



Answers,
Custom Fit.

ORIX Corporation

First Quarter Consolidated Financial Results
For the Three-Month Period Ended June 30, 2017

Kazuo Kojima Deputy President & CFO

Shintaro Agata Corporate Executive Vice President,
Head of Treasury and Accounting Headquarters

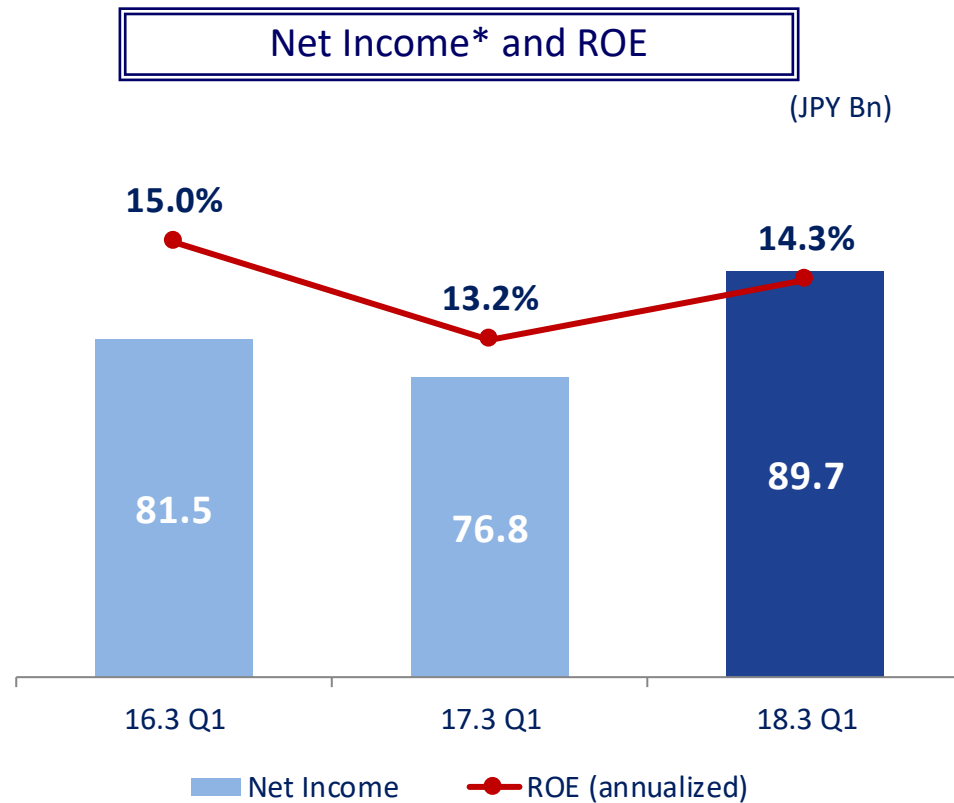
Takao Kato Corporate Senior Vice President,
Deputy Head of Treasury and Accounting
Headquarters

July 31, 2017

(TSE: 8591; NYSE: IX)

Overview (1)

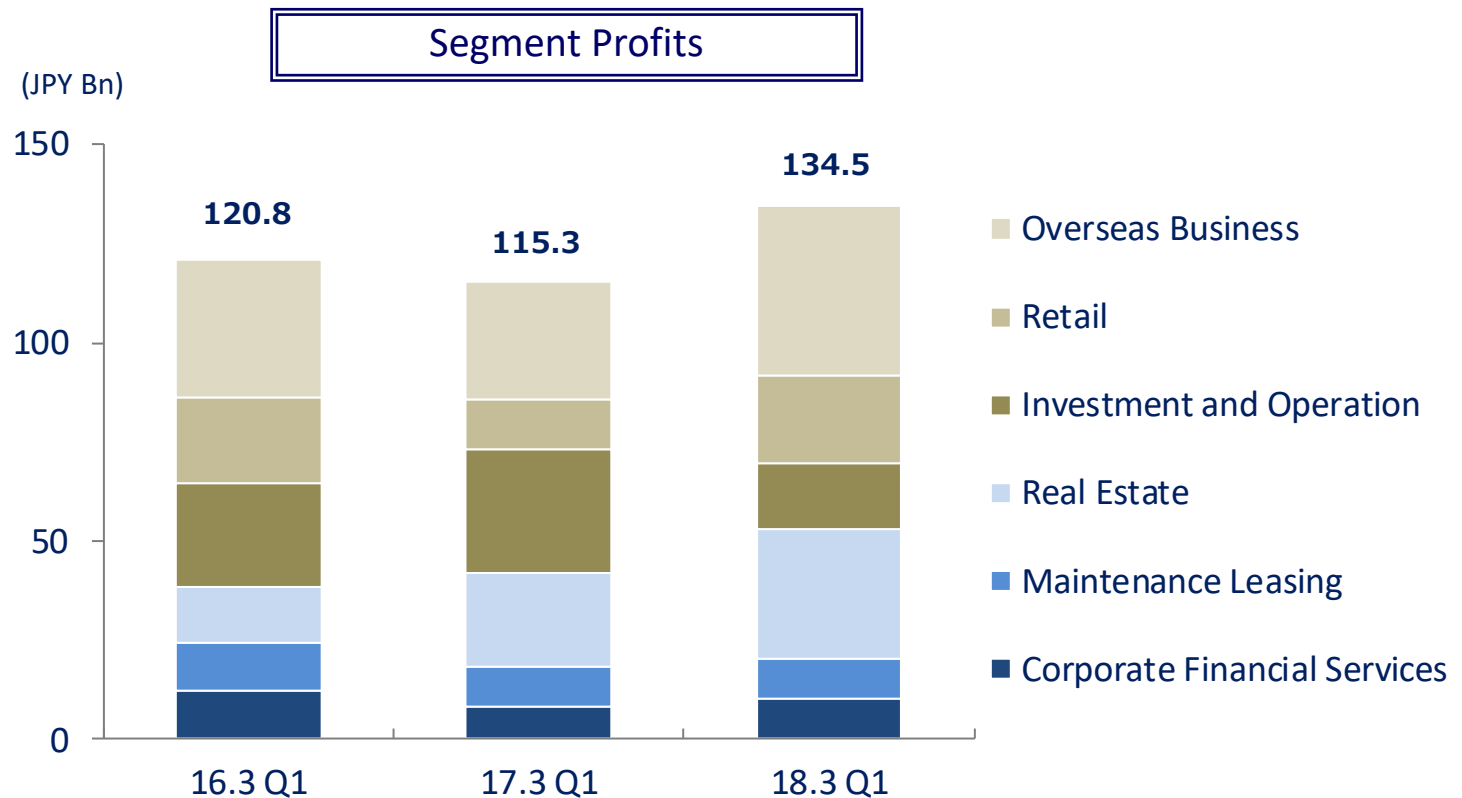
- ✓ 89.7bn yen in net income, up by 17% YoY
- ✓ Annualized ROE at 14.3%



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

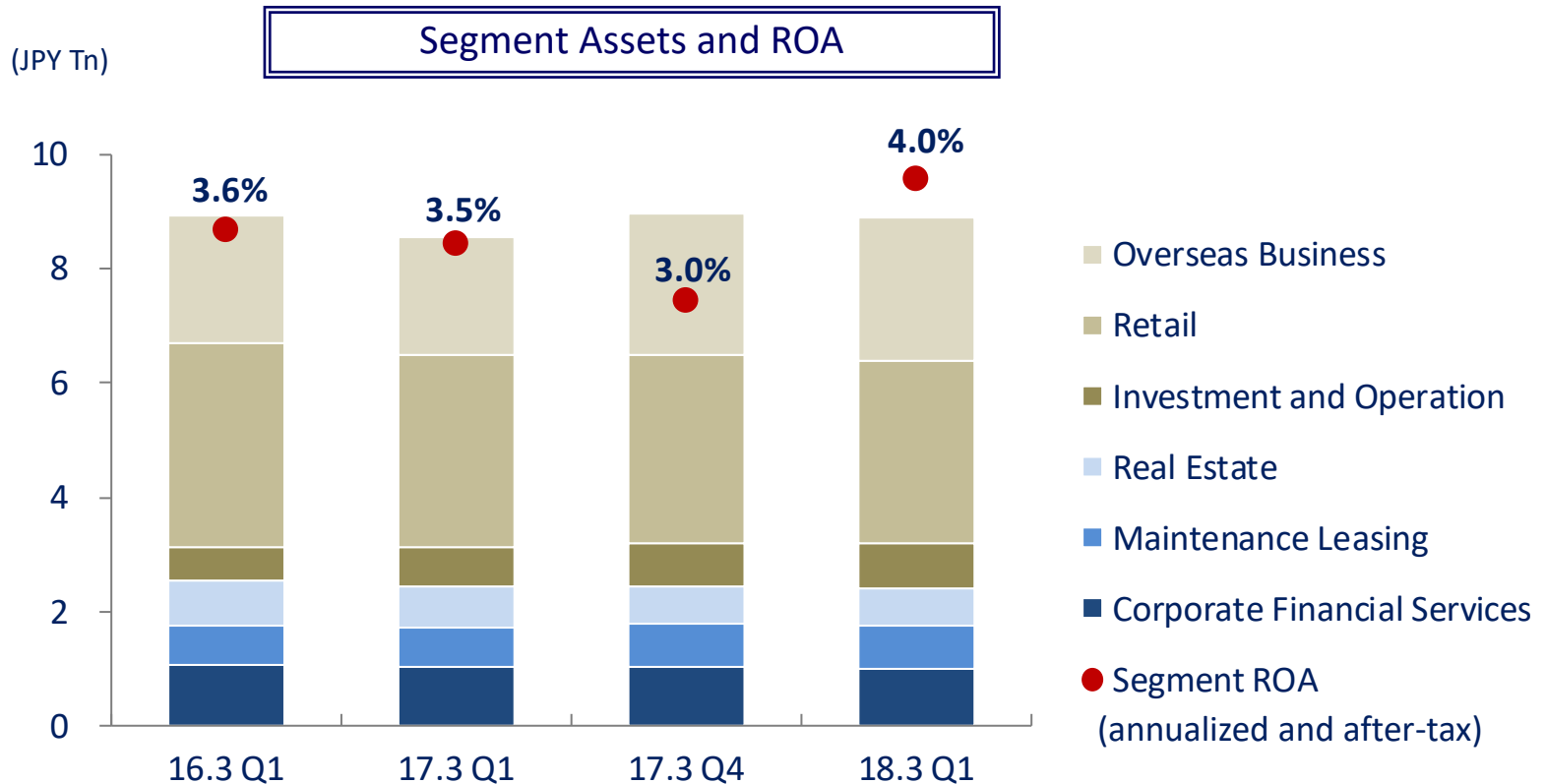
Overview (2)

- ✓ Segment profits at 134.5bn yen, up by 17% YoY
- ✓ Significant growth in Overseas Business, Real Estate and Retail
- ✓ Corporate Financial Services and Maintenance Leasing performed steadily
- ✓ Decreased in Investment and Operation due to the absence of the capital gain from PE investment in this quarter



Overview (3)

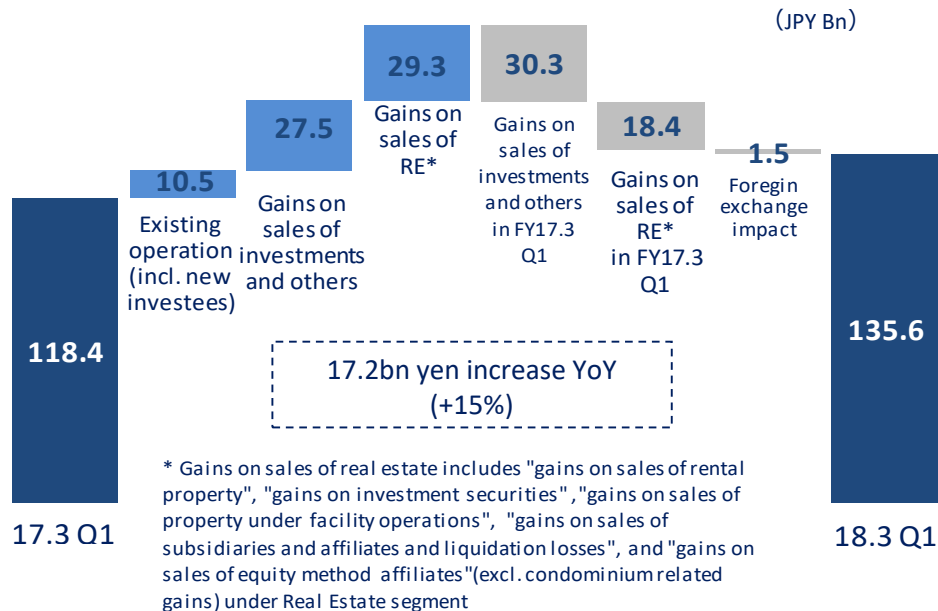
- ✓ Segment assets at 8,901.3bn yen, down by 1% YTD
- ✓ Decreased in Retail assets due to the sale of investment securities by ORIX Life Insurance (OLI) and HLIKK's run-off business
- ✓ Segment Assets ROA rose to 4.0%



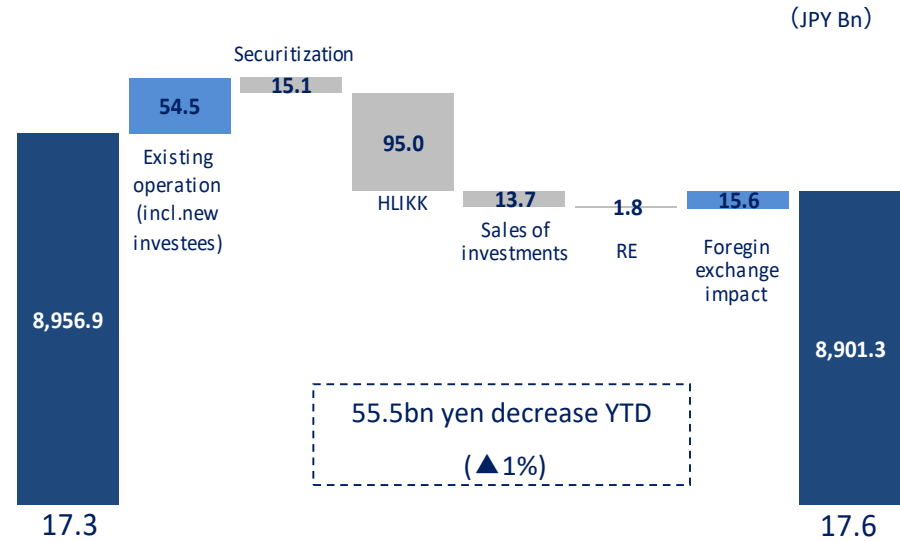
Overview (4)

- Pretax profits: 17.2bn yen increase YoY (+15%)
 - ✓ Concession business, income from PE investment and Environment and energy business made positive contribution as part of the existing operation
 - ✓ Profit of HLIKK decreased sharply due to the market fluctuation in the same period last FY
- Segment assets: 55.5bn yen decrease YTD (▲1%)
 - ✓ Increased in aircraft and ship-related business as well as auto-related business and banking business in existing operation

YoY Changes in Pretax Profits



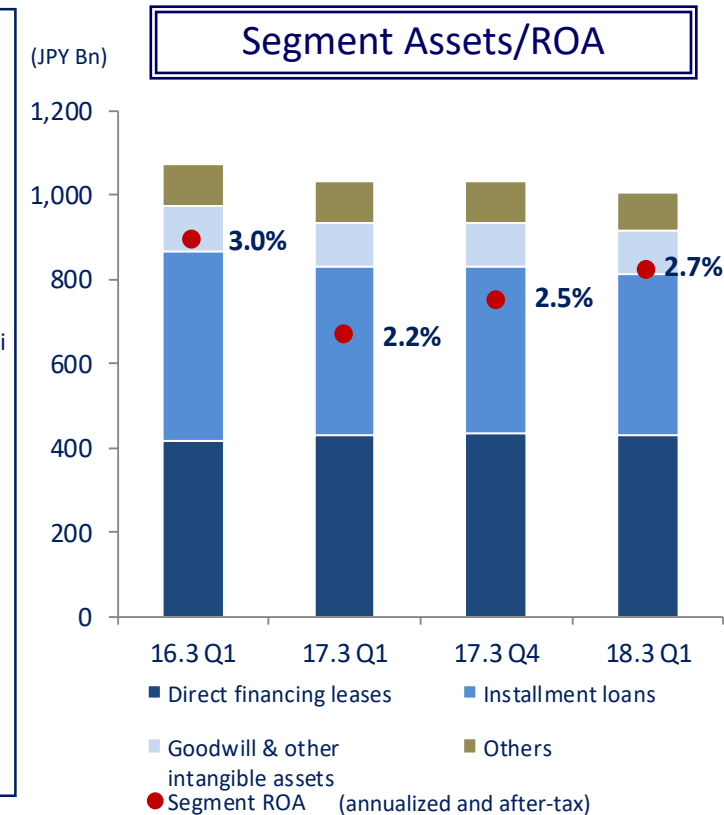
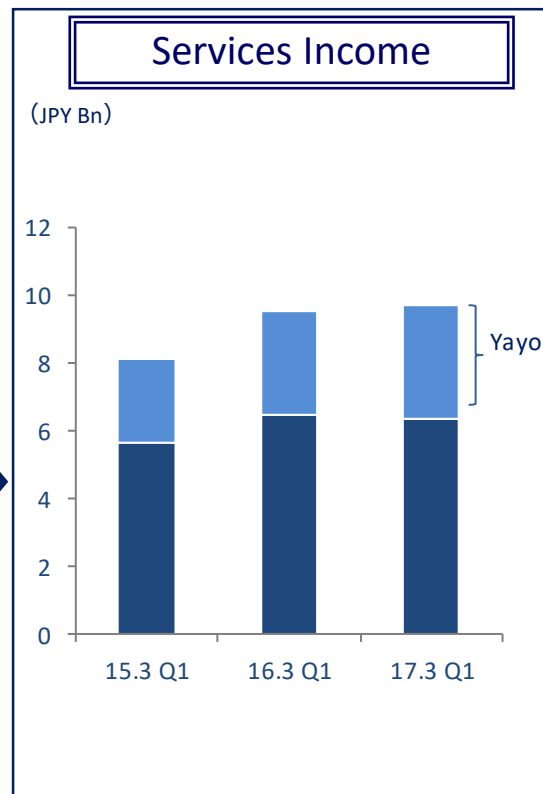
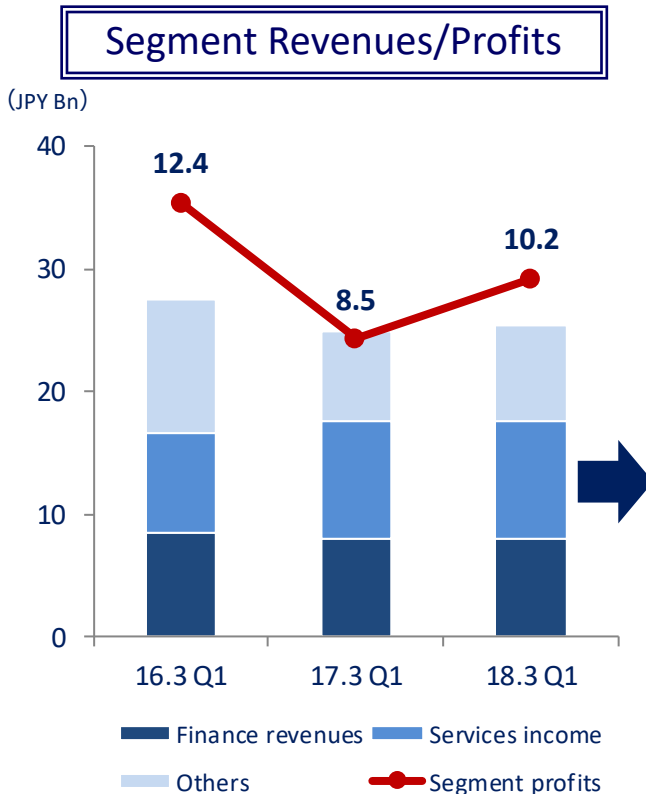
YTD Changes in Segment Assets



Segment Performance (1) Corporate Financial Services

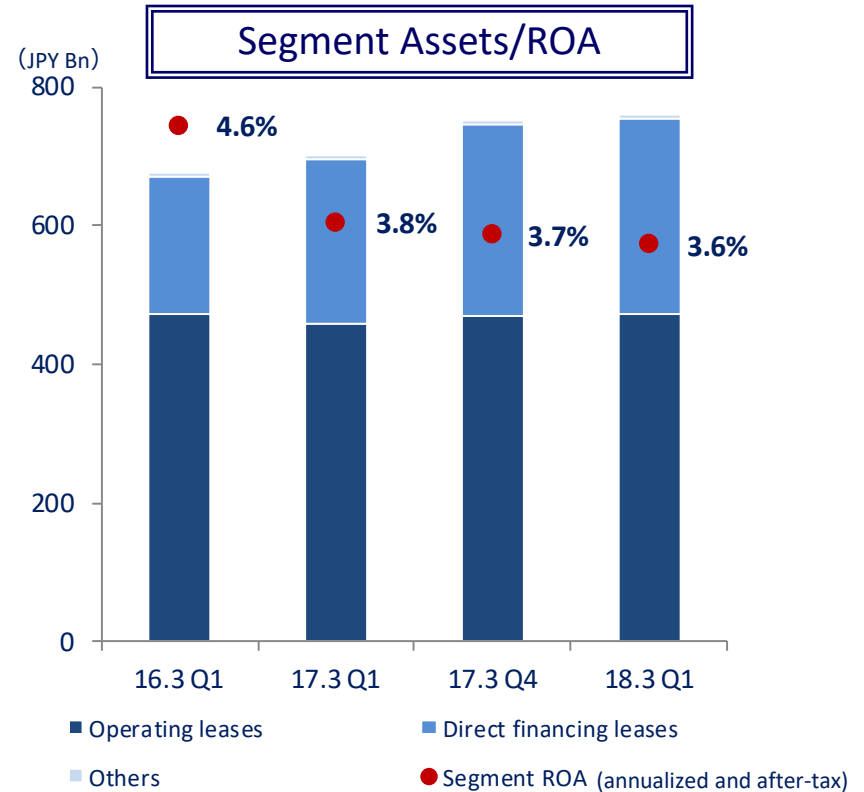
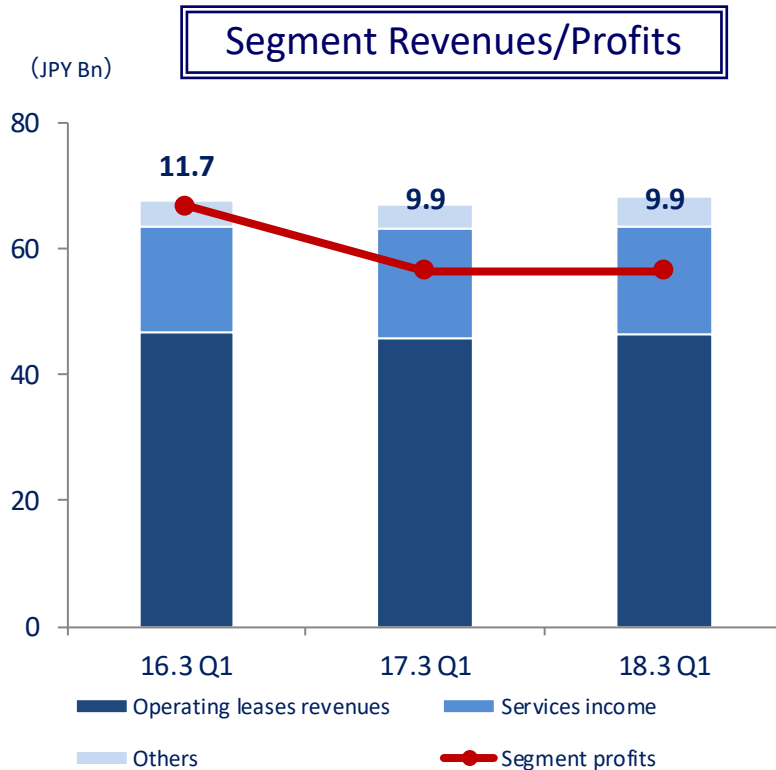


- Segment profits: 10.2bn yen, up by 1.7bn yen YoY (+20%)
 - ✓ Increased in services income YoY
 - ✓ Gains on sales of shares of affiliates were recognized (approximately 2.0bn yen)
- Segment assets: 1,007.4bn yen, down by 24.7bn yen YTD (▲2%)
 - ✓ Installment loan balance decreased



Segment Performance (2) Maintenance Leasing

- Segment profits: 9.9bn yen, remained flat YoY (+0%)
 - ✓ Revenue from auto-related business increased due to the increase of assets, despite of lower gains on sales of used cars
- Segment assets: 759.6bn yen, up by 7.1bn yen YTD (+1%)
 - ✓ Increased in new auto leases



Segment Performance (3) Real Estate

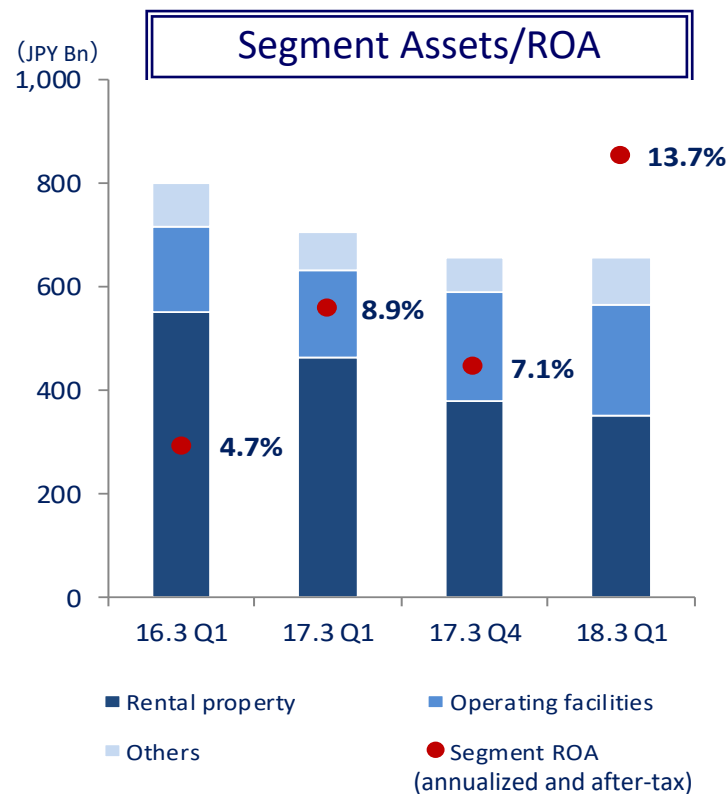
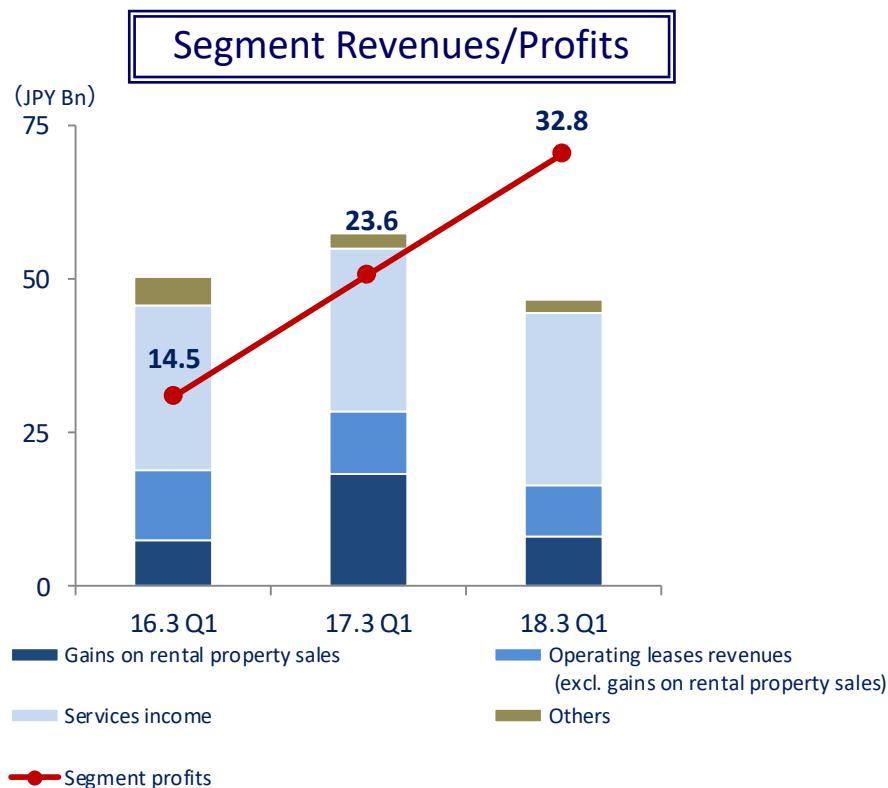


■ Segment profits: 32.8bn yen, up by 9.2bn yen YoY (+39%)

✓ Realized gains from well-timed sales of real estate assets

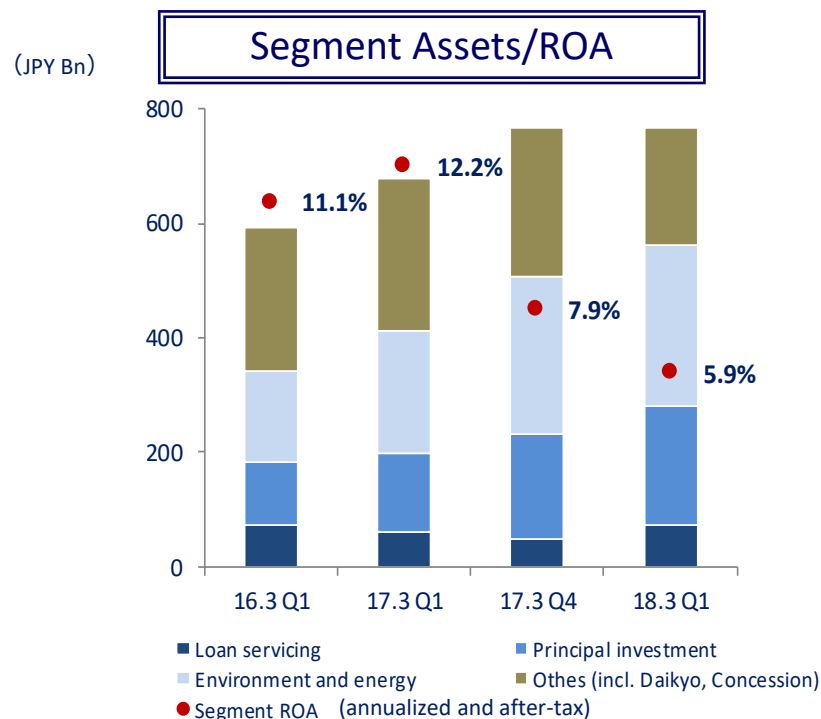
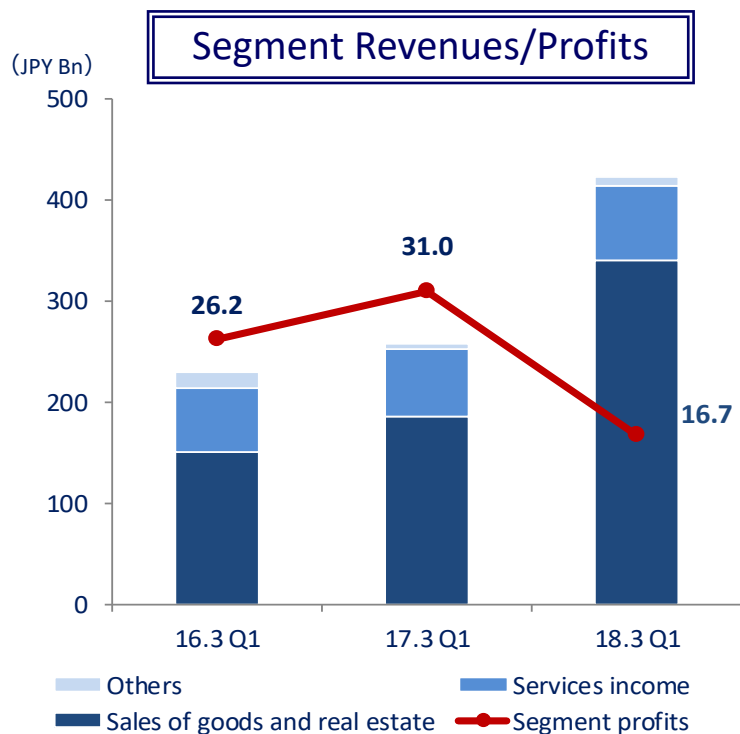
■ Segment assets: 655.9bn yen, down by 1.8bn yen YTD (▲0%)

✓ Assets decreased due to rental property sales



Segment Performance (4) Investment and Operation

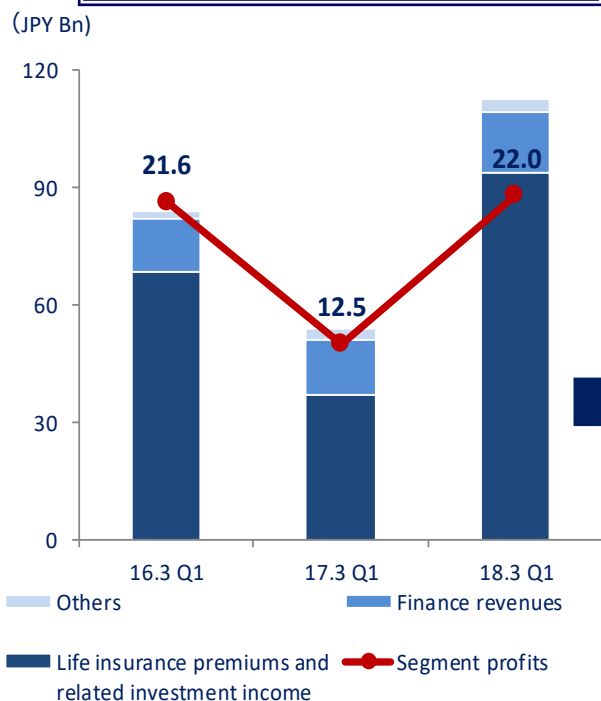
- Segment profits: 16.7bn yen, down by 14.3bn yen YoY (▲46%)
 - ✓ Profit from environment and energy business and concession business increased steadily, while the profit in PE investment decreased due to the absence of the large capital gain in this quarter
- Segment assets: 768.4bn yen, down by 0.3bn yen YTD (▲0%)
 - ✓ Assets in environment and energy business increased, while investment securities decreased



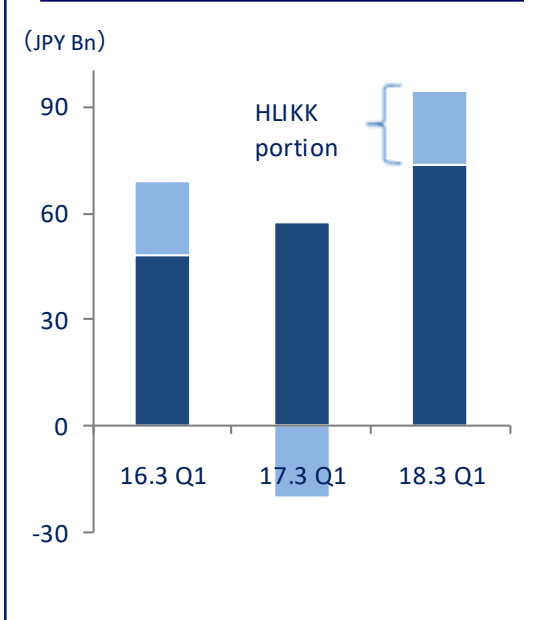
Segment Performance (5) Retail

- Segment profits: 22.0bn yen, up by 9.5bn yen YoY (+76%)
 - ✓ Life insurance premiums increased
 - ✓ Profits of HLIKK also increased compared to previous fiscal year when its profits dropped sharply
- Segment assets: 3,201.7bn yen, down by 89.9bn yen YTD (▲3%)
 - ✓ Assets decreased due to sales of bonds in OLI and run-off in HLIKK portfolio
 - ✓ Increased in banking business

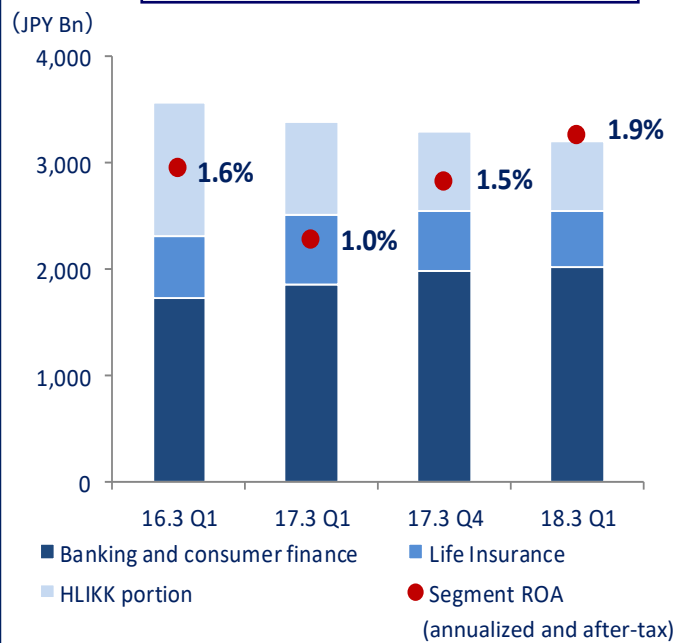
Segment Revenues/Profits



Life Insurance Premiums and Related Investment Income



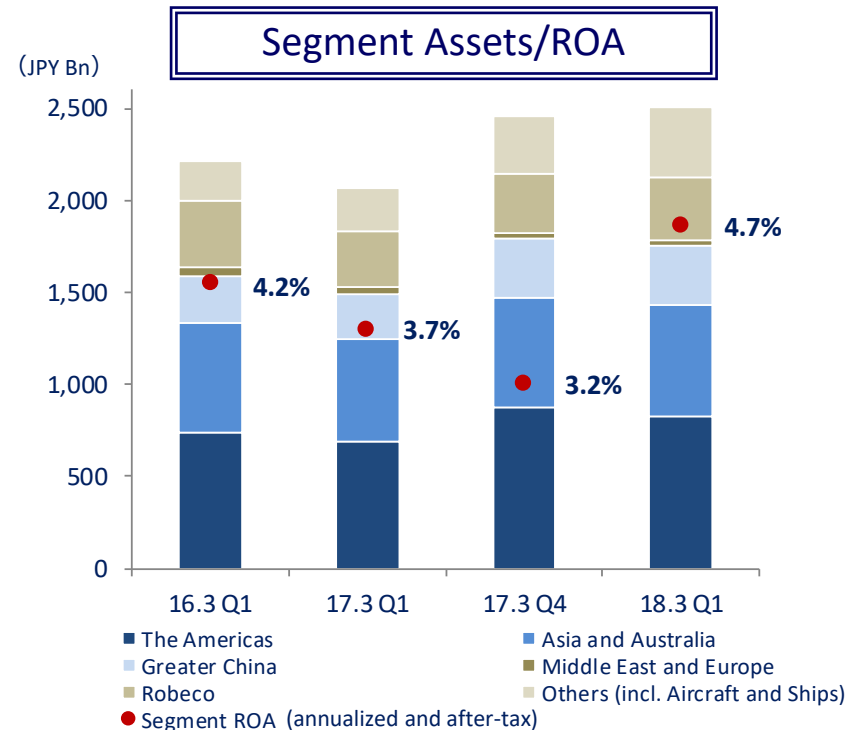
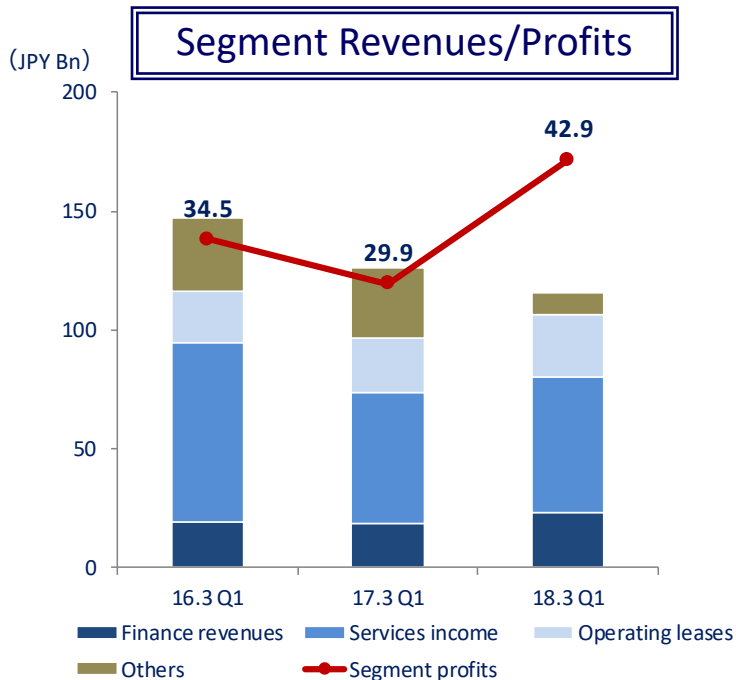
Segment Assets/ROA



Segment Performance (6) Overseas Business



- Segment profits: 42.9bn yen, up by 13.0bn yen YoY (+44%)
 - ✓ 0.5bn yen increased due to FX rate fluctuation
 - ✓ Gains on sales of Asian PE investment and Houlihan Lokey shares were recognized
- Segment assets: 2,508.3bn yen, up by 54.1bn yen YTD (+2%)
 - ✓ 15.6bn yen increased due to FX rate fluctuation
 - ✓ Assets of aircraft and ship-related operation increased, while assets of securities decreased due to sales of investment securities in the Americas



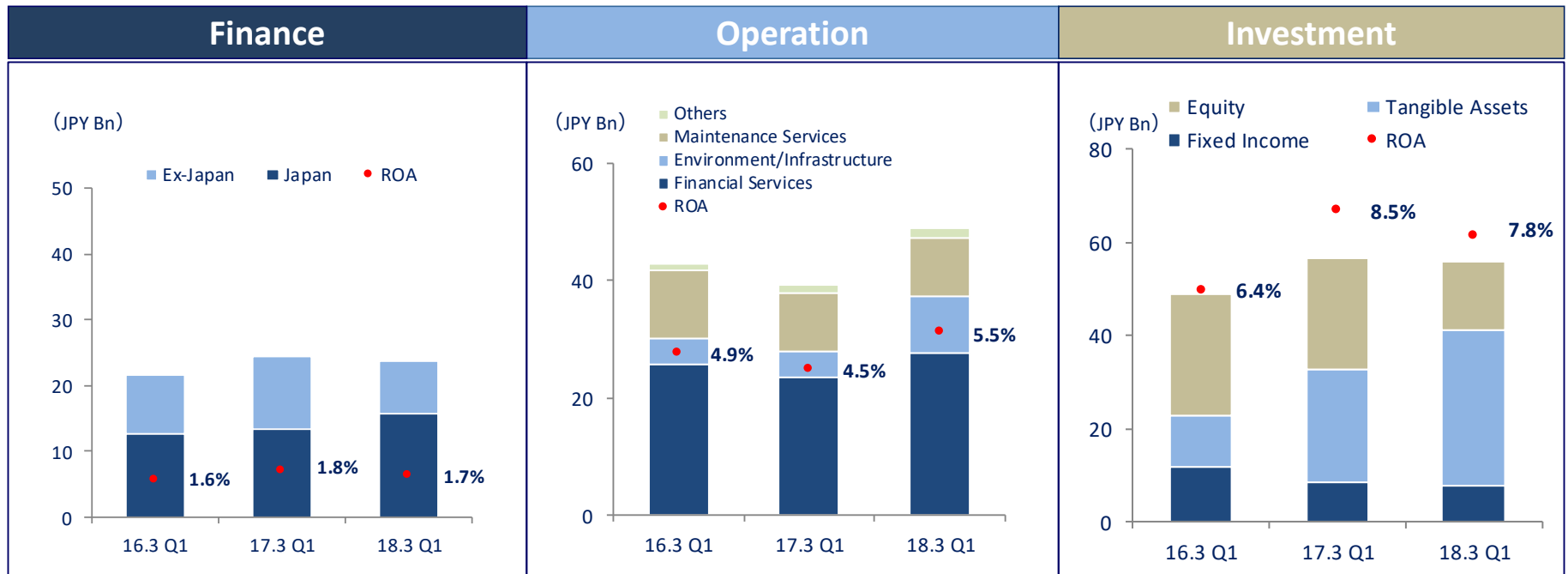
Performance in Three Categories

See P.31 for details on the three categories



- ✓ Operation: Profit growth in environment and energy business, concession business, Life insurance and Robeco
- ✓ Investment: Strong profit growth in Tangible assets such as real estate and aircraft, while gain on sales of equity investment decreased YoY

Segment Profits (3 Categories)



(*1) FY16.3 Q1 and FY17.3 Q1 Segment Profits in Operation excludes ordinary profit/loss contribution from HLIKK

(*2) FY18.3 Q1 Segment Profits in Operation excludes capital gain from the sale of Houlihan Lokey shares and ordinary profit/loss contribution from HLIKK

**Q1 net income achieved at 89.7bn yen, up 17% YoY,
annualized ROE at 14.3%**

Continuously focus on “Operation” and “Investment”

**Establish a cycle for generating stable earnings while
turning over assets**

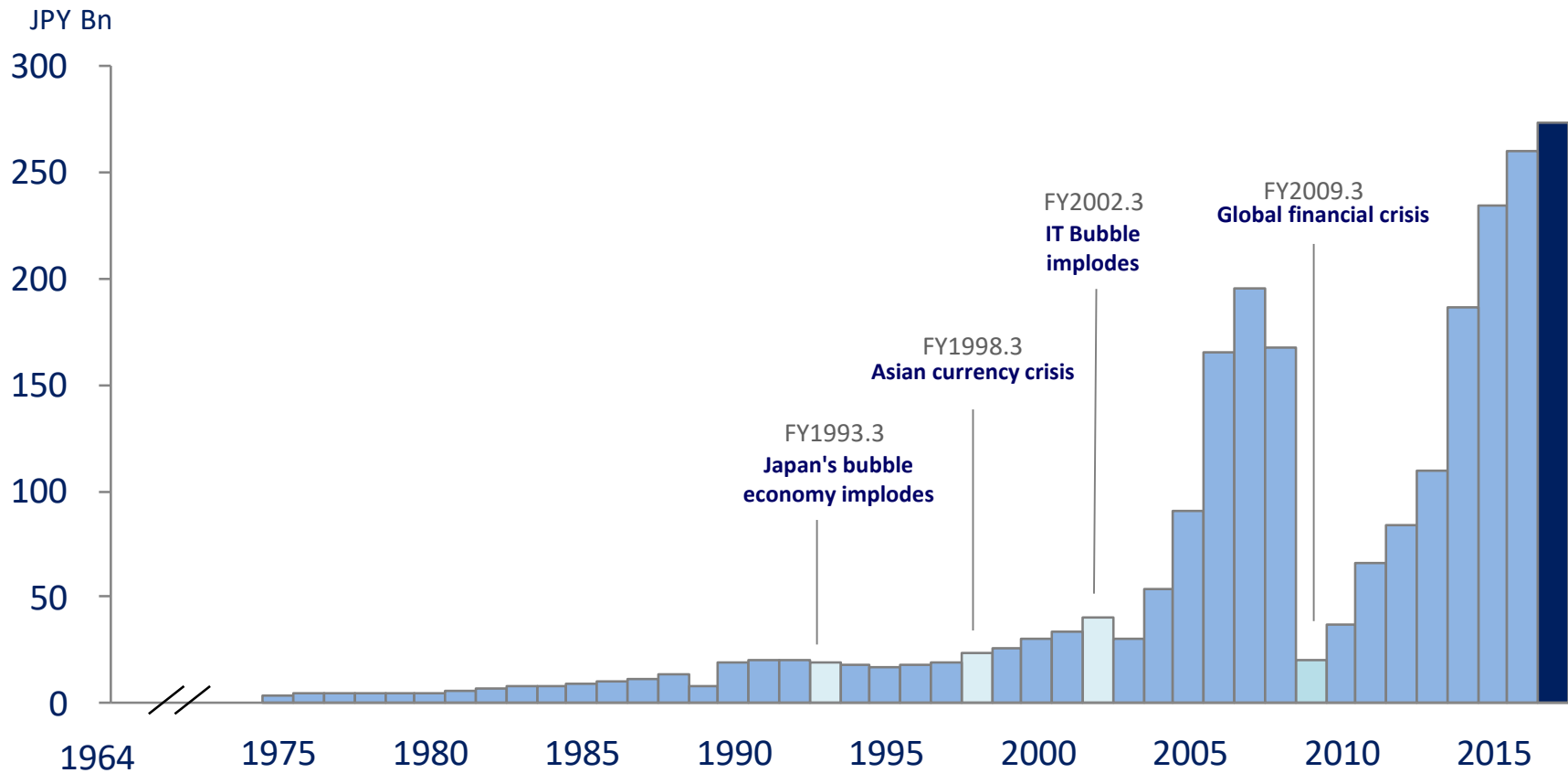
Appendix

About ORIX Proven Track Record of Profitability



✓ ORIX has achieved 52 years of sustained, profitable growth

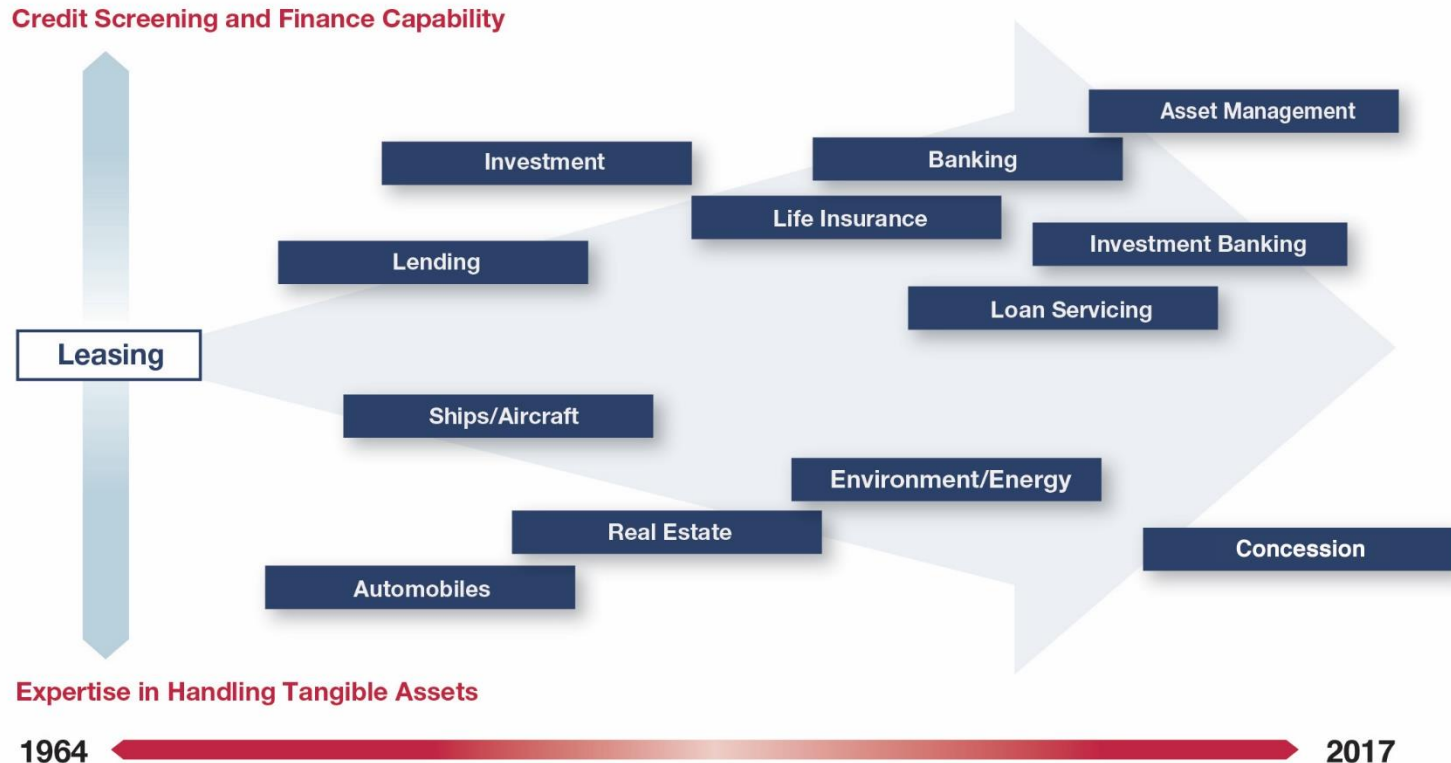
Net Income Attributable to ORIX Corporation Shareholders



About ORIX Evolving and Dynamic Portfolio



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

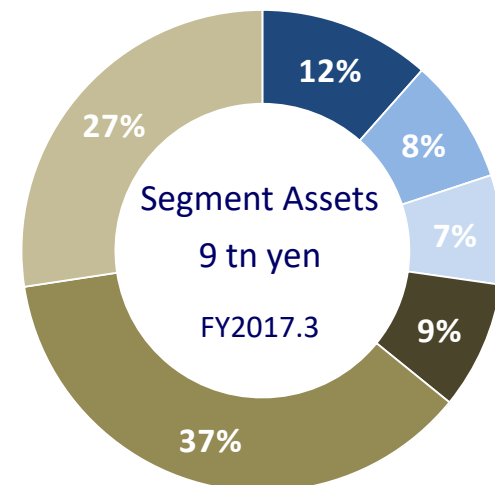
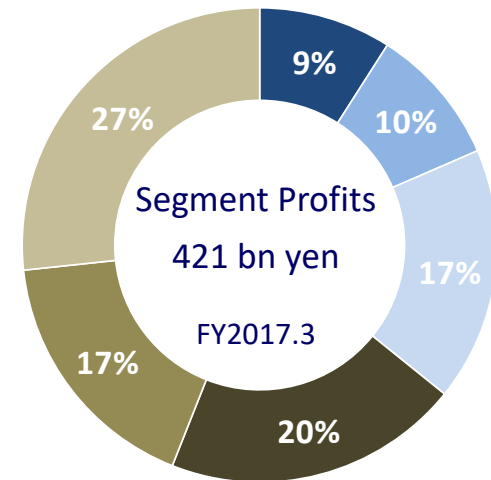


About ORIX Business by Segment



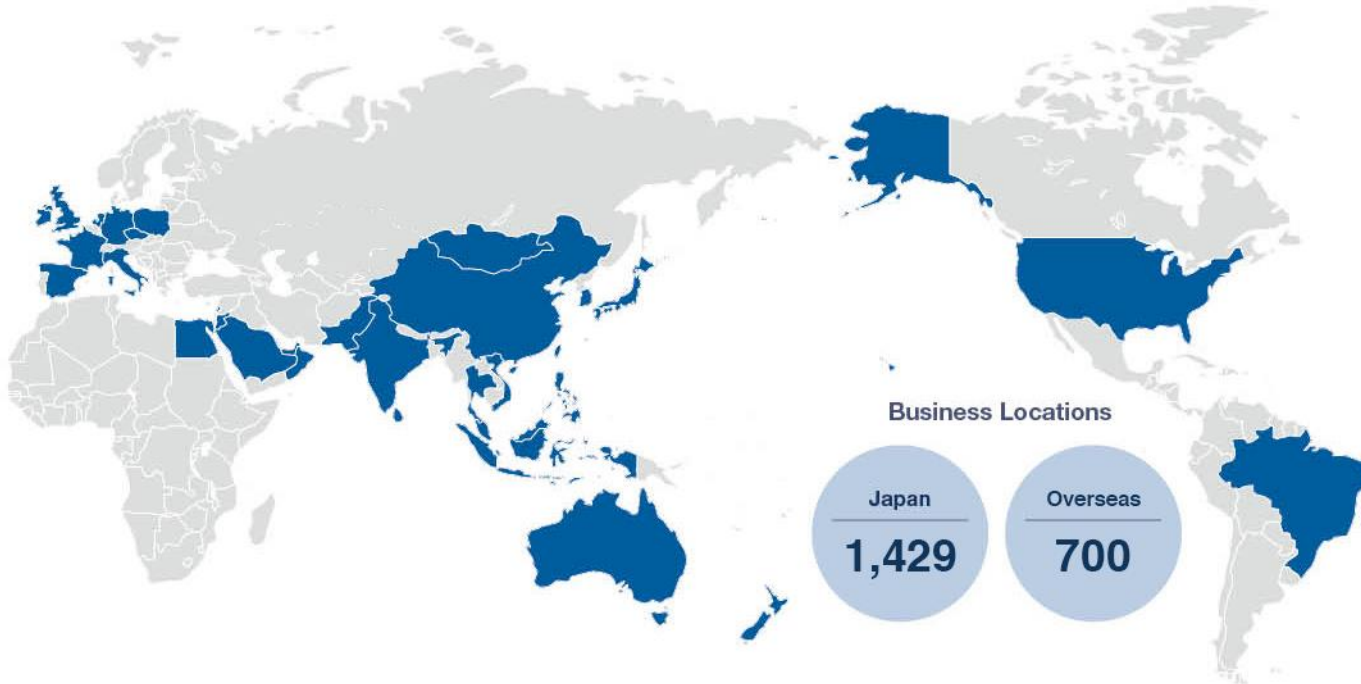
- ✓ Our highly diversified company contains many complementary businesses, providing ample opportunity for synergies and knowledge sharing

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



About ORIX Global Network

- ✓ ORIX has spread its business globally by expanding operations in 36 countries and regions worldwide



1970s	1980s	1990s	2000s	2010s
Global Network				
7 Countries	12 Countries	18 Countries	26 Countries	36 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

Appendix(1) Performance Overview

(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Total Revenues	2,369.2	2,678.7	587.9	792.3	135%
Net Income *1	260.2	273.2	76.8	89.7	117%
Segment Assets	8,972.4	8,956.9	8,570.2	8,901.3	104%
Total Assets	10,992.9	11,231.9	10,762.9	11,317.9	105%
Shareholders' Equity	2,310.4	2,507.7	2,327.0	2,525.3	109%
Shareholders' Equity Ratio	21.0%	22.3%	21.6%	22.3%	+0.7%
ROE	11.7%	11.3%	13.2%	14.3%	1.1%
Return on Segment Assets (ROA)	2.87%	3.05%	3.50%	4.02%	0.52%
D/E Ratio	1.9x	1.7x	1.8x	1.7x	-0.1x

*1 Net Income Attributable to ORIX Corporation Shareholders

Appendix(2) Profits by Segment

(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Corporate Financial Services	42.4	38.0	8.5	10.2	120%
Maintenance Leasing	42.9	39.8	9.9	9.9	100%
Real Estate	42.9	72.8	23.6	32.8	139%
Investment and Operation	57.2	85.0	31.0	16.7	54%
Retail	51.8	72.9	12.5	22.0	176%
Overseas Business	142.9	112.3	29.9	42.9	144%
Total Segment Profits	380.1	420.8	115.3	134.5	117%

Appendix(3) Assets by Segment

(JPY Bn)

	16.3	17.3	16.6	17.6	Change (YTD)
Corporate Financial Services	1,049.9	1,032.2	1,033.2	1,007.4	98%
Maintenance Leasing	731.3	752.5	700.4	759.6	101%
Real Estate	739.6	657.7	705.6	655.9	100%
Investment and Operation	704.2	768.7	678.6	768.4	100%
Retail	3,462.8	3,291.6	3,384.5	3,201.7	97%
Overseas Business	2,284.7	2,454.2	2,067.8	2,508.3	102%
Total Segment Assets	8,972.4	8,956.9	8,570.2	8,901.3	99%

Appendix(4) Income Statement Data

(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Finance revenues	200.9	200.6	48.1	54.0	112%
Gains on investment securities and dividends	35.8	30.3	4.0	10.3	257%
Operating leases	128.8	155.1	44.8	34.9	78%
Life insurance premiums and related investment income	68.1	95.8	16.5	25.9	157%
Sales of goods and real estate	85.8	86.5	23.5	20.1	85%
Services income	289.8	286.6	73.0	78.1	107%
Gross Profits*1	809.2	854.9	210.0	223.3	106%
Interest expense	72.8	72.9	18.1	19.1	106%
Selling, general and administrative expenses	422.7	418.7	102.6	106.0	103%
Provisions/Impairments	29.7	38.4	3.3	5.9	181%
Other (income) and expense, net	-3.7	-4.4	-1.4	0.3	-23%
Operating Income	287.7	329.2	87.4	92.0	105%
Equity in Net Income of Affiliates	45.7	26.5	6.2	29.1	467%
Gains on Sales of Subsidiaries and Affiliates...etc	57.9	69.2	24.8	14.5	59%
Income before Income Taxes	391.3	425.0	118.4	135.6	115%
Net Income Attributable to ORIX Corporation Shareholders	260.2	273.2	76.8	89.7	117%

*1 Each revenue component deducted with corresponding costs and expenses

Appendix(5) Funding

(JPY Bn)

Funding	16.3	17.3	16.6	17.6	Change (YoY)
CP	102.4	50.1	35.9	132.1	96.2
Borrowings from Financial Institutions	2,970.6	2,958.2	2,863.3	3,002.5	139.2
Bonds / MTN	938.1	885.1	953.9	881.4	-72.5
Deposits	1,398.5	1,614.6	1,428.2	1,655.2	227.0
ABS, CMBS	275.5	245.1	283.1	241.3	-41.8
Short-term Debt, Long-term Debt and Deposits	5,685.0	5,753.1	5,564.5	5,912.6	348.1
Share of Long-Term Debt	92%	93%	94%	91%	-3%

Liquidity (excl. ORIX Bank, ORIX Life Insurance)	16.3	17.3	16.6	17.6	Change (YoY)
Cash and Cash Equivalents (1)	588.7	586.6	666.5	610.9	-55.6
Available Commitment Line (2)	389.9	394.0	361.5	389.5	28.0
Liquidity (1+2)	978.6	980.6	1,028.1	1,000.3	-27.8
Marketable Short-term Debt (3) *1	368.6	295.2	340.5	340.6	0.1
Liquidity Coverage Ratio (1+2)/(3)	266%	332%	302%	294%	-8%

Funding Costs (including Deposits)	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Domestic Currency	0.64%	0.50%	0.55%	0.42%	-0.13%
Foreign Currency	2.74%	2.80%	2.74%	2.74%	0.00%

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

Appendix(6) Corporate Financial Services



(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Finance revenues	34.2	30.2	8.1	7.9	98%
Operating leases	25.5	25.6	6.0	5.7	95%
Services income	35.7	40.6	9.5	9.7	102%
Sales of goods and real estate and others	11.7	6.6	1.4	2.0	149%
Segment Revenues	107.2	103.0	25.0	25.4	102%
Segment Expenses	65.5	68.0	16.8	17.3	103%
Segment Profits	42.4	38.0	8.5	10.2	120%
Investment in Direct Financing Leases	431.6	433.9	430.0	429.9	
Installment Loans	411.8	398.6	400.3	383.7	
Segment Assets	1,049.9	1,032.2	1,033.2	1,007.4	
ROA	2.59%	2.50%	2.23%	2.74%	

Appendix(7) Maintenance Leasing

(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Finance revenues	12.1	13.0	3.1	3.5	114%
Operating leases	188.8	187.2	45.8	46.4	101%
Services income	66.8	66.3	17.3	17.3	100%
Segment Revenues	271.7	270.6	67.2	68.3	102%
Segment Expenses	228.7	230.8	57.3	58.2	101%
Segment Profits	42.9	39.8	9.9	9.9	100%
Investment in Direct Financing Leases	245.3	277.5	236.2	282.9	
Investment in Operating Leases	481.0	469.8	459.4	471.8	
Segment Assets	731.3	752.5	700.4	759.6	
ROA	4.10%	3.66%	3.78%	3.58%	

Appendix(8) Real Estate (1)

(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Finance revenues	6.7	2.3	0.4	0.5	122%
Operating leases	60.3	88.2	28.4	16.5	58%
Gains on Rental Property Sales	16.1	49.7	18.2	8.2	45%
Services income	110.6	112.6	26.6	27.9	105%
Sales of goods and real estate and others	13.9	9.0	1.9	1.6	84%
Segment Revenues	191.5	212.1	57.3	46.5	81%
Segment Expenses	154.6	143.1	34.4	35.1	102%
Segment Profits	42.9	72.8	23.6	32.8	139%
Investment in Operating Leases	375.1	298.2	352.4	280.7	
Property under Facility Operations	177.5	185.0	175.8	185.6	
Advances for Investment in Operating Leases	38.5	18.6	30.0	17.2	
Investment in Affiliates	91.0	99.3	90.9	114.1	
Segment Assets	739.6	657.7	705.6	655.9	
ROA	3.62%	7.12%	8.92%	13.66%	

Appendix(9) Real Estate (2)

■ Breakdown of Real Estate Segment Assets

(JPY Bn)

	16.3	17.3	16.6	17.6	Change (YTD)
Rental Property	493.4	378.8	463.2	352.3	93%
Under Lease	406.1	322.1	386.5	308.3	96%
Under Development	87.3	56.7	76.7	44.0	78%
Operating Facilities	168.1	211.2	170.5	213.1	101%
Hotels and Inns	75.3	73.4	76.7	74.4	101%
Golf Courses	53.7	53.9	54.2	54.6	101%
Others	39.1	83.9	39.6	84.1	100%
Others	78.1	67.7	71.9	90.5	134%
Total	739.6	657.7	705.6	655.9	100%

■ Rental Property Sales/Gains

(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Amount of Rental Property Sales	96.4	106.5	40.2	22.8	57%
Gains on Rental Property Sales	16.1	49.7	18.2	8.2	45%

Appendix(10) Investment and Operation



(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Finance revenues	12.6	10.7	2.7	2.2	82%
Gains on investment securities and dividends	10.3	13.0	0.7	3.1	416%
Sales of goods and real estate	718.9	938.4	184.9	339.7	184%
Services income	277.2	299.7	67.5	75.4	112%
Segment Revenues	1,028.4	1,272.0	258.0	422.5	164%
Segment Expenses	983.2	1,224.3	248.8	407.7	164%
Equity in Net Income of Affiliates and others	12.1	37.3	21.7	1.8	8%
Segment Profits	57.2	85.0	31.0	16.7	54%
Installment Loans	76.0	56.4	68.7	58.0	
Investment in Securities	71.7	51.5	67.7	40.2	
Property under Facility Operations	130.6	187.7	153.7	189.3	
Inventories	98.0	112.8	107.0	118.2	
Investment in Affiliates	108.2	71.5	67.5	70.2	
Segment Assets	704.2	768.7	678.6	768.4	
ROA	5.58%	7.88%	12.23%	5.92%	

Appendix(11) Retail



(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Finance revenues	55.3	59.2	14.1	15.3	108%
Life insurance premiums and related investment income	190.8	297.9	37.1	94.0	253%
Services income and others	8.2	11.6	2.8	3.3	119%
Segment Revenues	254.3	368.7	54.0	112.6	208%
Segment Expenses	203.3	295.8	41.5	90.6	218%
Equity in Net Income of Affiliates and others	0.8	0.0	0.0	0.0	-
Segment Profits	51.8	72.9	12.5	22.0	176%
Installment Loans	1,496.4	1,718.7	1,545.8	1,764.7	
Investment in Securities	1,893.6	1,509.2	1,767.0	1,374.0	
Segment Assets	3,462.8	3,291.6	3,384.5	3,201.7	
ROA	0.96%	1.47%	1.00%	1.85%	

Appendix(12) Overseas Business (1)



(JPY Bn)

	FY16.3	FY17.3	17.3 Q1	18.3 Q1	Change (YoY)
Finance revenues	75.0	81.3	18.8	23.4	124%
Gain on investment securities and dividends	16.1	13.3	2.3	6.0	268%
Operating leases	92.0	88.5	22.7	26.2	115%
Services income	250.1	216.7	55.1	56.6	103%
Segment Revenues	526.0	458.9	125.8	115.8	92%
Segment Expenses	452.2	386.8	100.6	89.9	89%
Equity in Net Income of Affiliates and others	69.0	40.2	4.7	17.0	362%
Net Income Attributable to Redeemable Noncontrolling Interests	-7.8	-2.3	-2.0	-0.3	-
Segment Profits	142.9	112.3	29.9	42.9	144%
Investment in Direct Financing Leases	351.0	357.7	313.0	363.3	
Installment Loans	407.9	457.4	386.0	480.2	
Investment in Operating Leases	375.4	420.2	329.4	456.2	
Investment in Securities	383.2	465.9	318.3	433.6	
Investment in Affiliates	305.7	332.2	296.0	332.0	
Segment Assets	2,284.7	2,454.2	2,067.8	2,508.3	
ROA	4.26%	3.24%	3.75%	4.72%	

Appendix(13) Overseas Business (2)

■ Overseas Business segment assets breakdown

(JPY Bn)

By Region	16.3	17.3	16.6	17.6	Change (YTD)
The Americas	787.2	879.3	693.9	825.1	94%
Asia and Australia	592.3	593.6	553.4	609.1	103%
Greater China	260.3	315.6	239.3	318.5	101%
Middle East and Europe	49.3	36.5	45.1	35.1	96%
Robeco	340.9	317.3	304.3	339.3	107%
Aircraft and Ships	242.9	296.8	219.8	371.4	125%
Others	11.8	15.0	12.0	9.8	66%
Total	2,284.7	2,454.2	2,067.8	2,508.3	102%

Appendix(14) Business Portfolio in Three Categories



		Finance	Operation					Investment		
Categories	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
Segments	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, Guarantee				Life insurance, HLIKK				
	Overseas Business		Leasing, Loan			Asset Management, Houlihan Lokey			Bond investment	Aircraft, Ships

Appendix (15) Usage of Shareholders' Equity

- ✓ Employed capital ratio* is controlled within the range meeting single A rating requirement
- ✓ Secure c.20% as a capital buffer for financial soundness and flexibility

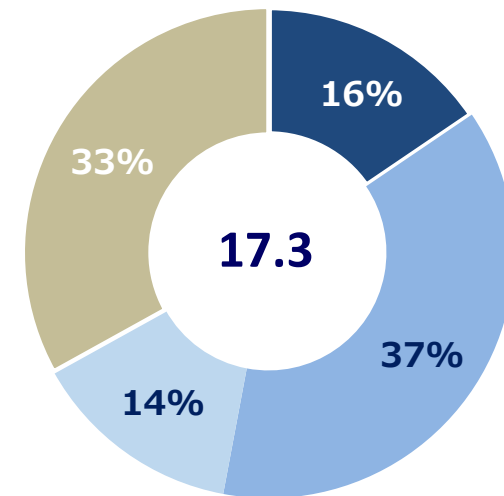
*ORIX calculation (Risk Capital/Shareholders' Equity)

Employed Capital Ratio

(JPY Bn)

	17.3
Shareholders' Equity	2,508
Employed	2,135
Unemployed	373
Employed Capital Ratio	85.1%

Breakdown of Capital Employed



■ Finance ■ Operation(Ex-Robeco) ■ Robeco ■ Investment

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- 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.
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