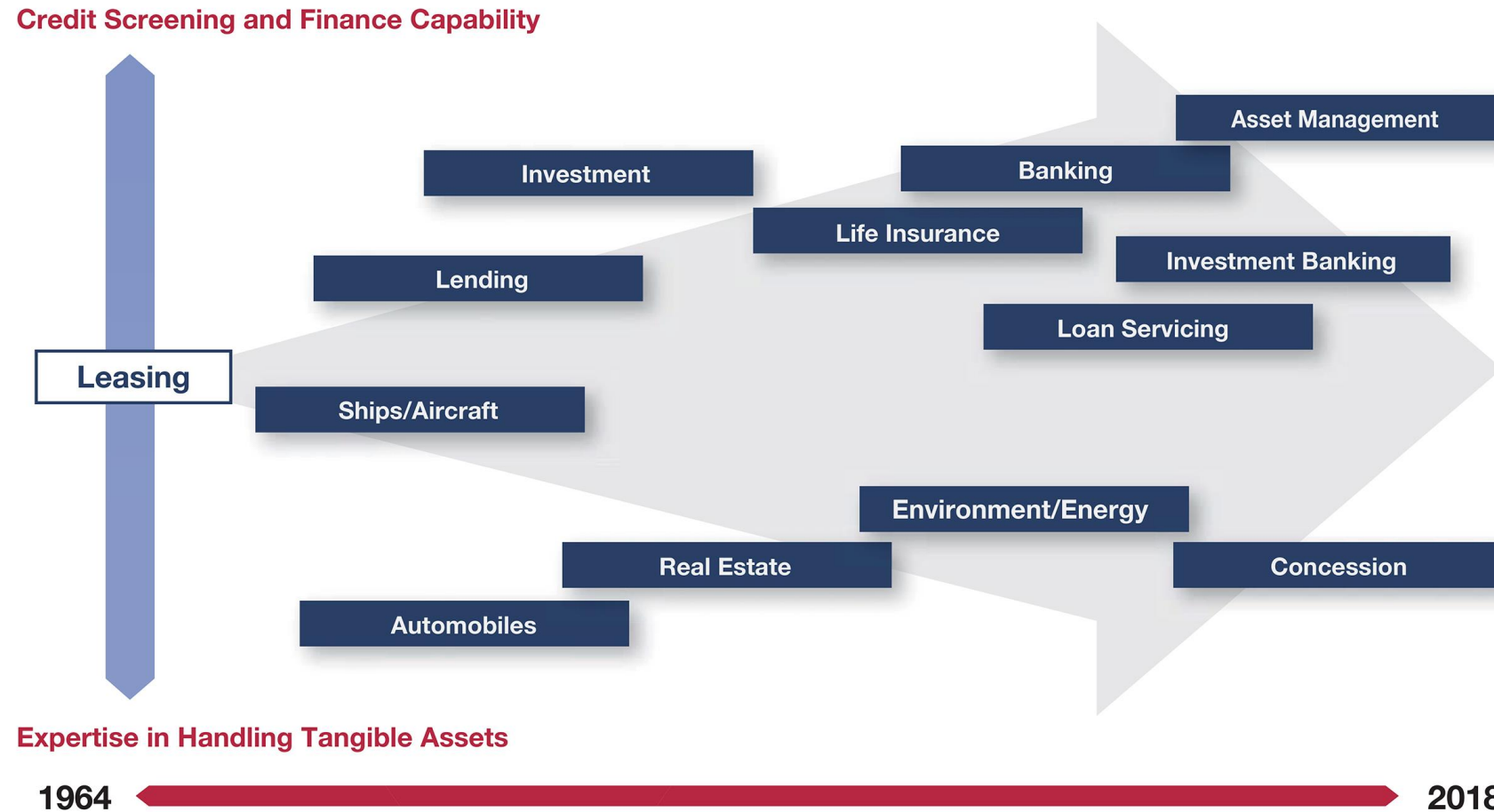


About ORIX

Evolving and Dynamic Portfolio

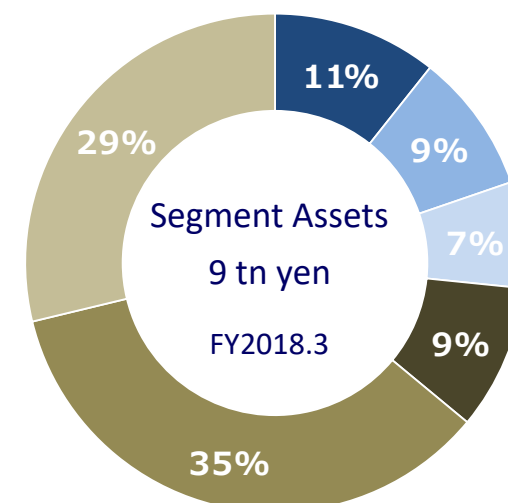
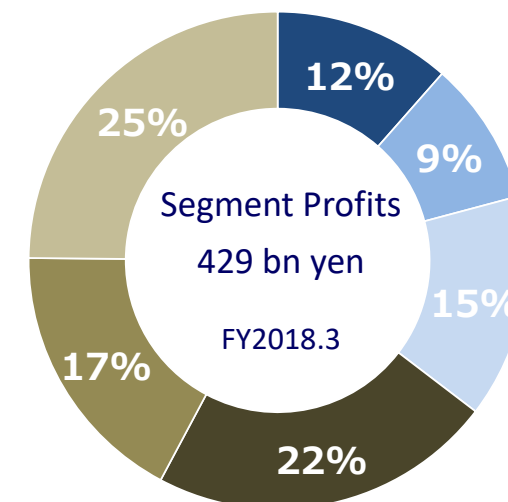


- ✓ ORIX will continue to enhance our experience in finance and tangible assets as we synergistically expand our businesses

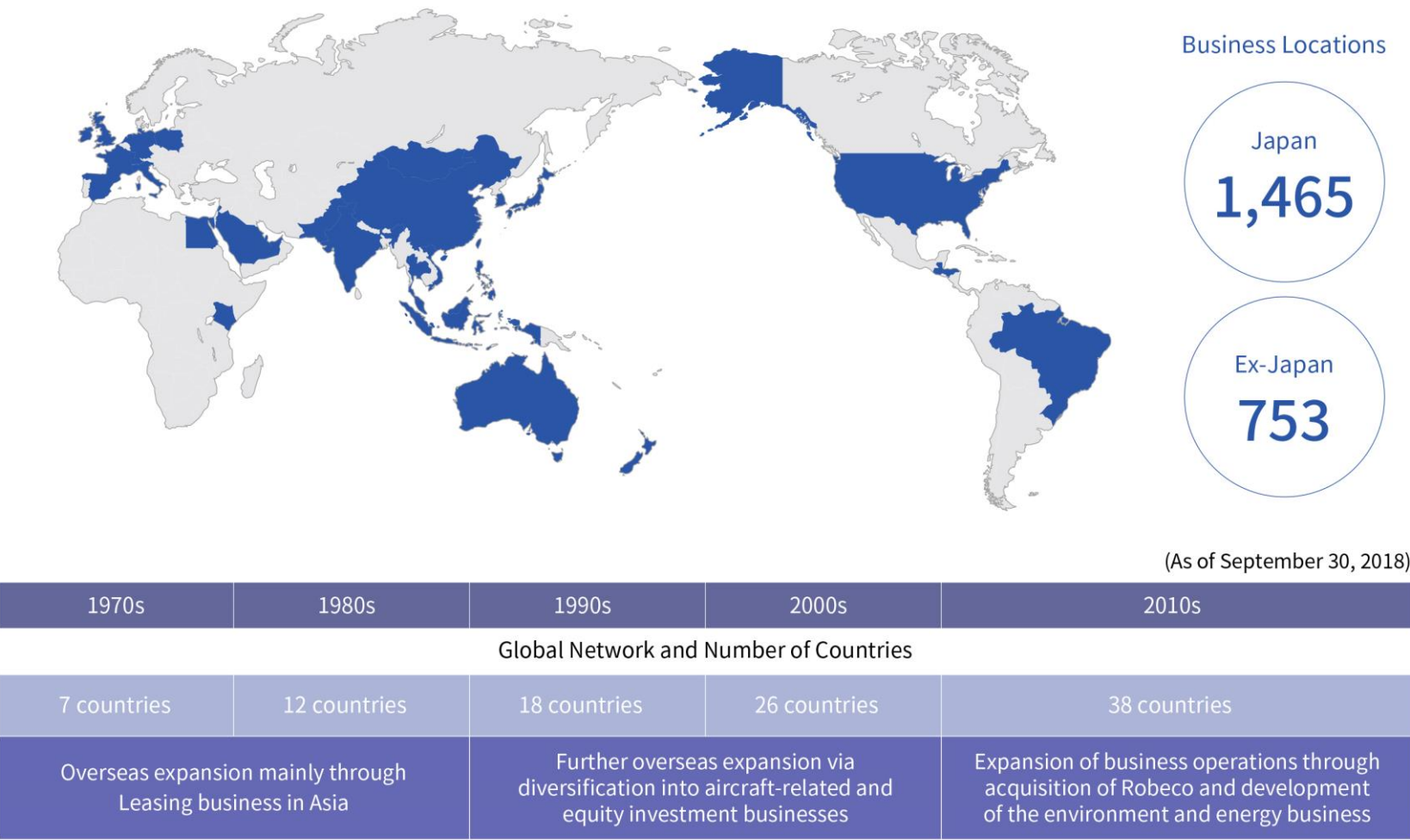


- ✓ Our highly diversified company contains many complementary businesses, providing ample opportunity for synergies and knowledge sharing

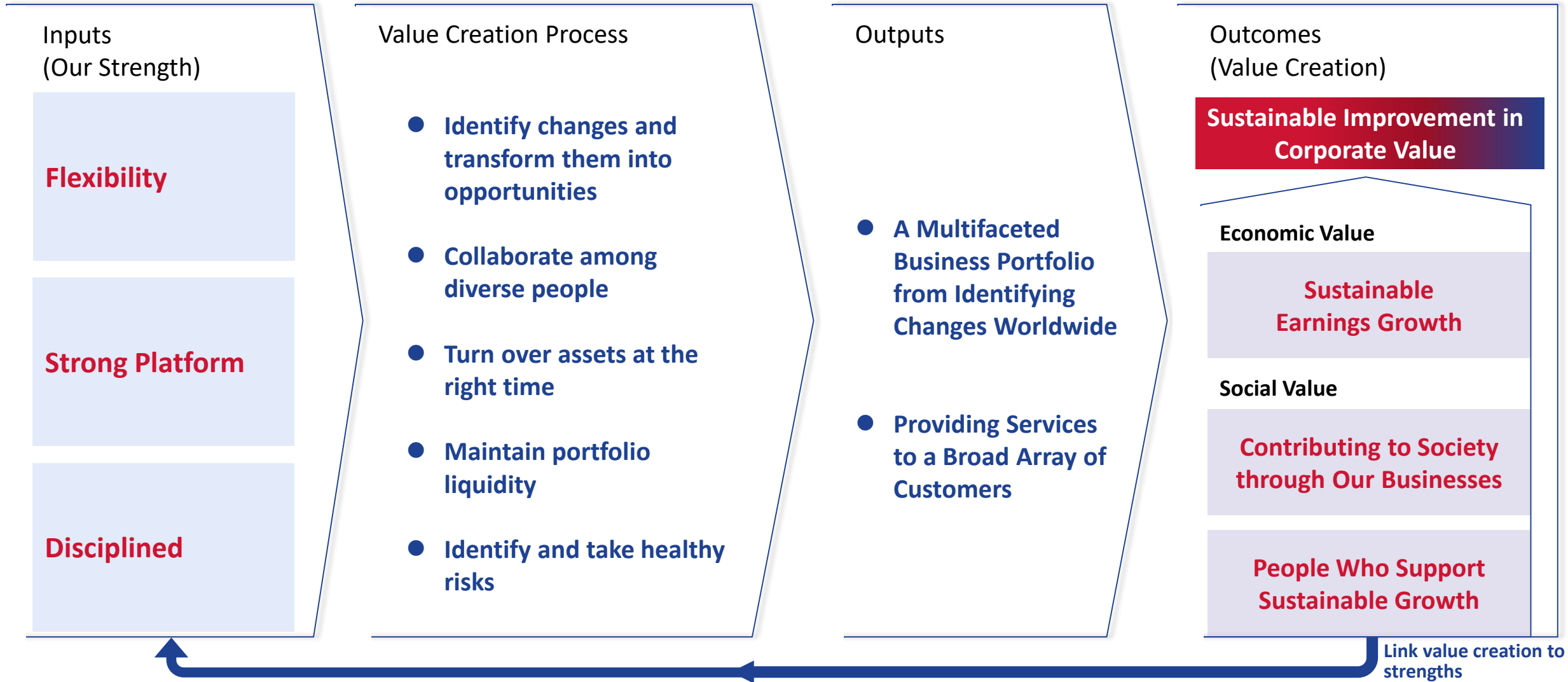
Corporate Financial Services	Loan, Leasing, Fee businesses
Maintenance Leasing	Automobile leasing and rentals, Car sharing, Test and measurement instruments and IT-related equipment rentals and leasing
Real Estate	Real estate development and rental, facility operation, REIT asset management, and real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



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



Business Areas for Further Growth (from “FY2018.3 Financial Results”)

- ✓ “Operation” and “Investment” are the main drivers for future growth

Operation

Environment and Energy

- Operate domestic mega-solar sequentially, promote utilization of own power supply in electric power retailing
- Seek overseas investment opportunities proactively

Asset Management

- Diversify business lines and expand geographical coverage
- Continue to grow domestic real estate asset management business, and expand AuM

Concession

- Take on new concessions beyond airport management
- Expand the scope of business including overseas projects

Life Insurance

- Expand sales channel and products to the next stage

Investment

PE Investment

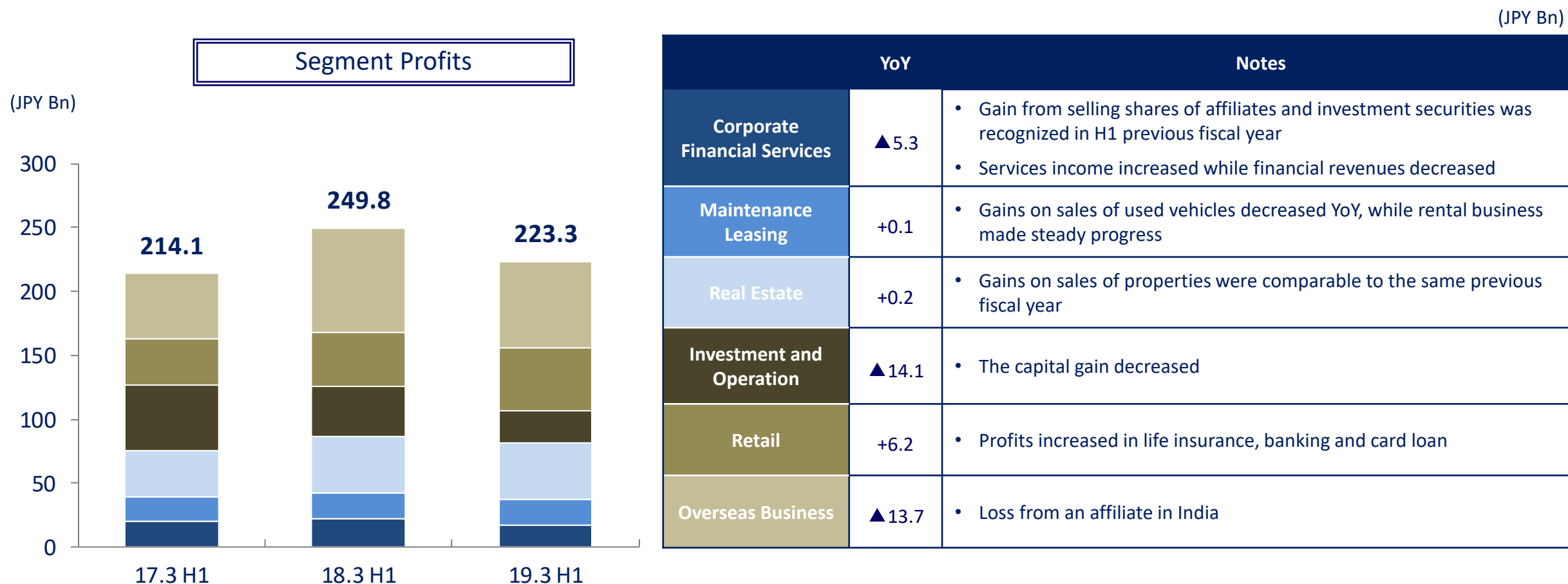
- Keep adding value to investees
- Promote investment in the Americas and Asia

Aircraft / Ships

- Maintain diversified revenue sources
- Continue to develop business area proactively

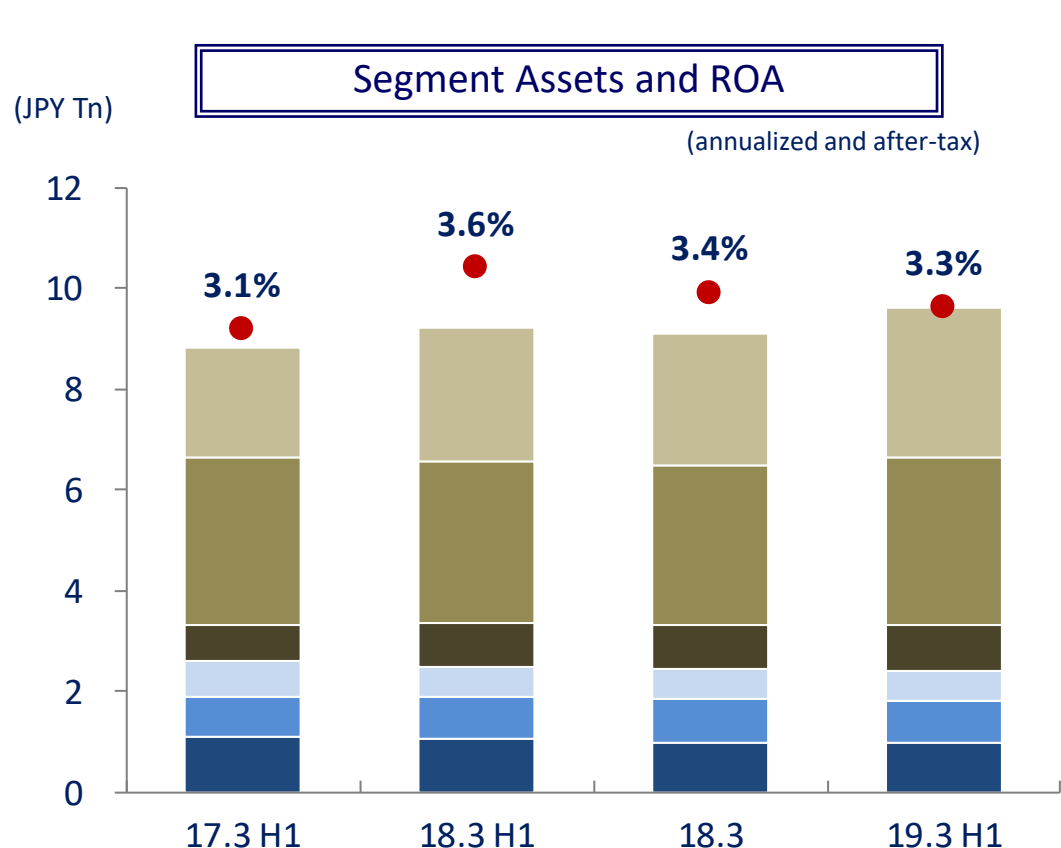
Overview Segment Profits

- ✓ Segment profits at 223.3bn yen, down by 10.6% YoY
- ✓ Decreased in Investment and Operation, Overseas Business, Corporate Financial Services, while increased in Retail by 14%



Overview Segment Assets

- ✓ Segment assets at 9,620.5bn yen, up by 5.7% YTD
- ✓ Largely increased in Overseas Business due to the acquisition of NXT Capital and aircraft assets accumulation
- ✓ Also increased in Retail, Investment and Operation and Maintenance Leasing



(JPY Bn)

	YTD	Notes
Corporate Financial Services	▲ 25.5	• Decrease in direct financing leases and installment loans
Maintenance Leasing	+11.8	• Increase in new auto leases
Real Estate	▲ 42.8	• Decrease in property under facility operation and operating leases due to selling them
Investment and Operation	+36.7	• Increase in Daikyo and environment and energy
Retail	+194.5	• Increase in life insurance and banking business
Overseas Business	+346.9	• Large increase due to the acquisition of NXT Capital and accumulating aircraft assets

Appendix (1) Performance Overview

(JPY Bn)

	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Total Revenues	2,678.7	2,862.8	1,517.8	1,262.0	83%
Net Income *1	273.2	313.1	166.0	155.0	93%
Segment Assets	9,201.9	9,098.9	9,231.3	9,620.5	104%
Total Assets	11,231.9	11,426.0	11,426.0	11,778.5	103%
Shareholders' Equity	2,507.7	2,682.4	2,610.7	2,804.0	107%
Shareholders' Equity Ratio	22.3%	23.5%	22.8%	23.8%	+1.0%
ROE	11.3%	12.1%	13.0%	11.3%	-1.7%
Return on Segment Assets (ROA)	2.96%	3.42%	3.60%	3.31%	-0.29%
D/E Ratio					
(Short and Long-Term Debt+Deposits)/Shareholders' Equity	2.3x	2.2x	2.3x	2.2x	-0.1x
(Short and Long-Term Debt)/Shareholders' Equity	1.7x	1.5x	1.6x	1.5x	-0.1x

*1 Net Income Attributable to ORIX Corporation Shareholders

Appendix (2) Profits by Segment

					(JPY Bn)
	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Corporate Financial Services	38.0	49.3	22.0	16.8	76%
Maintenance Leasing	39.8	40.2	20.4	20.6	101%
Real Estate	72.8	62.4	44.0	44.2	100%
Investment and Operation	85.0	96.1	38.9	24.9	64%
Retail	72.9	74.5	43.0	49.2	114%
Overseas Business	112.4	106.6	81.4	67.7	83%
Total Segment Profits	420.9	429.1	249.8	223.3	89%

Appendix (3) Assets by Segment

					(JPY Bn)
	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YTD)
Corporate Financial Services	1,086.0	991.8	1,043.3	966.4	97%
Maintenance Leasing	806.7	847.2	822.6	859.0	101%
Real Estate	657.7	620.2	628.9	577.4	93%
Investment and Operation	780.0	856.3	872.9	893.1	104%
Retail	3,293.4	3,174.5	3,209.1	3,369.0	106%
Overseas Business	2,578.1	2,608.8	2,654.4	2,955.7	113%
Total Segment Assets	9,201.9	9,098.9	9,231.3	9,620.5	106%

* From the current fiscal year, VIEs for securitizing financial assets such as direct financing lease receivable and loan receivable is included in segment revenue, segment profit and segment assets, and previous fiscal year have been reclassified as a result of this change.

Appendix (4) Income Statement Data

(JPY Bn)

	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Finance revenues	211.9	228.3	113.3	117.4	104%
Gains on investment securities and dividends	30.3	43.3	20.5	11.7	57%
Operating leases	155.1	127.3	72.7	81.6	112%
Life insurance premiums and related investment income	95.8	96.5	49.5	54.9	111%
Sales of goods and real estate	86.5	75.5	37.0	25.4	69%
Services income	275.4	298.1	151.6	165.0	109%
Gross Profits*1	854.9	869.1	444.7	456.0	103%
Interest expense	72.9	76.8	37.9	41.8	110%
Selling, general and administrative expenses	418.7	431.6	209.3	210.6	101%
Provisions/Impairments	38.4	24.0	9.9	8.9	90%
Other (income) and expense, net	-4.4	0.4	-1.5	-0.5	—
Operating Income	329.2	336.2	189.0	195.1	103%
Equity in Net Income of Affiliates	26.5	50.1	38.6	6.8	18%
Gains on Sales of Subsidiaries and Affiliates, etc	69.2	49.2	25.0	19.0	76%
Income before Income Taxes	425.0	435.5	252.6	220.9	87%
Net Income Attributable to ORIX Corporation Shareholders	273.2	313.1	166.0	155.0	93%

*1 Each revenue component deducted with corresponding costs and expenses

Appendix (5) Funding

(JPY Bn)

Funding	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
CP	50.1	54.9	71.2	79.8	8.6
Borrowings from Financial Institutions	2,958.2	3,056.2	3,044.4	2,999.5	-44.9
Bonds / MTN	885.1	940.1	972.1	935.2	-36.9
Deposits	1,614.6	1,757.5	1,698.4	1,857.9	159.5
ABS, CMBS	245.1	82.1	115.6	171.0	55.4
Short-term Debt, Long-term Debt and Deposits	5,753.1	5,890.7	5,901.6	6,043.4	141.8
Share of Long-Term Debt	93%	93%	92%	92%	0%

Liquidity (excl. ORIX Bank, ORIX Life Insurance)	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Cash and Cash Equivalents (1)	586.6	617.7	567.8	511.2	-56.6
Available Commitment Line (2)	394.0	332.7	376.4	327.7	-48.7
Liquidity (1+2)	980.6	950.4	944.2	838.9	-105.3
Marketable Short-term Debt (3) *1	290.9	138.4	205.3	155.6	-49.7
Liquidity Coverage Ratio (1+2)/(3)	337%	687%	460%	539%	79%

Funding Costs (including Deposits)	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Domestic Currency	0.50%	0.42%	0.43%	0.41%	-0.02%
Foreign Currency	2.80%	2.76%	2.71%	3.10%	0.39%

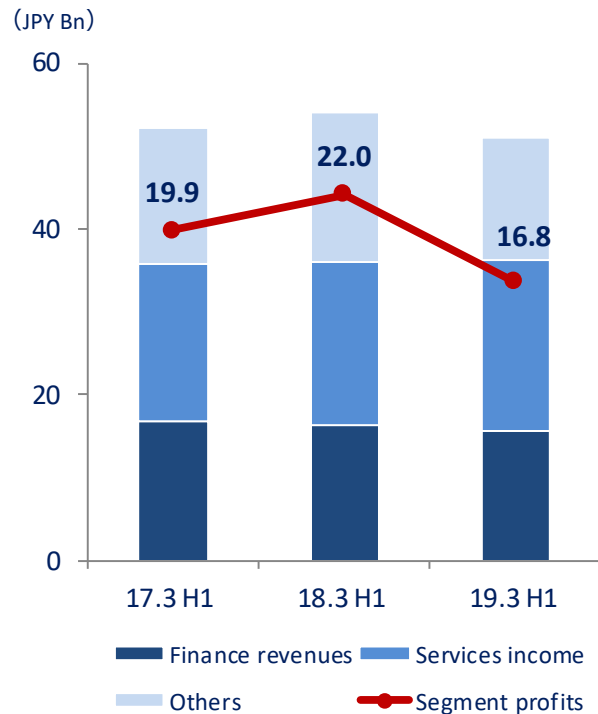
*1 Marketable Short-term Debt is the total of bonds and MTN expected to reach maturity within 1 year and the balance of CP.

Segment Performance

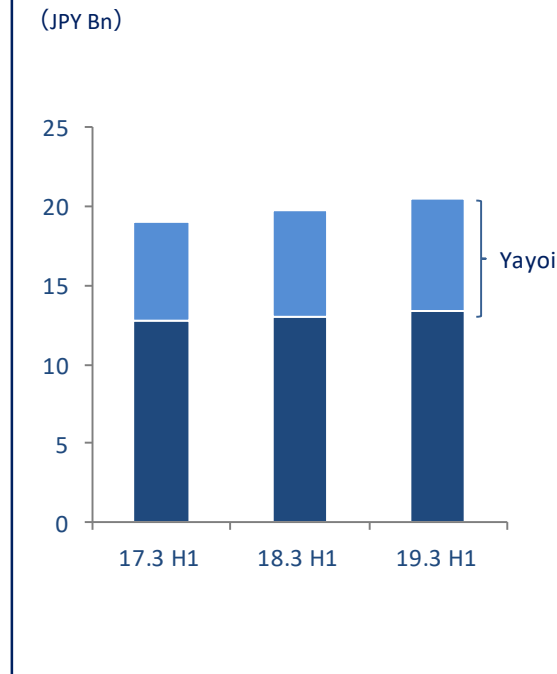
Segment Performance (1) Corporate Financial Services

- Segment profits: 16.8bn yen, down by 5.3bn yen YoY (▲24%)
 - ✓ Gain from selling shares of affiliates and investment securities in H1 previous fiscal year (5.9bn yen)
 - ✓ The services income increased while the finance revenues decreased
- Segment assets: 966.4bn yen, down by 25.5bn yen YTD (▲3%)
 - ✓ The direct financing leases and installment loans mainly decreased

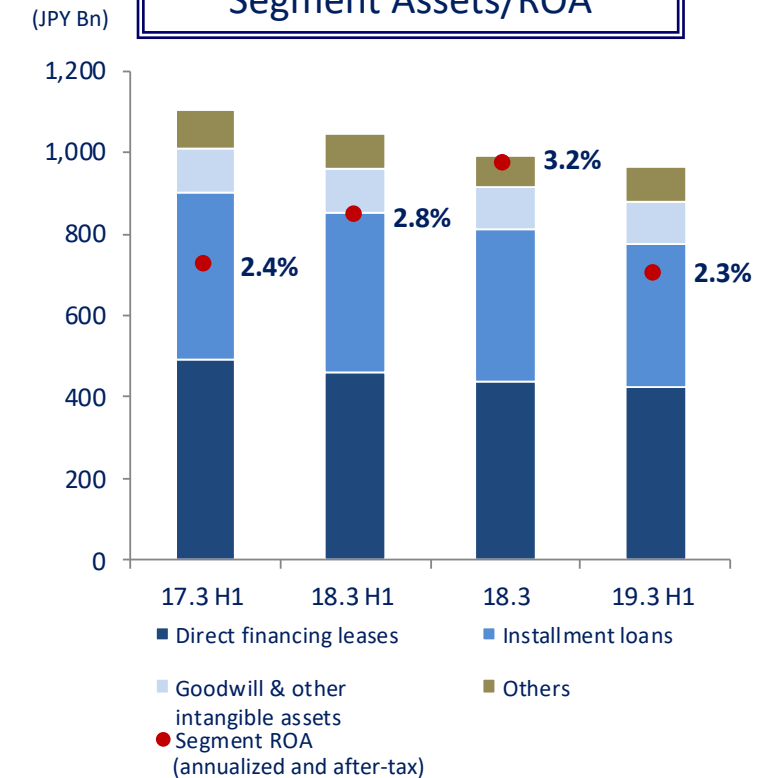
Segment Revenues/Profits



Services Income



Segment Assets/ROA



Segment Performance (1) Corporate Financial Services

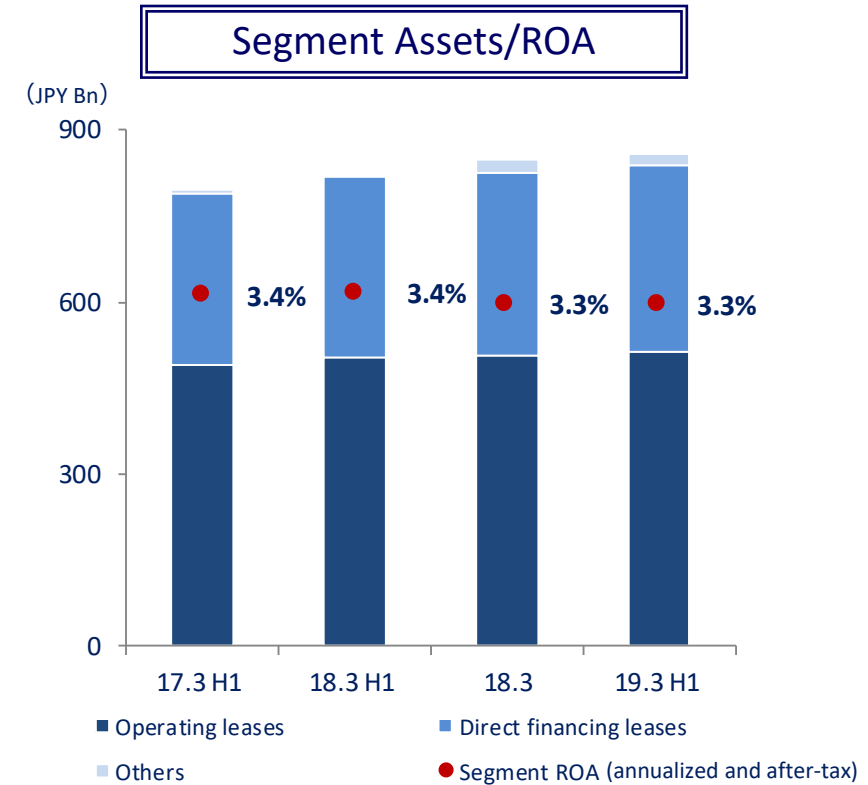
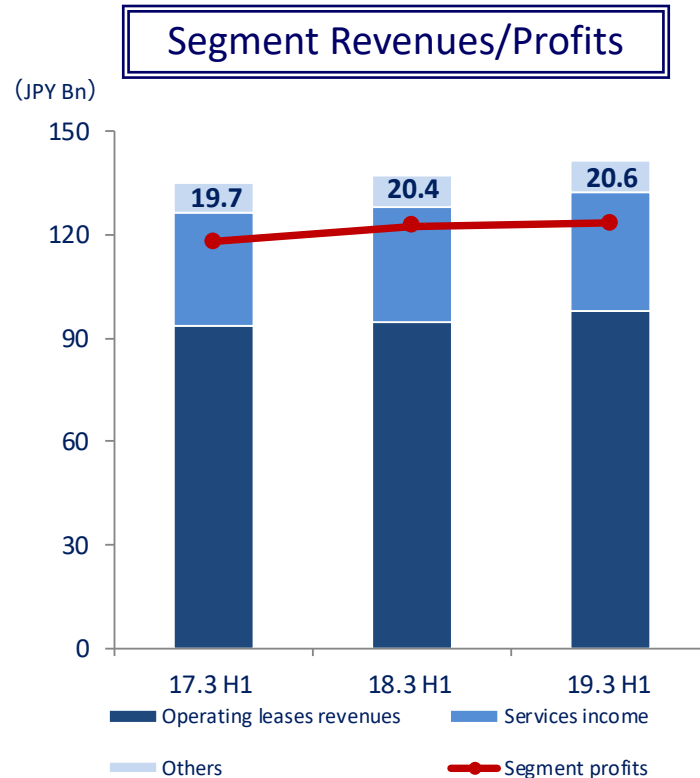


(JPY Bn)

	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Finance revenues	32.4	30.7	16.2	15.7	97%
Operating leases	25.6	23.4	11.5	11.9	104%
Services income	38.5	40.3	19.7	20.5	104%
Sales of goods and real estate and others	6.6	21.5	6.6	3.0	46%
Segment Revenues	103.1	115.8	54.1	51.1	94%
Segment Expenses	68.2	68.8	34.2	33.8	99%
Segment Profits	38.0	49.3	22.0	16.8	76%
Investment in Direct Financing Leases	483.4	439.3	461.1	422.6	
Installment Loans	402.9	369.9	392.0	353.7	
Segment Assets	1,086.0	991.8	1,043.3	966.4	
ROA	2.34%	3.24%	2.83%	2.35%	

Segment Performance (2) Maintenance Leasing

- Segment profits: 20.6bn yen, up by 0.1bn yen YoY (+1%)
 - ✓ Gains on sales of used vehicles decreased YoY, rental business made steady progress
- Segment assets: 859.0bn yen, up by 11.8bn yen YTD (+1%)
 - ✓ New auto leases increased



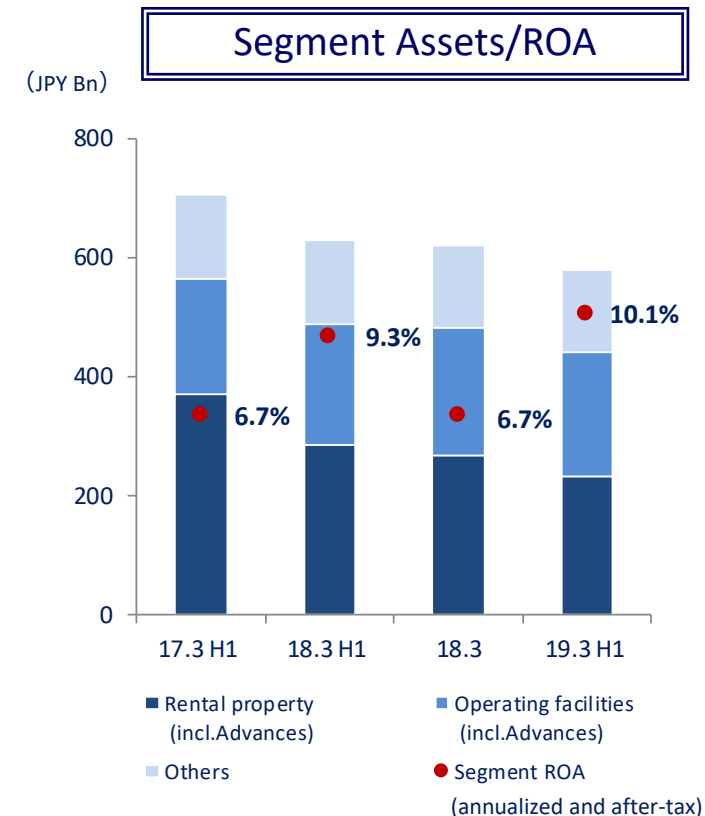
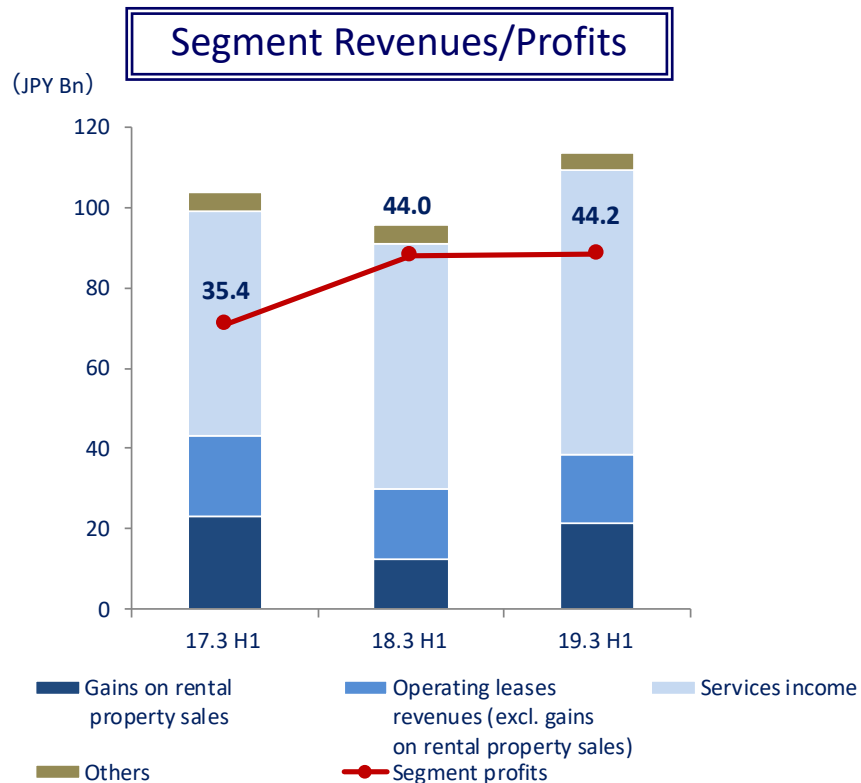
Segment Performance (2) Maintenance Leasing

(JPY Bn)

	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Finance revenues	13.4	14.2	7.1	7.1	100%
Operating leases	187.3	189.7	94.5	98.0	104%
Services income	66.3	67.8	33.7	34.1	101%
Segment Revenues	271.0	275.9	137.2	141.6	103%
Segment Expenses	231.1	235.6	116.5	121.0	104%
Segment Profits	39.8	40.2	20.4	20.6	101%
Investment in Direct Financing Leases	308.9	319.9	312.7	324.7	
Investment in Operating Leases	492.6	505.5	505.1	512.8	
Segment Assets	806.7	847.2	822.6	859.0	
ROA	3.42%	3.32%	3.43%	3.31%	

Segment Performance (3) Real Estate

- Segment profits: 44.2bn yen, up by 0.2bn yen YoY (flat)
 - ✓ Gains on sales of properties were comparable to the same previous fiscal year
- Segment assets: 577.4bn yen, down by 42.8bn yen YTD (▲7%)
 - ✓ Decrease in property under facility operations and operating leases due to selling them

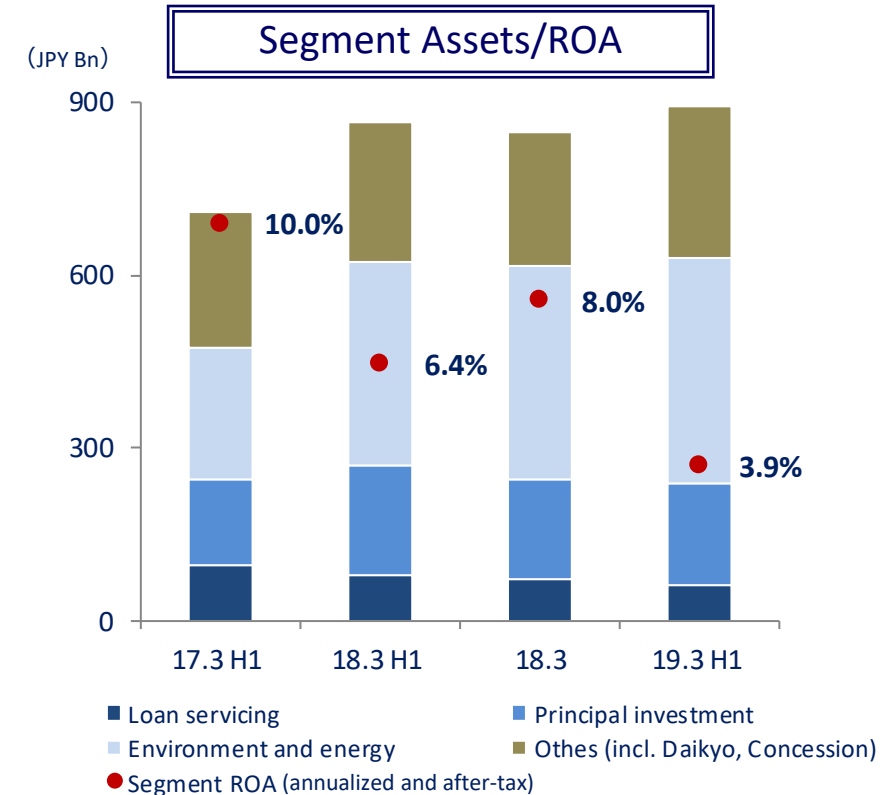
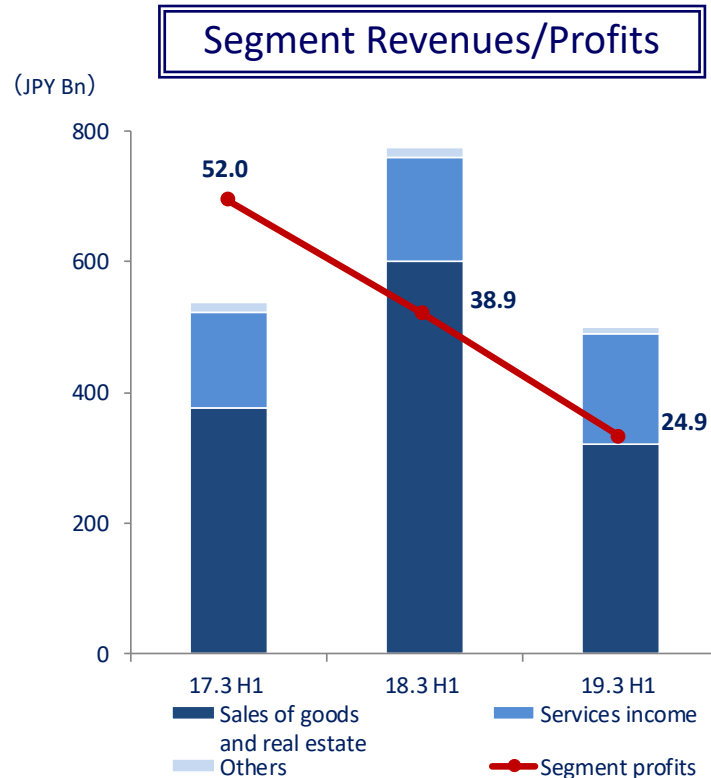


Segment Performance (3) Real Estate

	FY17.3	FY18.3	18.3 H1	19.3 H1	(JPY Bn) Change (YoY)
Finance revenues	2.3	2.1	1.0	1.0	99%
Operating leases	88.2	46.9	30.1	38.3	127%
Gains on Rental Property Sales	49.7	13.0	12.6	21.5	171%
Services income	112.6	116.1	60.9	71.2	117%
Sales of goods and real estate and others	9.0	7.9	3.8	3.1	81%
Segment Revenues	212.1	172.9	95.8	113.5	119%
Segment Expenses	143.1	143.2	72.8	71.9	99%
Segment Profits	72.8	62.4	44.0	44.2	100%
Investment in Operating Leases	298.2	247.0	268.3	210.3	
Property under Facility Operations	185.0	195.5	190.7	200.6	
Hotels and Inns	71.5	82.6	77.7	87.6	
Golf Courses	53.3	54.1	54.1	53.9	
Others	60.2	58.8	58.9	59.1	
Advances for Investment in Operating Leases	18.6	20.5	17.2	22.2	
Investment in Affiliates	99.3	86.7	93.2	90.1	
Segment Assets	657.7	620.2	628.9	577.4	
ROA	7.12%	6.67%	9.34%	10.11%	

Segment Performance (4) Investment and Operation

- Segment profits: 24.9bn yen, down by 14.1bn yen YoY (▲36%)
 - ✓ The capital gain decreased YoY
 - ✓ The profits from Daikyo was limited because it plans to sell more in the second half
- Segment assets: 893.1bn yen, up by 36.7bn yen YTD (+4%)
 - ✓ Increased in Daikyo and Environment and energy



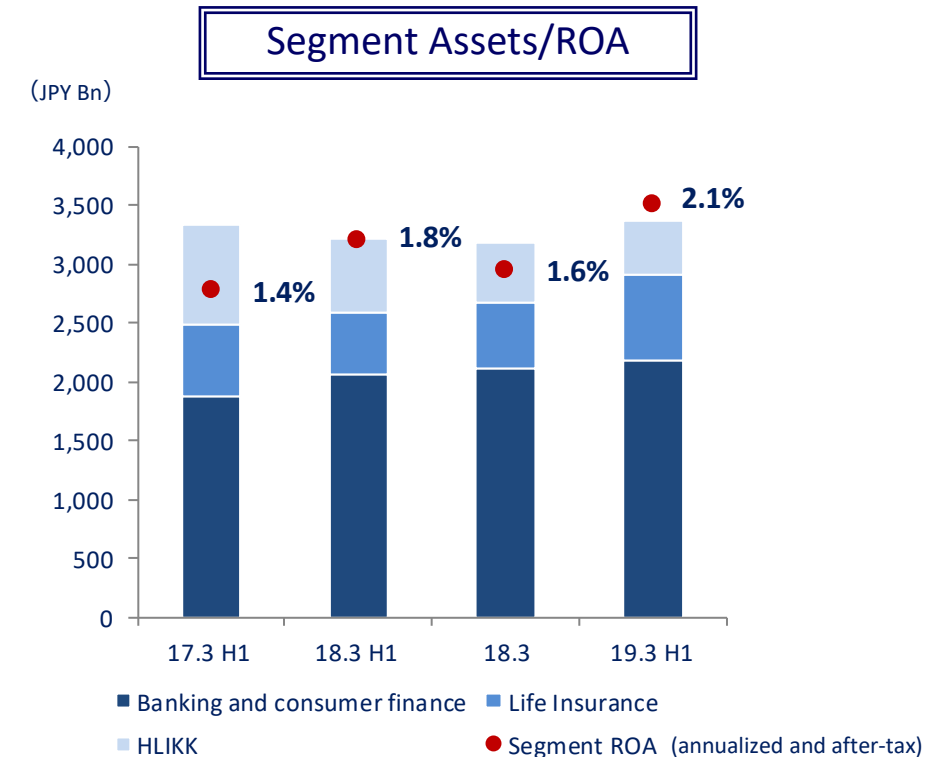
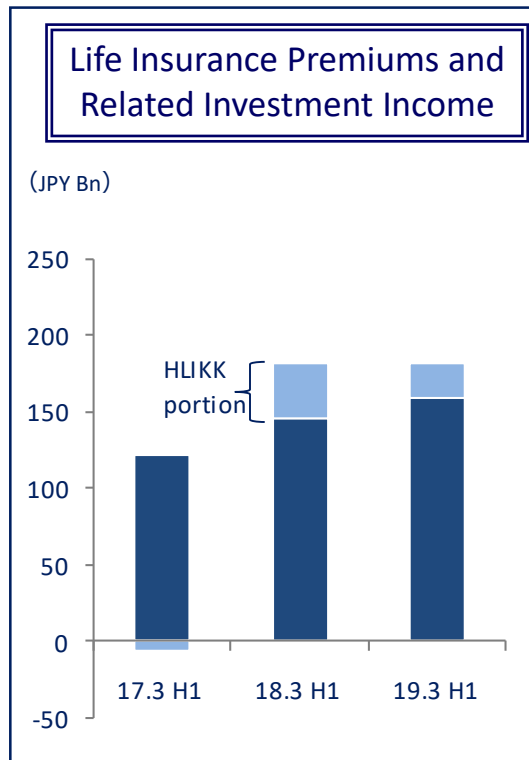
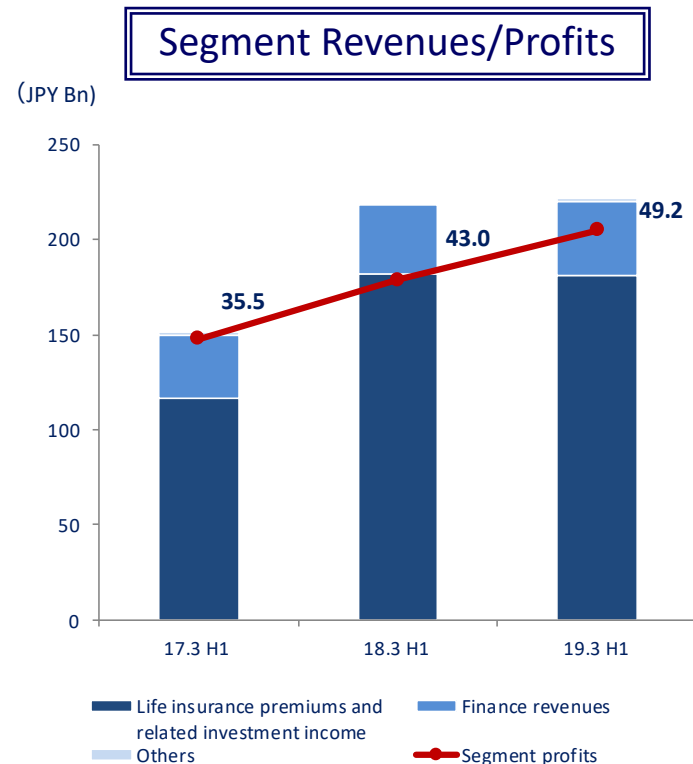
Segment Performance (4) Investment and Operation

(JPY Bn)

	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Finance revenues	11.0	9.3	4.7	5.3	111%
Gains on investment securities and dividends	13.0	7.6	4.4	0.8	17%
Sales of goods and real estate	938.4	1,048.7	601.8	320.2	53%
Services income	299.5	326.3	158.0	169.4	107%
Operating leases and others	10.2	10.5	5.7	3.4	60%
Segment Revenues	1,272.1	1,402.4	774.5	499.0	64%
Segment Expenses	1,224.4	1,350.2	748.6	482.1	64%
Equity in Net Income of Affiliates and others	37.3	43.9	13.1	8.0	61%
Segment Profits	85.0	96.1	38.9	24.9	64%
Installment Loans	71.5	59.4	66.6	52.9	
Investment in Securities	47.7	29.9	36.6	31.6	
Property under Facility Operations	187.7	208.1	185.0	219.1	
Inventories	112.8	101.5	125.4	120.5	
Investment in Affiliates	71.5	170.4	144.3	171.7	
Goodwill and Other Intangible Assets	180.9	185.1	191.7	181.9	
Segment Assets	780.0	856.3	872.9	893.1	
ROA	7.75%	8.02%	6.43%	3.90%	

Segment Performance (5) Retail

- Segment profits: 49.2bn yen, up by 6.2bn yen YoY (+14%)
 - ✓ Finance revenue in life insurance premiums and banking business increased
- Segment assets: 3,369.0bn yen, up by 194.5bn yen YTD (+6%)
 - ✓ Investment in securities in life insurance and installment loans in banking business increased



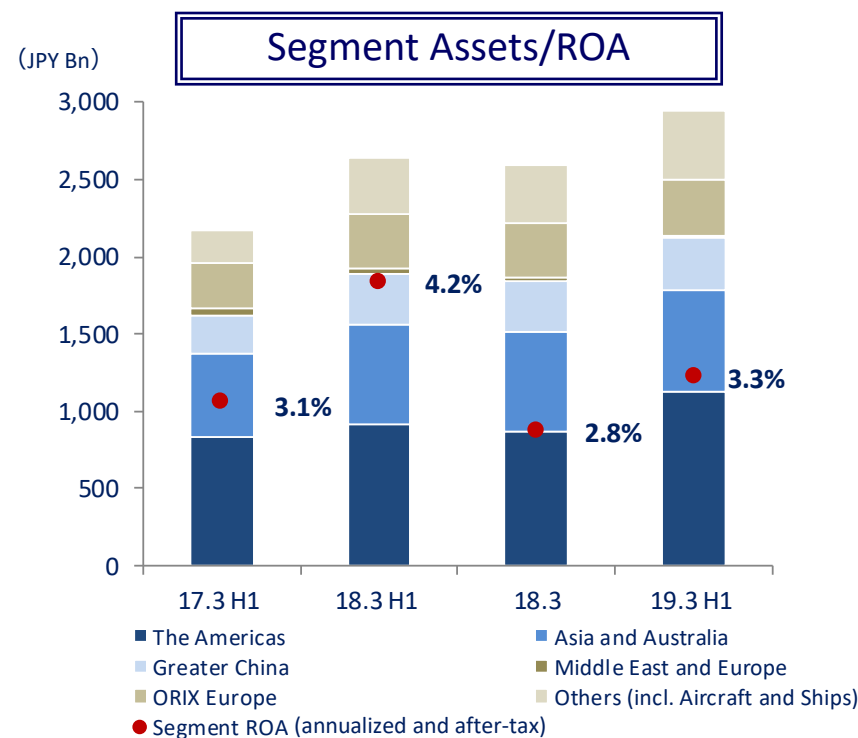
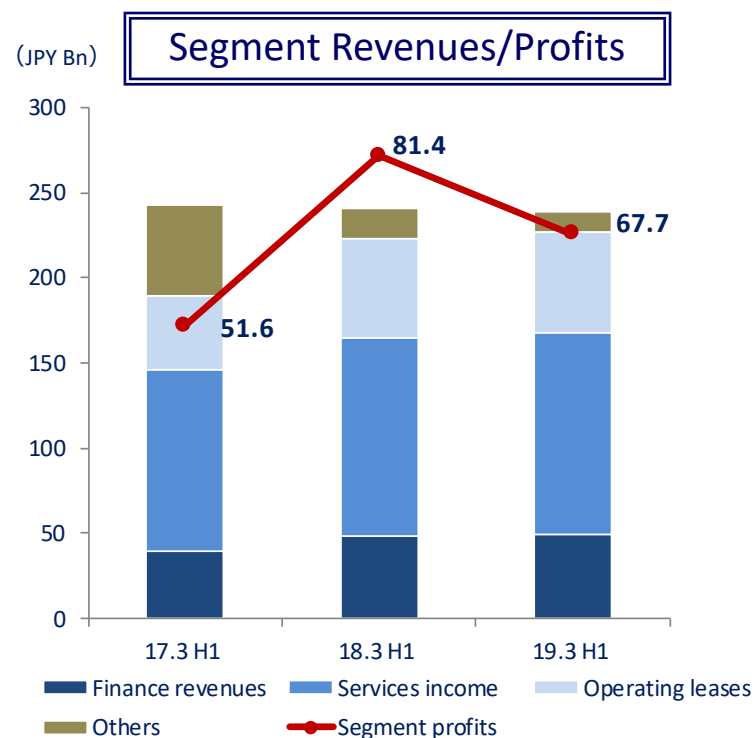
Segment Performance (5) Retail

(JPY Bn)

	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Finance revenues	68.1	72.9	36.4	38.7	106%
Life insurance premiums and related investment income	297.9	353.0	181.9	181.3	100%
Services income and others	2.7	2.8	1.2	1.8	155%
Segment Revenues	368.7	428.7	219.5	221.7	101%
Segment Expenses	295.8	354.2	176.6	172.6	98%
Segment Profits	72.9	74.5	43.0	49.2	114%
Installment Loans	1,727.0	1,852.8	1,796.2	1,910.4	
Investment in Securities	1,502.7	1,260.3	1,350.3	1,400.9	
Segment Assets	3,293.4	3,174.5	3,209.1	3,369.0	
ROA	1.47%	1.57%	1.80%	2.06%	

Segment Performance (6) Overseas Business

- Segment profits: 67.7bn yen, down by 13.7bn yen YoY (▲17%)
 - ✓ Decreased 0.1bn yen due to FX rate fluctuation
 - ✓ Loss from an affiliate in India (▲11.5 bn yen)
 - ✓ Profits from the Americas and aircraft business were steady
- Segment assets: 2,955.7bn yen, down by 346.9bn yen YTD (+13%)
 - ✓ Increased 92.5bn yen due to FX rate fluctuation
 - ✓ Large increase due to the acquisition of NXT Capital and accumulating aircraft assets



Segment Performance (6) Overseas Business

(JPY Bn)

	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Finance revenues	85.1	98.4	48.0	49.5	103%
Gain on investment securities and dividends	13.3	17.5	11.3	9.4	84%
Operating leases	88.4	111.6	57.5	59.2	103%
Services income	216.7	238.6	117.0	118.4	101%
Segment Revenues	462.7	479.6	240.2	238.8	99%
Segment Expenses	390.5	382.9	182.1	185.1	102%
Equity in Net Income of Affiliates and others	40.2	9.9	23.3	14.0	60%
Segment Profits	112.4	106.6	81.4	67.7	83%
Investment in Direct Financing Leases	357.7	368.7	374.7	372.9	
Installment Loans	613.5	534.6	564.1	762.4	
Investment in Operating Leases	420.6	491.1	458.0	560.8	
Investment in Securities	433.3	413.4	422.9	399.6	
Investment in Affiliates	332.2	314.6	338.8	311.7	
Goodwill and Other Intangible Assets	380.2	427.0	439.6	480.4	
Segment Assets	2,578.1	2,608.8	2,654.4	2,955.7	
ROA	3.08%	2.81%	4.25%	3.33%	

Segment Performance (6) Overseas Business



■ Overseas Business segment assets breakdown

(JPY Bn)

By Region	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YTD)
The Americas	1,003.2	869.7	920.1	1,127.4	130%
Asia and Australia	593.6	643.5	638.6	652.4	101%
Greater China	315.6	329.6	327.6	338.9	103%
Middle East and Europe	36.5	20.5	33.3	19.8	97%
ORIX Europe *	317.3	353.8	357.6	360.8	102%
Aircraft and Ships	296.9	381.7	367.5	446.8	117%
Others	15.0	9.9	9.8	9.7	97%
Total	2,578.1	2,608.8	2,654.4	2,955.7	113%

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

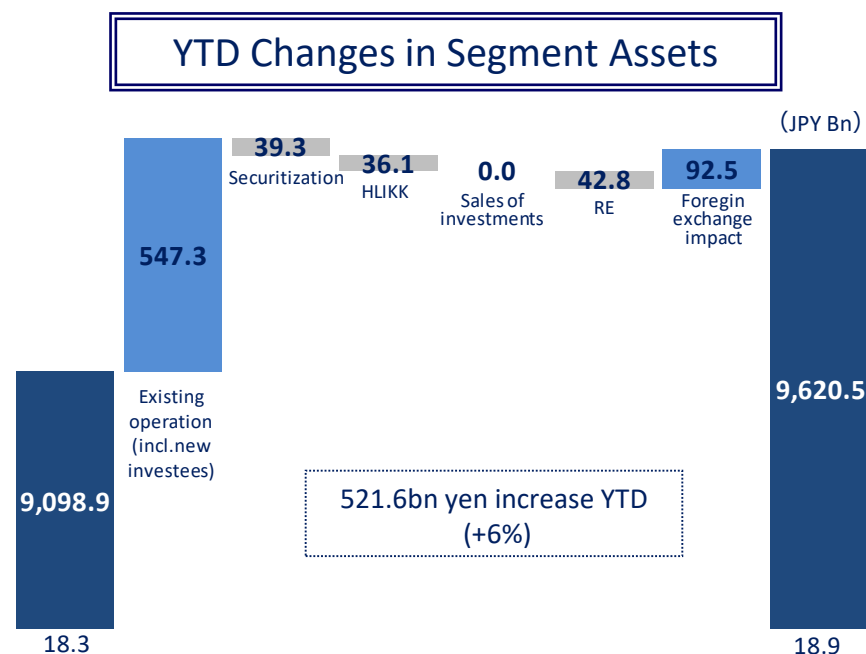
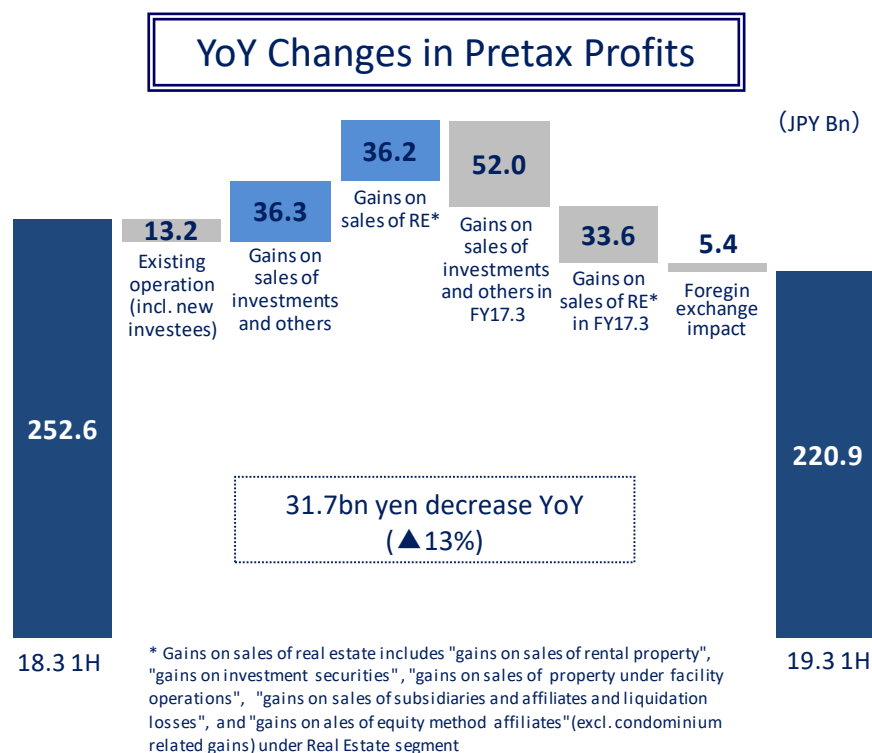
Increase Factors in Pretax Profits and Segment Assets

■ Pretax profits: 31.7bn yen decrease YoY (▲13%)

- ✓ In existing operation, profits decreased due to the loss from an affiliate in India while life insurance and concession business made steady progress
- ✓ Gains on sales of investments and others decreased, those of real estate remained at the same level

■ Segment assets: 521.6bn yen increase YTD (+6%)

- ✓ The acquisition of NXT Capital and accumulation of aircraft assets in Overseas Business largely contributed to increase in existing operation

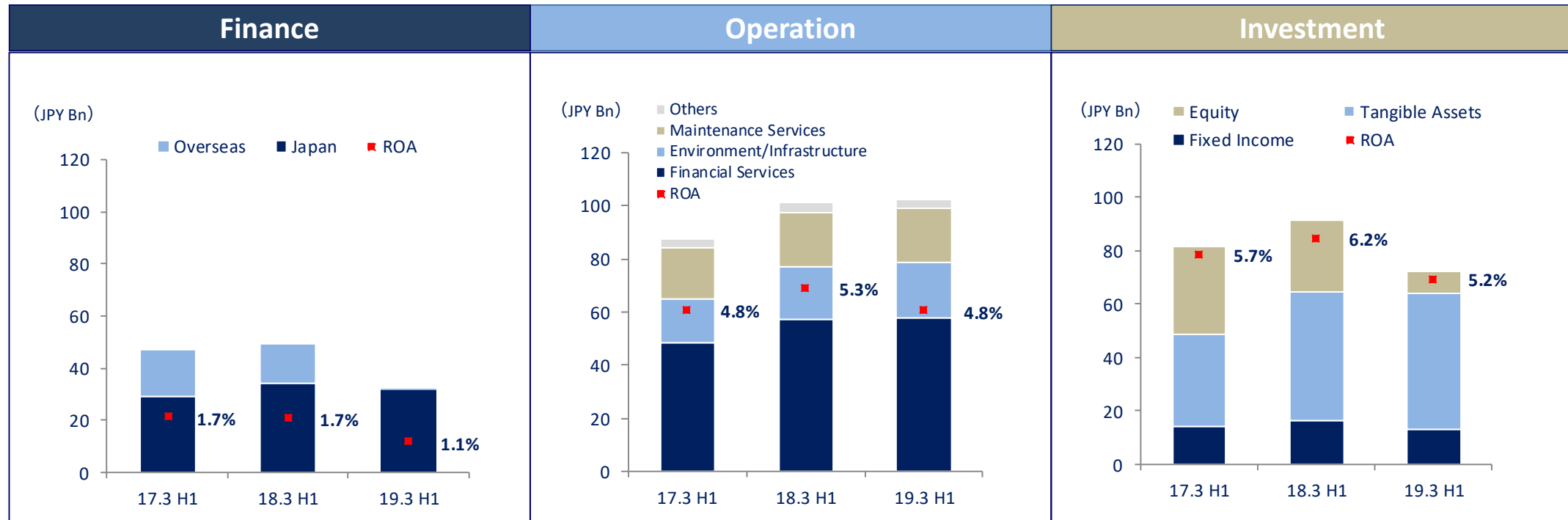


Performance in Three Categories

See P.44 for details on the three categories

- ✓ Operation: Profit from life insurance and concession business made steady progress
- ✓ Investment: Capital gain in equity investment decreased YoY

Segment Profits (3 Categories)



(*1) FY17.3 H1 Segment Profits in Operation excludes ordinary profit/loss contribution from HLIKK

(*2) FY18.3 H1 Segment Profits in Operation excludes capital gain from the sale of Houlihan Lokey shares and ordinary profit/loss contribution from HLIKK

(*3) FY19.3 H1 Segment Profits in Operation excludes capital gain from the sale of Houlihan Lokey shares and ordinary profit/loss contribution from HLIKK. FY19.3 H1 capital gain from the sale of hotel is included in the Tangible Assets.

Business Portfolio in Three Categories

Segment Profits

(JPY Bn)

The 3 categories	Sub Categories	FY17.3	FY18.3	18.3 H1	19.3 H1	Change (YoY)
Finance	Japan	56.0	73.4	33.9	31.4	92%
	Overseas	41.4	15.5	15.2	0.8	5%
	Subtotal	97.3	88.8	49.1	32.2	65%
Operation	Environment/Infrastructure	37.0	45.7	20.2	33.9	168%
	Financial Services	99.1	122.0	65.1	74.3	114%
	(Hartford Life Insurance)	4.3	3.6	2.9	1.8	63%
	Maintenance Services	39.8	40.2	20.4	20.6	101%
	Others	5.6	6.4	3.7	2.9	81%
	Subtotal	181.6	214.2	109.4	131.7	120%
Investment	Fixed Income	23.4	25.1	16.6	13.0	78%
	Tangible assets	61.6	65.9	48.1	38.2	80%
	Equity	57.0	35.0	26.6	8.2	31%
	Subtotal	142.0	126.0	91.2	59.4	65%
Total Segment Profits		420.9	429.1	249.8	223.3	89%

Business Portfolio in Three Categories

Segment Assets

(JPY Bn)

The 3 categories	Sub Categories	17.3	18.3	18.3 H1	19.3 H1	Change (YTD)
Finance	Japan	2,961.0	2,999.7	2,988.6	3,046.1	102%
	Overseas	901.3	977.4	971.1	1,032.2	106%
	Subtotal	3,862.2	3,977.1	3,959.7	4,078.3	103%
Operation	Environment/Infrastructure	505.9	608.6	606.6	608.4	100%
	Financial Services	1,855.8	1,649.5	1,757.7	2,050.2	124%
	(Hartford Life Insurance)	739.6	497.0	615.1	460.9	93%
	Maintenance Services	806.7	847.2	822.6	859.0	101%
	Others	102.7	100.7	101.7	99.9	99%
	Subtotal	3,271.1	3,206.1	3,288.6	3,617.5	113%
Investment	Fixed Income	540.4	465.0	509.7	419.7	90%
	Tangible Assets	762.0	808.6	801.2	849.6	105%
	Equity	766.2	642.0	672.1	655.4	102%
	Subtotal	2,068.6	1,915.7	1,983.0	1,924.7	100%
Total Segment Assets		9,201.9	9,098.9	9,231.3	9,620.5	106%

Business Portfolio in Three Categories

	Finance		Operation				Investment		
Main Risk	Credit risk		Operation/Business risk				Market risk		
Capital Requirement	Low		Medium-High				High		
	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, Gurantee			Life insurance, HLIKK					
Overseas Business		Leasing, Loan		Asset Management			Bond investment	Aircraft, Ships	PE investment

Mid-Term Strategic Directions (from FY2019.3 to FY2021.3)

(Released on October 31, 2017)

Profit Growth

Annual net income growth at between 4-8%

Capital Efficiency

ROE above 11%

Financial Soundness

Maintain single A credit rating

ERM with global best practice

Shareholders returns policy

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

*Dividend payout ratio target was raised from 27% to 30% on October 26, 2018

Usage of Shareholders' Equity

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

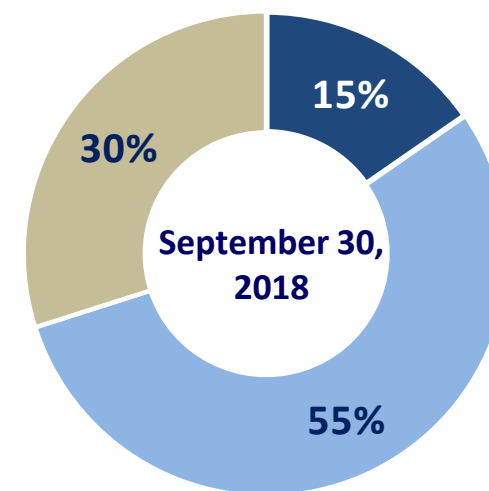
*ORIX calculation (Risk Capital/Shareholders' Equity)

Employed Capital Ratio

(JPY Bn)

	September 30, 2018
Shareholders' Equity	2,804.0
Employed	2,382.8
Unemployed	421.2
Employed Capital Ratio	85.0%

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 dark blue, and the innermost ring is purple. The text "Answers, Custom Fit." is centered within the white space of the rings.

Answers, Custom Fit.

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ORIX Website

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IR Section

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