



ORIX

Answers,  
Custom Fit.

# ORIX Corporation

Consolidated Financial Results

For the Consolidated Fiscal Year Ended March 31, 2021

Makoto Inoue

Member of the Board of Directors  
Representative Executive Officer  
President & CEO

May 13, 2021

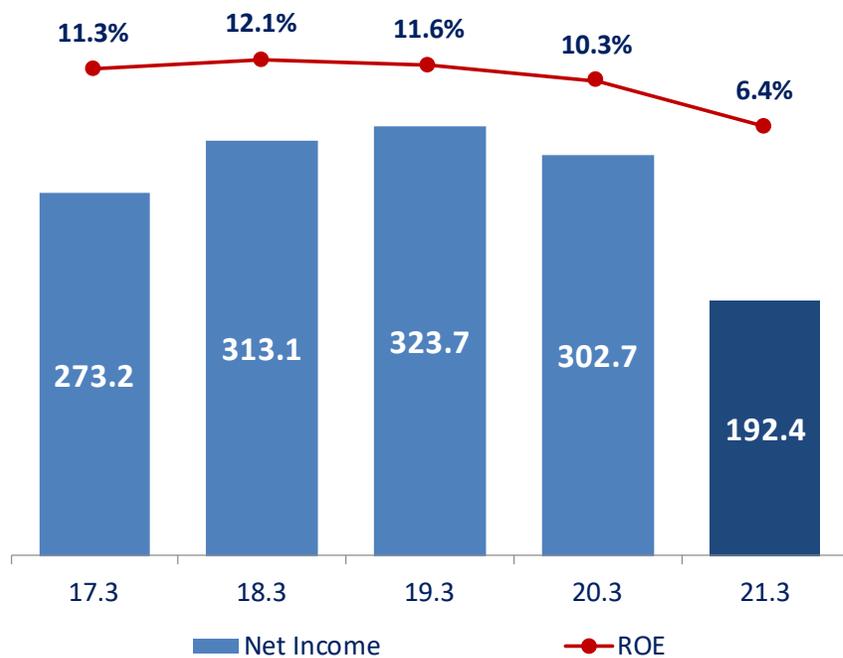
(TSE: 8591; NYSE: IX)

# Overview Net Income / ROE

- ✓ 192.4 JPY Bn in net income (down 36% YoY). ROE at 6.4%
- ✓ Net income bottomed at 43.8 JPY Bn in Q2, improving to 48.2 JPY Bn in Q3 and 50.4 JPY Bn in Q4

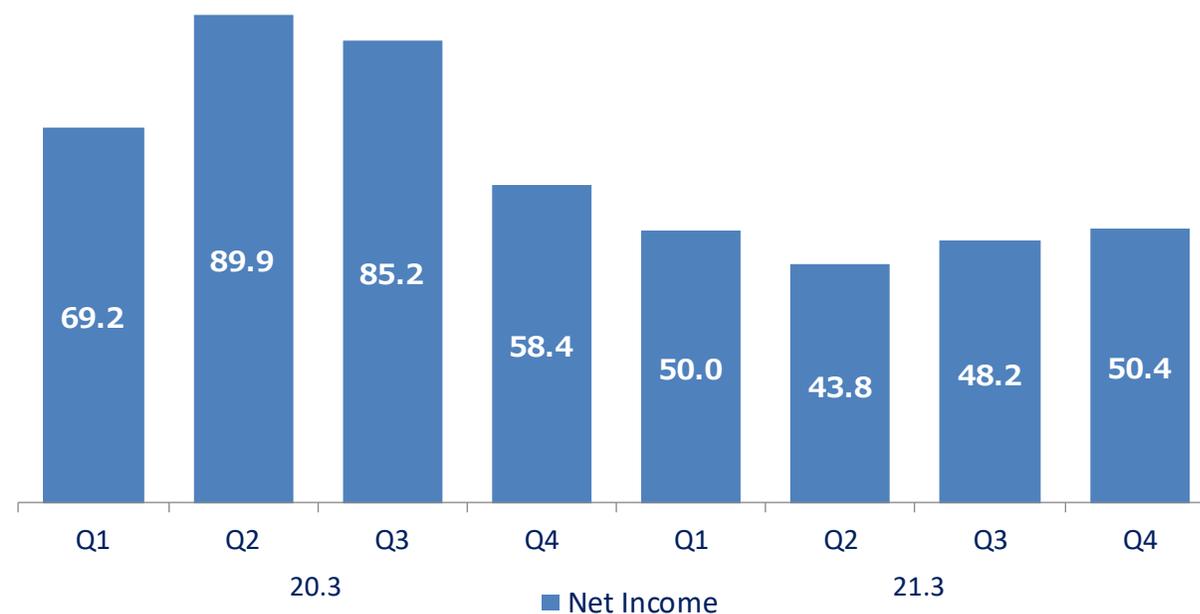
Net income\* and ROE

(JPY Bn)



Quarterly Net Income Trends

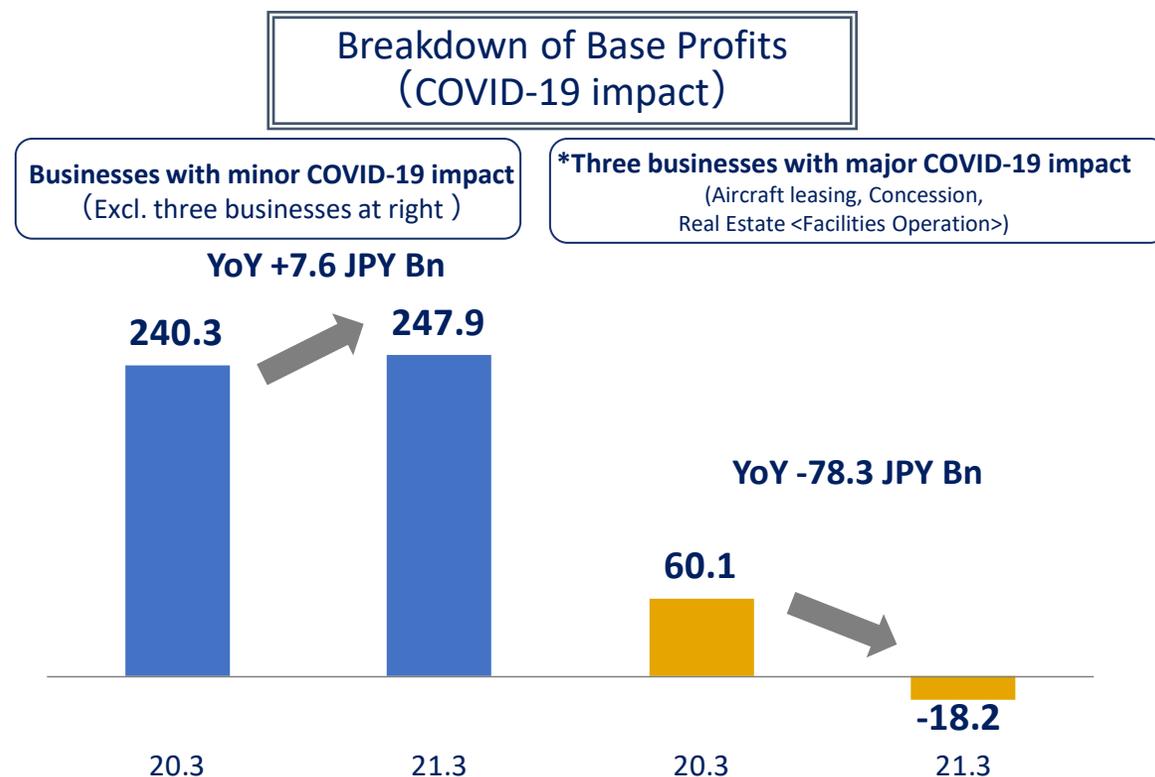
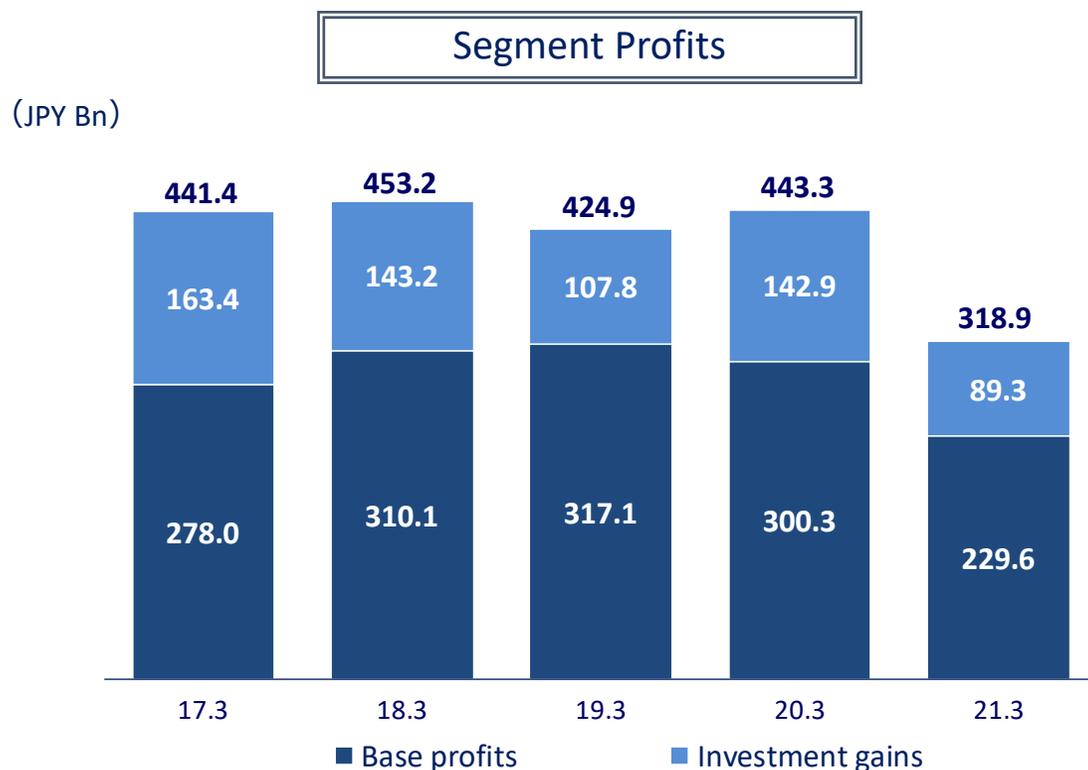
(JPY Bn)



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

# Overview Breakdown of FY21.3 Segment Profits

<b>FY 21.3 Segment profits</b> <b>318.9 JPY Bn</b> down by 28% YoY (-124.4 JPY Bn)	<b>Base Profits</b> <b>229.6 JPY Bn</b> , down by -23.5% YoY (-70.7 JPY Bn) Base profits increased +7.6 JPY Bn YoY, excluding *three businesses most impacted by COVID-19 (-78.3 JPY Bn)
	<b>Investment Gains**</b> <b>89.3 JPY Bn</b> , down by -37.5% YoY (-53.6 JPY Bn) Investment gains down YoY, but secured a certain level in Real Estate, US, Asia and other areas despite COVID-19



\*\*Primary sources of investment gains: gains on sales of rental property, subsidiaries and affiliates, investment securities, etc.  
 Please see P44 for breakdown of Investment Gains

# Overview Impact of COVID-19



✓ Caution still warranted, but total negative COVID-19 impact has shrunk steadily since Q2

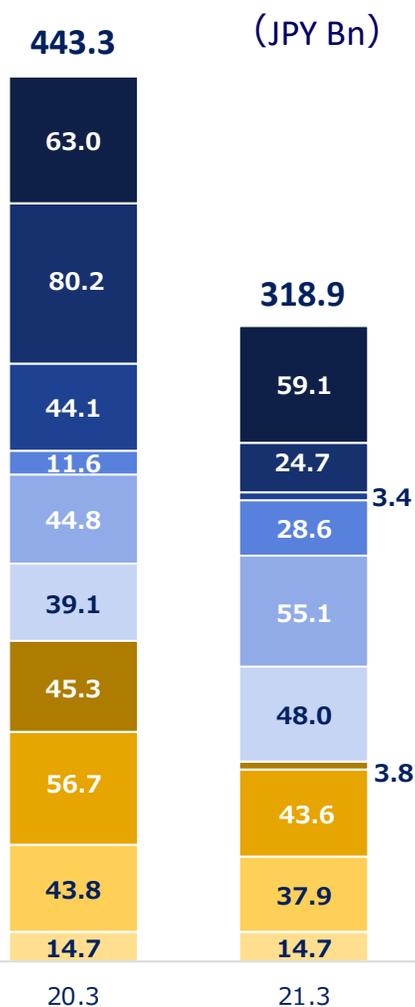
(Figures are based on segment profits)

Business	Highlight	Impact amount (Q1)	Impact amount (Q2)	Impact amount (Q3)	Impact amount (Q4)
① Real Estate (Facilities Operation)	Hotels and inns recovered in Q2 and Q3, but occupancy rates declined again in Q4 due to second state of emergency	-6 JPY Bn	-3 JPY Bn	-2 JPY Bn	-5 JPY Bn
② Aircraft Leasing	With increased vaccination, domestic air traffic is recovering in some markets, but caution still warranted	-5 JPY Bn	-12 JPY Bn	-8 JPY Bn	-8 JPY Bn
③ Concession	Losses narrowed in Q4 due to recovery in domestic flights (Oct-Dec results booked with 3-month lag), but outlook for inbound tourism remains challenged	-4 JPY Bn	-9 JPY Bn	-8 JPY Bn	-6 JPY Bn
④ Corporate Financial Services and Maintenance Leasing	Corporate Financial Services, Auto, Rentec started improving from Q1	-5 JPY Bn	-2 JPY Bn	-0	-0
⑤ ORIX USA	Provisions for credit losses (mainly for energy-related assets) were booked in Q1 but decreased since Q2. No COVID-19 impact in Q3 and Q4	-9 JPY Bn	-1 JPY Bn	-0	-0
⑥ Other (Life Insurance, etc.)	Reversal of liability reserve of ex-Hartford Life Insurance was a positive for Q1, but no big change from Q2	+5 JPY Bn	-	-	-
<b>Total</b>		<b>Appx. -24 JPY Bn</b>	<b>Appx. -27 JPY Bn</b>	<b>Appx. -18 JPY Bn</b>	<b>Appx. -19 JPY Bn</b>

# Segment Performance (1) Segment Profits



- ✓ Most segments posted ongoing profit recovery since Q2  
(H2 segment profits up 13% vs. H1, Q4 profits in six segments up QoQ)

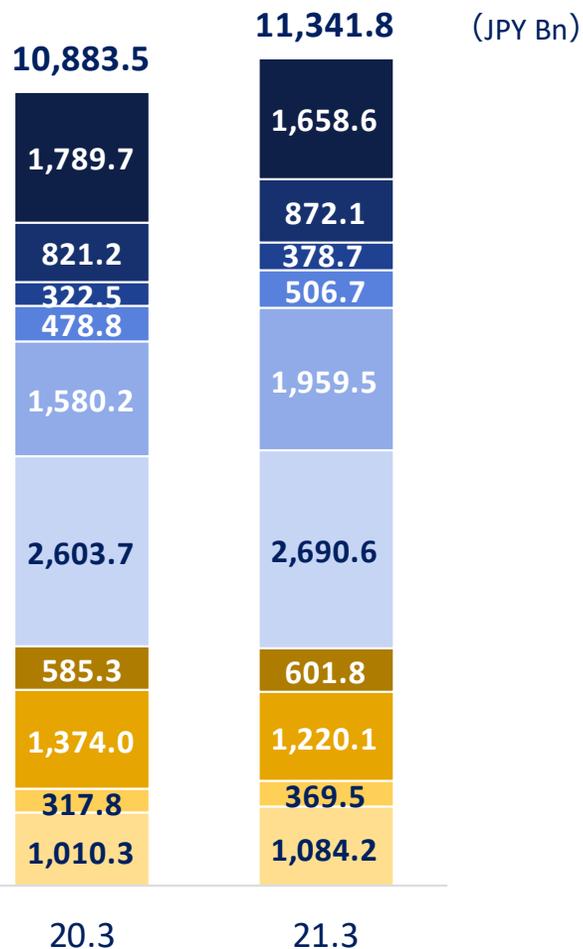


		Q1	Q2	Q3	Q4	21.3	QoQ	YoY	Highlight
1	Corporate Financial Services and Maintenance Leasing	10.2	14.7	16.2	18.0	59.1	1.7	-3.8	Profits increased sequentially from Q1 to Q4
2	Real Estate	1.5	8.8	5.2	9.1	24.7	3.8	-55.5	Profits fell YoY due to fewer large investment gains, lower occupancy rate at hotels & inns
3	PE Investment and Concession	4.5	-0.4	0.2	-0.8	3.4	-1.0	-40.7	Concession profits fell YoY mainly on fewer international passengers PE investment remained solid
4	Environment and Energy	8.1	6.0	3.7	10.8	28.6	7.1	16.9	Profits increased significantly, valuation gains and gains on sales of some businesses recorded
5	Insurance	18.0	16.8	15.9	4.5	55.1	-11.5	10.3	Non-face-to-face sales channels made positive contributions due to COVID-19. Profits increased YoY while Q4 profits lower due to forex impact
6	Banking and Credit	11.5	12.8	12.7	11.1	48.0	-1.6	8.9	Both Banking and Credit profits held steady. Profits increased YoY
7	Aircraft and Ships	7.3	-2.6	-1.6	0.6	3.8	2.2	-41.5	Segment impacted by decline in lease revenue & investment gains, lower profit contributions from Avolon
8	ORIX USA	0.2	11.2	16.1	16.1	43.6	-0.1	-13.1	Profits recovered significantly from Q2 due to reduction of provisions for credit costs and improvement in valuation gain from funds
9	ORIX Europe	6.7	9.6	9.6	12.0	37.9	2.3	-5.9	AUM recovered strongly. Profits increased YoY excluding the gain on sale of RobecoSAM's rating division
10	Asia and Australia	7.4	-2.8	3.7	6.3	14.7	2.5	0.0	PE investment recorded impairments, but subsidiaries remained stable
<b>Total</b>		<b>75.4</b>	<b>74.1</b>	<b>81.9</b>	<b>87.5</b>	<b>318.9</b>	<b>5.6</b>	<b>-124.4</b>	—

# Segment Performance (2) Segment Assets

- ✓ Corporate Financial Services and ORIX USA remain cautious about credit deals, assets down YoY
  - ✓ Assets increased in Environment and Energy, PE Investment due to execution of new investments
- Steady growth in new policies fueled growth in Insurance segment assets

(JPY Bn)



		21.3	YTD	ROA	Highlight
1	Corporate Financial Services and Maintenance Leasing	1,658.6	-131.1	2.4%	Installment loan origination decreased due to careful selection of investment and loan projects
2	Real Estate	872.1	50.9	2.0%	Segment assets rose on investments in logistics facilities, etc.
3	PE Investment and Concession	378.7	56.2	0.7%	Assets increased due to new PE investments
4	Environment and Energy	506.7	27.9	4.0%	Assets increased on completed acquisition of 21.6% of Greenko's outstanding shares
5	Insurance	1,959.5	379.4	2.1%	Investment securities higher on increase in new policies
6	Banking and Credit	2,690.6	86.9	1.2%	Installment loans in Banking increased
7	Aircraft and Ships	601.8	16.5	0.4%	Assets in Aircraft business decreased due to sale of aircrafts, while assets in Ships increased
8	ORIX USA	1,220.1	-153.9	2.3%	Investment loans declined with off-balance sheet CLO issuance, asset levels strategically reduced
9	ORIX Europe	369.5	51.7	7.6%	AUM increased on better markets. Completed acquisition of 70% of Gravis Capital Management's outstanding shares
10	Asia and Australia	1,084.2	74.0	1.0%	Assets decreased in Southeast Asia where COVID-19 impact is large, while assets increased in China, Korea where impact is smaller
<b>Total</b>		<b>11,341.8</b>	<b>458.2</b>	<b>1.7%</b>	—

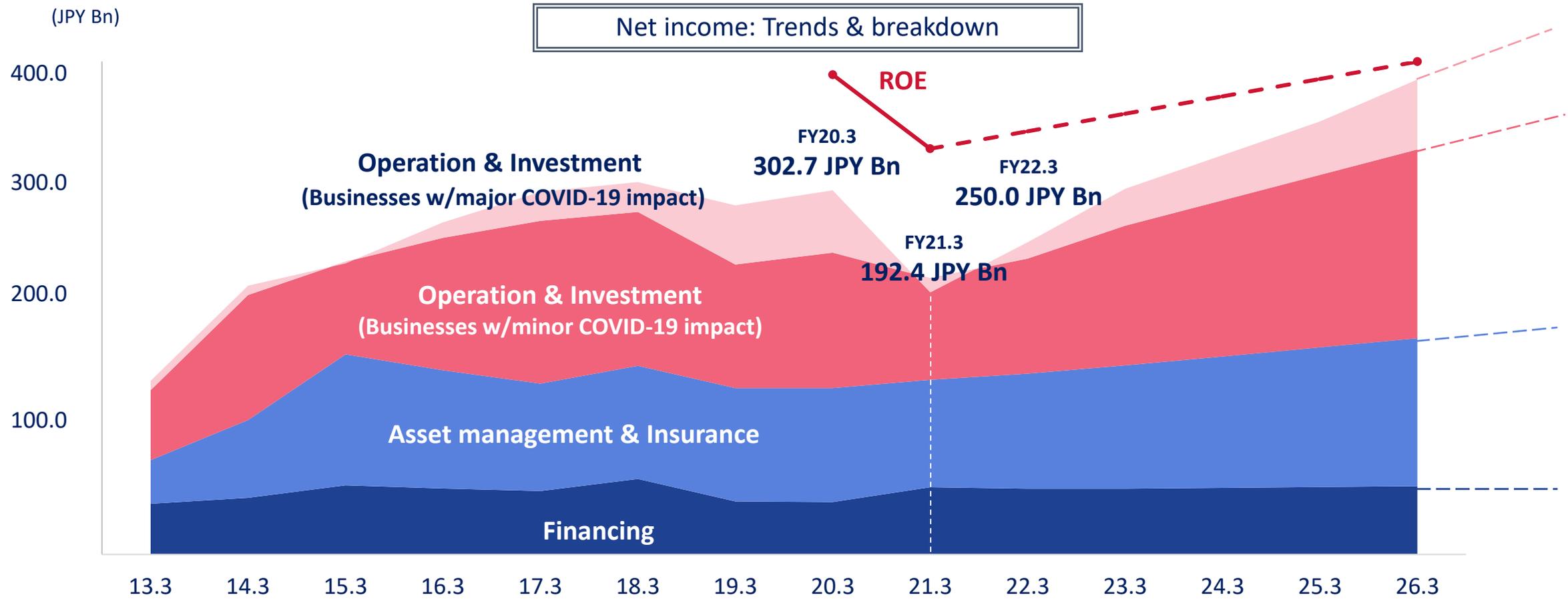
# Looking Back over FY 21.3

	FY 21.3 H1 (Nov 2020)	FY 21.3 (May 2021)	FY 22.3 Forecast (May 2021)
Net income (FY)	190.0 JPY Bn forecasted	192.4 JPY Bn	250.0 JPY Bn
Shareholder return policy	<ul style="list-style-type: none"> <li>• Full-year dividend of 76 JPY per share or 50% payout ratio, whichever higher</li> <li>• Share repurchase plan: 44.2 JPY Bn (Resumption of buyback program*<sub>1</sub>)</li> </ul>	<ul style="list-style-type: none"> <li>• Full-year dividend of 78 JPY per share (50% payout ratio)</li> <li>• Share repurchase: 54.3 JPY Bn (10.1 JPY Bn acquired in Apr, May 2020 + 44.2 JPY Bn*<sub>1</sub>)</li> </ul>	<ul style="list-style-type: none"> <li>• Full-year dividend of 78 JPY per share (H1 DPS of 39 JPY)</li> <li>• Share repurchase: 50.0 JPY Bn (Total shareholder return ratio of appx. 57%*<sub>2</sub>)</li> </ul>
Financial soundness	Maintain financial base suitable for A credit rating	Maintain financial base suitable for A credit rating	Maintain financial base suitable for A credit rating
New investments	Appx. 200.0 JPY Bn in H1	Appx. 500.0 JPY Bn in FY21.3	Focus primarily on Environment & Energy, Asset management, PE Investment, logistics facilities

\*1: Resumption of buyback program approved in FY20.3 (44.2 JPY Bn remaining of 100.0 JPY Bn) \*2 Assuming net profit of 250.0 JPY Bn

# Outlook Beyond FY22.3

- ✓ Forecast FY22.3 net income of 250.0 JPY Bn  
Aim to quickly return to net income of 300.0 JPY Bn and achieve 400.0 JPY Bn in medium to long term
- ✓ ROE: Returning to ROE of 11% or higher is management's top priority



\*Please see page 43 for a breakdown of each category

# Focus Area: Energy & Environment businesses

- ✓ Through Elawan Energy, began full-scale development of renewable energy business in Europe
- ✓ Exploring options for renewable energy fund launch through U.K. alternative asset manager Gravis Capital Management

## Total Pipeline Project Value\*<sub>1</sub>



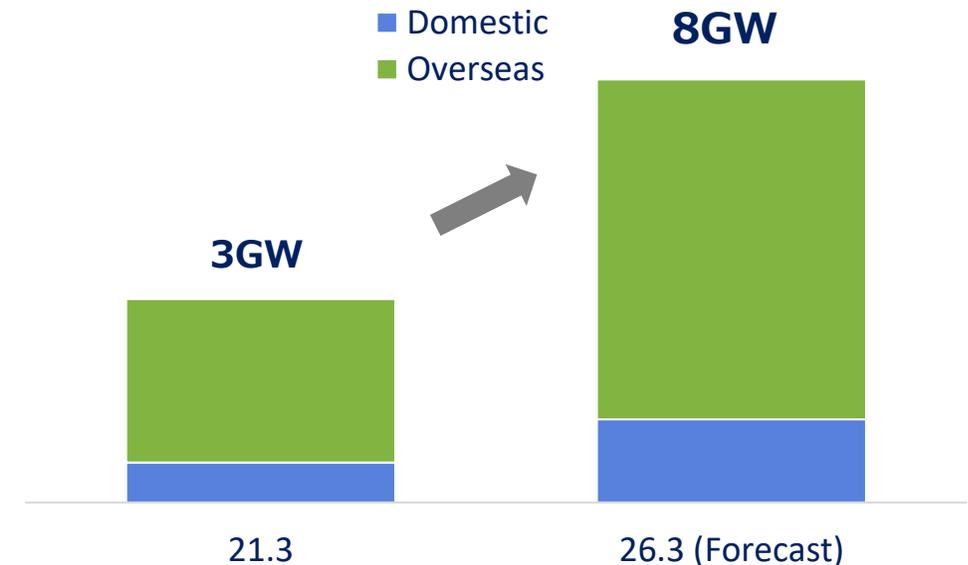
Total pipeline for  
two companies:  
1.6 JPY Tn

[Overseas]  
Ormat Technology 100 JPY Bn

[Domestic]  
Dry biogas power generation facility 6.1 JPY Bn,  
geothermal power generation 18 JPY Bn, and others 80 JPY Bn

\*1 Figure includes estimated costs for future energy & environment business projects, and does not reflect ORIX's ownership ratio. Projects at initial stages of consideration are also included in value, and most will be funded using project financing

## Renewable Energy Capacity Outlook\*<sub>2</sub>



\*2 Reflects ORIX ownership ratio

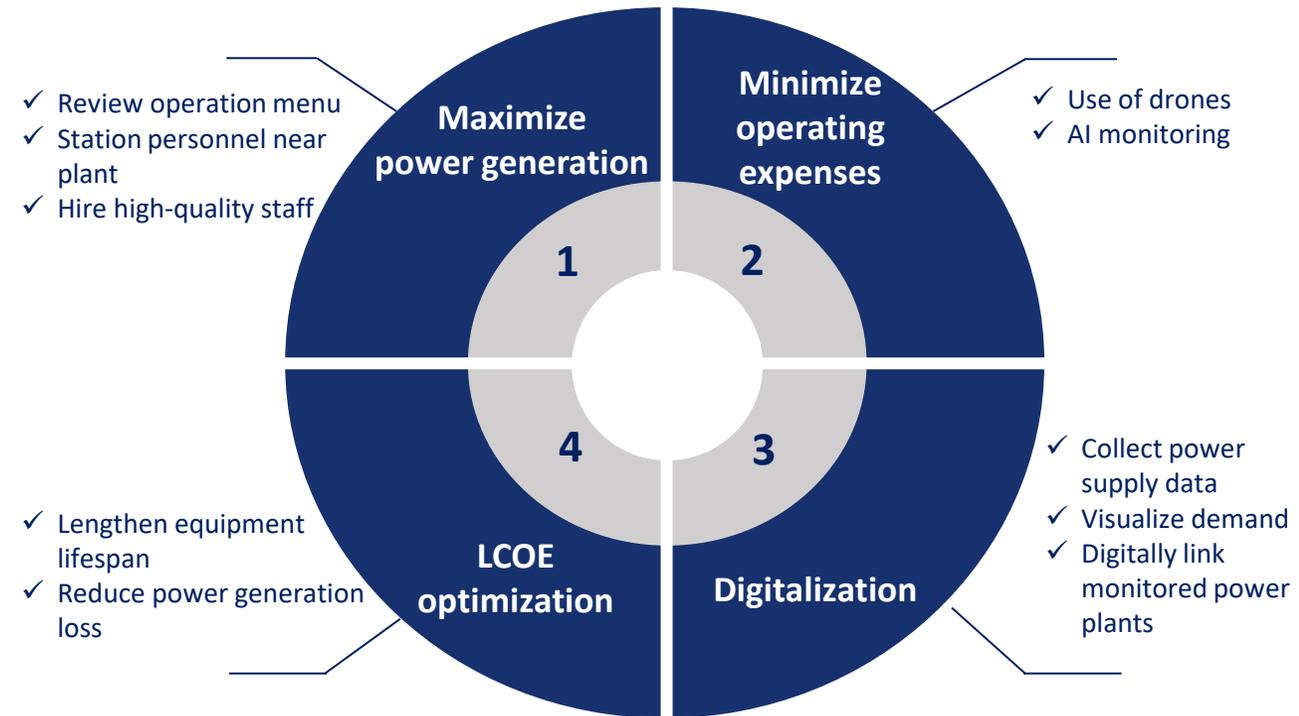
# Focus Area: Energy & Environment businesses

- ✓ ORIX currently operates appx. 870 MW of solar energy capacity within Japan
- ✓ Established subsidiary dedicated to management and operation of solar plants in June 2018
- ✓ Service provision to third-party projects will also start from FY22.3 in addition to the services offered to ORIX-owned mega solar plants

## Dedicated Subsidiary ORIX Renewable Energy Management

- Established June 2018
- Minimizes panel degradation rate at ORIX-owned domestic mega solar plants (83 sites / 430 MW)
- Expect total revenue scale of tens of billions of JPY through duration of FIT contracts
- Contributes to a carbon neutral society by maximizing power generating capacity using digital technology, optimizing LCOE\*

\*LCOE (Levelized Cost of Electricity)



# Focus Area: Others

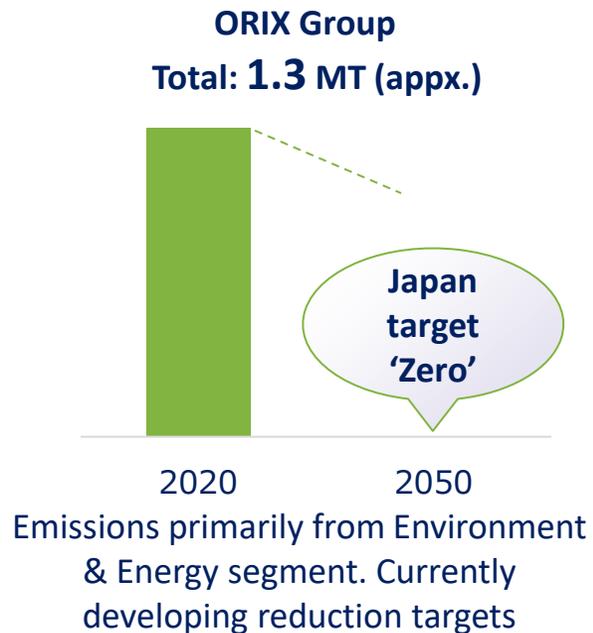
- ✓ Beyond energy & environment, primary focus is on PE Investment, asset management, logistics investment & data centers
- ✓ Preparation for MICE-IR proposal underway, incorporating considerations for COVID-19 impact and CO<sub>2</sub> reductions

Area	Overview
① PE Investment	<ul style="list-style-type: none"> <li>• Achieved investment gains of more than 200.0 JPY Bn in past several years</li> <li>• In addition to business succession support efforts, examining large-scale M&amp;A in Japan, U.S., China, and Europe</li> </ul>
② Asset Management	<ul style="list-style-type: none"> <li>• Group-wide assets under management totaled 50 JPY Tn as of end-Mar 2021 (Acquired Boston Capital, Gravis Capital Management in FY21.3)</li> <li>• Going forward, will consider additional new acquisitions if timing is right</li> </ul>
③ Logistics investment & data centers	<ul style="list-style-type: none"> <li>• Continue to develop new logistics centers, mainly in Tokyo metropolitan area (150.0 JPY Bn pipeline secured) (Will maintain our “build, operate, and sell” business model in the near term)</li> <li>• Studying new, energy-efficient data center projects as digitalization accelerates</li> </ul>

# ORIX's ESG Policies: Environment

- ✓ Currently developing Group-wide CO<sub>2</sub> reduction targets, with planned announcement by autumn 2021
- ✓ Accelerating global expansion of renewable energy business, sustainable real-estate development efforts

## CO<sub>2</sub> Emissions



## Specific Reduction Measures

### Environment & Energy

#### CO<sub>2</sub> Reduction Contributions

**3.0 MT scale**

(FY20.3, incl. equity method affiliates)

- Accelerating global expansion of renewable energy business
- Continue to provide value in recycling & waste management fields

### Real Estate

Cutting CO<sub>2</sub> emissions through facility upgrades at owned properties

×

Development projects with a focus on sustainability

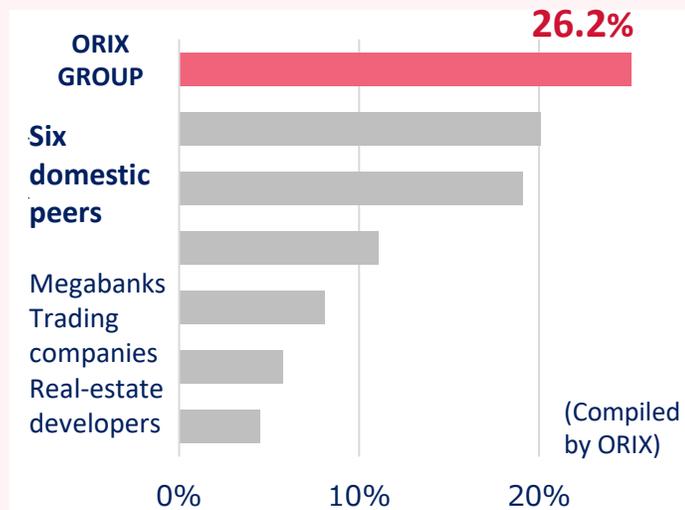
- Promote third-party certification of buildings, incl. CASBEE®

# ORIX's ESG Policies: Social

- ✓ Recognize promotion of diversity and inclusion to be a source of business growth
- ✓ ORIX can play a major role in delivering value to society

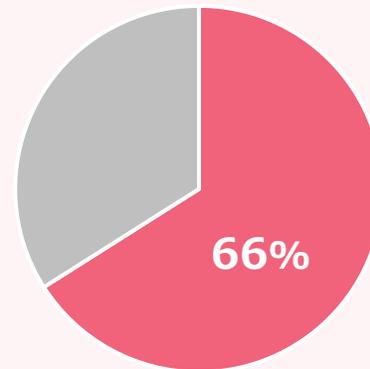
## Ratio of female managers

(As of Mar 31, 2021)



First mover in promoting women's advancement. Selected as constituent in MSCI Japan Empowering Women Index (WIN). Continue to strengthen career support measures

## Ratio of mid-career hires



(FY20.3 ORIX Group 10 Domestic Firms)

Mid-career hires comprise 60-70% of new hires, helping ORIX secure diverse human resources to support evolution in business portfolio

## Delivering value to society

Revitalization of regional hot-springs resorts

Business succession support

Car sharing, telematics

ORIX Bank estate planning products (incl. donations to NPOs, local governments)

etc.

By building relationships with clients, ORIX contributes to revitalization of regional economies and SMEs

# ORIX's ESG Policies: Governance

- ✓ ORIX's Outside Directors possess a wealth of specialized skills and diverse experience, with multiple Directors having management experience at other corporations
- ✓ Began discussions from FY22.3 to link ESG metrics to Director compensation

## Board Composition

Outside Directors (6)    Internal Directors (6)



**Ratio of Female Directors: 17%**

(As of Mar 31, 2021)

Outside Directors come from a variety of diverse professional backgrounds, skill matrix disclosure planned for FY22.3

## Committee Composition – % of Outside Directors

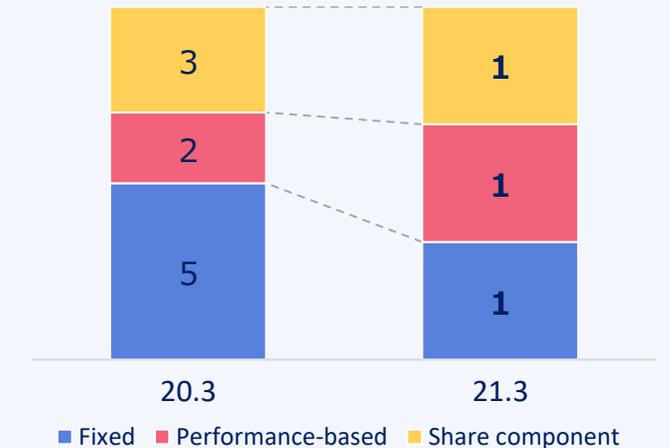


**Audit Committee**

(From June 2021)

All three Committees will be comprised entirely of Outside Directors, as part of efforts to continually improve Board execution

## Compensation System for Directors and Executive Officers



(Please see US SEC Filings and Integrated Report for details)

Increased ratio of performance-based and share component of compensation to achieve stronger alignment with shareholders

**(blank)**

# Segment Performance

# Segment Performance (1)

## Corporate Financial Services and Maintenance Leasing

\*As figures less than 0.1 JPY Bn are rounded off, the total of individual business unit figures does not necessarily match segment figures



**Segment Profits: 59.1 JPY Bn**

YoY -3.8 JPY Bn (-6%)

- ✓ Corporate Financial Services, Auto, Rentec's profit fell in Q1, but all recovered sequentially from Q2
- ✓ Auto: Profits increased YoY with selection of projects that emphasize profitability, strong used car market, etc.

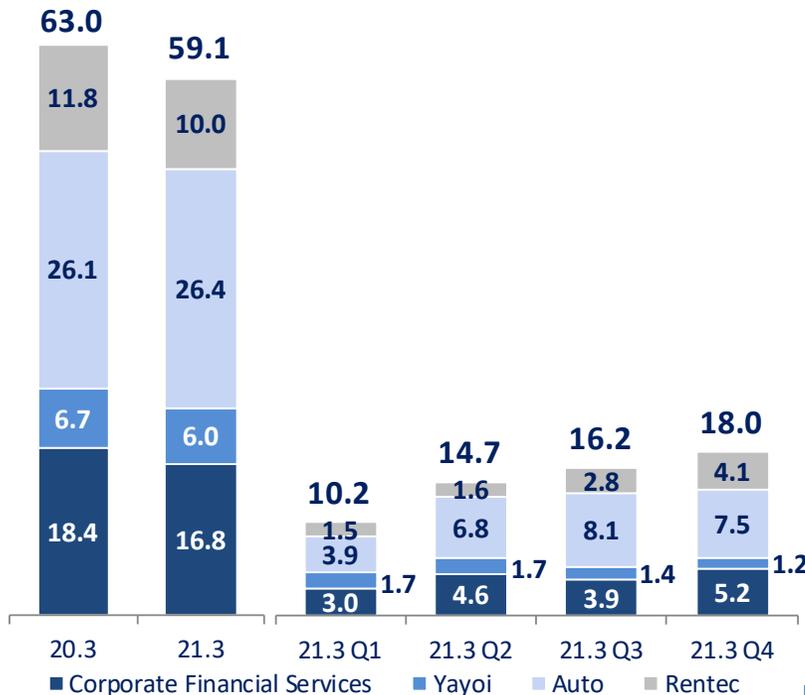
**Segment Assets: 1,658.6 JPY Bn**

YTD -131.1 JPY Bn (-7%)

- ✓ Continue to strategically reduce exposure to Corporate Financial Services given price competition in zero-interest rate environment

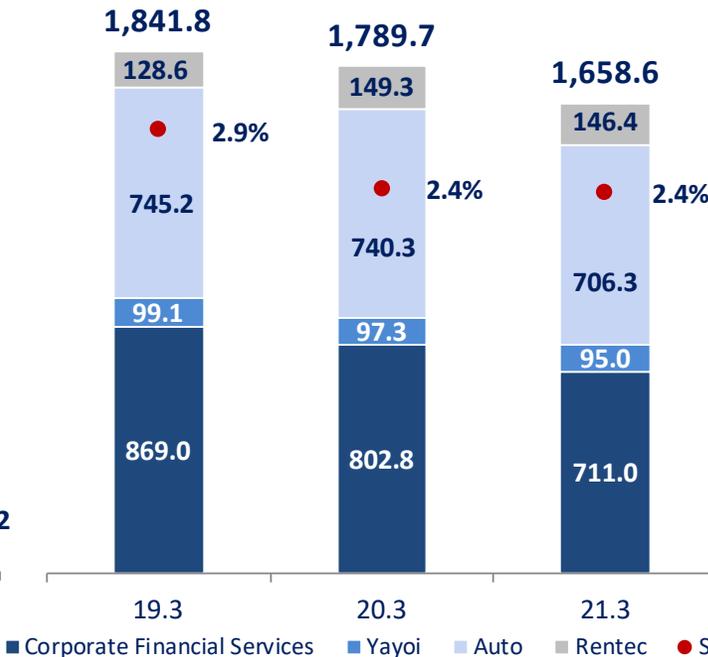
(JPY Bn)

### Segment Profits



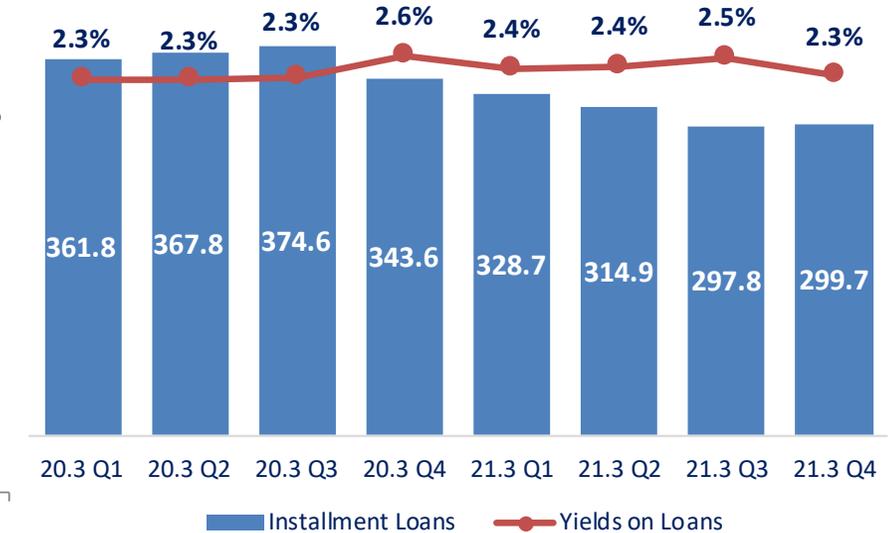
(JPY Bn)

### Segment Assets and ROA



(JPY Bn)

### Yields on loans



Yields on loans = finance revenues classified as loan interest ÷ average balance of installment loans

# Corporate Financial Services and Maintenance Leasing

Main business: Finance and fee business; leasing and rental of automobiles, electronic measuring instruments and IT-related equipment; Yayoi

Corporate Financial Services	Auto	Yayoi						
Utilize domestic ORIX Group network to provide solutions for SMEs	Automobile leasing, rental and car sharing	<b>No. 1 Share</b> of Package & Cloud Accounting Software Market for SMEs / Sole Proprietors						
 <p><b>Corporate Financial Services</b> Core Sales Platform for the Group</p>	<div data-bbox="996 558 1595 743" style="border: 2px solid blue; padding: 5px; text-align: center;"> <b>Vehicles under management</b>  <b>1,416,000</b> </div> <table border="1" data-bbox="963 753 1633 1153"> <tr> <td style="text-align: center;">Leased vehicles</td> <td style="text-align: center;"><b>Industry No. 1</b> *1</td> </tr> <tr> <td style="text-align: center;">Rental cars</td> <td style="text-align: center;"><b>Industry No. 2</b> *1</td> </tr> <tr> <td style="text-align: center;">Car-share vehicles</td> <td style="text-align: center;"><b>Industry No. 3</b> *1</td> </tr> </table>	Leased vehicles	<b>Industry No. 1</b> *1	Rental cars	<b>Industry No. 2</b> *1	Car-share vehicles	<b>Industry No. 3</b> *1	<div data-bbox="1676 551 2033 908"> <p><b>Sale of accounting software licenses</b> <b>No.1</b> (65.8%*2)</p> </div> <div data-bbox="2066 551 2415 908"> <p><b>Share of cloud accounting software users</b> <b>No.1</b> (56.7%*3)</p> </div> <p>■ Yayoi □ Others</p> <p><b>Sales: 20.27 JPY Bn</b> <b>Paid maintenance support contracts: 740,000</b></p> <p style="text-align: right;">(as of end-Sep 2020)</p>
Leased vehicles	<b>Industry No. 1</b> *1							
Rental cars	<b>Industry No. 2</b> *1							
Car-share vehicles	<b>Industry No. 3</b> *1							

\*1 Research by ORIX Auto (as of Mar 31, 2021)

\*2 Yayoi product share of total business software market, compiled by ORIX from third-party market surveys. (Oct 1, 2019-June 30, 2020)

\*3 According to Cloud Accounting Software Use Survey by MM Research Institute, Apr 2020.

# Segment Performance (2) Real Estate

**Segment Profits : 24.7 JPY Bn**

YoY -55.5 JPY Bn (-69%)

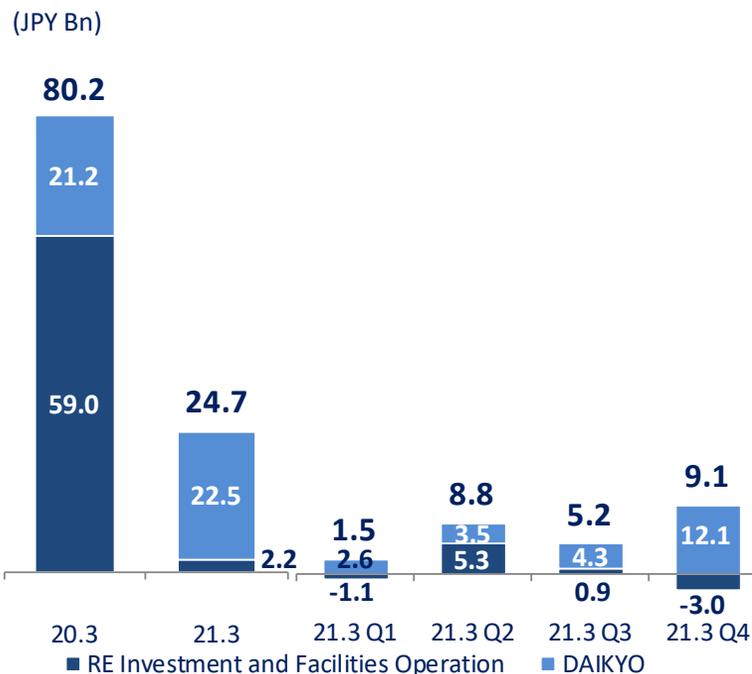
- ✓ RE Investment and Facilities Operations: Profit fell YoY due to temporary closures of hotels & inns. Fewer large investment gains posted vs. FY20.3 also led to a decrease in profits
- ✓ DAIKYO: Condominium management business was strong, segment profits up YoY

**Segment Assets : 872.1 JPY Bn**

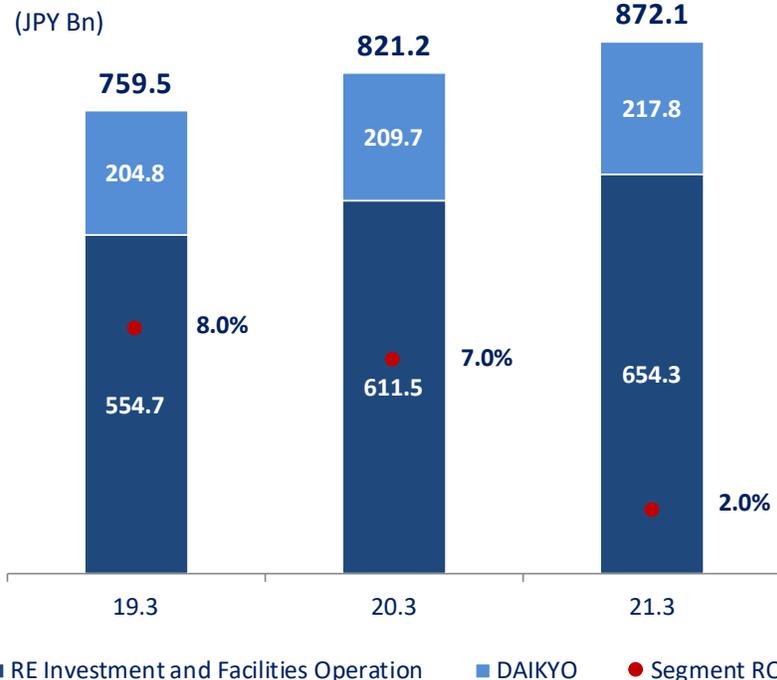
YTD +50.9 JPY Bn (+6%)

- ✓ Assets increased mainly due to investment in logistics facilities
- ✓ AUM in Real Estate Asset Management increased steadily

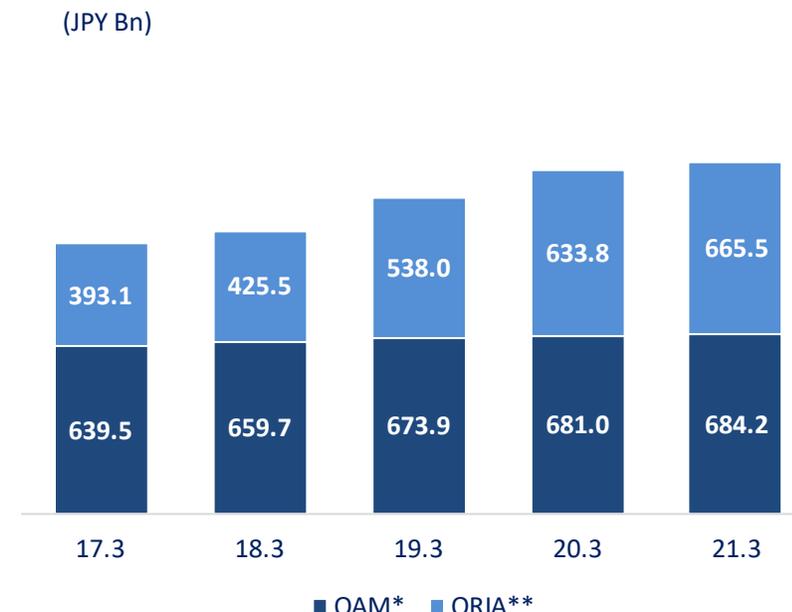
**Segment Profits**



**Segment Assets and ROA**



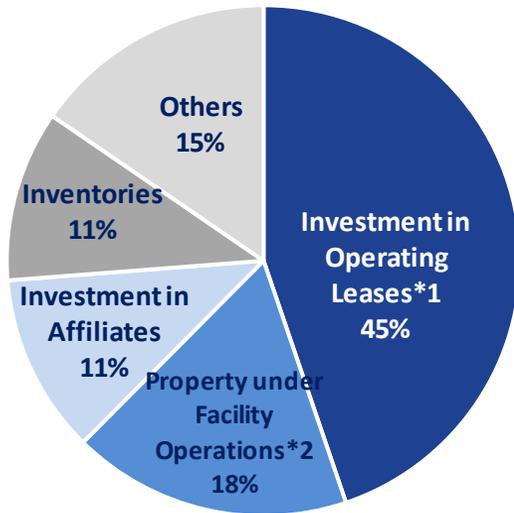
**AUM**



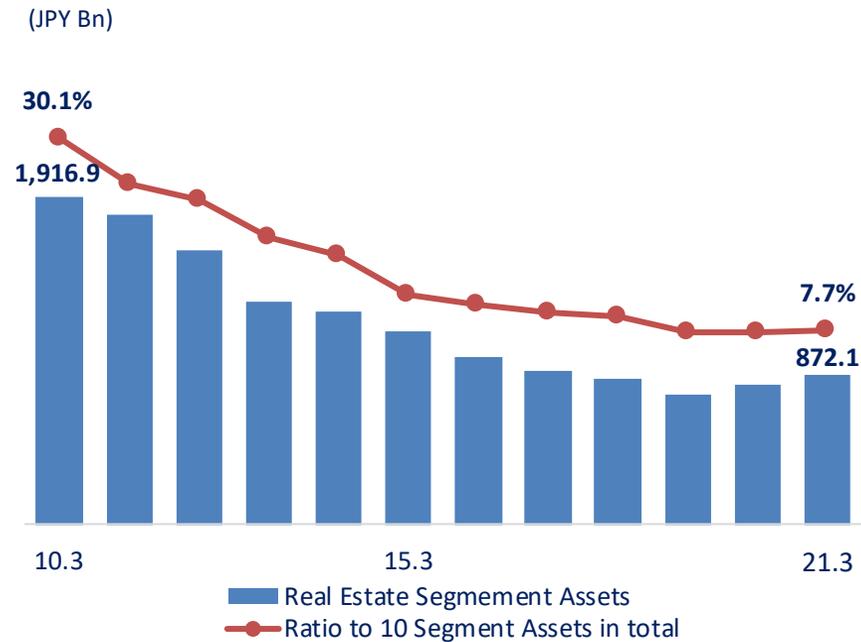
\* ORIX Asset Management Corporation (J-REIT)  
 AUM for February are shown as the AUM for March  
 \*\* ORIX Real Estate Investment Advisors Corporation (Private Real Estate Fund)

Main Business : Real estate development, rental and management; facility operations; real estate asset management

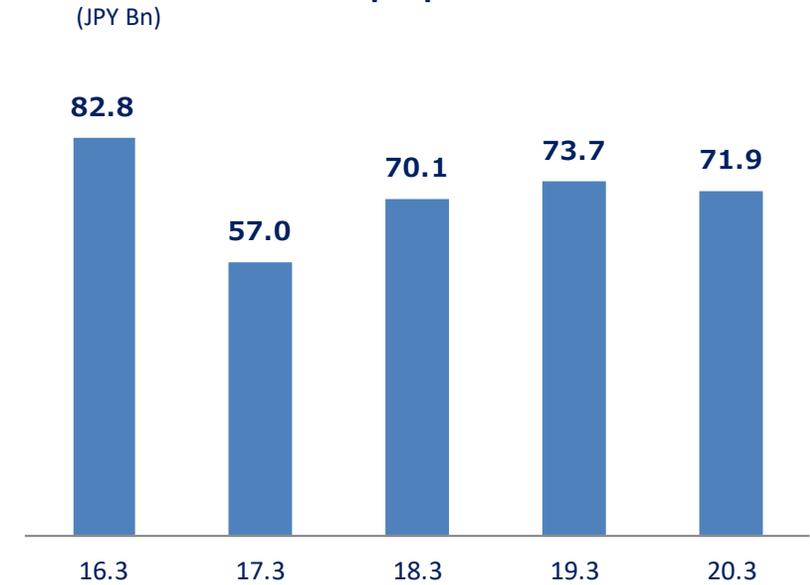
**Segment Assets  
(as of Mar 31, 2021)**



**Segment Asset Trends**



**Unrealized gains on rental properties\***



\*1: Includes advances for finance lease and operating lease  
\*2: Includes advances for property under facility operations

\*Includes rental properties in segments other than the Real Estate segment  
Not including property in facility operations

# Segment Performance (3) PE Investment and Concession

**Segment Profits: 3.4 JPY Bn**

YoY -40.7 JPY Bn (-92%)

- ✓ PE Investment: Profits from investees increased due to newly executed investments, but profits were down on absence of year-earlier investment gains from PE investment exits
- ✓ Concession: Number of passengers at Kansai Airports down (Kansai Airports' Oct-Dec 2020 losses narrowed due to domestic flight recovery)

**Segment Assets: 378.7 JPY Bn**

YTD +56.2 JPY Bn (+17%)

- ✓ PE Investment: One new investment in Q1\*<sup>1</sup>, three new investments in Q3\*<sup>2</sup>

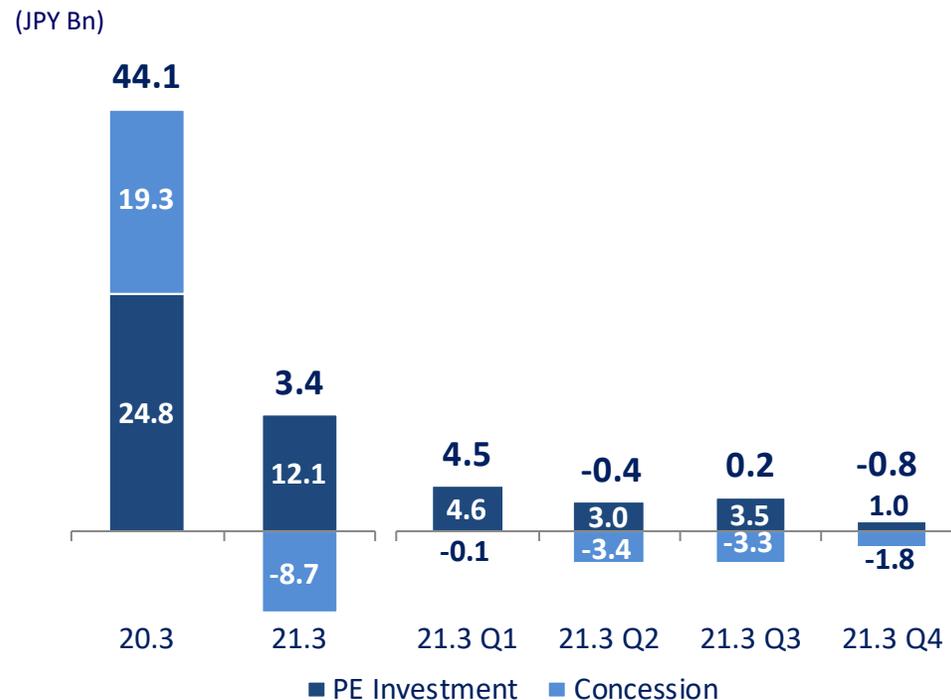
\*1: DOJIN IYAKU-KAKO (Producer and seller of prescription and OTC drugs)

\*2: Informatix (Developer of GIS smart map systems)

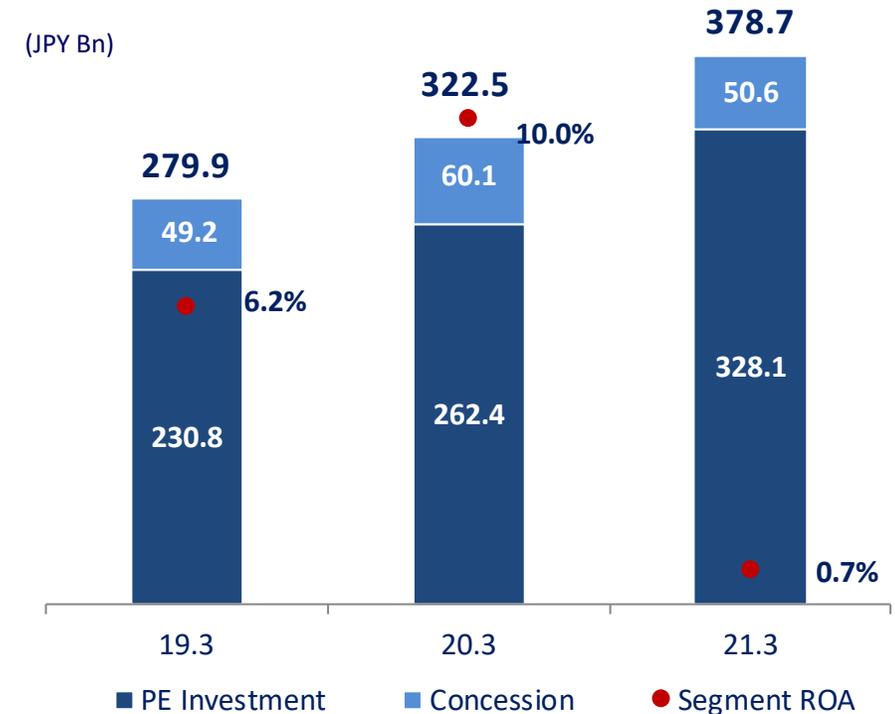
SUGIKO GROUP (Major scaffolding, temporary construction materials rental company)

APRESIA Systems (Network equipment manufacturer)

**Segment Profits**



**Segment Assets and ROA**



# PE Investment and Concession

- ✓ Currently invested in 17 companies (as of Mar 31, 2021); aim to develop new business segments for ORIX

## Investment Track Record

Leveraging our broad network and experience, we have established a superior investment track record

Target companies	Investment span
Small - Mid Cap Focus (EV: 20-30 JPY Bn)	3 - 5 years or longer (per project)
Total investments since 2012	Track record
26 companies	30% IRR average achieved in 8 exits since 2012

## What makes us unique?

ORIX has not only sufficient funding ability but also possesses significant operating expertise in a variety of industries. While aiming to increase the value of the investee company, we have flexibility in terms of investment horizon and the investment structure

<b>Flexibility</b>	<b>ORIX is not a Private Equity Fund; we invest our own funds.</b> We are flexible both in terms of investment horizon and investment structure
<b>Hands-on</b>	<b>We establish a true partnership with the investee company,</b> often sending management staff to the investee and utilizing our entire network to help grow the business
<b>Synergies</b>	<b>We have an extensive domestic sales network</b> in Japan. We are involved in a diverse portfolio of businesses and will look to extract synergies
<b>Focus Areas</b>	<b>We are focused on areas which are expected to grow and have social significance incl :</b> logistics and rental, IT and information services, healthcare and dairy farming. In these focus areas, we will also consider owning the investee company for a longer period of time and do roll-up transactions for further growth, seeking synergies between the investees

# Segment Performance (4) Environment and Energy

**Segment Profits: 28.6 JPY Bn**

YoY +16.9 JPY Bn (+146%)

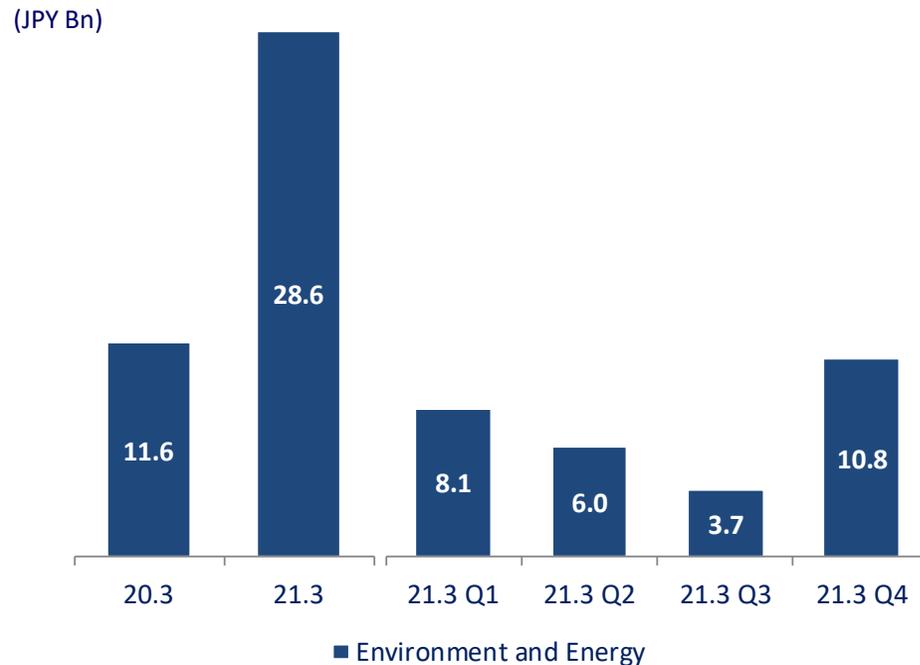
- ✓ Segment profits increased significantly
- ✓ Valuation gains and investment gains booked in Q1 and Q4 for India's wind power business

**Segment Assets: 506.7 JPY Bn**

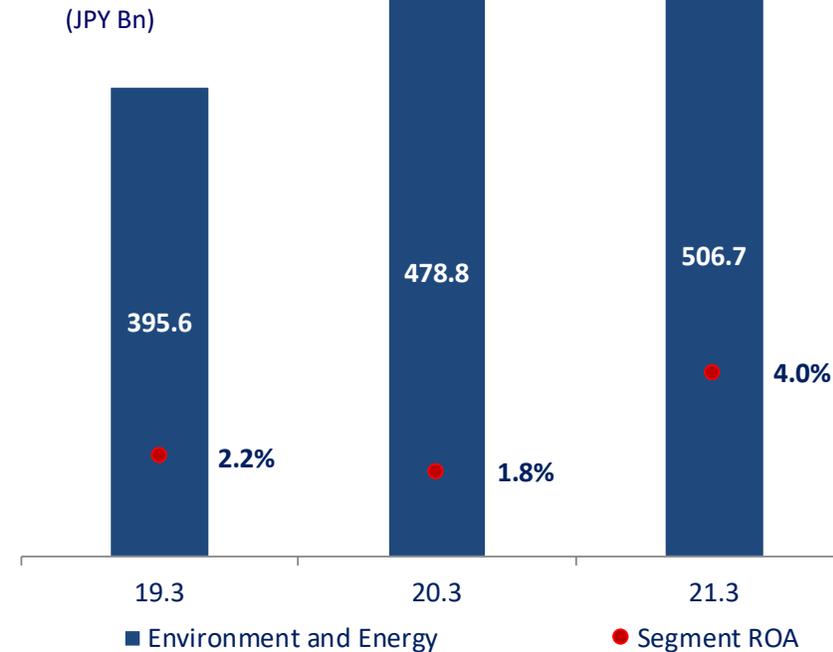
YTD +27.9 JPY Bn (+6%)

- ✓ Acquired 21.6% of Greenko Energy's outstanding shares
- ✓ Agreed to acquire 80% of Elawan's outstanding shares (aim to complete share acquisition during FY22.3)

**Segment Profits**

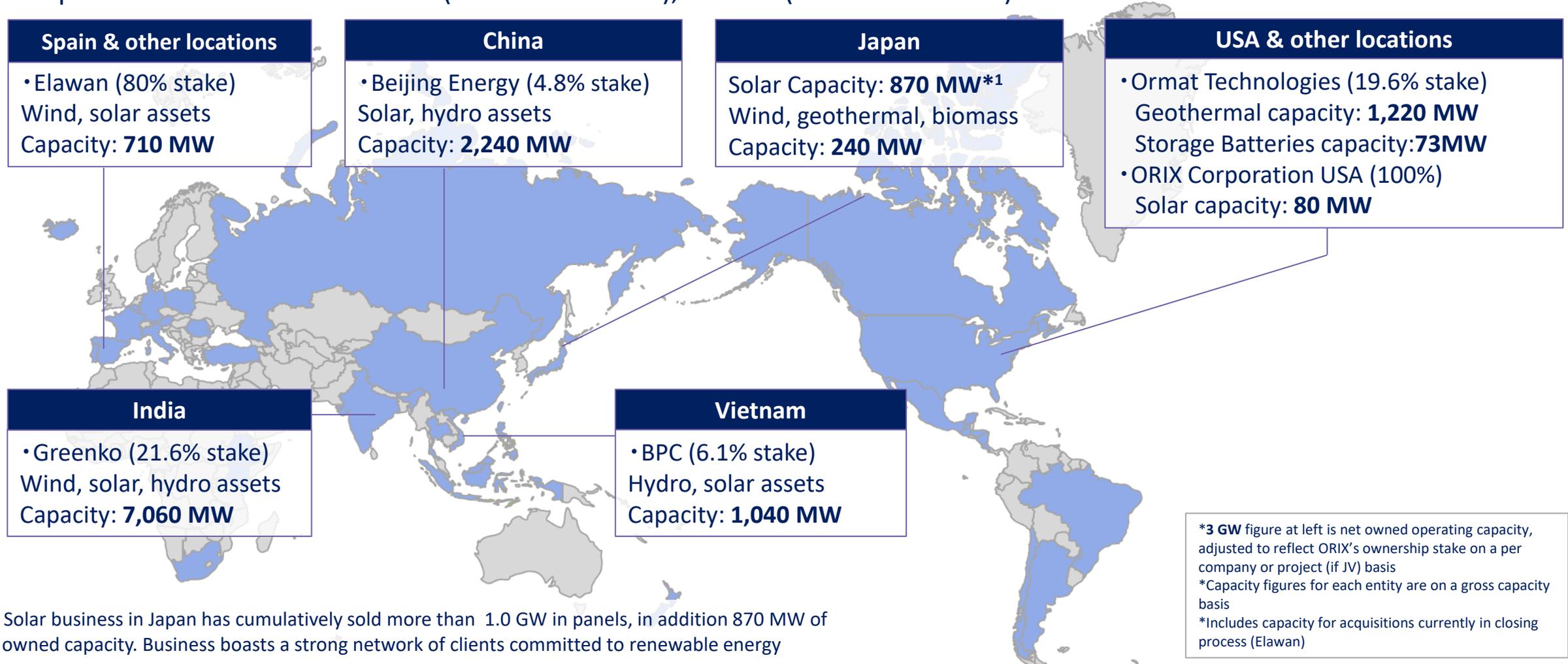


**Segment Assets and ROA**



# Global Renewable Energy Portfolio

- ✓ Total net owned operating capacity of **3 GW\*** worldwide
- Around 2 GW of projects under construction, primarily at Elawan, Greenko
- Pipeline assets include Greenko (more than 6 GW), Elawan (more than 9 GW)

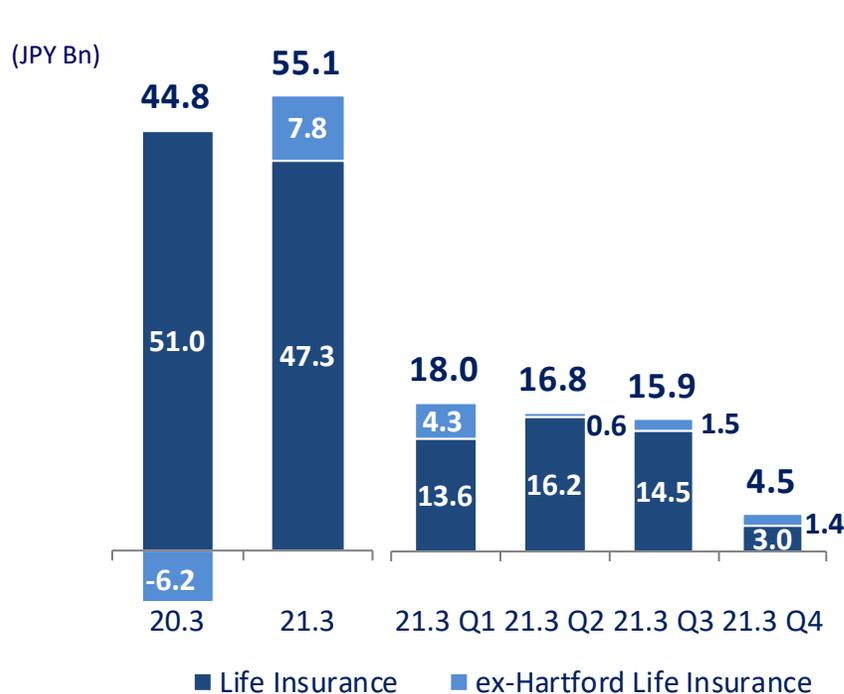


\*1 Solar business in Japan has cumulatively sold more than 1.0 GW in panels, in addition 870 MW of owned capacity. Business boasts a strong network of clients committed to renewable energy

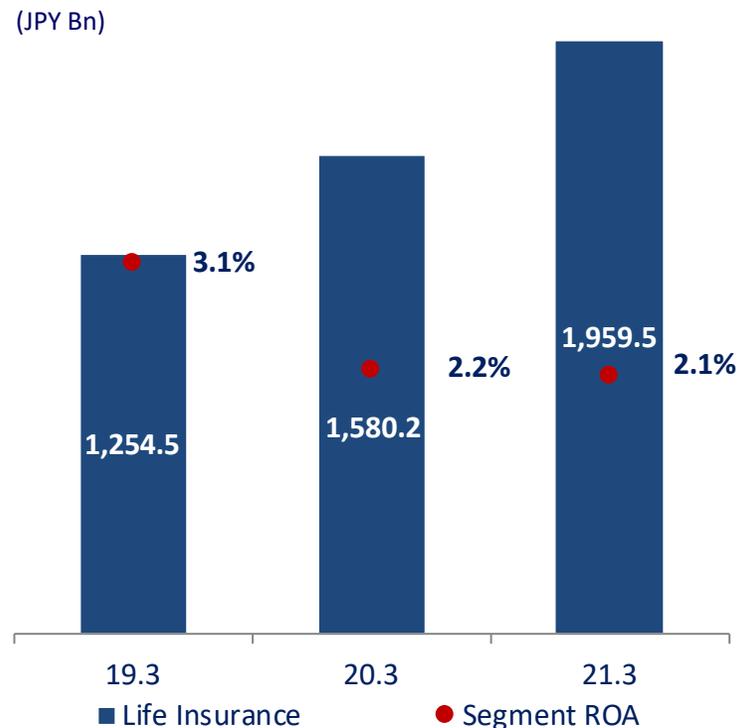
# Segment Performance (5) Insurance

<b>Segment Profits: 55.1 JPY Bn</b>	YoY +10.3 JPY Bn (+23%)	<b>Segment Assets: 1,959.5 JPY Bn</b>	YTD +379.4 JPY Bn (+24%)
<ul style="list-style-type: none"> <li>✓ Non-face-to-face channels posted growth, segment recorded stable profits despite COVID-19</li> <li>✓ Q4 profit fell QoQ due to exchange rate fluctuations in foreign currency-denominated insurance</li> </ul>		<ul style="list-style-type: none"> <li>✓ Investment securities increased due to increase in new policies</li> </ul>	

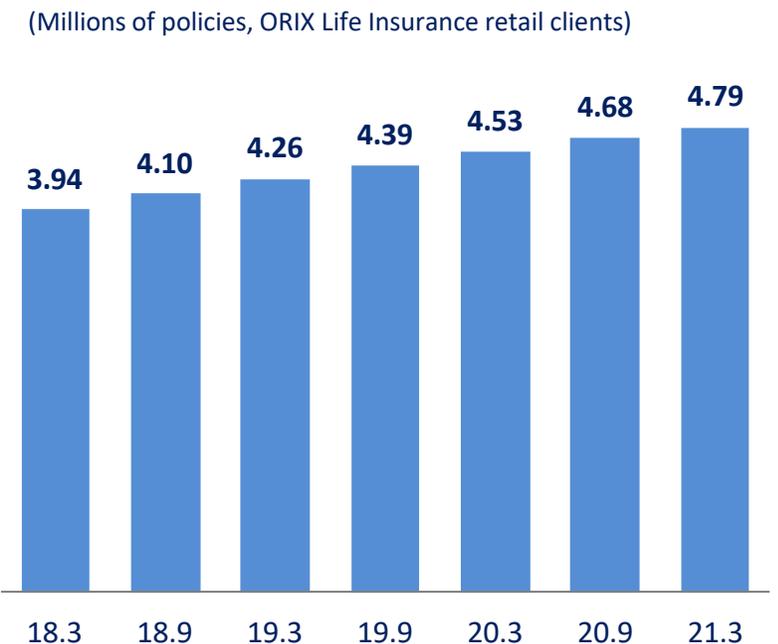
**Segment Profits**



**Segment Assets and ROA**



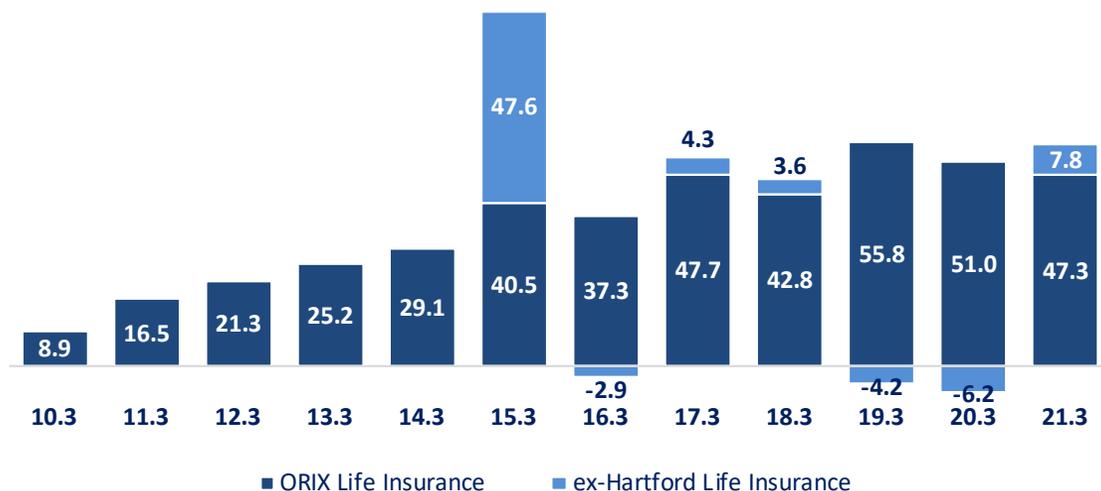
**Number of Insurance Policies in Force**



- ✓ Omni-channel strategy utilizing four sales channels - agency, banks and other financial institutions, mail order and Internet sales, and in-person sales by ORIX Life reps
- ✓ Pioneering Internet / mail-order sales channel first launched in 1997, strong performer during COVID. Industry-leader in share of direct channel sales
- ✓ Built well-balanced portfolio, moving away from third-sector dominant mix with introduction of new first-sector products

### Segment Profits\*

(JPY Bn)

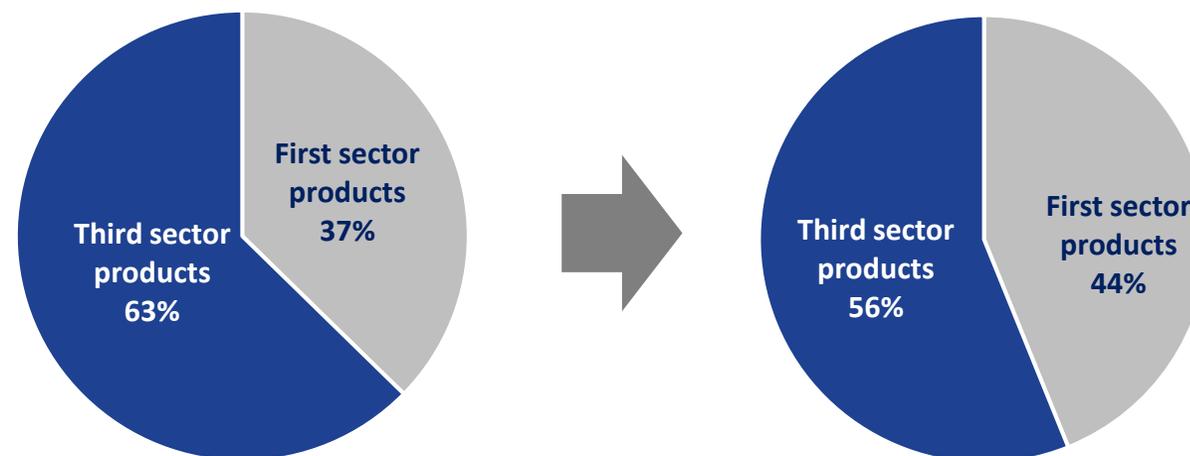


\*Segment Profits in FY15.3 includes bargain purchase gains through the acquisition of ex-Hartford Life Insurance

### Product Portfolio Mix Trends (Annualized premiums for policies in force)

FY14.3

FY21.3

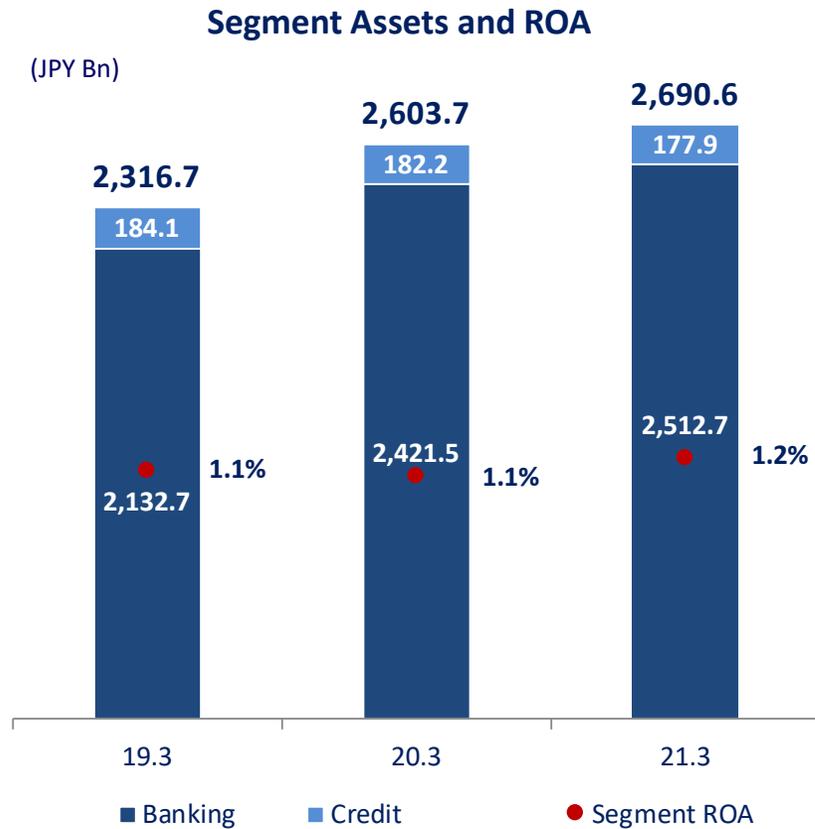
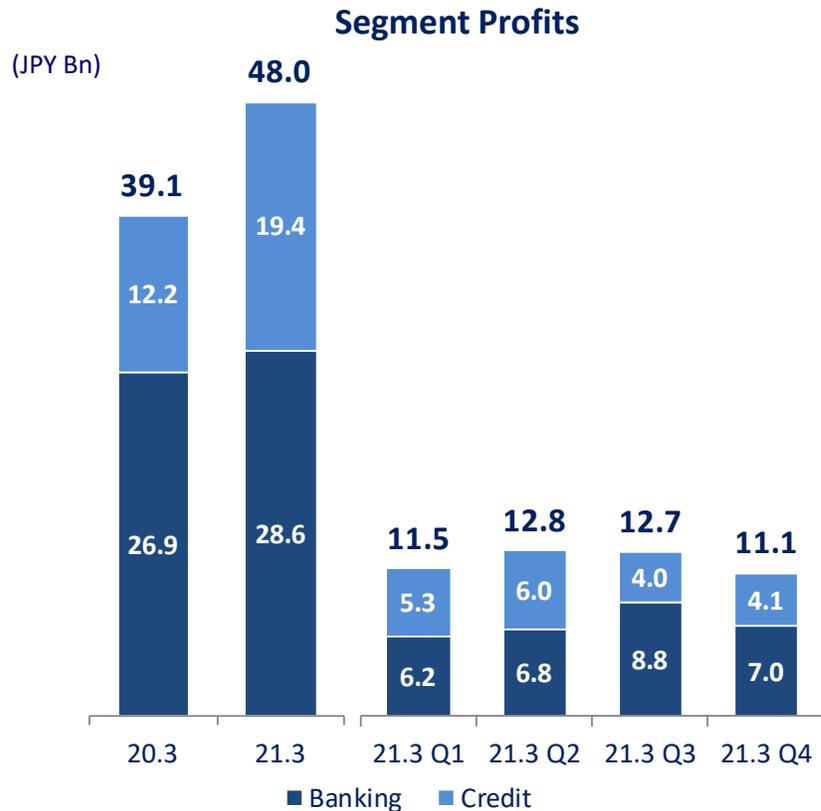


- First sector products (Death protection, etc.)
- Third sector products (Health insurance, Cancer insurance, etc.)

# Segment Performance (6) Banking and Credit



<b>Segment Profits: 48.0 JPY Bn</b>	YoY +8.9 JPY Bn (+23%)	<b>Segment Assets: 2,690.6 JPY Bn</b>	YTD +86.9 JPY Bn (+3%)
<ul style="list-style-type: none"> <li>✓ Banking: Profits remain steady on continued asset growth</li> <li>✓ Credit: Profits increased YoY due to reversals of provisions for losses</li> </ul>		<ul style="list-style-type: none"> <li>✓ Banking: Profits higher on greater demand for real-estate investment loans utilizing non-face-to-face marketing capabilities</li> <li>✓ Credit: Assets flat YoY</li> </ul>	



### Gross Margin and Yield\*

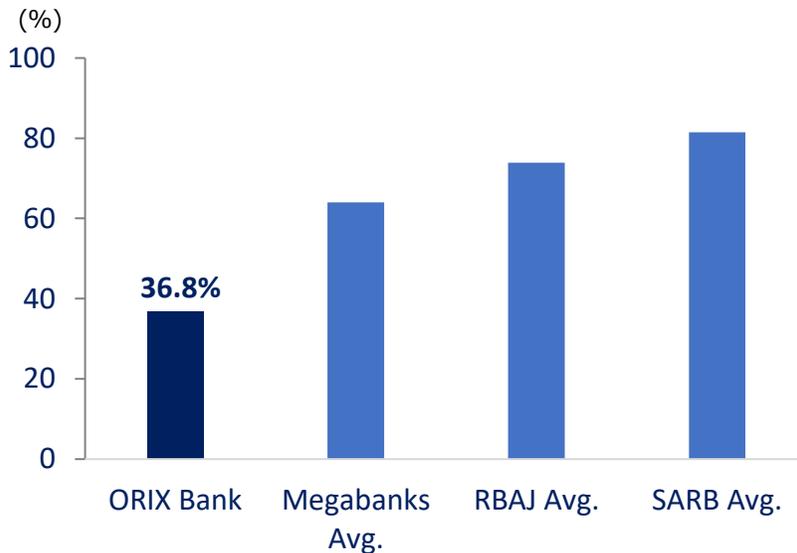
(as of Mar 31, 2021)

ORIX Bank (non-consolidated)	
Investment Yield	1.99%
Funding Yield	0.18%
<b>Gross Margin of Capital</b>	<b>1.81%</b>

\*ORIX Bank's financial results disclosure materials (JGAAP)  
 Investment Yield= Interest on investment accounts (mostly interest on loans)/Average outstanding balance  
 Funding Yield= Interest on interest-bearing liabilities/Average outstanding balance  
 Gross Margin of Capital = Investment Yield - Funding Yield

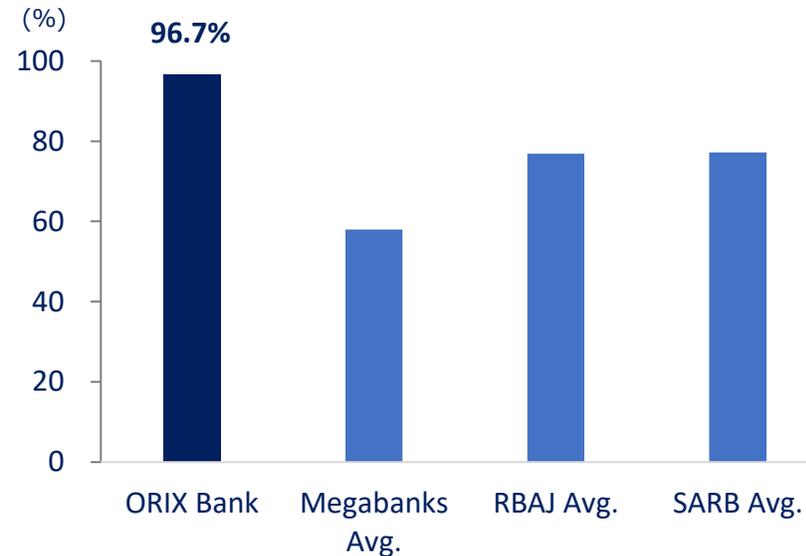
- ✓ ORIX Bank's differentiated service menu focused on real-estate investment loans helps it realize a high ROE, ROA compared to peers
- ✓ Low-cost business model with no branches, ATMs, or settlement services delivers a low expense ratio and a high loan-to-deposit ratio

**FY20.3 Expense Ratio**



\*In FY21.3, ORIX Bank's Expense Ratio was 37.5%

**FY20.3 Loan to Deposit Ratio**



\*In FY21.3, ORIX Bank's LDR was 96.8%

**FY20.3 ROE/ROA\*1**

	ROE	ROA
ORIX Bank	9.4%	0.8%
Megabanks Avg.	5.9%	0.2%
RBAJ Avg.*2	3.0%	0.1%
SARB Avg.*3	1.8%	0.1%

\*1 Japanese Bankers Association. Compiled by ORIX from FY2019 *Financial Statements of All Banks* report. Expense ratio calculated by dividing operating expenses by gross business profit

\*2 Regional Bank Association of Japan average

\*3 Second Association of Regional Banks average

\*In FY21.3, ORIX Bank's ROE was 9.3%, ROA was 0.7%

# Segment Performance (7) Aircraft and Ships



**Segment Profits: 3.8 JPY Bn**

YoY -41.5 JPY Bn (-92%)

- ✓ Aircraft leasing, Avolon: Profits decreased on drop in lease revenue, investment gains (Lease revenue decreased partly due to impact from sale of aircraft in previous FY)
- ✓ Both Avolon and ORIX Aircraft leasing business profits increased QoQ

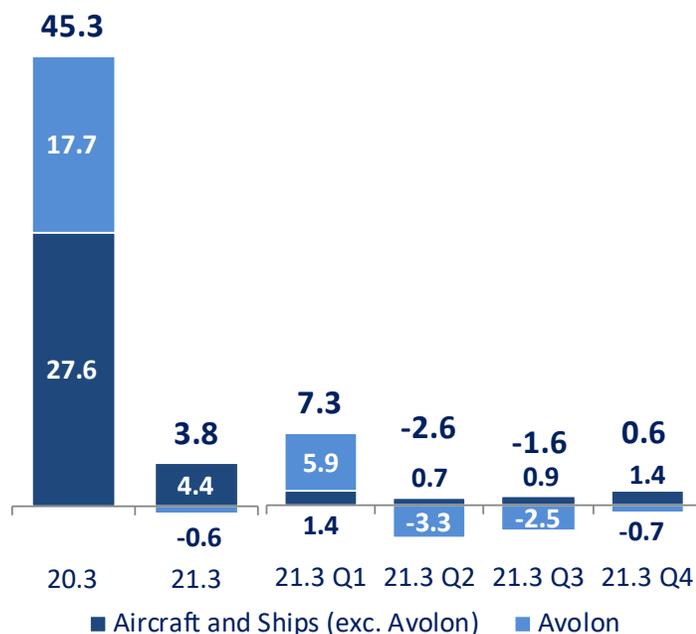
**Segment Assets: 601.8 JPY Bn**

YoY +16.5 JPY Bn (+3%)

- ✓ Excluding forex impact, segment assets flat  
(Assets in aircraft business decreased due to sale of aircraft, while assets in ships business increased)

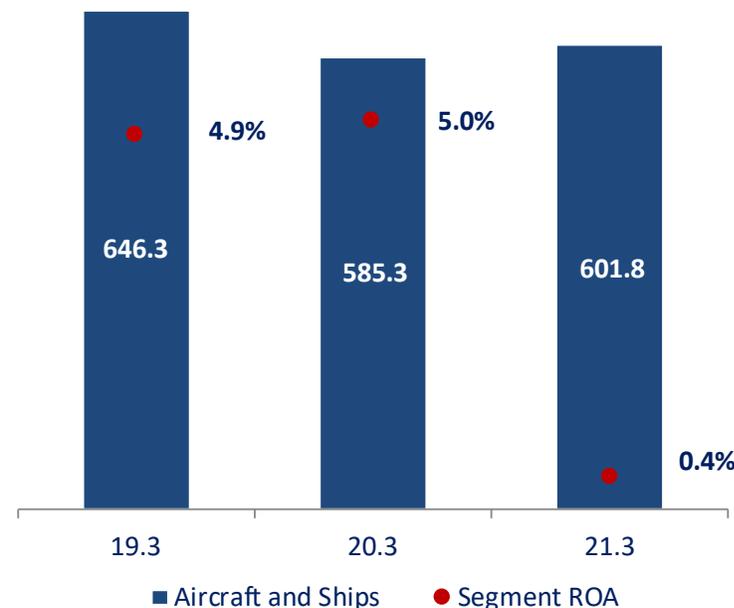
## Segment Profits\*

(JPY Bn)



## Segment Assets and ROA

(JPY Bn)



## Aircraft leasing business

(as of Mar 31, 2021)

	ORIX	Avolon
Business history	<b>43 years</b> Started with finance leases (ORIX Aviation Established in 1991)	<b>11 years</b> (Established in 2010)
Business model	<ul style="list-style-type: none"> <li>Mainly trading in second-hand market</li> <li>Strengths include arrangement of aircraft purchases to third parties and asset management services</li> </ul>	<ul style="list-style-type: none"> <li>Sizable direct orders to aircraft manufacturers</li> <li>Strengths in direct leasing of fleet</li> </ul>
ORIX Investment ratio	<b>100%</b>	<b>30%</b> (acquired in November 2018)
Rating	S&P: Top Strong (servicer ranking)	Fitch : BBB- Moody's : Baa3 S&P : BBB-

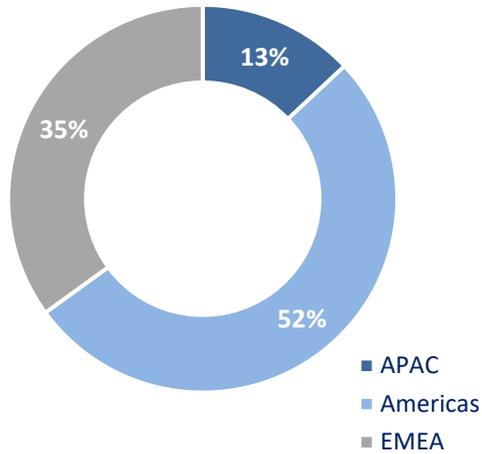
\*Avolon's segment profits were reclassified to USGAAP, and thus differ from those announced by Avolon based on IFRS

# Aircraft Leasing Business

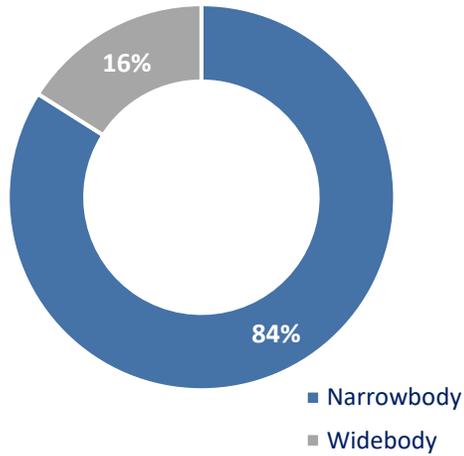


**ORIX**

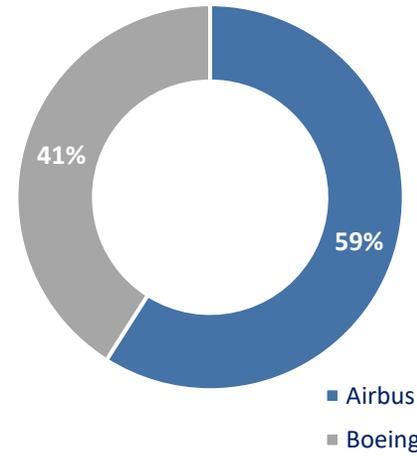
**GLOBALLY DIVERSE (NBV)**



**NARROWBODY WEIGHTING (number of aircraft)**



**OEM BREAKDOWN (number of aircraft)**



**Owned fleet**  
69

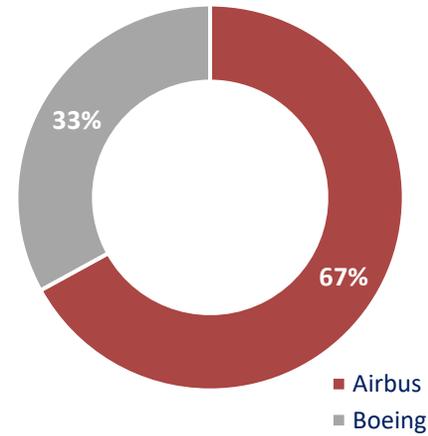
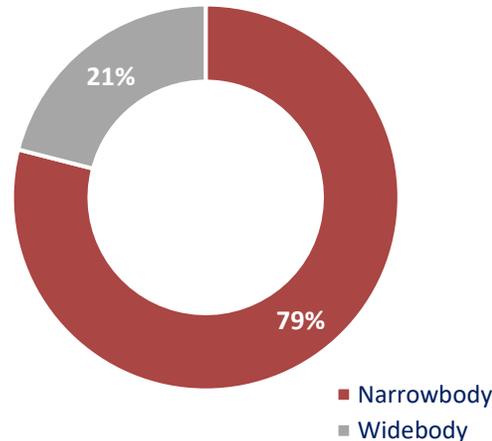
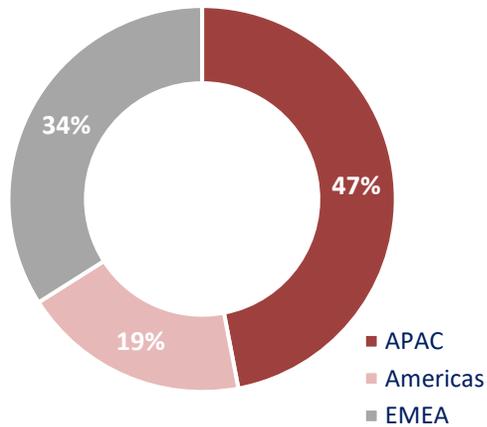
**Committed fleet**  
0

**Average age**  
6.0 years

**Remaining lease term**  
6.5 years

**Managed fleet**  
151

**Avolon**



**Owned fleet**  
516

**Committed\* fleet**  
262

**Average age**  
5.4 years

**Remaining lease term**  
6.7 years

\* Reduced from 400 aircraft at the end of December 2019  
Fully placed through the end of 2021

(as of Mar 31, 2021)

# Segment Performance (8) ORIX USA



**Segment Profits: 43.6 JPY Bn**

YoY -13.1 JPY Bn (-23%)

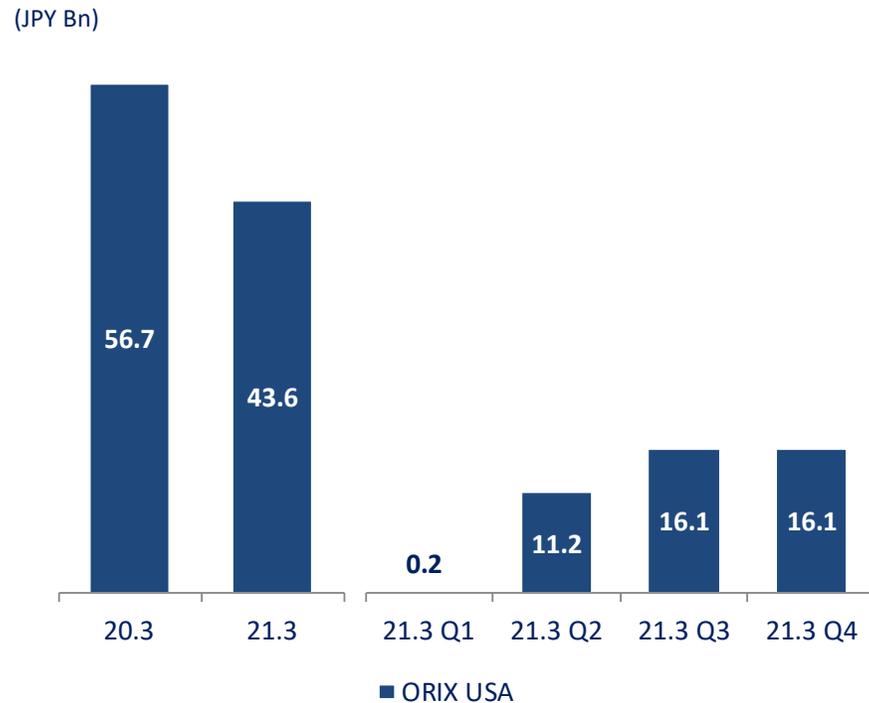
- ✓ Profit decreased in Q1 due to posting additional reserves (mainly for energy related business), but recovered sharply in 2H due to broad-based improvement in underlying businesses
- ✓ Lower YoY profits attributable to FY20.3 gain on the sale of Houlihan Lokey shares

**Segment Assets: 1,220.1 JPY Bn**

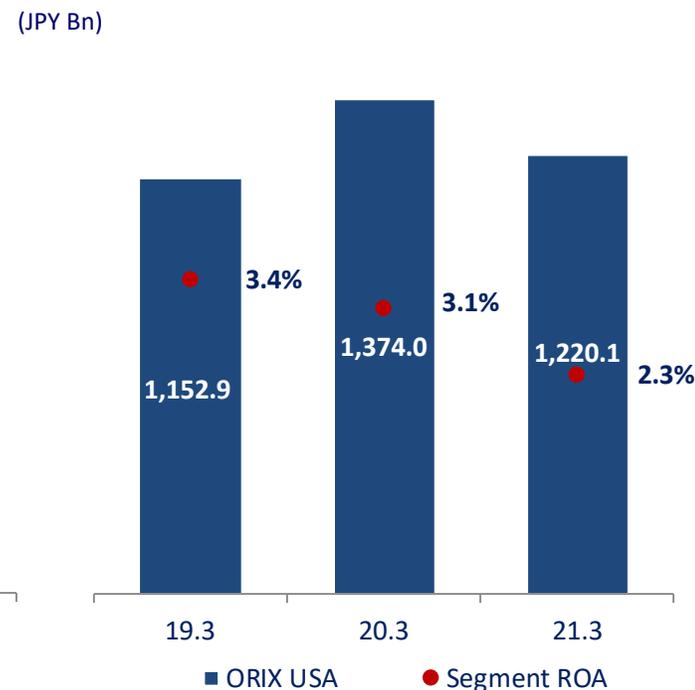
YTD -153.9 JPY Bn (-11%)

- ✓ Remain cautious about credit deals, assets down YoY
- ✓ With its purchase of Boston Capital, BFIM is the # 1 manager of LIHTC Assets with 15.5 USD Bn AUM

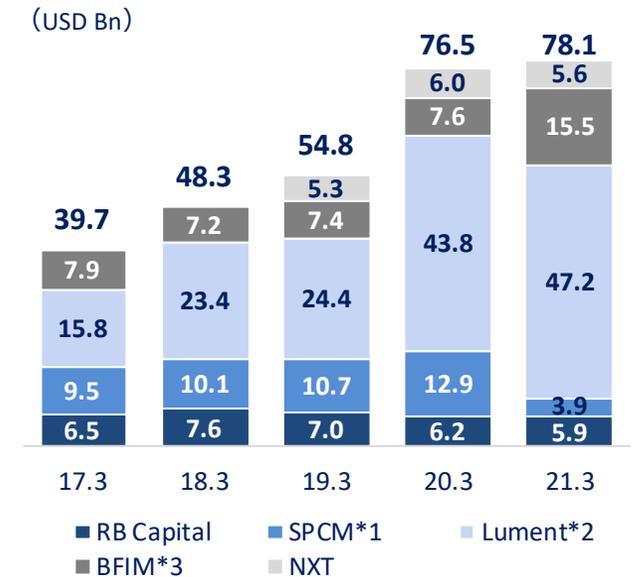
**Segment Profits**



**Segment Assets and ROA**



**AUM / AUA**



\*1: Signal Peak Capital Management, former Mariner  
 \*2: Lument is combined total of former OREC, Red Capital Group, Lancaster Pollard, Hunt Real Estate  
 \*3: BFIM completed acquisition of Boston Capital assets in Dec 2020

- ✓ 40+ year track record in US
  - ✓ Focused on serving the middle market customer across three verticals: Credit, Private Equity, Real Estate
- Aim to achieve further growth in asset management business

(as of Mar 31, 2021)

Credit	Private Equity	Real Estate										
Segment assets: <b>\$6 Bn</b>	Segment assets: <b>\$1 Bn</b>	Segment assets: <b>\$4 Bn</b>										
<p><b><u>NXT Capital</u></b> \$8 Bn in financing to U.S. middle market companies (primarily senior secured loans)</p> <p><b><u>ORIX Municipals &amp; Infrastructure</u></b> Invests in \$1 Bn high-yield bond portfolio (municipal, infrastructure bonds)</p> <p><b><u>Signal Peak Capital Management</u></b> Manages \$5 Bn in syndicated loans, structured credit (CLOs)</p>	<p><b><u>ORIX Capital Partners</u></b></p> <div style="border: 1px solid #0056b3; border-radius: 15px; padding: 10px; margin-bottom: 10px;"> <p><b>Track record:</b> 18 deals in 5 years Conducted first exit in April 2021 (sale of investee RoadSafe Traffic Systems) Focus on middle market; shift from infrastructure to IT services, digital marketing, factory automation</p> </div> <p><b><u>ORIX Private Equity Solutions</u></b></p> <div style="border: 1px solid #0056b3; border-radius: 15px; padding: 10px;"> <p><b>Track record:</b> 47 platform deals in 9 years Avg. size \$10-20 mn</p> </div>	<p><b><u>Merged three legacy brands into Lument</u></b></p> <div style="background-color: #f0f0f0; padding: 10px; margin-bottom: 10px;"> <table style="width: 100%; text-align: center;"> <tr> <td><b>#1</b></td> <td><b>#6</b></td> <td><b>#1</b></td> <td><b>#1</b></td> <td><b>TOP 5</b></td> </tr> <tr> <td>FHA lender*</td> <td>FHA affordable housing lender*</td> <td>Seniors housing lender*</td> <td>FHA lean lender* since 2010</td> <td>Fannie Mae small loan lender</td> </tr> </table> </div> <p>*Mortgage Bankers Association's 2020 CRE Originations Rankings</p>  <p><b>25+ Offices Nationwide</b> <b>~600 Employees Nationwide</b> <b>160+ Origination Staff Nationwide</b></p>	<b>#1</b>	<b>#6</b>	<b>#1</b>	<b>#1</b>	<b>TOP 5</b>	FHA lender*	FHA affordable housing lender*	Seniors housing lender*	FHA lean lender* since 2010	Fannie Mae small loan lender
<b>#1</b>	<b>#6</b>	<b>#1</b>	<b>#1</b>	<b>TOP 5</b>								
FHA lender*	FHA affordable housing lender*	Seniors housing lender*	FHA lean lender* since 2010	Fannie Mae small loan lender								

# Segment Performance (9) ORIX Europe



**Segment Profits: 37.9 JPY Bn**

YoY -5.9 JPY Bn (-13%)

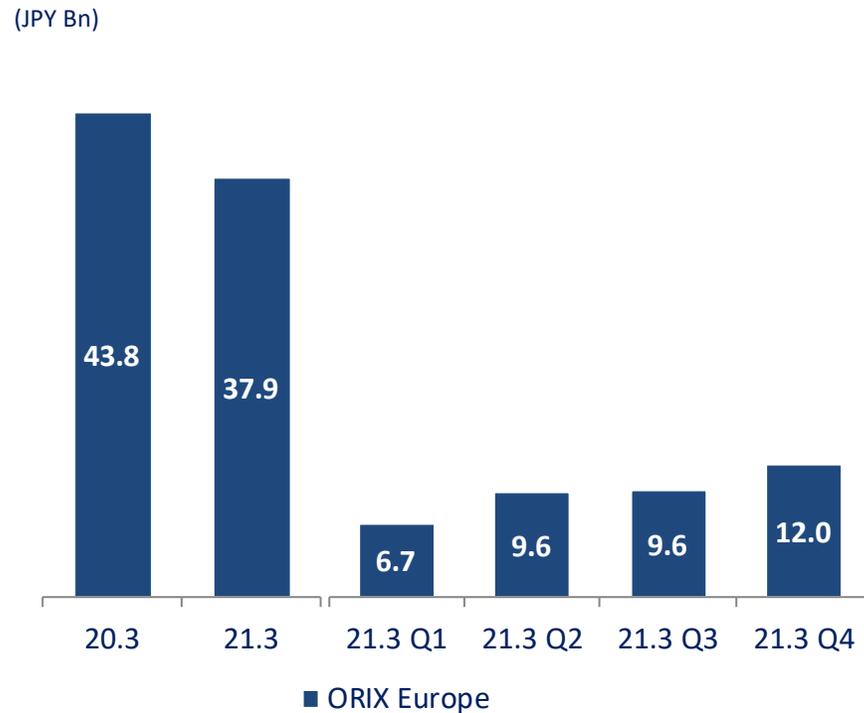
- ✓ AUM recovered strongly, profits increased excluding the capital gain on RobecoSAM's rating division
- ✓ Enjoyed improved mix shift with several mandates won

**Segment Assets: 369.5 JPY Bn**

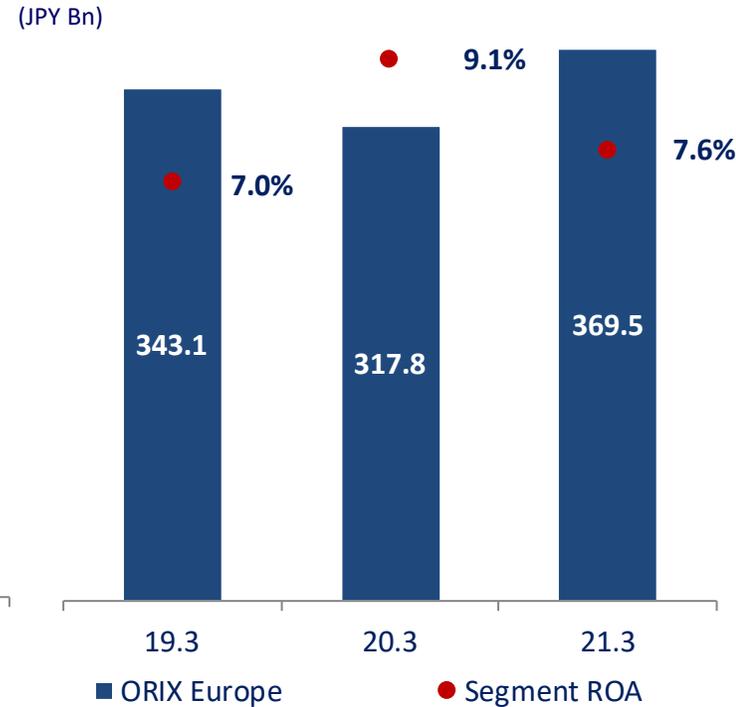
YTD +51.7 JPY Bn (+16%)

- ✓ Strong increase in AUM on broader market recovery
- ✓ Acquired 70% of Gravis Capital Management's outstanding shares

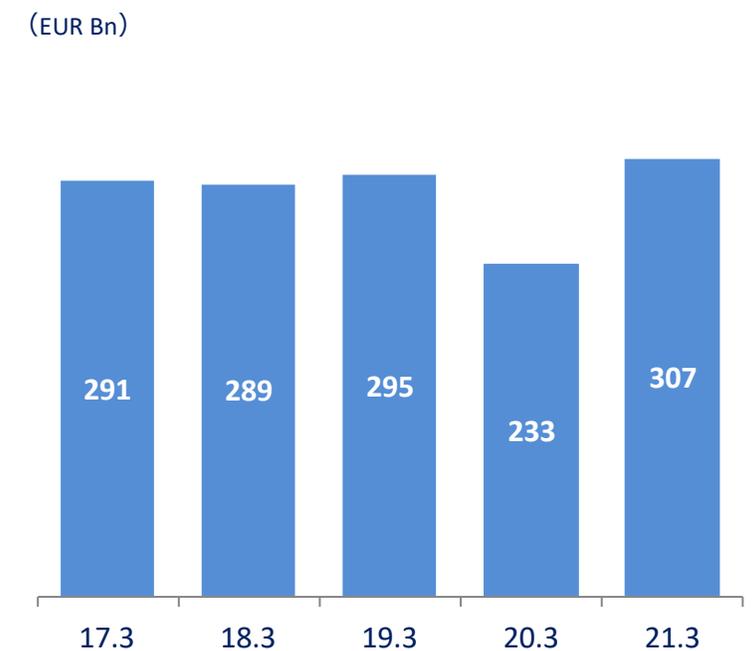
**Segment Profits**



**Segment Assets and ROA**



**AUM**



Segment business: Equity, fixed income asset management

Completed acquisition of alternative asset manager Gravis Capital Management\* in Feb 2021

## ① ORIX Corporation Europe

	Head Office	Primary Business	Established (Acquired)
Robeco	Rotterdam	Stocks, bonds, and sustainability-focused asset management	1929 (2013)
Boston Partners	Boston	Value-focused boutique asset management firm	1995 (2013)
Harbor Capital Advisors	Chicago	Manager selection model	1983 (2013)
Transtrend	Rotterdam	CTA	1991 (2013)

## ② Gravis Capital Management\*

Gravis Capital Management	London	Alternative asset manager	2008 (2021)
---------------------------	--------	---------------------------	-------------

\*Manages funds investing primarily in the U.K. infrastructure, renewable energy and real estate sectors, with a significant ESG focus

An ESG pioneer since the mid-1990s, Robeco is recognized as a leader in sustainable investment

**Robeco Parent AUM**

(as of Dec 31, 2021)



**176.0 EU Bn**

**ESG-Integrated AUM**



**160.0 EU Bn**

Announced support of Net Zero Asset Managers Initiative in Dec 2020, aims to achieve net zero greenhouse gas emissions across all assets under management by 2050

# ORIX Group Asset Management Business



- ✓ Expanding scope of business from traditional equity and fixed income management (OCE) to alternative asset management, primarily in U.S., Europe

ORIX Group AUM  
(as of Mar 31, 2021):  
**~50 JPY Tn**

## OCE (ORIX Corporation Europe)

AUM

**39.9 JPY Tn**

- Robeco Institutional Asset Management
- Harbor Capital Advisors
- Boston Partners Global Investors
- Transtrend
- Gravis Capital Management (Acquired FY21.3)

## OCU (ORIX Corporation USA)

AUM

**8.6 JPY Tn**

- Signal Peak Capital
- Lument (Formerly OREC: RED Capital Group, Lancaster Pollard, Hunt Real Estate Capital)
- Boston Financial Investment Management
- NXT Capital

## Real Estate (Japan)

AUM

**1.3 JPY Tn**

- ORIX Asset Management (OAM)
- ORIX Real Investment Advisors (ORIA)

## Other assets

- Corporate fleet vehicles **1.42 mn**
- Managed aircraft fleet **151**
- Managed power plants **83 sites / 430 mw\***

\*ORIX Renewable Energy Management (OREM) established in 2018

AUM of OCE and OCU were converted at the exchange rate as of Mar 31, 2021

# Segment Performance (10) Asia and Australia

**Segment Profits: 14.7 JPY Bn**

YoY -0.1 JPY Bn (flat)

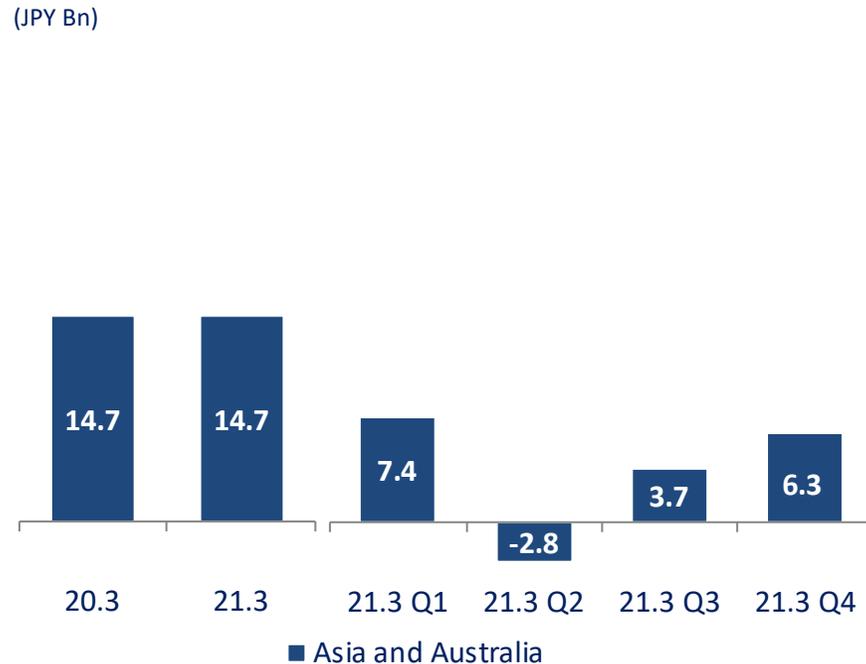
✓ PE investment recorded impairments, but local financing businesses remained stable

**Segment Assets: 1,084.2 JPY Bn**

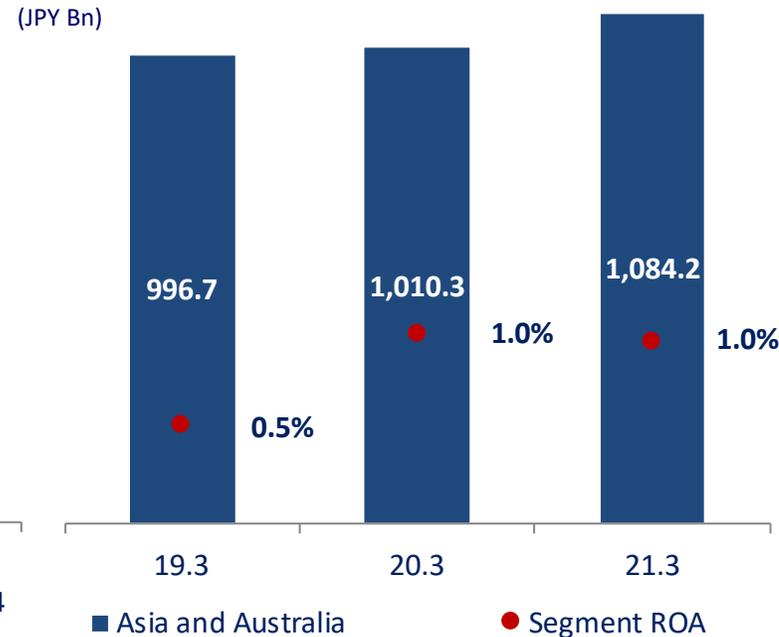
YTD +74.0 JPY Bn (+7%)

✓ Excluding forex impact, segment assets were flat  
(Assets decreased in Southeast Asia where COVID-19 impact is large, while assets increased in China, Korea where impact is smaller)

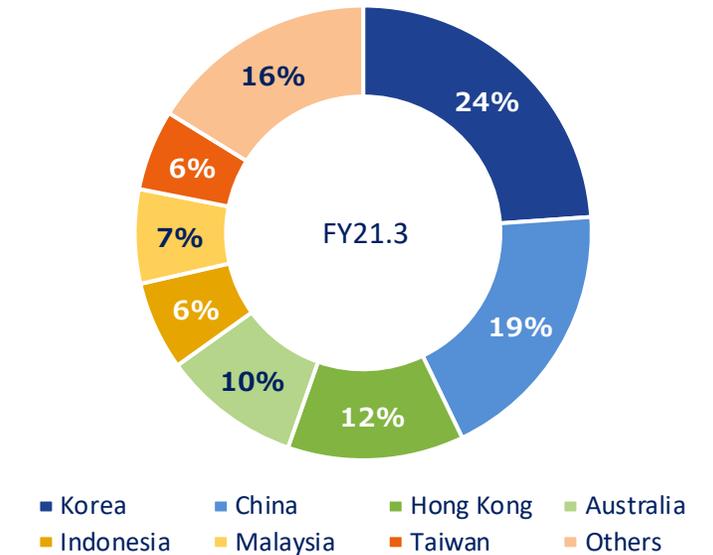
**Segment Profits**



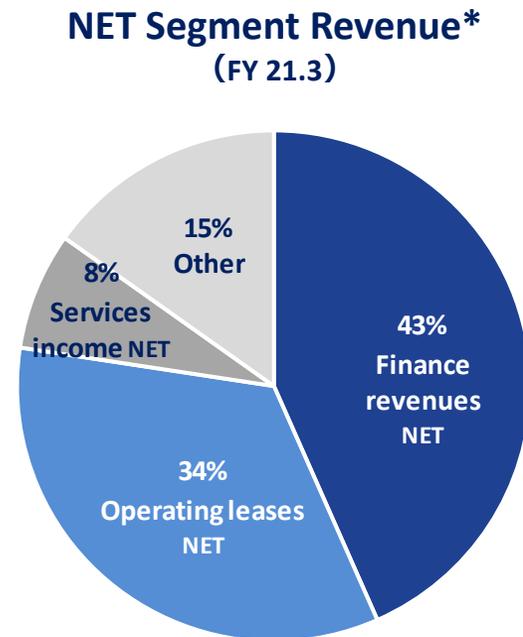
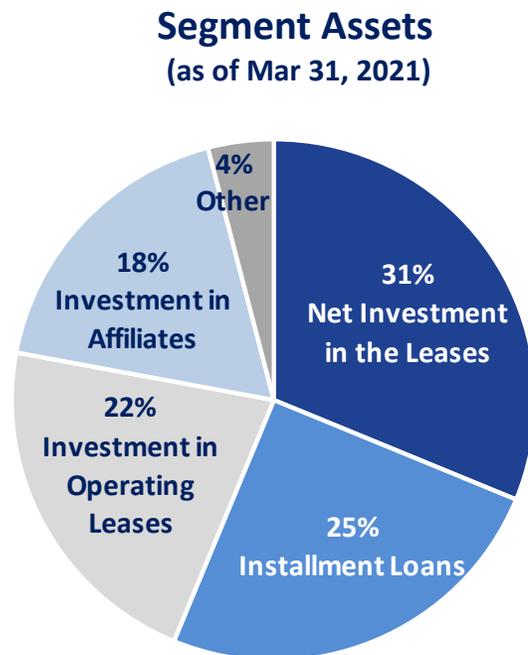
**Segment Assets and ROA**



**Segment Assets by Region**



## Main Business: Finance and investment businesses in Asia and Australia



\* NET Segment Revenue = Segment Revenue - Segment Expenses  
(Before deduction of Selling, General and administrative expenses)

### Major Subsidiaries (Asia and Australia)

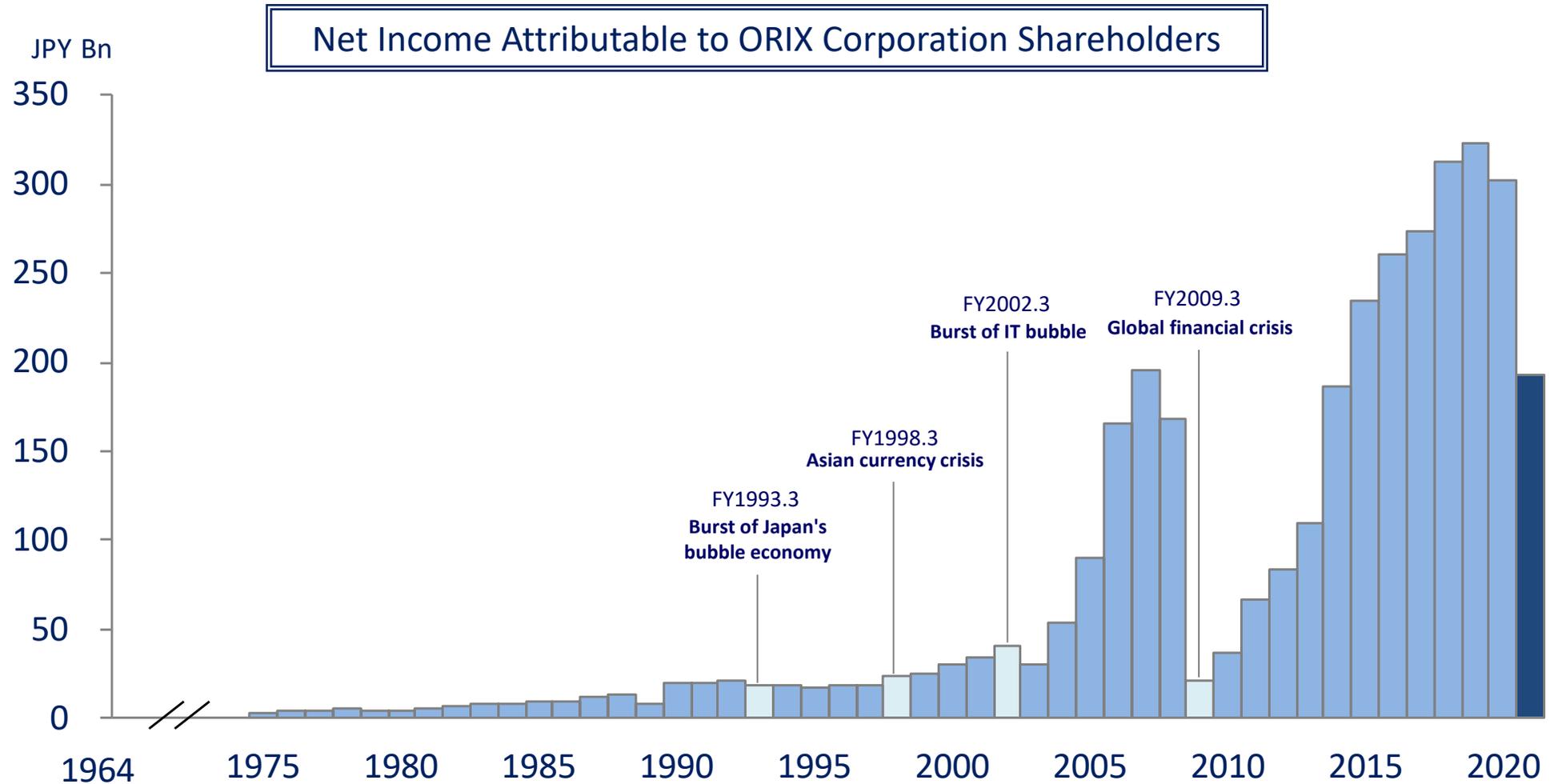
Company Name	Country (Region)	Primary Business	Established
ORIX Asia Limited	Hong Kong	Leasing, Automobile Leasing, Lending, Banking	Sep. 1971
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending	Sep. 1973
PT. ORIX Indonesia Finance	Indonesia	Leasing, Automobile Leasing	Apr. 1975
ORIX Australia Corporation Limited	Australia	Automobile Leasing and Truck Rentals	Jul. 1986
ORIX Auto Infrastructure Services Limited	India	Automobile Leasing, Rentals, Leasing, Commercial Vehicle Loans, Commercial Mortgage Loans	Mar. 1995
ORIX Auto Leasing Taiwan Corporation	Taiwan	Automobile Leasing	Apr. 1998
ORIX Capital Korea Corporation	South Korea	Automobile Leasing, Leasing, Lending	Feb. 2004
ORIX China Corporation	China	Leasing, Rental	Aug. 2005

# Appendix

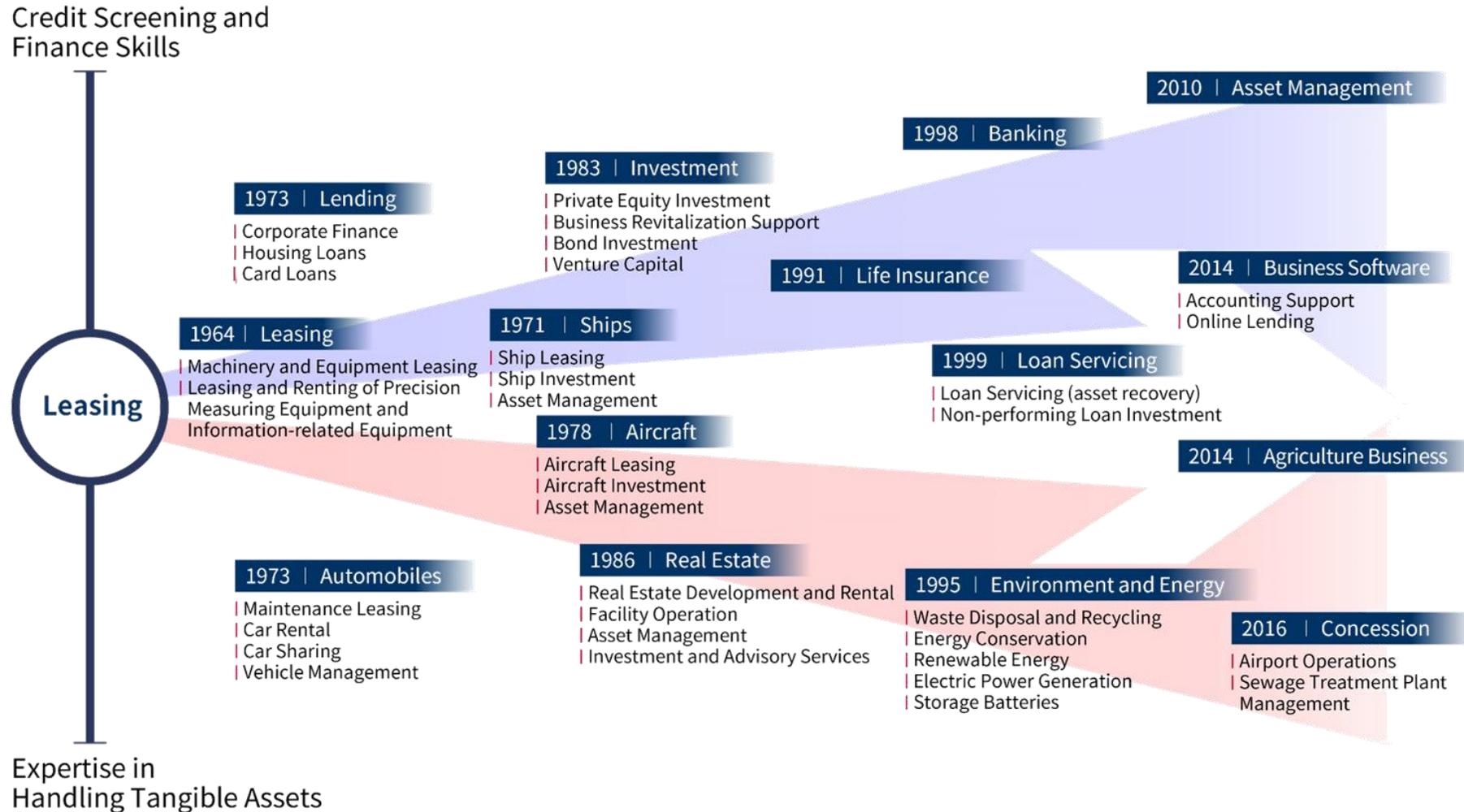
# About ORIX Proven Track Record of Profitability



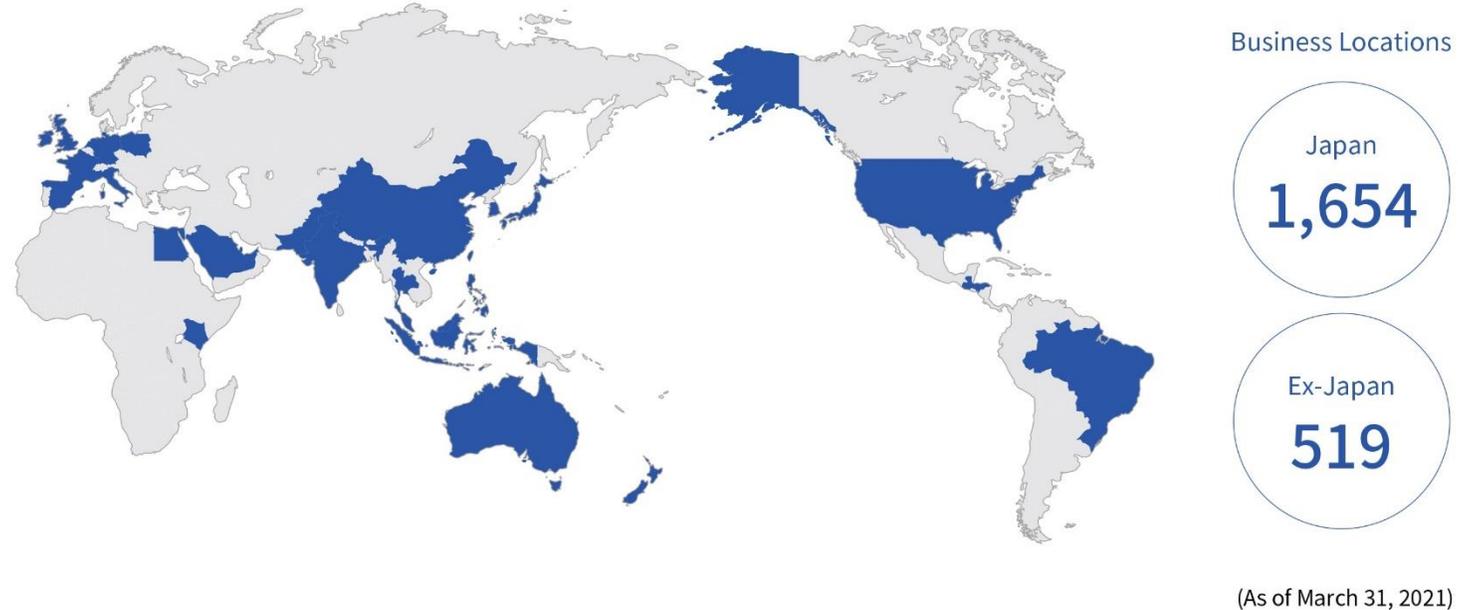
✓ ORIX has achieved 56 years of sustained, profitable growth



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



- ✓ Using its expertise cultivated in Japan, ORIX has expanded its business globally, with operations in 31 countries and regions worldwide



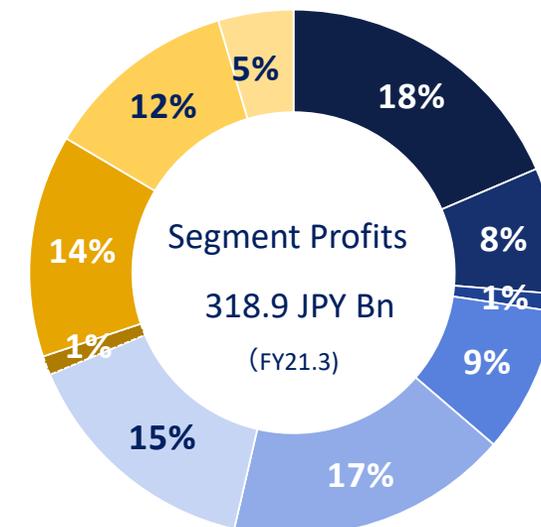
1970s	1980s	1990s	2000s	2010s
Global Network and Number of Countries and Regions				
7 countries and regions	12 countries and regions	18 countries and regions	26 countries and regions	31 countries and regions
Overseas expansion mainly through Leasing business in Asia		Further overseas expansion via diversification into aircraft-related and equity investment businesses		Expansion of business operations through acquisition of Robeco and development of the environment and energy business

# About ORIX Profits and Assets by Segment

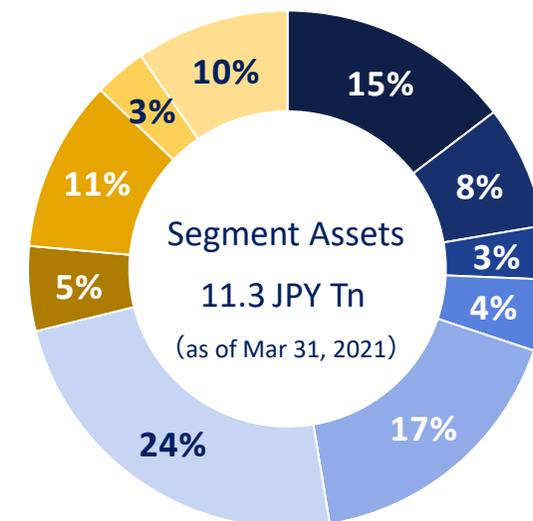


- ✓ Individual businesses demonstrate their strengths to the maximum extent possible to bring about synergies

<b>Corporate Financial Services and Maintenance Leasing</b>	Finance and fee business; leasing and rental of automobiles, electronic measuring instruments and IT-related equipment; Yayoi
<b>Real Estate</b>	Real estate development, rental and management; facility operations; real estate asset management
<b>PE Investment and Concession</b>	PE investment and concession
<b>Environment and Energy</b>	Domestic and overseas renewable energy; electric power retailing; ESCO services; sales of solar panels and electricity storage system; recycling and waste management
<b>Insurance</b>	Life insurance
<b>Banking and Credit</b>	Banking and consumer finance
<b>Aircraft and Ships</b>	Aircraft leasing and management; ship-related finance and investment
<b>ORIX USA</b>	Finance, investment and asset management in the Americas
<b>ORIX Europe</b>	Equity and fixed income asset management
<b>Asia and Australia</b>	Finance and investment businesses in Asia and Australia



**FY21.3 EBITDA 712.8 JPY Bn**



# Three Portfolio Categories (Breakdown of Financing, Asset management and Insurance, Operation and Investment categories on P8)



Three Category and Segment Matrix		Three Categories			
		Financing	Asset management & Insurance	Operation & Investments	
Segment	Corporate Financial Services and Maintenance Leasing	Corporate Financial Services		Auto, rental equipment, servicing, Yayoi	
	Real Estates		Asset management	Real estate investment, DAIKYO	Real estate operation
	PE Investment and Concession			PE investment	Concession
	Environment and Energy			Environment and Energy	
	Insurance		Life insurance		
	Banking and Credit	Banking, Credit			
	Aircraft and Ships			Ships	Aircraft
	OCU		Asset management, loans, fixed-income investment	PE investment	
	OCE		Asset management		
	Asia and Australia	Leasing, loans		PE investment	

Minor COVID-19 impact

Major COVID-19 impact

# Breakdown of Investment Gains

- ✓ Investment gains typically realized in a variety of segments (mainly Real Estate, Private Equity, and ORIX USA)
- ✓ Portfolio asset rotation also drives investment gains, e.g. sales of ORIX Golf, ORIX Living

## Investment gains\*

(JPY Bn)

Business	FY18.3	FY19.3	FY20.3	FY21.3
Real Estate	47.2	② 58.2	③ 54.7	18.4
PE Investment and Concession	27.2	0.8	18.7	1.4
ORIX USA	24.3	38.2 ⑤	42.3	30.8
Others	① 44.5	10.6	④ 27.2	38.7
<b>Total</b>	<b>143.2</b>	<b>107.8</b>	<b>142.9</b>	<b>89.3</b>

\*Investment gains: Gains on sales of rental property, subsidiaries and affiliates, investment securities, etc.

## Major Business Sales

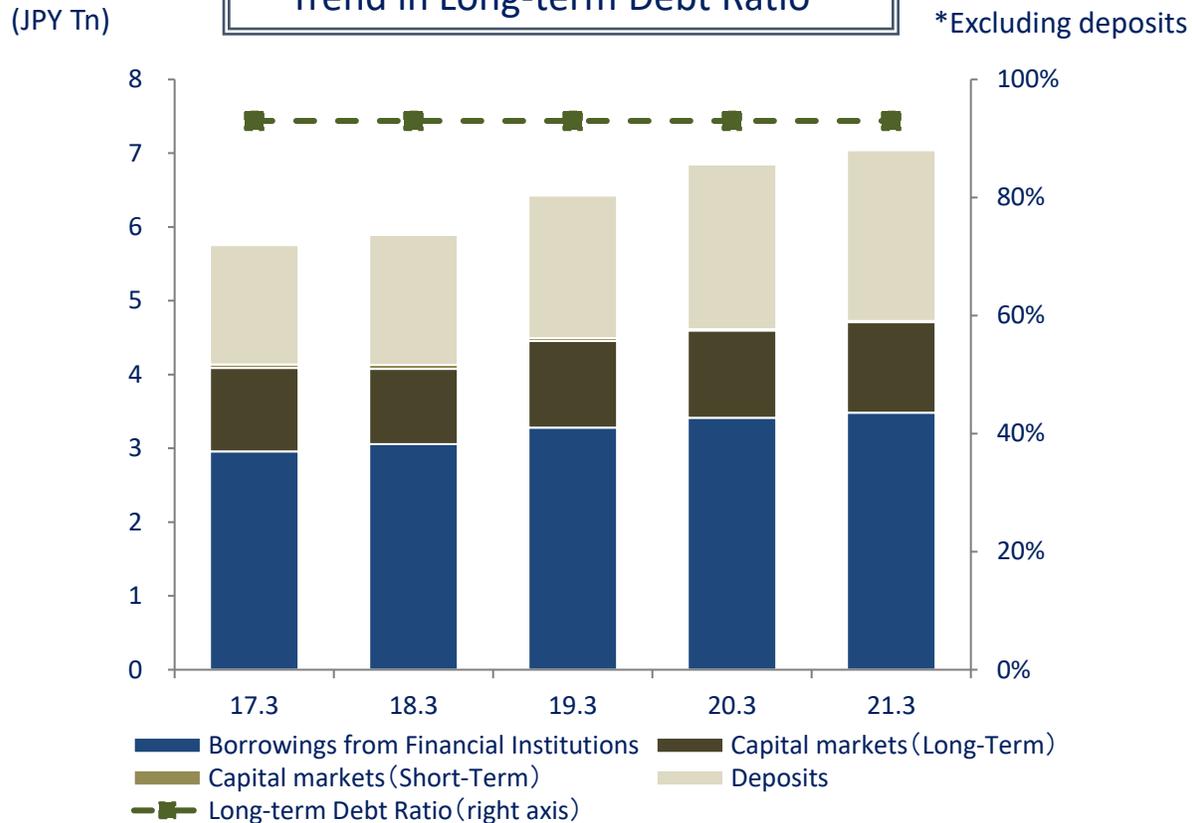
No.	Company	Timing of sale
①	ORIX Electric Power Corporation	FY18.3
②	ORIX Golf Management	FY19.3
③	ORIX Living	FY20.3
④	RobecoSAM's ESG Ratings Division	FY20.3
⑤	Houlihan Lokey	FY18.3, FY19.3, FY20.3

# Financials (1) Funding Structure / Employed Capital Ratio

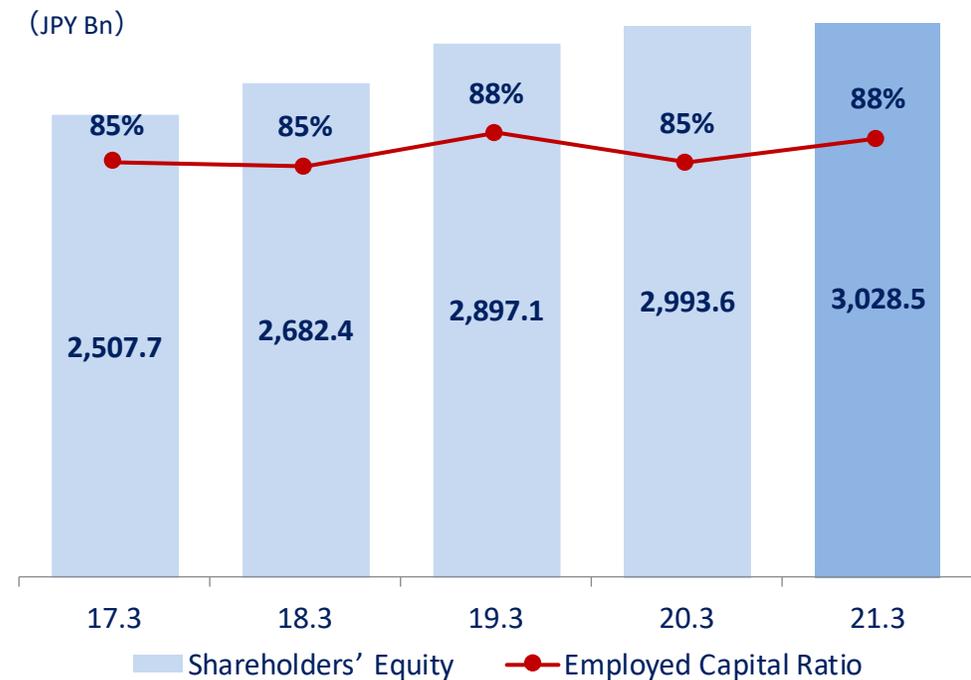
- ✓ Funding structure: Diversified funding methods and maintained a high ratio of long-term debt
- ✓ Employed Capital Ratio: Illustrates the ratio of capital employed to ORIX shareholders' equity

Continue to pursue growth while controlling risk and return

Breakdown of Funding and Trend in Long-term Debt Ratio\*

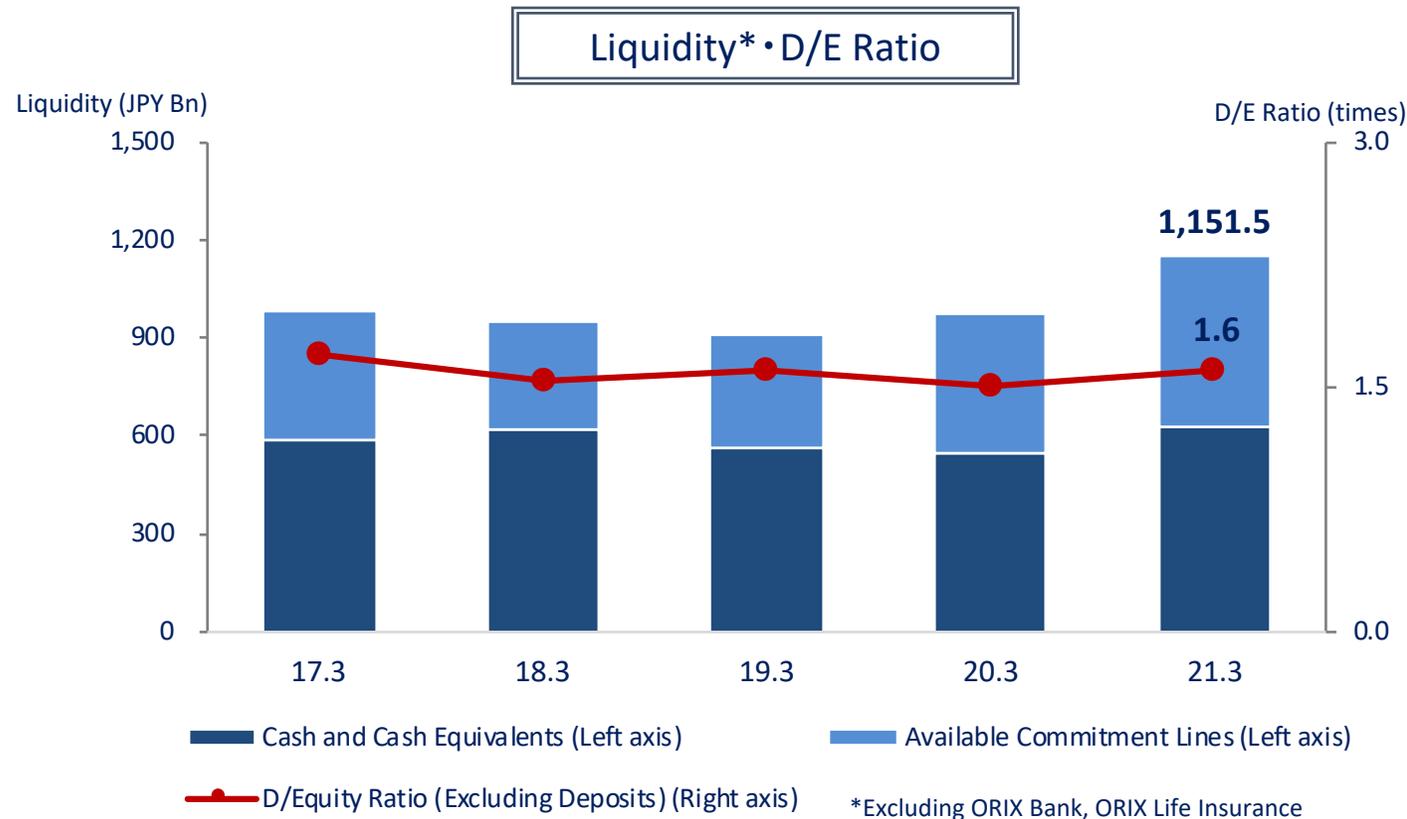


Shareholder's Equity / Employed Capital Ratio



# Financials (2) Liquidity / Credit Ratings

- ✓ Continue to maintain high liquidity
- ✓ S&P, Moody's, Fitch all reaffirmed A- ratings. R&I is AA-
- ✓ Ratings may change depending on timing of investments or asset sales, but we will maintain financial soundness commensurate with an 'A' rating over the medium to long term



**Credit Ratings**

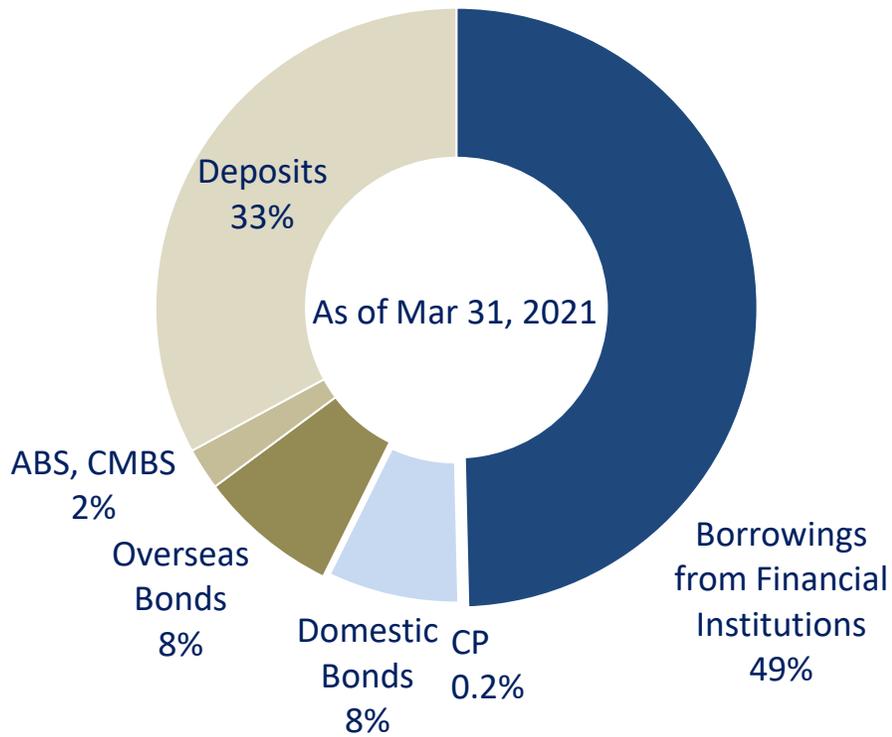
(as of Mar 31, 2021)

Credit Ratings	
S&P	A- (Negative)
Moody's	A3 (Negative)
Fitch	A- (Negative)
R&I	AA- (Stable)

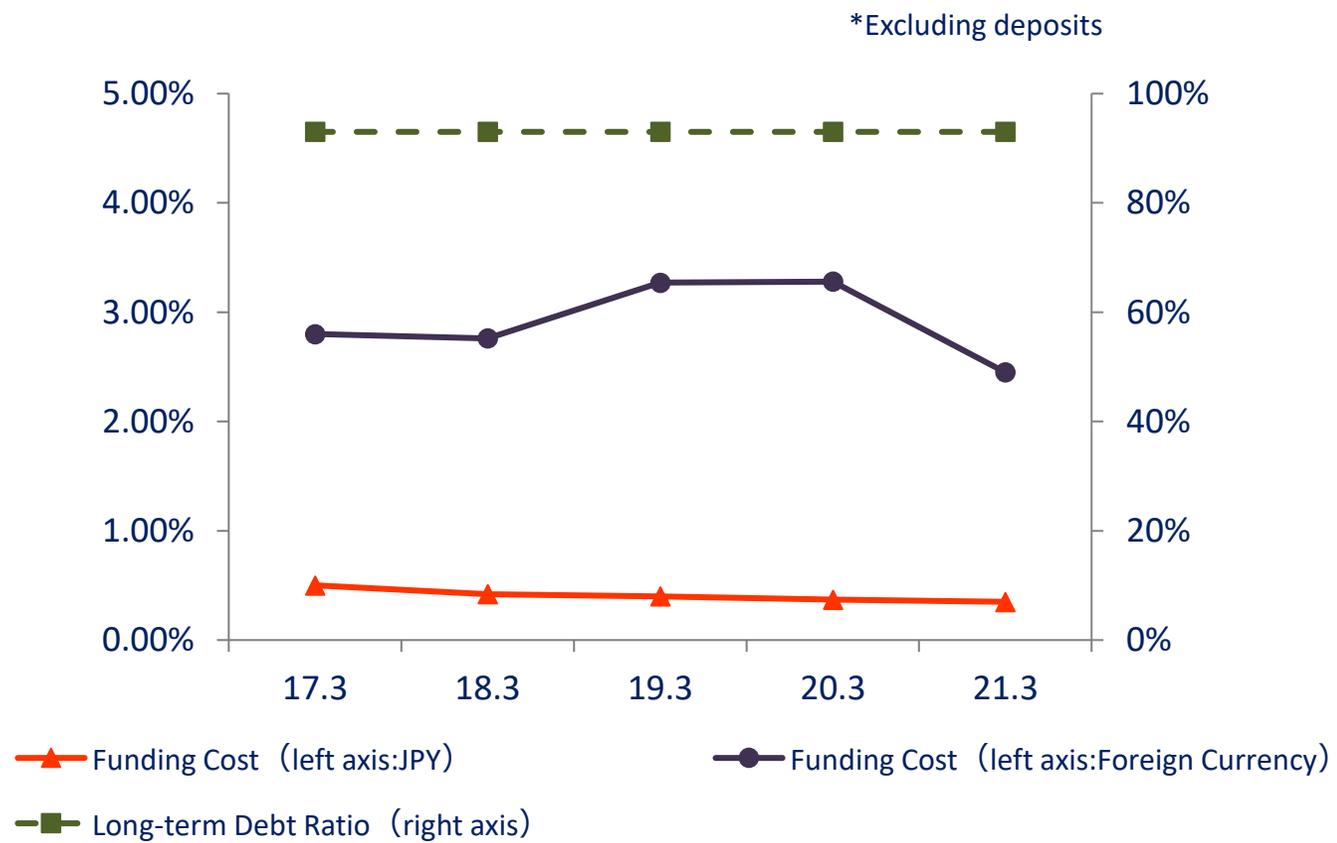
# Financials (3) Funding Structure

✓ Diversified funding. Controlled costs while maintaining a high long-term debt ratio

Breakdown of Funding



Trend in Funding Costs and Long-term Debt Ratio\*



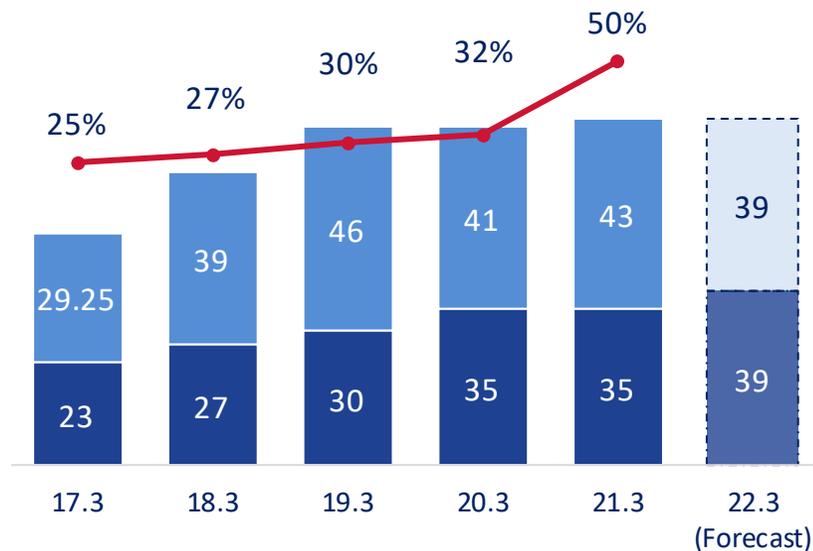
# Shareholder Return

- ✓ Full-year dividend per share : FY21.3 78 JPY (pay-out ratio 50%), FY22.3 78 JPY
- ✓ Buyback program: FY22.3 50 JPY Bn planned

### Dividend per Share and Payout Ratio

(JPY)

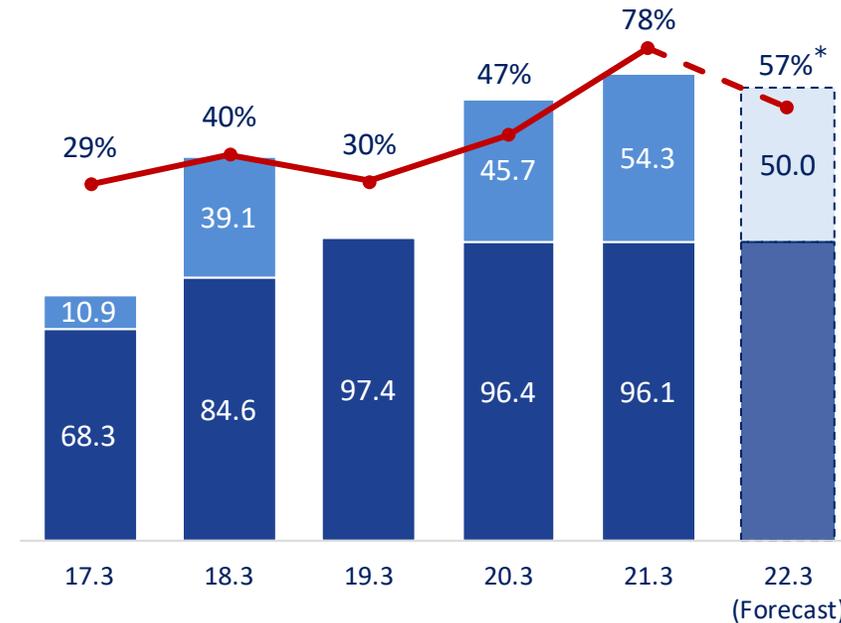
■ Interim Dividend   ■ Year-End Dividend   ● Payout Ratio



### Share Buyback and Total Return Ratio

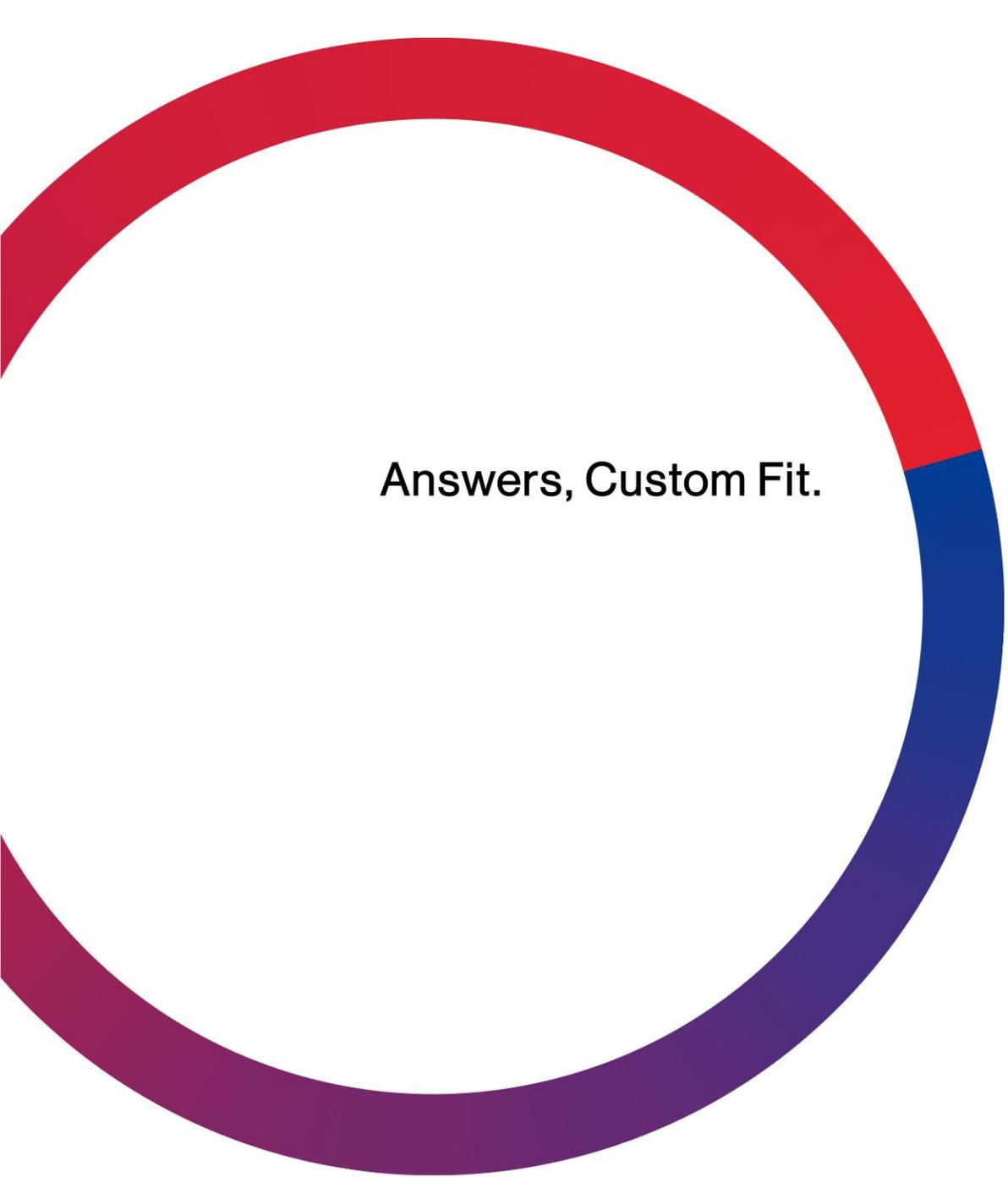
(JPY Bn)

■ Total dividend   ■ Buyback (actual)  
 ■ Buyback (forecast)   ● Total return ratio



\*Total shareholder return ratio of appx. 57% assuming net profit of 250 JPY Bn

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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.
- Nothing in this document shall be considered as an offer to sell or solicitation of an offer to buy any security, commodity or other instrument, including securities issued by the Company or any affiliate thereof.

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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