

# ORIX Corporation

Third Quarter Consolidated Financial Results

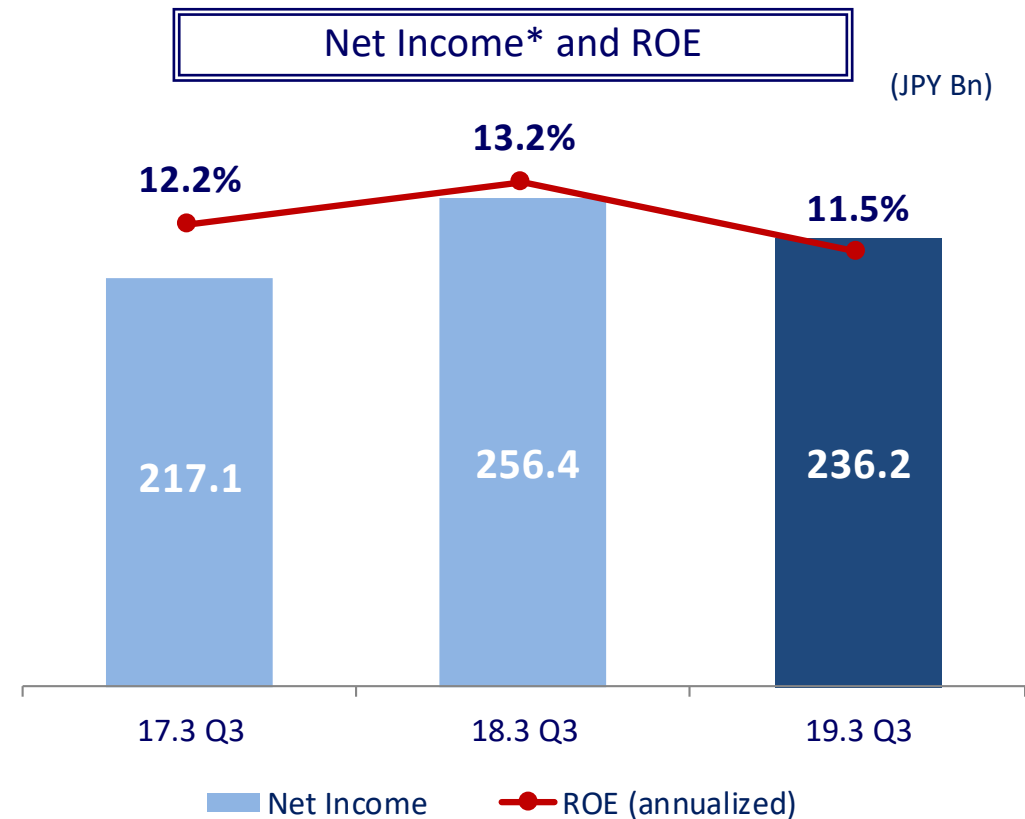
For the Nine-Month Period Ended December 31, 2018

Hitomaro Yano     Director  
Executive Officer  
Head of Treasury and Accounting Headquarters

January 28, 2019

# Overview (1)

- ✓ 236.2bn yen in net income, down by 8% YoY
- ✓ Annualized ROE at 11.5%
- ✓ New investment in FY19.3 (as of Dec. 2018) was 810bn yen

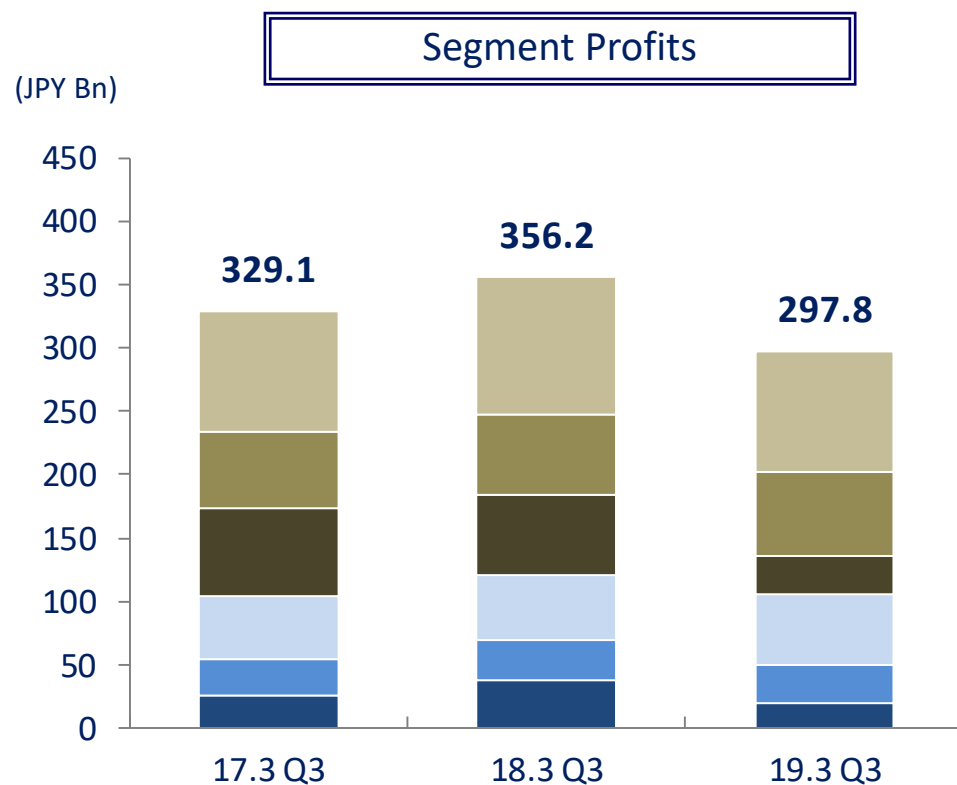


\*Net Income refers to Net Income Attributable to ORIX Corporation Shareholders

# Overview (2)

- ✓ Segment profits at 297.8bn yen, down by 16% YoY
- ✓ Stable revenue sources sustained profits
- ✓ Profits decreased temporarily due to large capital gains in previous fiscal year and market fluctuations in current fiscal year

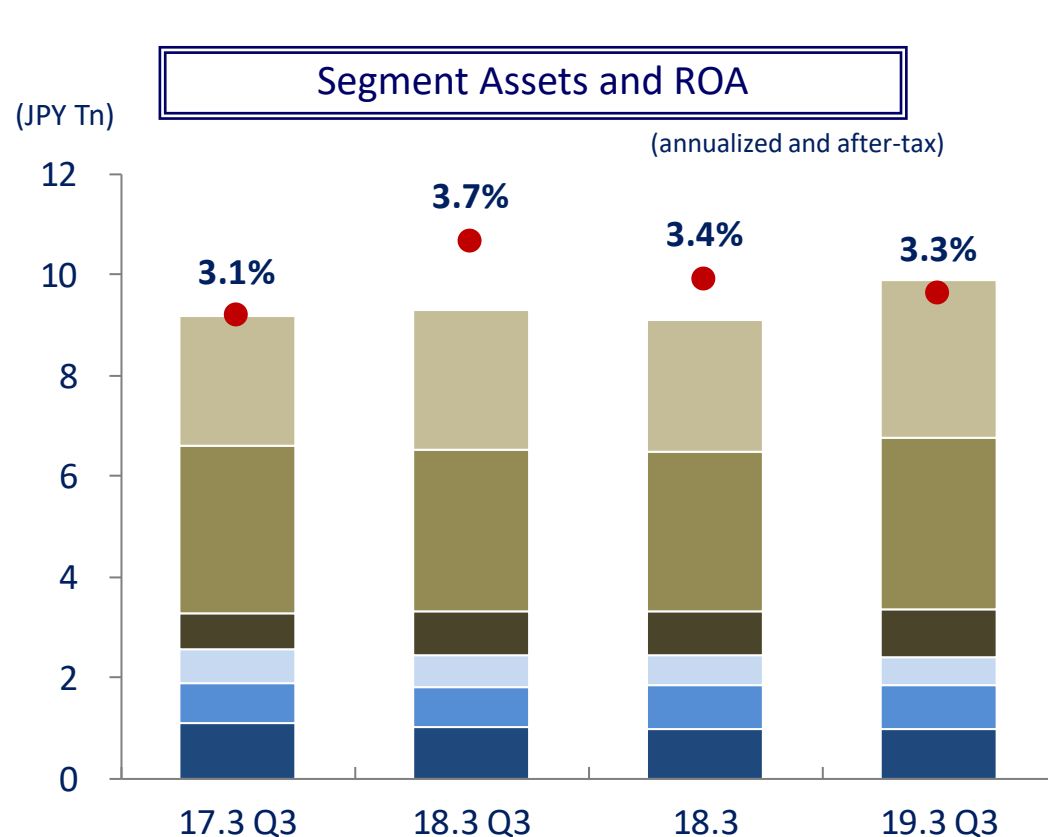
(JPY Bn)



	YoY	Notes
Corporate Financial Services	▲ 17.8	<ul style="list-style-type: none"> <li>Decreased due to capital gains in previous fiscal year and valuation loss from market fluctuation in current fiscal year</li> </ul>
Maintenance Leasing	▲ 0.7	<ul style="list-style-type: none"> <li>Revenue increased but profits decreased in automobile business</li> <li>Rental business made steady progress</li> </ul>
Real Estate	+3.3	<ul style="list-style-type: none"> <li>Gains on sales of properties increased YoY</li> </ul>
Investment and Operation	▲ 32.3	<ul style="list-style-type: none"> <li>Large capital gains in PE investment and environment and energy in previous fiscal year</li> </ul>
Retail	+3.0	<ul style="list-style-type: none"> <li>Profits increased in life insurance, banking and card loan</li> <li>Loss in accounting in HLIKK due to market fluctuation</li> </ul>
Overseas Business	▲ 13.9	<ul style="list-style-type: none"> <li>Loss from an affiliate in India</li> </ul>

# Overview (3)

- ✓ Segment assets at 9,909.3bn yen, up by 9% YTD
- ✓ Proactively increased assets in business areas for further growth, especially in Overseas Business

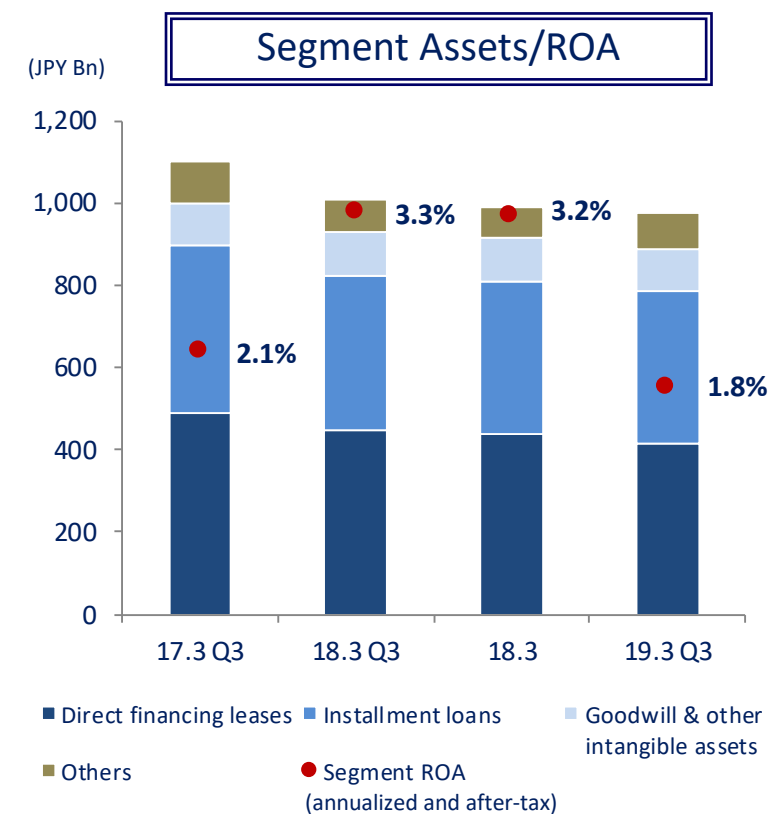
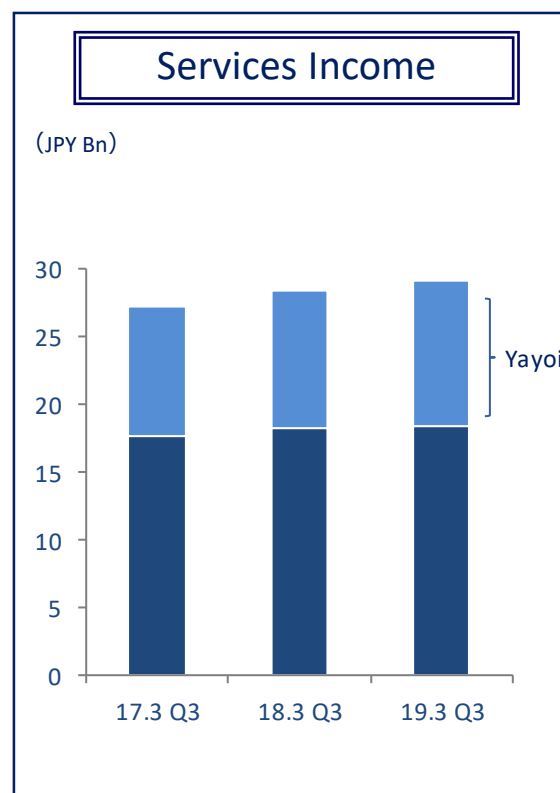
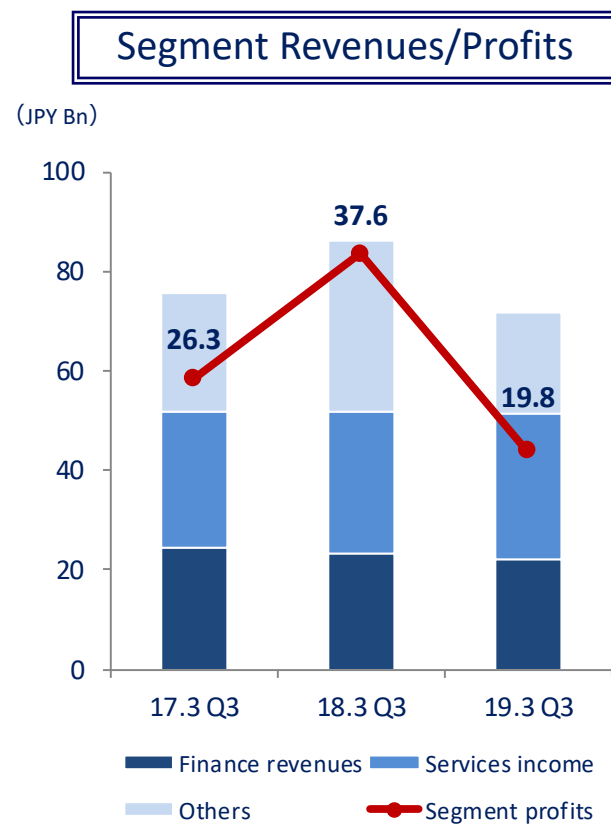


(JPY Bn)

	YTD	Notes
Corporate Financial Services	▲ 16.9	• Decrease in direct financing leases
Maintenance Leasing	+15.2	• Increase in new auto leases
Real Estate	▲ 52.2	• Decrease in property under facility operation and operating leases due to selling them
Investment and Operation	+102.7	• Increase in PE investment and environment and energy
Retail	+221.6	• Increase in life insurance and banking business
Overseas Business	+540.0	• The acquisition of NXT Capital and investment in Avolon

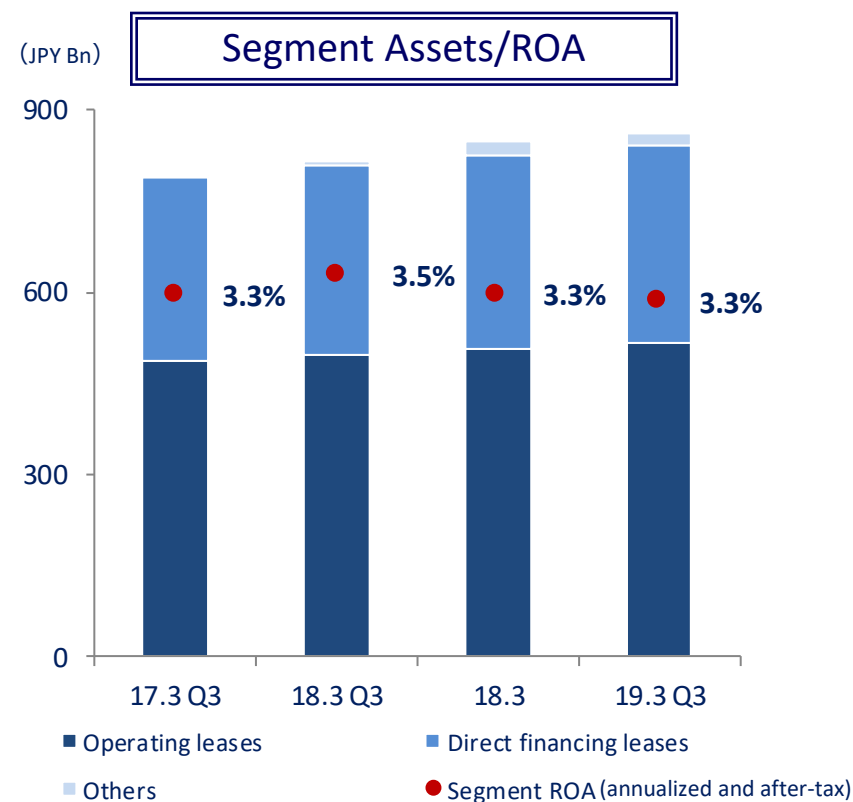
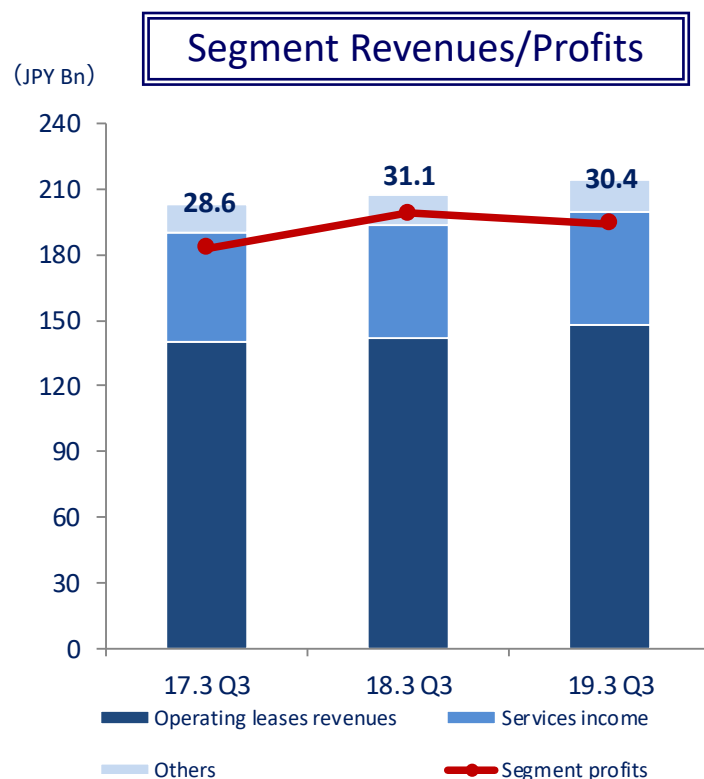
# Segment Performance (1) Corporate Financial Services

- Segment profits: 19.8bn yen, down by 17.8bn yen YoY (▲47%)
  - ✓ Decreased due to capital gains from selling shares of affiliates and investment securities in previous fiscal year and valuation loss from market fluctuation in current fiscal year
- Segment assets: 974.9bn yen, down by 16.9bn yen YTD (▲2%)
  - ✓ The direct financing leases mainly decreased



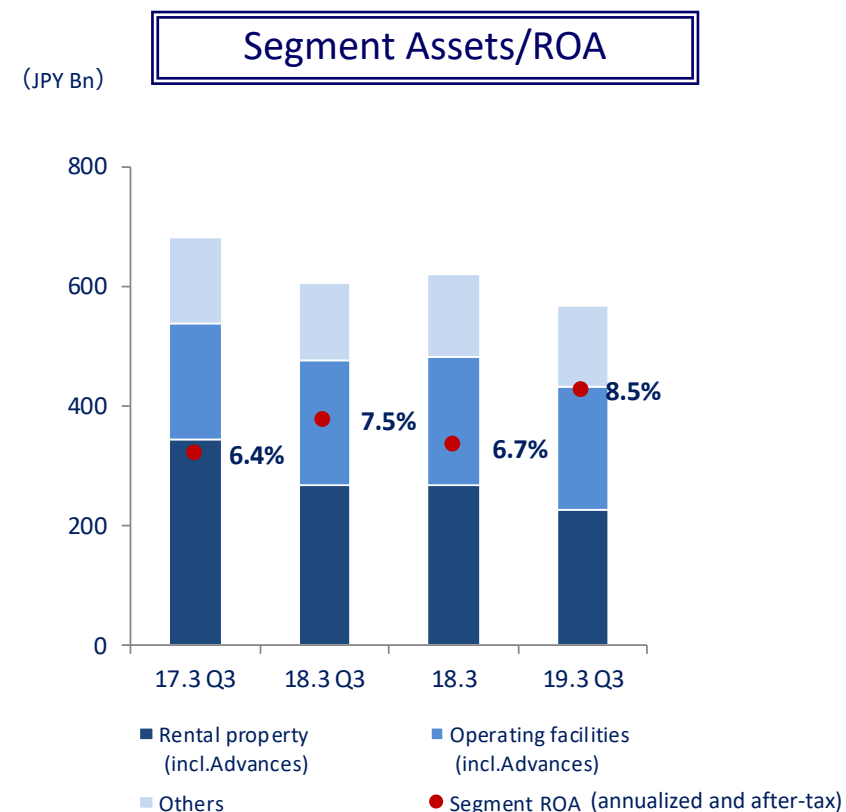
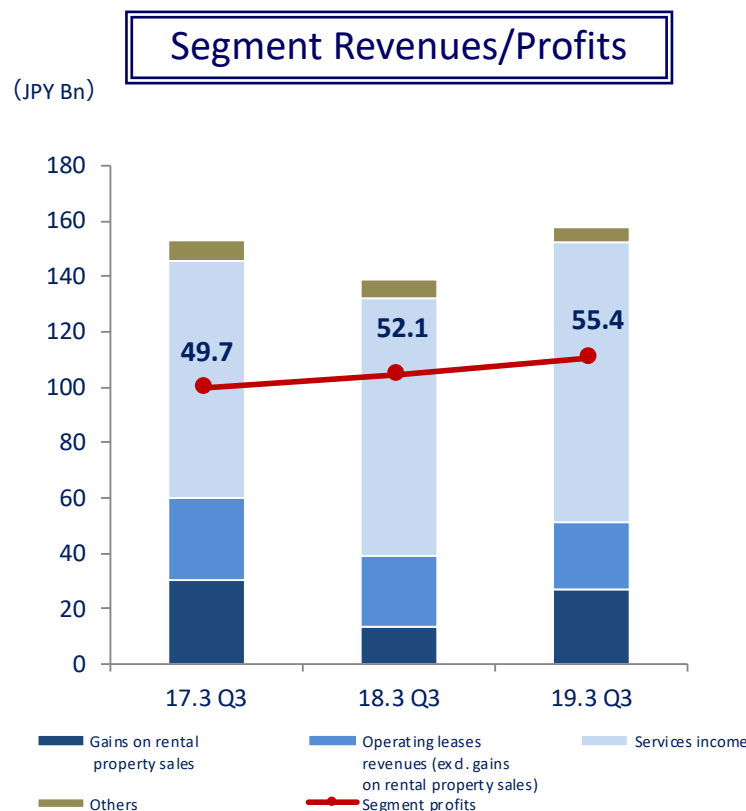
# Segment Performance (2) Maintenance Leasing

- Segment profits: 30.4bn yen, down by 0.7bn yen YoY (▲2%)
  - ✓ Revenue increased in line with increase of assets but profits decreased in automobile business in the competitive market. Rental business made steady progress
- Segment assets: 862.4bn yen, up by 15.2bn yen YTD (+2%)
  - ✓ New auto leases increased



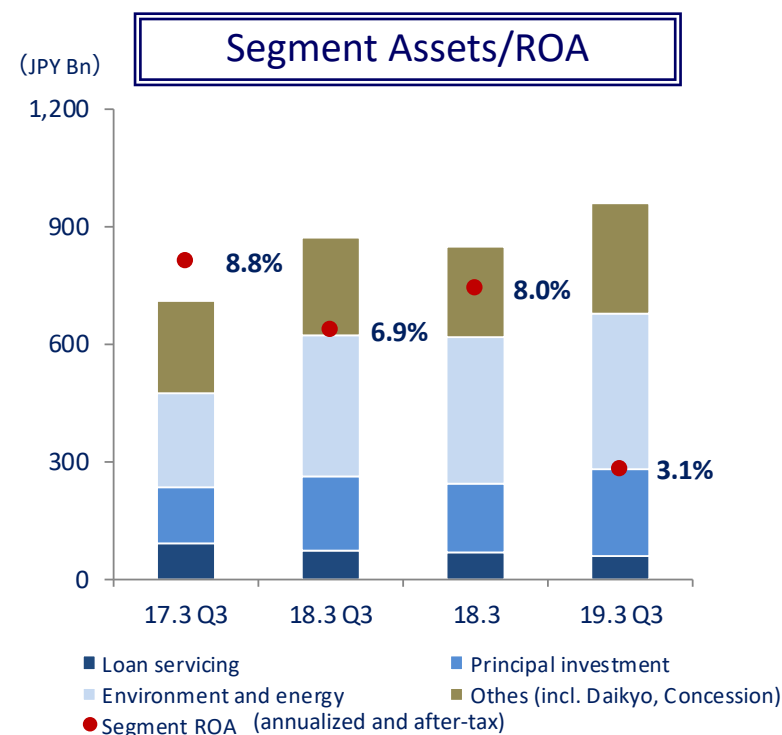
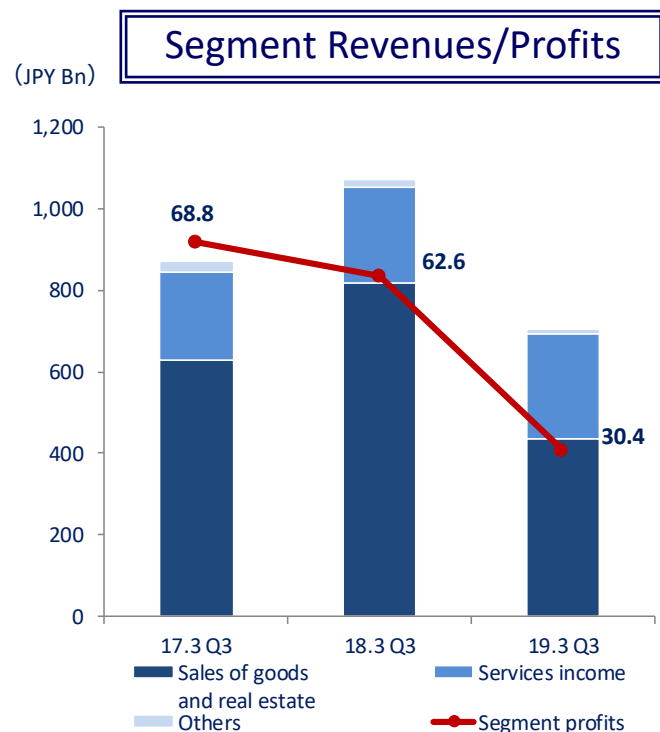
# Segment Performance (3) Real Estate

- Segment profits: 55.4bn yen, up by 3.3bn yen YoY (+6%)
  - ✓ Gains on sales of properties increased YoY
- Segment assets: 568.1bn yen, down by 52.2bn yen YTD (▲8%)
  - ✓ Decrease in property under facility operation and operating leasing due to selling them



# Segment Performance (4) Investment and Operation

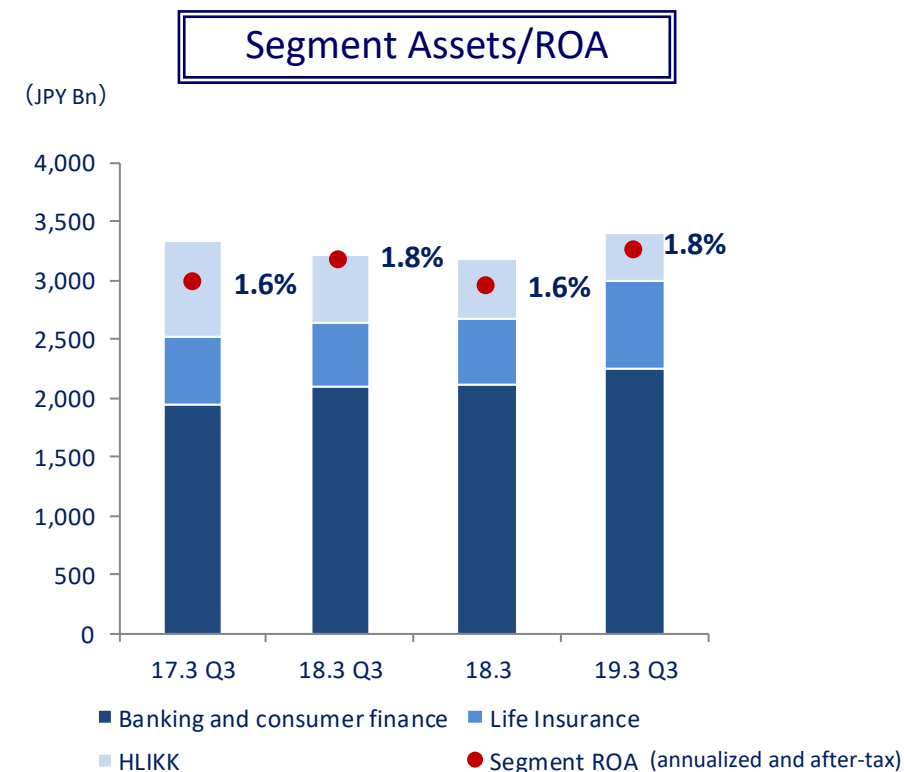
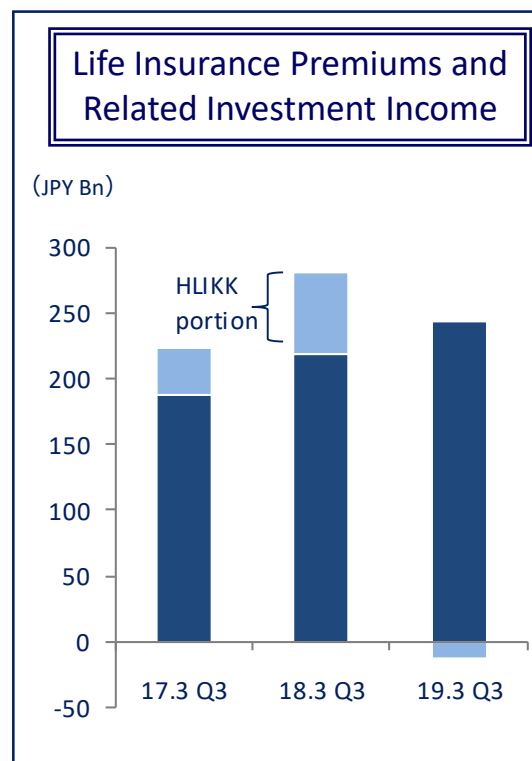
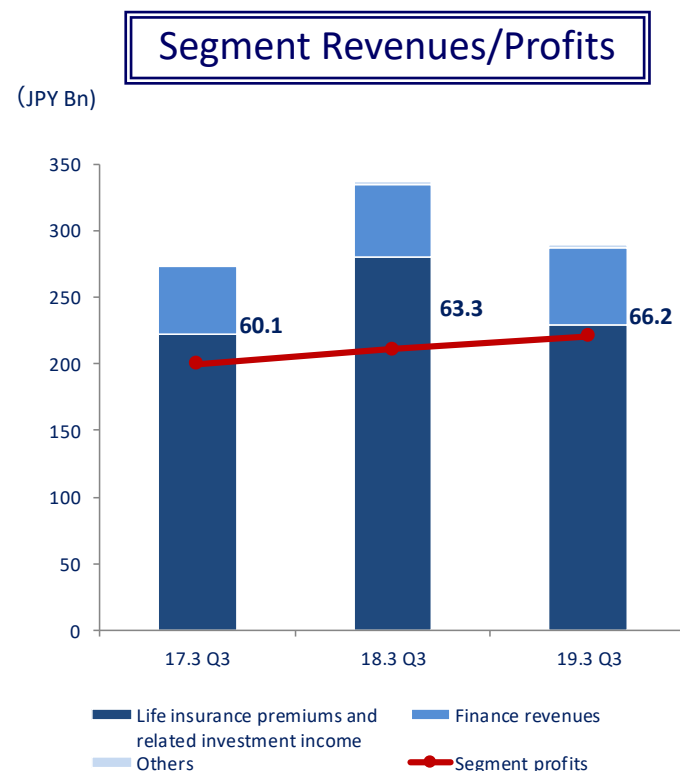
- Segment profits: 30.4bn yen, down by 32.3bn yen YoY (▲51%)
  - ✓ There were large capital gains in PE investment and environment and energy in previous fiscal year
  - ✓ Daikyo plans to sell more in the Q4. Concession business made steady progress
- Segment assets: 959.0bn yen, up by 102.7bn yen YTD (+12%)
  - ✓ Invested in CORNES AG, a major Japanese importer and seller of dairy and agricultural equipment
  - ✓ Assets in environment and energy also increased





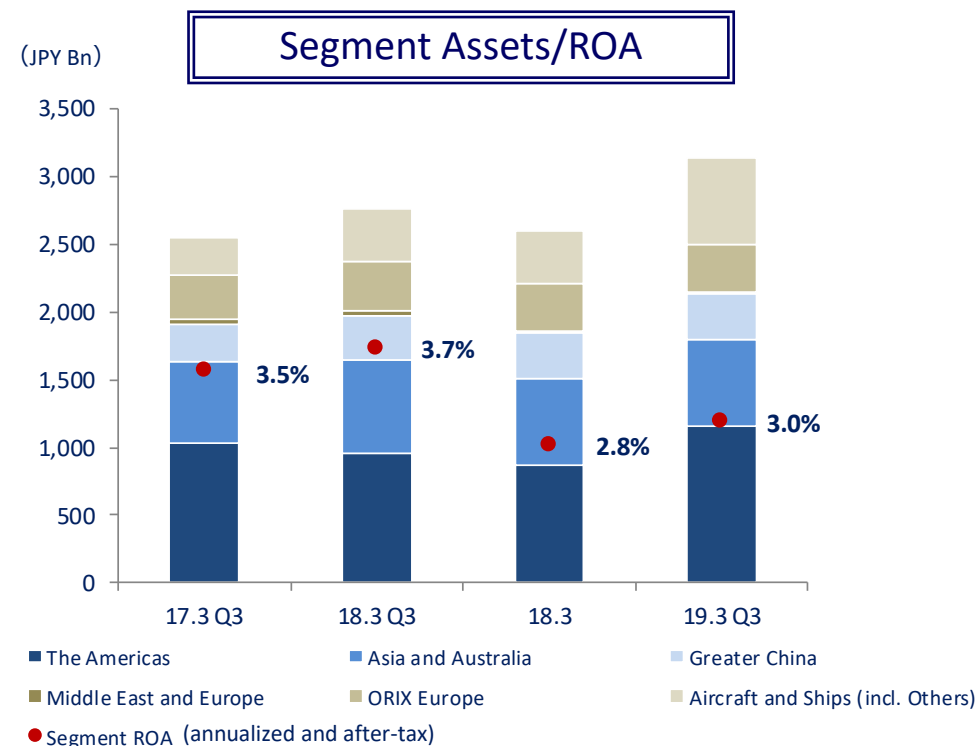
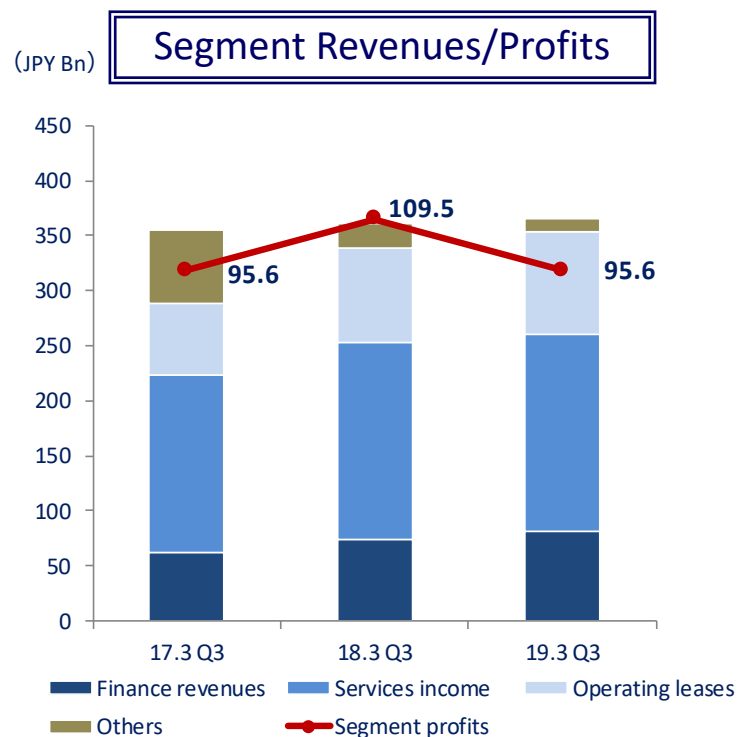
# Segment Performance (5) Retail

- Segment profits: 66.2bn yen, up by 3.0bn yen YoY (+5%)
  - ✓ Life insurance premiums and finance revenue in banking business increased
  - ✓ Loss in accounting in HLIKK due to market fluctuation
- Segment assets: 3,396.1bn yen, up by 221.6bn yen YTD (+7%)
  - ✓ Investment in securities in life insurance and installment loans in banking business increased



# Segment Performance (6) Overseas Business

- Segment profits: 95.6bn yen, down by 13.9bn yen YoY (▲13%)
  - ✓ Decreased 0.3bn yen due to FX rate fluctuation
  - ✓ Decreased mainly due to the loss from an affiliate in India while profits from the Americas and aircraft related operation were steady
- Segment assets: 3,148.8bn yen, up by 540.0bn yen YTD (+21%)
  - ✓ Increased 32.8bn yen due to FX rate fluctuation
  - ✓ Invested in NXT Capital and Avolon. Also acquired NTI Connect, a provider of network implementation services



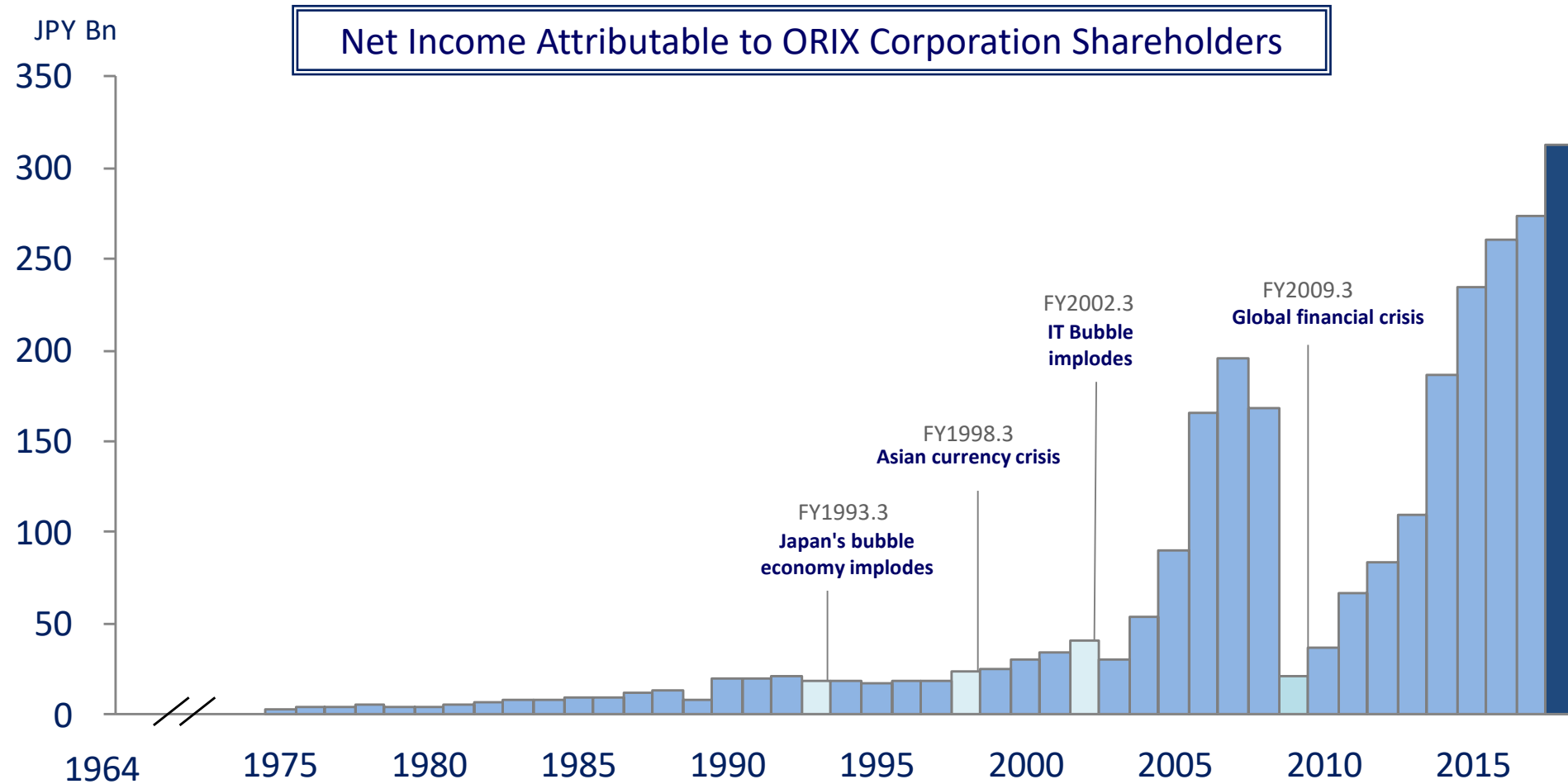
**FY19.3 Q3 net income was 236.2bn yen,  
annualized ROE at 11.5%**

**New investment of 810bn yen was achieved as of Dec. 2018**

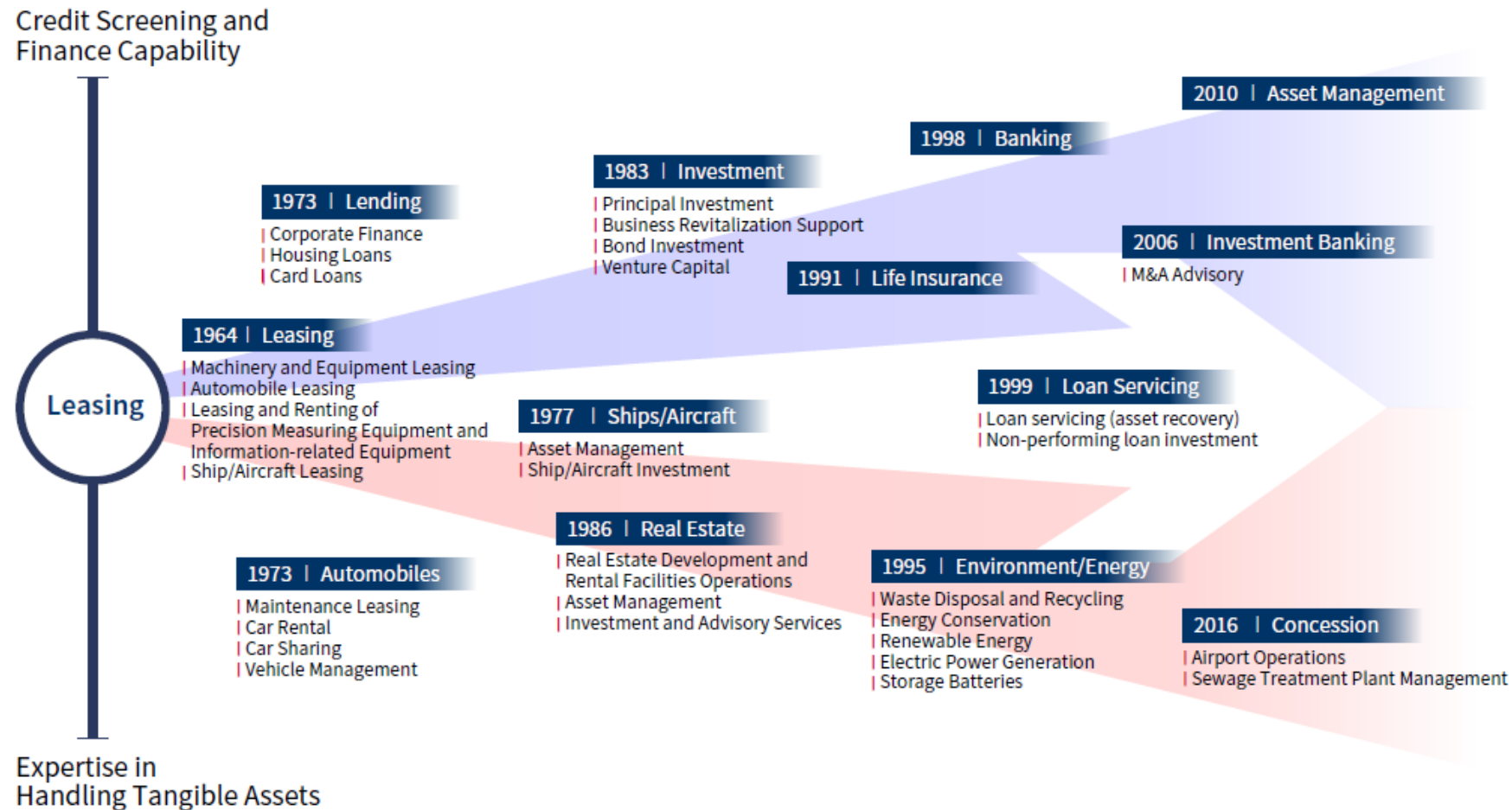
**With responding to environmental changes,  
turn over assets and continue to grow**

# Appendix

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

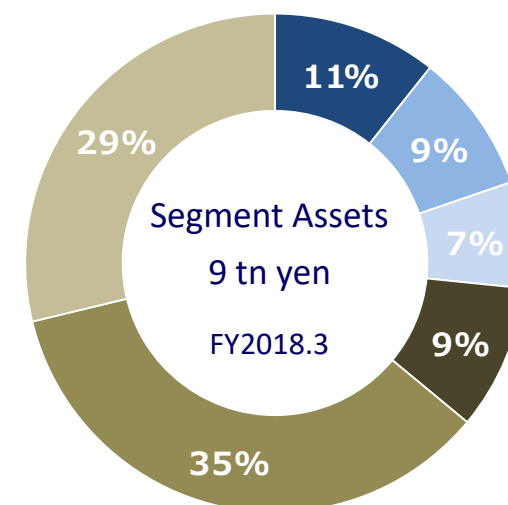
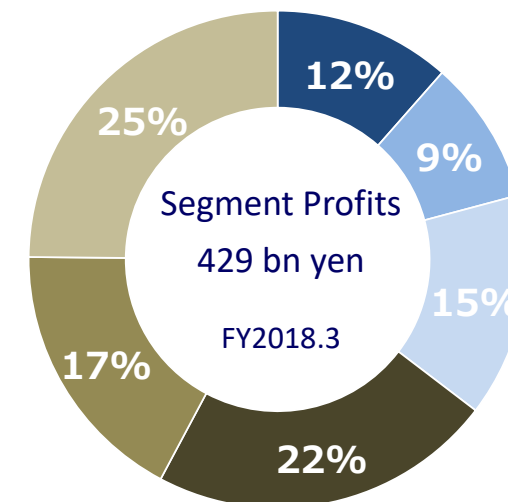


- ✓ ORIX will continue to enhance our experience in finance and tangible assets as we synergistically expand our businesses



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

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



Business Locations

Japan  
**1,465**

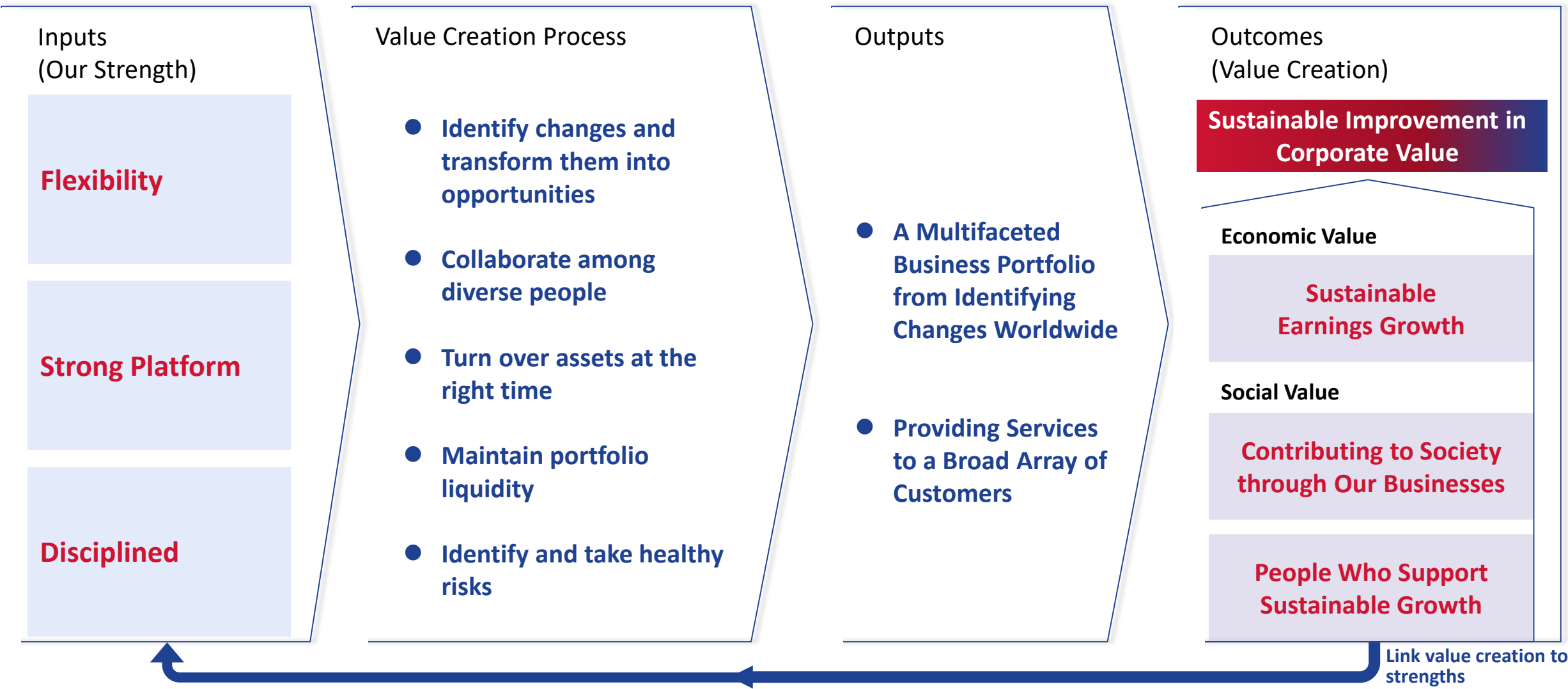
Ex-Japan  
**753**

(As of September 30, 2018)

1970s	1980s	1990s	2000s	2010s
Global Network and Number of Countries				
7 countries	12 countries	18 countries	26 countries	38 countries
Overseas expansion mainly through Leasing business in Asia		Further overseas expansion via diversification into aircraft-related and equity investment businesses		Expansion of business operations through acquisition of Robeco and development of the environment and energy business



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



# Business Areas for Further Growth

- ✓ “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

# Appendix (1) Performance Overview

(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Total Revenues	2,678.7	2,862.8	2,194.9	1,796.2	82%
Net Income *1	273.2	313.1	256.4	236.2	92%
Segment Assets	9,201.9	9,098.9	9,293.2	9,909.3	107%
Total Assets	11,231.9	11,426.0	11,551.9	12,121.8	105%
Shareholders' Equity	2,507.7	2,682.4	2,667.9	2,817.5	106%
Shareholders' Equity Ratio	22.3%	23.5%	23.1%	23.2%	+0.1%
ROE	11.3%	12.1%	13.2%	11.5%	-1.7%
Return on Segment Assets (ROA)	2.96%	3.42%	3.70%	3.31%	-0.39%
D/E Ratio					
(Short and Long-Term Debt+Deposits)/Shareholders' Equity	2.3x	2.2x	2.2x	2.3x	0.1x
(Short and Long-Term Debt)/Shareholders' Equity	1.7x	1.5x	1.6x	1.6x	0.0x

\*1 Net Income Attributable to ORIX Corporation Shareholders

## Appendix (2) Profits by Segment

(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Corporate Financial Services	38.0	49.3	37.6	19.8	53%
Maintenance Leasing	39.8	40.2	31.1	30.4	98%
Real Estate	72.8	62.4	52.1	55.4	106%
Investment and Operation	85.0	96.1	62.6	30.4	49%
Retail	72.9	74.5	63.3	66.2	105%
Overseas Business	112.4	106.6	109.5	95.6	87%
<b>Total Segment Profits</b>	<b>420.9</b>	<b>429.1</b>	<b>356.2</b>	<b>297.8</b>	<b>84%</b>

# Appendix (3) Assets by Segment

			(JPY Bn)		
	<b>FY17.3</b>	<b>FY18.3</b>	<b>18.3 Q3</b>	<b>19.3 Q3</b>	<b>Change (YTD)</b>
Corporate Financial Services	1,086.0	991.8	1,006.7	974.9	98%
Maintenance Leasing	806.7	847.2	814.9	862.4	102%
Real Estate	657.7	620.2	605.8	568.1	92%
Investment and Operation	780.0	856.3	879.2	959.0	112%
Retail	3,293.4	3,174.5	3,212.7	3,396.1	107%
Overseas Business	2,578.1	2,608.8	2,773.9	3,148.8	121%
<b>Total Segment Assets</b>	<b>9,201.9</b>	<b>9,098.9</b>	<b>9,293.2</b>	<b>9,909.3</b>	<b>109%</b>

\* 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 Q3	19.3 Q3	Change (YoY)
Finance revenues	211.9	228.3	171.3	180.0	105%
Gains on investment securities and dividends	30.3	43.3	33.9	4.8	14%
Operating leases	155.1	127.3	101.2	121.8	120%
Life insurance premiums and related investment income	95.8	96.5	73.5	75.2	102%
Sales of goods and real estate	86.5	75.5	54.4	37.4	69%
Services income	275.4	298.1	225.7	241.7	107%
<b>Gross Profits*1</b>	<b>854.9</b>	<b>869.1</b>	<b>660.1</b>	<b>660.8</b>	<b>100%</b>
Interest expense	72.9	76.8	56.8	67.4	119%
Selling, general and administrative expenses	418.7	431.6	315.3	320.1	102%
Provisions/Impairments	38.4	24.0	15.8	14.9	94%
Other (income) and expense, net	-4.4	0.4	-1.1	0.2	—
<b>Operating Income</b>	<b>329.2</b>	<b>336.2</b>	<b>273.3</b>	<b>258.2</b>	<b>94%</b>
Equity in Net Income of Affiliates	26.5	50.1	46.3	16.5	36%
Gains on Sales of Subsidiaries and Affiliates, etc	69.2	49.2	40.9	20.5	50%
<b>Income before Income Taxes</b>	<b>425.0</b>	<b>435.5</b>	<b>360.5</b>	<b>295.2</b>	<b>82%</b>
<b>Net Income Attributable to ORIX Corporation Shareholders</b>	<b>273.2</b>	<b>313.1</b>	<b>256.4</b>	<b>236.2</b>	<b>92%</b>

\*1 Each revenue component deducted with corresponding costs and expenses

# Appendix (5) Funding

(JPY Bn)

Funding	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
CP	50.1	54.9	49.5	188.6	139.1
Borrowings from Financial Institutions	2,958.2	3,056.2	3,092.5	3,287.0	194.5
Bonds / MTN	885.1	940.1	1,006.5	954.8	-51.7
Deposits	1,614.6	1,757.5	1,745.1	1,884.6	139.5
ABS, CMBS	245.1	82.1	101.1	188.9	87.8
<b>Short-term Debt, Long-term Debt and Deposits</b>	<b>5,753.1</b>	<b>5,890.7</b>	<b>5,994.6</b>	<b>6,503.9</b>	<b>509.3</b>
<b>Share of Long-Term Debt</b>	<b>93%</b>	<b>93%</b>	<b>92%</b>	<b>86%</b>	<b>-6%</b>

Liquidity (excl. ORIX Bank, ORIX Life Insurance)	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Cash and Cash Equivalents (1)	586.6	617.7	578.2	557.6	-20.6
Available Commitment Line (2)	394.0	332.7	271.0	253.2	-17.8
Liquidity (1+2)	980.6	950.4	849.2	810.8	-38.4
Marketable Short-term Debt (3) *1	290.9	138.4	133.2	307.9	174.7
Liquidity Coverage Ratio (1+2)/(3)	337%	687%	637%	263%	-374%

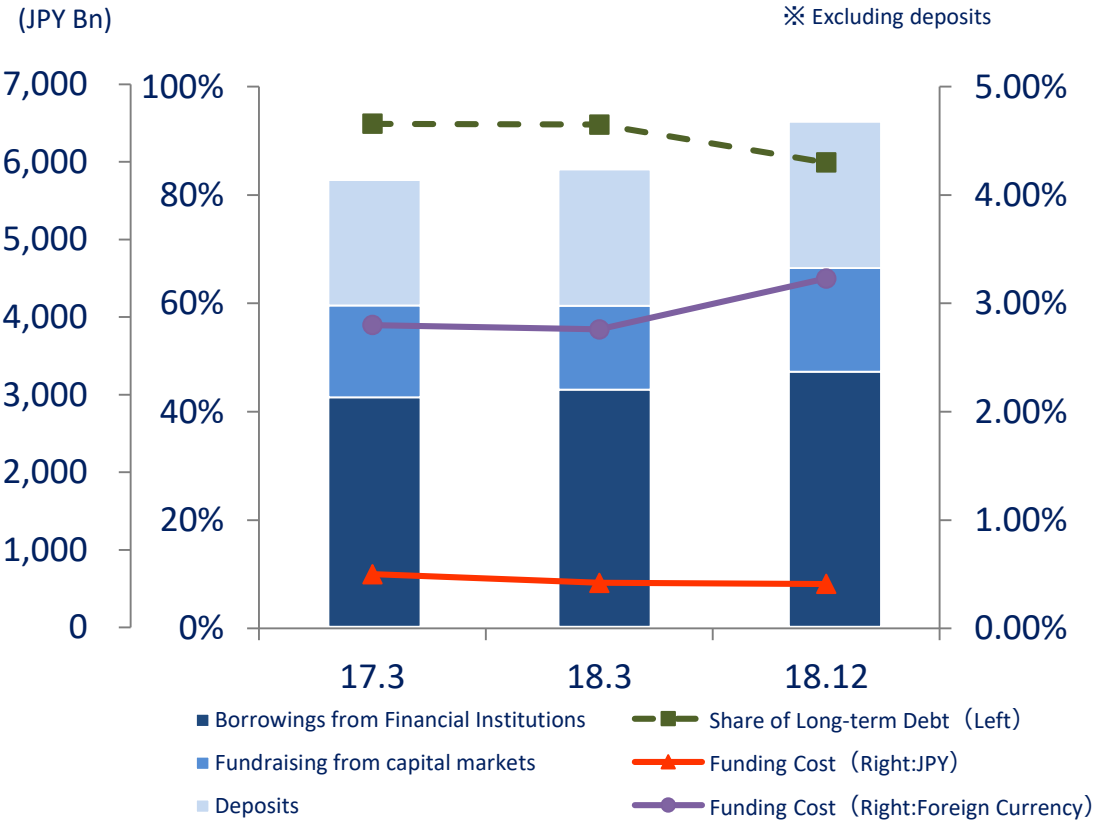
Funding Costs (including Deposits)	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Domestic Currency	0.50%	0.42%	0.42%	0.41%	-0.01%
Foreign Currency	2.80%	2.76%	2.71%	3.23%	0.52%

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

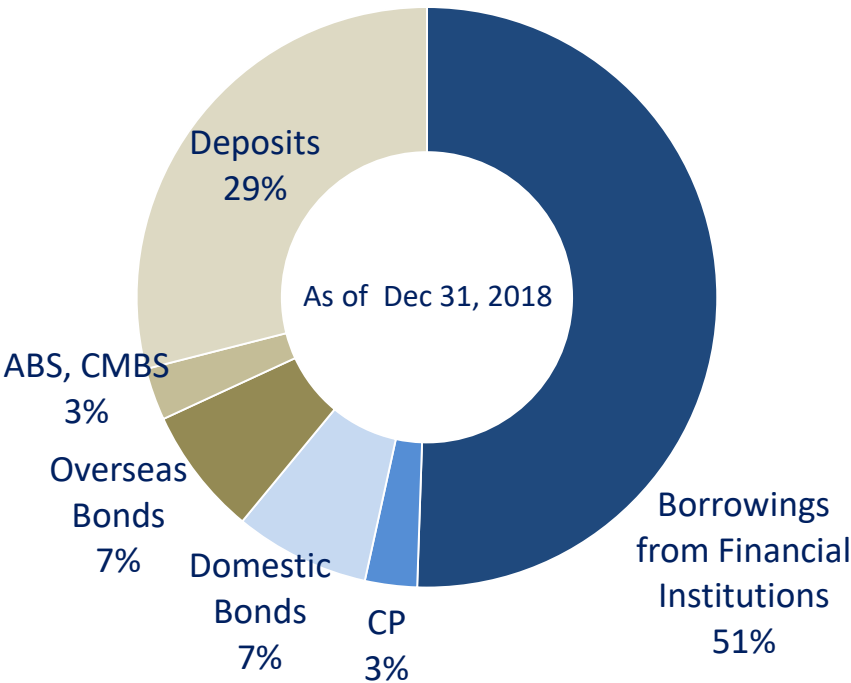
# Financials (1) Funding Structure

- ✓ Lengthening and stabilization of funding
- ✓ Funding cost control

Breakdown of Funding, Trend in Share of Long-term Debt (※) and Funding Cost



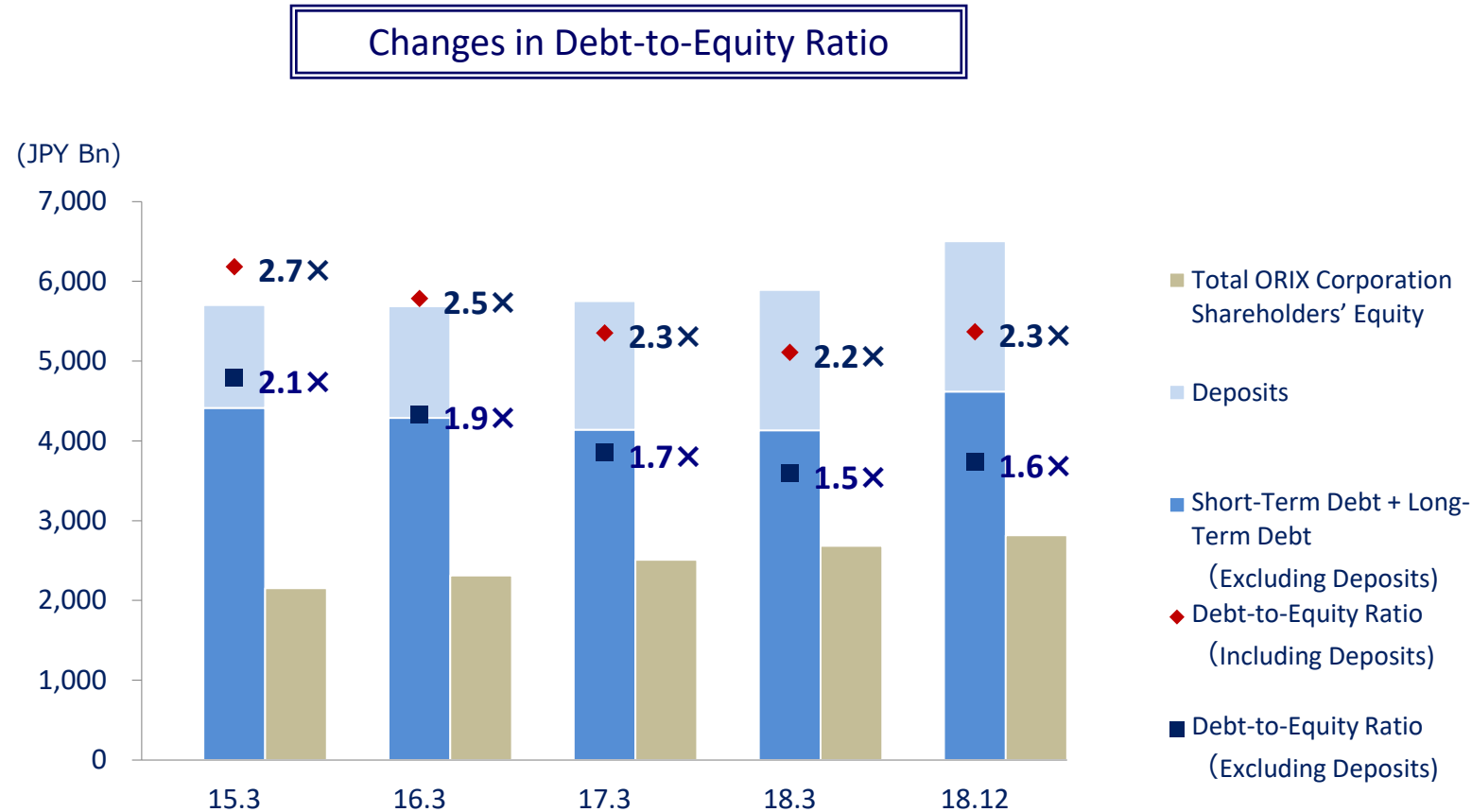
Funding Composition





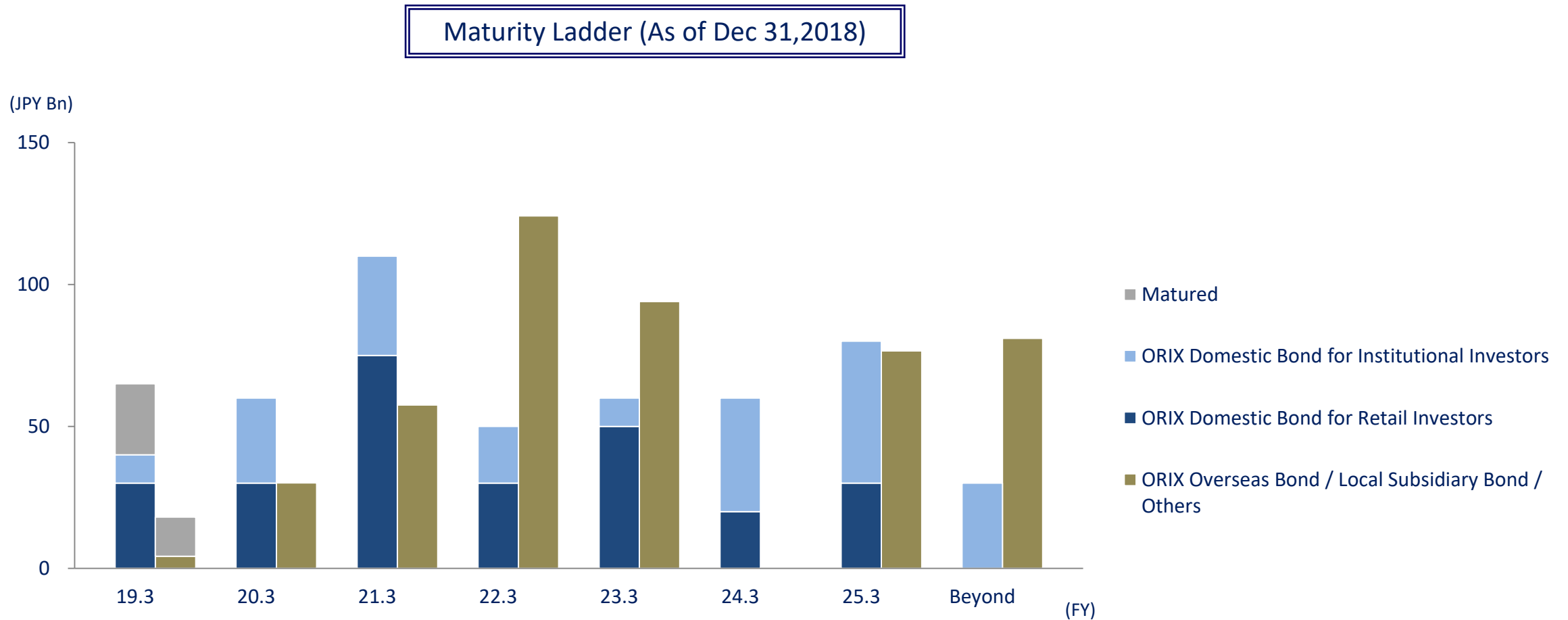
## Financials (2) Debt-to-Equity Ratio

- ✓ Debt-to-Equity Ratio continuously stays at a low level



# Financials (3) Bond Maturity Ladder

- ✓ Leveled out annual redemption amounts by dispersing bond maturities



# Segment Performance (1) Corporate Financial Services



(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Finance revenues	32.4	30.7	23.4	22.3	95%
Operating leases	25.6	23.4	17.4	17.8	102%
Services income	38.5	40.3	28.4	29.2	103%
Sales of goods and real estate and others	6.6	21.5	17.0	2.5	15%
<b>Segment Revenues</b>	<b>103.1</b>	<b>115.8</b>	<b>86.2</b>	<b>71.7</b>	<b>83%</b>
Segment Expenses	68.2	68.8	50.9	51.1	100%
<b>Segment Profits</b>	<b>38.0</b>	<b>49.3</b>	<b>37.6</b>	<b>19.8</b>	<b>53%</b>
Investment in Direct Financing Leases	483.4	439.3	447.2	414.5	
Installment Loans	402.9	369.9	377.1	369.9	
<b>Segment Assets</b>	<b>1,086.0</b>	<b>991.8</b>	<b>1,006.7</b>	<b>974.9</b>	
<b>ROA</b>	<b>2.34%</b>	<b>3.24%</b>	<b>3.27%</b>	<b>1.84%</b>	

# Segment Performance (2) Maintenance Leasing

(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Finance revenues	13.4	14.2	10.7	10.7	100%
Operating leases	187.3	189.7	142.1	147.7	104%
Services income	66.3	67.8	51.6	52.4	102%
<b>Segment Revenues</b>	<b>271.0</b>	<b>275.9</b>	<b>207.2</b>	<b>214.3</b>	<b>103%</b>
Segment Expenses	231.1	235.6	175.9	185.0	105%
<b>Segment Profits</b>	<b>39.8</b>	<b>40.2</b>	<b>31.1</b>	<b>30.4</b>	<b>98%</b>
Investment in Direct Financing Leases	308.9	319.9	311.9	325.7	
Investment in Operating Leases	492.6	505.5	498.5	515.1	
<b>Segment Assets</b>	<b>806.7</b>	<b>847.2</b>	<b>814.9</b>	<b>862.4</b>	
<b>ROA</b>	<b>3.42%</b>	<b>3.32%</b>	<b>3.49%</b>	<b>3.25%</b>	

# Segment Performance (3) Real Estate

(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Finance revenues	2.3	2.1	1.5	1.5	100%
Operating leases	88.2	46.9	39.3	51.4	131%
Gains on Rental Property Sales	49.7	13.0	13.3	27.0	203%
Services income	112.6	116.1	92.9	101.2	109%
Sales of goods and real estate and others	9.0	7.9	4.9	4.0	81%
<b>Segment Revenues</b>	<b>212.1</b>	<b>172.9</b>	<b>138.6</b>	<b>158.0</b>	<b>114%</b>
Segment Expenses	143.1	143.2	107.9	106.7	99%
<b>Segment Profits</b>	<b>72.8</b>	<b>62.4</b>	<b>52.1</b>	<b>55.4</b>	<b>106%</b>
Investment in Operating Leases	298.2	247.0	246.4	202.6	
Property under Facility Operations	185.0	195.5	190.3	197.3	
Hotels and Inns	71.5	82.6	76.8	84.8	
Golf Courses	53.3	54.1	54.5	53.9	
Others	60.2	58.8	59.0	58.6	
Advances for Investment in Operating Leases	18.6	20.5	19.4	24.2	
Investment in Affiliates	99.3	86.7	81.5	86.5	
<b>Segment Assets</b>	<b>657.7</b>	<b>620.2</b>	<b>605.8</b>	<b>568.1</b>	
<b>ROA</b>	<b>7.12%</b>	<b>6.67%</b>	<b>7.51%</b>	<b>8.52%</b>	

# Segment Performance (4) Investment and Operation

(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Finance revenues	11.0	9.3	7.5	7.0	94%
Gains on investment securities and dividends	13.0	7.6	5.7	0.1	2%
Sales of goods and real estate	938.4	1,048.7	816.6	434.8	53%
Services income	299.5	326.3	236.0	257.6	109%
Operating leases and others	10.2	10.5	7.9	5.2	66%
<b>Segment Revenues</b>	<b>1,272.1</b>	<b>1,402.4</b>	<b>1,073.7</b>	<b>704.8</b>	<b>66%</b>
Segment Expenses	1,224.4	1,350.2	1,038.5	685.7	66%
Equity in Net Income of Affiliates and others	37.3	43.9	27.4	11.3	41%
<b>Segment Profits</b>	<b>85.0</b>	<b>96.1</b>	<b>62.6</b>	<b>30.4</b>	<b>49%</b>
Installment Loans	71.5	59.4	63.0	50.2	
Investment in Securities	47.7	29.9	34.6	28.6	
Property under Facility Operations	187.7	208.1	185.7	260.1	
Inventories	112.8	101.5	128.4	135.0	
Investment in Affiliates	71.5	170.4	150.6	179.9	
Goodwill and Other Intangible Assets	180.9	185.1	190.3	218.2	
<b>Segment Assets</b>	<b>780.0</b>	<b>856.3</b>	<b>879.2</b>	<b>959.0</b>	
<b>ROA</b>	<b>7.75%</b>	<b>8.02%</b>	<b>6.88%</b>	<b>3.06%</b>	

# Segment Performance (5) Retail

(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Finance revenues	68.1	72.9	54.7	57.6	105%
Life insurance premiums and related investment income	297.9	353.0	279.6	229.1	82%
Services income and others	2.7	2.8	2.1	2.6	125%
<b>Segment Revenues</b>	<b>368.7</b>	<b>428.7</b>	<b>336.4</b>	<b>289.3</b>	<b>86%</b>
Segment Expenses	295.8	354.2	273.1	223.0	82%
<b>Segment Profits</b>	<b>72.9</b>	<b>74.5</b>	<b>63.3</b>	<b>66.2</b>	<b>105%</b>
Installment Loans	1,727.0	1,852.8	1,835.3	1,983.1	
Investment in Securities	1,502.7	1,260.3	1,315.2	1,367.1	
<b>Segment Assets</b>	<b>3,293.4</b>	<b>3,174.5</b>	<b>3,212.7</b>	<b>3,396.1</b>	
<b>ROA</b>	<b>1.47%</b>	<b>1.57%</b>	<b>1.77%</b>	<b>1.84%</b>	

# Segment Performance (6) Overseas Business



(JPY Bn)

	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YoY)
Finance revenues	85.1	98.4	73.7	80.5	109%
Gain on investment securities and dividends	13.3	17.5	13.6	5.5	41%
Operating leases	88.4	111.6	85.0	93.6	110%
Services income	216.7	238.6	179.5	179.4	100%
<b>Segment Revenues</b>	<b>462.7</b>	<b>479.6</b>	<b>360.3</b>	<b>365.4</b>	<b>101%</b>
Segment Expenses	390.5	382.9	281.5	288.6	103%
Equity in Net Income of Affiliates and others	40.2	9.9	30.7	18.8	61%
<b>Segment Profits</b>	<b>112.4</b>	<b>106.6</b>	<b>109.5</b>	<b>95.6</b>	<b>87%</b>
Investment in Direct Financing Leases	357.7	368.7	386.5	364.3	
Installment Loans	613.5	534.6	589.3	773.9	
Investment in Operating Leases	420.6	491.1	496.5	503.4	
Investment in Securities	433.3	413.4	456.5	412.1	
Investment in Affiliates	332.2	314.6	337.0	565.3	
Goodwill and Other Intangible Assets	380.2	427.0	447.2	460.7	
<b>Segment Assets</b>	<b>2,578.1</b>	<b>2,608.8</b>	<b>2,773.9</b>	<b>3,148.8</b>	
<b>ROA</b>	<b>3.08%</b>	<b>2.81%</b>	<b>3.73%</b>	<b>3.03%</b>	



# Segment Performance (6) Overseas Business

## ■ Overseas Business segment assets breakdown

(JPY Bn)

By Region	FY17.3	FY18.3	18.3 Q3	19.3 Q3	Change (YTD)
The Americas	1,003.2	869.7	961.4	1,153.7	133%
Asia and Australia	593.6	643.5	680.2	648.2	101%
Greater China	315.6	329.6	334.6	330.8	100%
Middle East and Europe	36.5	20.5	32.5	18.2	89%
ORIX Europe *	317.3	353.8	367.2	343.8	97%
Aircraft and Ships	296.9	381.7	388.0	644.3	169%
Others	15.0	9.9	9.9	9.8	99%
<b>Total</b>	<b>2,578.1</b>	<b>2,608.8</b>	<b>2,773.9</b>	<b>3,148.8</b>	<b>121%</b>

\*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

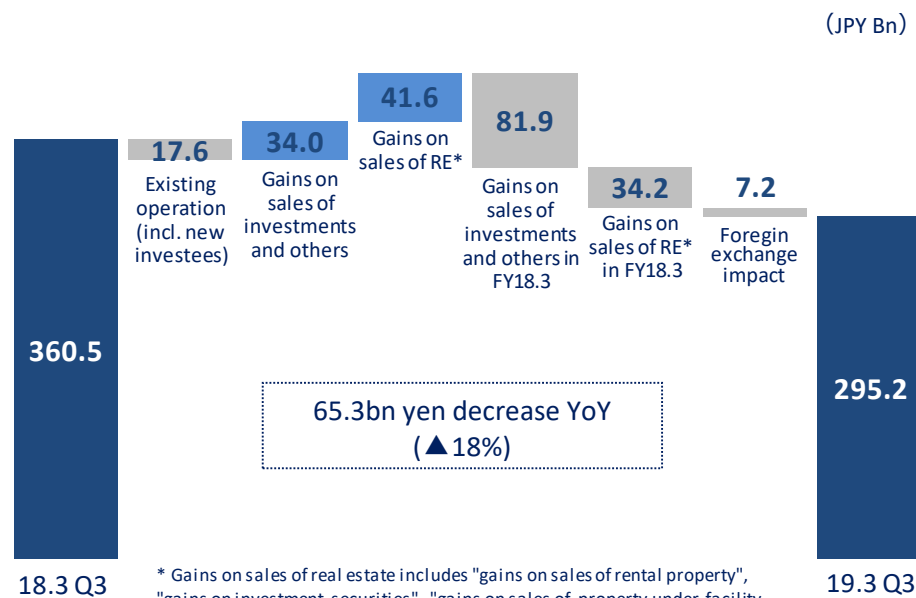
## ■ Pretax profits: 65.3bn yen decrease YoY (▲18%)

- ✓ In existing operation, profits decreased due to the loss from an affiliate in India and loss in accounting in HLIKK while aircraft related operation and life insurance made steady progress
- ✓ Gains on sales of investments and others decreased, those of real estate increased YoY

## ■ Segment assets: 810.4bn yen increase YTD (+9%)

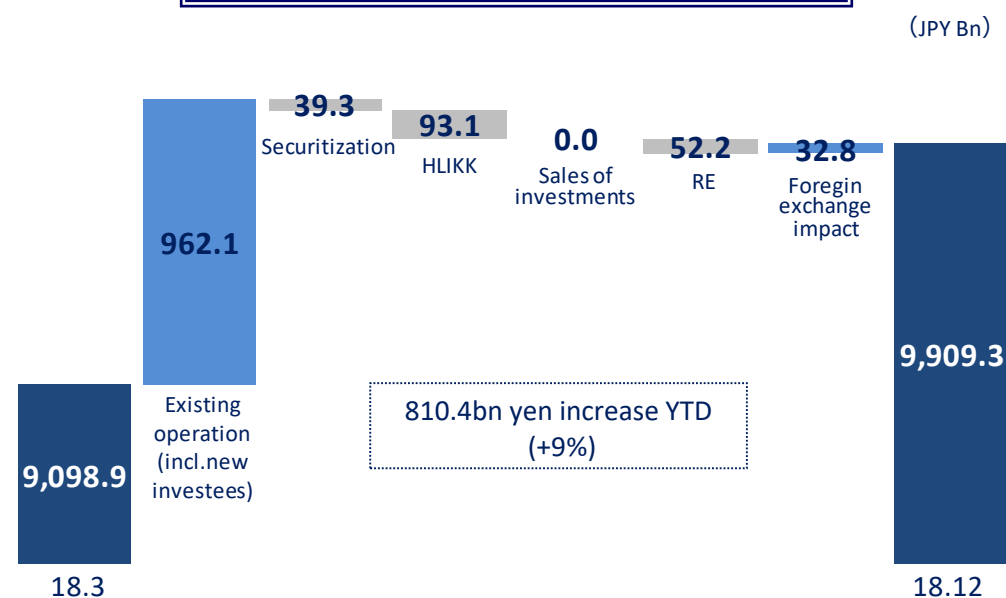
- ✓ The gain of assets in Overseas Business largely contributed to increase in existing operation

YoY Changes in Pretax Profits



\* Gains on sales of real estate includes "gains on sales of rental property", "gains on investment securities", "gains on sales of property under facility operations", "gains on sales of subsidiaries and affiliates and liquidation losses", and "gains on sales of equity method affiliates" (excl. condominium related gains) under Real Estate segment

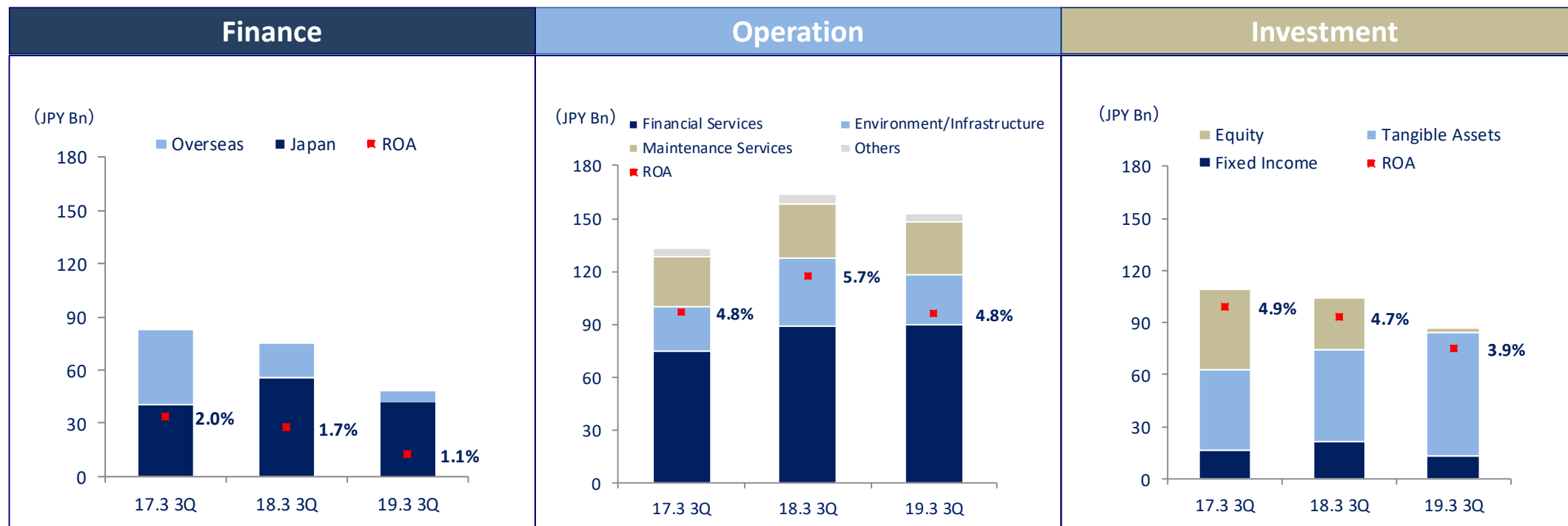
YTD Changes in Segment Assets



# Performance in Three Categories

- ✓ Operations: Profit from life insurance and concession business made steady progress
- ✓ Investment: Capital gain in equity investment decreased while aircraft related operation in fixed income increased

## Segment Profits (3 Categories)



(\*1) FY17.3 Q3 Segment Profits in Operation excludes ordinary profit/loss contribution from HLIKK

(\*2) FY18.3 Q3 Segment Profits in Operation excludes capital gain from the sale of Houlihan Lokey shares and ordinary profit/loss contribution from HLIKK

(\*3) FY19.3 Q3 Segment Profits in Operation excludes capital gain from the sale of Houlihan Lokey shares and ordinary profit/loss contribution from HLIKK. FY19.3 Q3 capital gain from the sale of hotel is included in the Tangible Assets.

# 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**

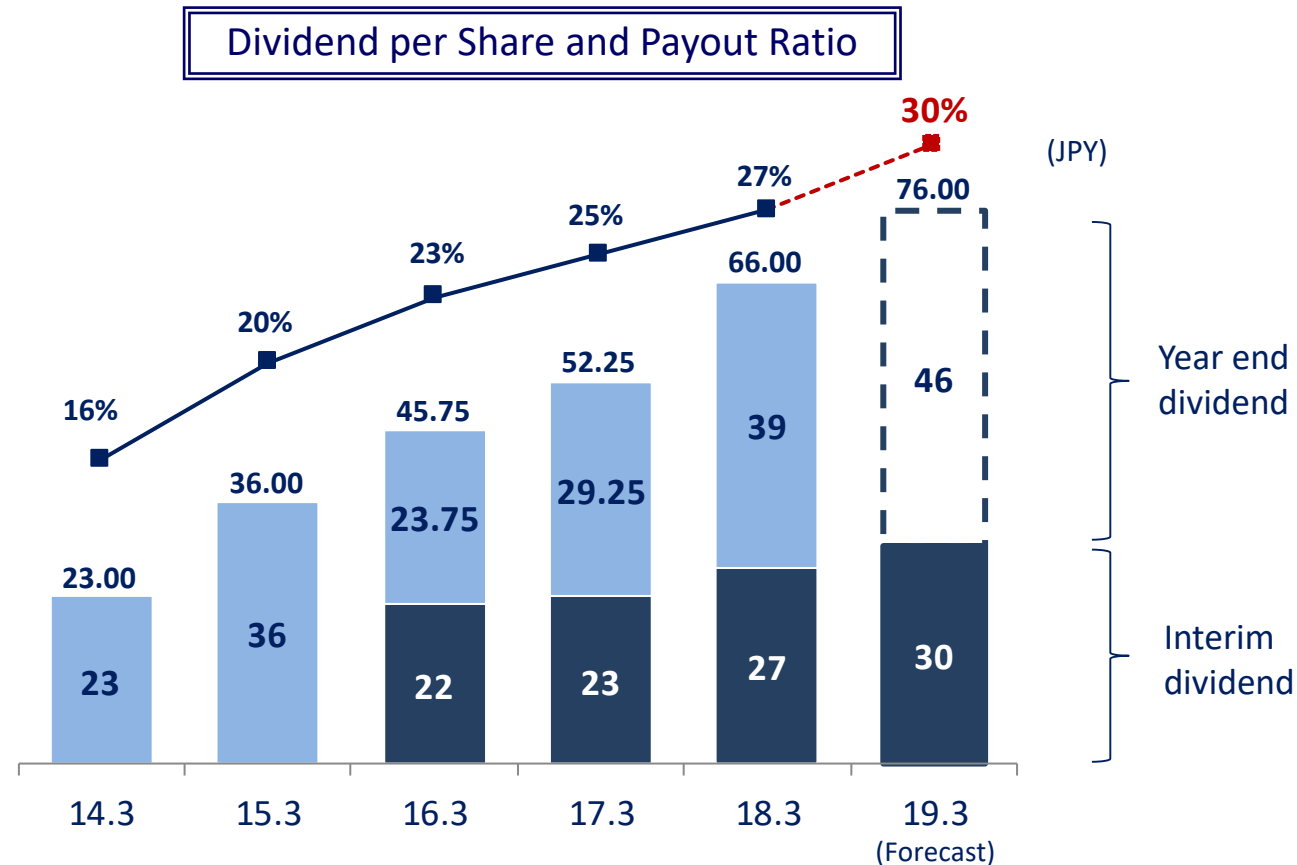
## Shareholders returns policy

- **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

# 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



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- Some of the financial information in these materials is unaudited.
- The Company believes that it will be considered a “passive foreign investment company” for United States Federal income tax purpose in the year to which these consolidated financial results relate and for the foreseeable future by reason of the composition of its assets and the nature of its income. A U.S. holder of the shares or ADSs of the Company is therefore 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.
- ORIX Life Insurance has completed merger proceeding on its subsidiary Hartford Life Insurance K.K. on July 1, 2015 and is committed to continue serving its policy holders. ORIX Life insurance has no affiliation with The Hartford Financial Services Group, Inc. or its affiliates.
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A large circular graphic on the left side of the slide, composed of a thick ring with a color gradient from red at the top to purple at the bottom. The text "Answers, Custom Fit." is centered within the white space of the ring.

Answers, Custom Fit.

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IR Section

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