Consolidated Financial Results
April 1, 2017 –March 31, 2018

May 9, 2018

In preparing its consolidated financial information, ORIX Corporation (the "Company") and its subsidiaries have complied with generally accepted accounting principles in the United States of America.

These documents may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under "Risk Factors" in the Company's annual report on Form 20-F filed with the United States Securities and Exchange Commission.

The Company believes that it may have been a "passive foreign investment company" for U.S. federal income tax purposes in the year to which these consolidated financial results relate by reason of the composition of its assets and the nature of its income. In addition, the Company may be a PFIC for the foreseeable future. Assuming that the Company is a PFIC, a U.S. holder of the shares or ADSs of the Company will be 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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Consolidated Financial Results from April 1, 2017 to March 31, 2018

(U.S. GAAP Financial Information for ORIX Corporation and its Subsidiaries)

Corporate Name: ORIX Corporation
Listed Exchanges: Tokyo Stock Exchange (Securities No. 8591)
New York Stock Exchange (Trading Symbol : IX)
Head Office: Tokyo JAPAN
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(URL https://www.orix.co.jp/grp/en/ir/)

1. Performance Highlights as of and for the Year Ended March 31, 2018

(1) Performance Highlights - Operating Results (Unaudited)

(millions of yen)*1

	Total Revenues	Year-on-Year Change	Operating Income	Year-on-Year Change	Income before Income Taxes	Year-on-Year Change	Net Income Attributable to ORIX Corporation Shareholders	Year-on-Year Change
March 31, 2018	2,862,771	6.9%	336,195	2.1%	435,501	2.5%	313,135	14.6%
March 31, 2017	2,678,659	13.1%	329,224	14.4%	424,965	8.6%	273,239	5.0%

"Comprehensive Income Attributable to ORIX Corporation Shareholders" was ¥288,148 million for the fiscal year ended March 31, 2018 (year-on-year change was a 9.4% increase) and ¥263,378 million for the fiscal year ended March 31, 2017 (year-on-year change was a 17.8% increase).

	Basic Earnings Per Share	Diluted Earnings Per Share	Return on Equity	Return on Assets *2	Operating Margin
March 31, 2018	244.40	244.15	12.1%	3.8%	11.7%
March 31, 2017	208.88	208.68	11.3%	3.8%	12.3%

"Equity in Net Income of Affiliates" was a net gain of ¥50,103 million for the fiscal year ended March 31, 2018 and a net gain of ¥26,520 million for the fiscal year ended March 31, 2017.

***Note 1:** Unless otherwise stated, all amounts shown herein are in millions of Japanese yen, except for per share and dividend amounts which are in single yen.

***Note 2:** "Return on Assets" is calculated based on "Income before Income Taxes."

(2) Performance Highlights - Financial Position (Unaudited)

	Total Assets	Total Equity	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
March 31, 2018	11,425,982	2,798,874	2,682,424	23.5%	2,095.64
March 31, 2017	11,231,895	2,647,625	2,507,698	22.3%	1,925.17

***Note 3:** "Shareholders' Equity" refers to "Total ORIX Corporation Shareholders' Equity."
"Shareholders' Equity Ratio" is the ratio of "Total ORIX Corporation Shareholders' Equity" to "Total Assets."
"Shareholders' Equity Per Share" is calculated based on "Total ORIX Corporation Shareholders' Equity."

(3) Performance Highlights - Cash Flows (Unaudited)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
March 31, 2018	546,624	(411,578)	143,582	1,321,241
March 31, 2017	583,955	(237,608)	(33,459)	1,039,870

2. Dividends (Unaudited)

	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total	Total Dividends Paid	Dividend Payout Ratio (Consolidated base)	Dividends on Equity (Consolidated base)
March 31, 2017	—	23.00	—	29.25	52.25	68,320	25.0%	2.8%
March 31, 2018	—	27.00	—	39.00	66.00	84,579	27.0%	3.3%
March 31, 2019 (Est.)	—	30.00	—	—	—	—	—	—

***Note 4:** The amount of Year-end dividend for the fiscal year ending March 31, 2019 has not yet been determined.

***Note 5:** Total dividends paid include dividends paid to the Board Incentive Plan Trust (¥119 million for the fiscal year ended March 31, 2017 and ¥117 million for the fiscal year ended March 31, 2018).

3. Targets for the Year Ending March 31, 2019 (Unaudited)

In order to facilitate a better understanding of our medium- and long- term growth projections by our shareholders and potential investors, we decided to include our medium-term strategic directions in this document. For details, refer to "2. Management Policies (2) Target Performance Indicators FY2019-2021" on page 10 and "2. Management Policies (3) Medium- Term Strategic Directions FY2019-2021" on page 11.

4. Other Information

(1) Changes in Significant Consolidated Subsidiaries Yes ( ) No (×)

Addition - None ( ) Exclusion - None ( )

(2) Changes in Accounting Principles, Procedures and Disclosures

1. Changes due to adoptions of new accounting standards Yes ( ) No (×)
2. Other than those above Yes (×) No ( )

(3) Number of Issued Shares (Ordinary Shares)

1. The number of issued shares, including treasury stock, was 1,324,495,728 as of March 31, 2018, and 1,324,107,328 as of March 31, 2017.
2. The number of treasury stock shares was 42,843,413 as of March 31, 2018, and 19,394,191 as of March 31, 2017.
3. The average number of outstanding shares was 1,281,238,164 for the fiscal year ended March 31, 2018, and 1,308,105,341 for the fiscal year ended March 31, 2017.
   The Company's shares held through the Board Incentive Plan Trust (1,651,443 shares as of March 31, 2018 and 2,126,076 shares as of March 31, 2017) are not included in the number of treasury stock shares as of the end of the periods, but are included in the average number of shares outstanding as treasury stock shares that are deducted from the basis of the calculation of per share data.

1. Summary of Consolidated Financial Results

(1) Summary of Financial Highlights

Financial Results for the Fiscal Year Ended March 31, 2018

		Fiscal Year ended March 31, 2017	Fiscal Year ended March 31, 2018	Change	
				Amount	Percent
Total Revenues	(millions of yen)	2,678,659	2,862,771	184,112	7 %
Total Expenses	(millions of yen)	2,349,435	2,526,576	177,141	8 %
Income before Income Taxes	(millions of yen)	424,965	435,501	10,536	2 %
Net Income Attributable to ORIX Corporation Shareholders	(millions of yen)	273,239	313,135	39,896	15 %
Earnings Per Share (Basic)	(yen)	208.88	244.40	35.52	17 %
(Diluted)	(yen)	208.68	244.15	35.47	17 %
ROE *1	(%)	11.3	12.1	0.8	—
ROA *2	(%)	2.46	2.76	0.30	—

*Note 1 : ROE is the ratio of Net Income Attributable to ORIX Corporation Shareholders for the period to average ORIX Corporation Shareholders' Equity.
*Note 2 : ROA is calculated based on Net Income Attributable to ORIX Corporation Shareholders.

Operating Environment

The U.S. economy has remained steady with improvements in employment and income environments. Stable growth has also been observed in other regions. Although interest rates remain low worldwide, rate increases in the U.S. and the scaling back of quantitative easing policies in Europe are expected. The market has become more conscious about increasing market volatility. In addition, there are political and geopolitical tensions in certain regions that need to be monitored carefully.

The Japanese economy, as a whole, is continuing to experience moderate recovery.

Overview of Business Performance (April 1, 2017 to March 31, 2018)

Total revenues for the consolidated fiscal year ended March 31, 2018 (hereinafter, "the fiscal year") increased 7% to ¥2,862,771 million compared to ¥2,678,659 million during the previous fiscal year. Life insurance premiums and related investment income in the life insurance business increased due to an increase in life insurance premiums from an increase in in-force policies, and an increase in investment income from assets under variable annuity and variable life insurance contracts following the market's recovery. In addition, sales of goods and real estate increased due primarily to revenues generated by subsidiaries in the principal investment business, and services income increased due primarily to service expansion in the asset management business and the environment and energy business.

Total expenses increased 8% to ¥2,526,576 million compared to ¥2,349,435 million during the previous fiscal year. Life insurance costs increased due to an increase in a provision of liability reserve in line with the aforementioned increase in in-force policies and an increase in investment income. In addition, costs of goods and real estate sold and services expense increased in line with the aforementioned increased revenues.

Equity in net income of affiliates increased due mainly to the recognition of significant gains on sales of investments in real estate joint ventures compared to the previous fiscal year.

As a result of the foregoing, income before income taxes for the fiscal year increased 2% to ¥435,501 million compared to ¥424,965 million during the previous fiscal year. In addition, due to the impact from tax reform in the United States, net income attributable to ORIX Corporation shareholders increased 15% to ¥313,135 million compared to ¥273,239 million during the previous fiscal year.

Segment Information

Total segment profits for the fiscal year increased 2% to ¥429,058 million compared to ¥420,837 million during the previous fiscal year. While segment profits decreased in the Real Estate segment and the Overseas Business segment, segment profits for each of the other segments increased.

Segment information for the fiscal year is as follows:

Corporate Financial Services Segment: Loan, leasing and fee business

	Year ended March 31, 2017 (millions of yen)	Year ended March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	102,979	115,712	12,733	12
Segment Profits	38,032	49,275	11,243	30

	As of March 31, 2017 (millions of yen)	As of March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	1,032,152	961,901	(70,251)	(7)

Segment revenues increased 12% to ¥115,712 million compared to ¥102,979 million during the previous fiscal year due to an increase in gains on sales of securities, an increase in services income resulting from our stable fee businesses provided to domestic small- and medium-sized enterprise customers and from revenue in line with an increase in contracts of Yayoi Co. Ltd, despite a decrease in finance revenues from decreases in average investment balance in direct financing leases and installment loans.

Segment expenses remained at the same level as the previous fiscal year.

As a result of the foregoing, segment profits increased 30% to ¥49,275 million compared to ¥38,032 million during the previous fiscal year.

Segment assets decreased 7% to ¥961,901 million compared to the end of the previous fiscal year due to decreases in investment in direct financing leases, installment loans and investment in securities.

Maintenance Leasing Segment: Automobile leasing and rentals, car-sharing, and test and measurement instruments and IT-related equipment rentals and leasing

	Year ended March 31, 2017 (millions of yen)	Year ended March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	270,615	275,740	5,125	2
Segment Profits	39,787	40,162	375	1

	As of March 31, 2017 (millions of yen)	As of March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	752,513	818,201	65,688	9

Segment revenues increased 2**%** to ¥275,740 million compared to ¥270,615 million during the previous fiscal year due to increases in finance revenues and operating leases revenues in line with an increased average segment asset balance in the automobile leasing business and an increase in services income.

Segment expenses increased in line with the aforementioned revenue increases.

As a result of the foregoing, segment profits increased 1% to ¥40,162 million compared to ¥39,787 million during the previous fiscal year.

Segment assets increased 9% to ¥818,201 million compared to the end of the previous fiscal year due to an acquisition of a rental company and an increase in new auto-leases in the automobile leasing business.

Real Estate Segment: Real estate development and rental, facility operation, REIT asset management, and real estate investment and advisory services

	Year ended March 31, 2017 (millions of yen)	Year ended March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	212,050	172,948	(39,102)	(18)
Segment Profits	72,841	62,372	(10,469)	(14)

	As of March 31, 2017 (millions of yen)	As of March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	657,701	620,238	(37,463)	(6)

Segment revenues decreased 18% to ¥172,948 million compared to ¥212,050 million during the previous fiscal year due primarily to a decrease in operating leases revenues in line with a decrease in gains on sales of rental property and a decrease in average asset balance in operating leases, despite an increase in services income from facilities operations.

Segment expenses remained at the same level as the previous fiscal year due to a decrease in costs of operating leases despite an increase in services expense from facilities operations.

As a result of the foregoing, segment profits decreased 14% to ¥62,372 million compared to ¥72,841 million during the previous fiscal year, despite an increase in equity in net income of affiliates in line with the recognition of significant gains on sales of investments in real estate joint ventures.

Segment assets decreased 6% to ¥620,238 million compared to the end of the previous fiscal year due primarily to a decrease in investment in operating leases, which resulted from sales of rental properties.

Investment and Operation Segment: Environment and energy, principal investment, loan servicing (asset recovery), and concession

	Year ended March 31, 2017 (millions of yen)	Year ended March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	1,271,973	1,402,313	130,340	10
Segment Profits	85,000	96,120	11,120	13

	As of March 31, 2017 (millions of yen)	As of March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	768,675	847,677	79,002	10

Segment revenues increased 10% to ¥1,402,313 million compared to ¥1,271,973 million during the previous fiscal year due to increases in sales of goods in subsidiaries in the principal investment business and services income from the environment and energy business.

Segment expenses increased compared to the previous fiscal year in line with the aforementioned revenues expansion.

As a result of the foregoing and due to an increase in equity in net income of affiliates, segment profits increased 13% to ¥96,120 million compared to ¥85,000 million during the previous fiscal year.

Segment assets increased 10% to ¥847,677 million compared to the end of the previous fiscal year due primarily to a new large-scale investment in an affiliate in the environment and energy business.

Retail Segment: Life insurance, banking and card loan

	Year ended March 31, 2017 (millions of yen)	Year ended March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	368,665	428,697	60,032	16
Segment Profits	72,865	74,527	1,662	2

	As of March 31, 2017 (millions of yen)	As of March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	3,291,631	3,174,505	(117,126)	(4)

Segment revenues increased 16% to ¥428,697 million compared to ¥368,665 million during the previous fiscal year due mainly to an increase in life insurance premiums in line with an increase in in-force policies, and an increase in investment income from assets under variable annuity and variable life insurance contracts in the life insurance business due to the market's recovery.

Segment expenses increased compared to the previous fiscal year due to an increase in a provision of liability reserve in line with the aforementioned increase in in-force policies and an increase in investment income.

As a result of the foregoing, segment profits increased 2% to ¥74,527 million compared to ¥72,865 million during the previous fiscal year.

Segment assets decreased 4% to ¥3,174,505 million compared to the end of the previous fiscal year due primarily to sales of investment in securities as well as the surrender of variable annuity and variable life insurance contracts in the life insurance business, despite an increase in installment loans in the banking business.

Overseas Business Segment: Leasing, loan, bond investment, asset management and aircraft- and ship-related operations

	Year ended March 31, 2017 (millions of yen)	Year ended March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	458,912	477,420	18,508	4
Segment Profits	112,312	106,602	(5,710)	(5)

	As of March 31, 2017 (millions of yen)	As of March 31, 2018 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	2,454,200	2,594,728	140,528	6

Segment revenues increased 4% to ¥477,420 million compared to ¥458,912 million during the previous fiscal year due to increases in services income in the asset management business, operating leases revenues in our aircraft-related operations including gains on sales of aircraft and finance revenues in the Americas, despite a decrease in sales of goods resulting from the sale of a subsidiary during the previous fiscal year.

Segment expenses decreased compared to the previous fiscal year due primarily to a decrease in costs of goods sold resulting from the aforementioned sale of a subsidiary.

As a result of the foregoing and due to decreases in equity in net income of affiliates and gains on sales of subsidiaries and affiliates and liquidation losses, net, segment profits decreased 5% to ¥106,602 million compared to ¥112,312 million in the previous fiscal year.

Segment assets increased 6% to ¥2,594,728 million compared to the end of the previous fiscal year due to increases in investment in operating leases in our aircraft-related operations, installment loans in the Americas and Asia, and the recognition of goodwill and other intangible assets in line with the acquisition of a new subsidiary, despite a decrease in investment in securities.

Outlook and Forecast

In addition to continuing growth exhibited in our existing business operations, we believe that there are further growth opportunities in all of our segments, and we will strive to achieve sustainable profit growth by capitalizing on these opportunities going forward. For details of medium-term strategic directions, refer to “2. Management Policies (3) Medium-Term Strategic Directions FY2019-2021” on page 11.

Although forward-looking statements in this document are attributable to current information available to ORIX Corporation and are based on assumptions deemed reasonable by ORIX Corporation, actual financial results may differ materially due to various factors. Readers are urged not to place undue reliance on such forward-looking statements.

Factors causing a result that differs from forward-looking statements include, but are not limited to, those described under “Risk Factors” in our Form 20-F submitted to the U.S. Securities and Exchange Commission.

(2) Summary of Consolidated Financial Condition

Summary of Assets, Liabilities, Shareholders' Equity

		As of March 31, 2017	As of March 31, 2018	Change	
				Amount	Percent
Total Assets	(millions of yen)	11,231,895	11,425,982	194,087	2 %
(Segment Assets)		8,956,872	9,017,250	60,378	1 %
Total Liabilities	(millions of yen)	8,577,722	8,619,688	41,966	0 %
(Long- and Short-term Debt)		4,138,451	4,133,258	(5,193)	(0)%
(Deposits)		1,614,608	1,757,462	142,854	9 %
Shareholders' Equity	(millions of yen)	2,507,698	2,682,424	174,726	7 %
Shareholders' Equity Per Share	(yen)	1,925.17	2,095.64	170.47	9 %

Note: Shareholders' Equity refers to ORIX Corporation Shareholders' Equity based on US-GAAP. Shareholders' Equity Per Share is calculated using total ORIX Corporation Shareholders' Equity.

Total assets increased 2% to ¥11,425,982 million compared to ¥11,231,895 million at the end of the previous fiscal year. Investment in securities decreased due primarily to sales of investment in securities as well as the surrender of variable annuity and variable life insurance contracts in the life insurance business. On the other hand, property under facility operations and investment in affiliates increased due primarily to the new large-scale investments in the environment and energy business. In addition, segment assets increased 1% to ¥9,017,250 million compared to the end of the previous fiscal year.

We manage the balance of our interest-bearing liabilities at an appropriate level taking into account the condition of our assets and liquidity on-hand as well as the domestic and overseas financial environments. As a result, long-term debt decreased, and short-term debt and deposits increased compared to the end of the previous fiscal year. In addition, policy liabilities and policy account balances decreased due primarily to the aforementioned surrender of contracts.

Shareholders' equity increased 7% to ¥2,682,424 million compared to the end of the previous fiscal year due primarily to an increase in retained earnings, despite a decrease due to share repurchases.

Summary of Cash Flows

Cash and cash equivalents increased by ¥281,371 million to ¥1,321,241 million compared to the end of the previous fiscal year.

Cash flows provided by operating activities were ¥546,624 million during the fiscal year, down from ¥583,955 million during the previous fiscal year. This change resulted primarily from an increase in payment of income taxes.

Cash flows used in investing activities were ¥411,578 million during the fiscal year, up from ¥237,608 million during the previous fiscal year. This change resulted primarily from increases in purchases of lease equipment and investment in affiliates.

Cash flows provided by financing activities were ¥143,582 million during the fiscal year, compared to the outflow of ¥33,459 million during the previous fiscal year. This change resulted primarily from an increase in proceeds from debt with maturities longer than three months and a decrease in repayment of debt with maturities longer than three months.

(3) Profit Distribution Policy and Dividends for the Fiscal Year Ended March 31, 2018 and the Fiscal Year Ending March 31, 2019

ORIX aims to increase shareholder value by utilizing profits earned from business activities that were secured primarily as retained earnings, to strengthen its business foundation and make investments for future growth. At the same time, ORIX strives to make stable and sustainable distribution of dividends at a level in line with its business performance. In addition, with regards to the decision of whether to buy back shares, ORIX aims to act with flexibility and swiftness while considering various factors such as the adequate level of the Company's retained earnings, the soundness of its financial condition and external factors such as changes in the business environment, share price and its trend and target performance indicators.

Based on this fundamental policy, the dividend payout ratio for the fiscal year ended March 31, 2018 has been decided at 27%, up 2% from the fiscal year ended March 31, 2017, and the annual dividend has been decided at 66.00 yen per share (interim dividend paid was 27.00 yen per share and year-end dividend has been decided at 39.00 yen per share) from 52.25 yen per share in the previous fiscal year.

For the next fiscal year ending March 31, 2019, we expect the dividend payout ratio will be maintained at 27% with a focus on the optimal balance of securing of capital for investment in future profit growth and the making of stable and sustainable distribution of dividends to shareholders. The interim dividend for the next fiscal year is forecasted at 30.00 yen per share. The year-end dividend for the next fiscal year is to be determined.

(4) Risk Factors

With the announcement of our results for the fiscal year ended March 31, 2018, we believe no additional items have arisen concerning "Risk Factors" as stated in our latest Form 20-F submitted to the U.S. Securities and Exchange Commission on June 29, 2017.

2. Management Policies

(1) Management's Basic Policy

ORIX Group's corporate philosophy and management policy are described below.

Corporate Philosophy

ORIX is constantly anticipating market needs and working to contribute to society by developing leading financial services on a global scale and striving to offer innovative products that create new value for customers.

Management Policy

- ORIX strives to meet the diverse needs of its customers and to deepen trust by constantly providing superior services.
- ORIX aims to strengthen its base of operations and achieve sustained growth by integrating its resources to promote synergies amongst different units.
- ORIX makes efforts to develop a corporate culture that shares a sense of fulfillment and pride by developing personnel resources through corporate programs and promoting professional development.
- ORIX aims to attain stable medium- and long-term growth in shareholder value by implementing these initiatives.

Action Guidelines

Creativity: Develop the flexibility and foresight to constantly take actions that are creative and innovative.
Integration: Enhance ORIX Group's strength by actively exchanging knowledge, ideas, and experiences.

(2) Target Performance Indicators FY2019-2021

In its pursuit of sustainable growth, ORIX uses the following performance indicators: Net income attributable to ORIX Corporation shareholders to indicate profitability, ROE to indicate capital efficiency and ROA to indicate asset efficiency. In line with the mid-term strategic directions announced in May 2015, ORIX aimed to achieve a net income attributable to ORIX Corporation shareholders target of ¥300 billion for the fiscal year ended March 31, 2018, and to maintain ROE (the ratio of Net income attributable to ORIX Corporation shareholders' equity) around 11% to 12% with a focus on the growth of existing businesses and the expansion of non-finance businesses through new investment in key areas.

In the last three fiscal years ended March 31, 2018, in the domestic market, ORIX steadily developed its auto related business through its solid customer base, increased the number of life insurance policies through products that meet customer needs as well as enhanced sales channels and expanded the renewable energy business and electric power retailing business in the environment and energy business. In the overseas business, ORIX developed its fee businesses in the Americas, increased profit and assets under management in ORIX Corporation Europe N.V. and increased assets in the aircraft related business.

Regarding new investment in key areas, ORIX set a precedent for its overseas development through its investments in the environment and energy business in the Americas and Asia, and expanded its fee businesses through several M&A transactions mainly in the Americas. Regarding the private equity businesses, ORIX built up a track record of investment and sales in Japan and also made several new investments in the Americas and Asia.

Furthermore, ORIX launched its concession business and joint airport operation business which is a first for a private operator.

As a result of above-mentioned measures, as of March 31, 2018, ORIX achieved a net income attributable to ORIX Corporation shareholders of ¥313.1 billion and ROE of 12.1% meeting its targets of net income of ¥300 billion and ROE around 11% to 12%.

From the fiscal year ending March 31, 2019, ORIX aims to achieve annual net income attributable to ORIX Corporation shareholders growth of between 4% to 8%, and to maintain ROE above 11% by increasing asset efficiency through quality asset expansion in order to capture business opportunities and increasing capital efficiency by strengthening profit-earning opportunities such as fee-based businesses.

Three-year trends in performance indicators are as follows.

		March 31, 2016	March 31, 2017	March 31, 2018
Net Income Attributable to ORIX Corporation Shareholders	(millions of yen)	260,169	273,239	313,135
ROE	(%)	11.7	11.3	12.1
ROA	(%)	2.32	2.46	2.76

(3) Medium-Term Strategic Directions FY2019-2021

ORIX manages its business portfolio by dividing it into six segments: Corporate Financial Services, Maintenance Leasing, Real Estate, Investment and Operation, Retail, and Overseas Business.

Furthermore, taking risk and capital requirements into account, ORIX groups these six segments into three categories: “Finance”, “Operation” and “Investment.” The “Finance” business is ORIX’s customer base and source of information. However, given that the low interest rate environment makes growth difficult in financial businesses, ORIX will continue to focus on “Operation” and “Investment” to grow stable earnings and will proactively enter new markets to nurture its next core businesses.

The “Operation” business for which operational risk is taken by ORIX is positioned as ORIX's growth driver and source for new and stable earnings. ORIX will engage in M&A and expand new investment with a focus on the environment and energy business, asset management business, concession business and life insurance business as well as other new business areas coming from the change in society and the market.

The “Investment” business provides ORIX with opportunities to develop new businesses. ORIX focuses mainly on private equity businesses in Japan and overseas, aircraft and ship-related operations and will expand the scale of those businesses.

(4) Corporate Challenges to be Addressed

It is vital for ORIX to continue to maintain and develop a business structure that can be flexibly and swiftly adapted to the changing business environment. ORIX will take the following three steps in order to achieve the aforementioned mid-term strategic directions.

1. Further advancement of risk management
2. Pursue transactions that are both socially responsible and economically viable
3. Create a fulfilling workplace

1. Further advancement of risk management: Recognizing that business expansion and growth has diversified and globalized our risk, strengthen the business foundation which supports our growth by readily and continuously utilizing our risk management structure and our ability to assess risks.
2. Pursue transactions that are both socially responsible and economically viable: Pursue transactions that are socially responsible from a social and environmental standpoint while providing products and services that are valued by clients and improve ORIX’s overall profitability.
3. Create a fulfilling workplace: Focus on ORIX’s strengths as a global organization to create a fulfilling work environment for all employees regardless of nationality, age, gender, background or position.

3. Consideration in the Selection of Accounting Standard

We have been preparing our financial statements in accordance with U.S. GAAP. We believe that U.S. GAAP is the accounting standard that most appropriately reflects our business activities in our financial reporting.

Reporting in U.S. GAAP enables us to maintain consistency and comparability with past financial results and we believe that is beneficial to our stakeholders.

4. Financial Information

(1) Condensed Consolidated Balance Sheets (Unaudited)

(millions of yen)

Assets	As of March 31, 2017	As of March 31, 2018
Cash and Cash Equivalents	1,039,870	1,321,241
Restricted Cash	93,342	83,876
Investment in Direct Financing Leases	1,204,024	1,194,888
Installment Loans	2,815,706	2,823,769
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2017 ¥19,232 million		
March 31, 2018 ¥17,260 million		
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(59,227)	(54,672)
Investment in Operating Leases	1,313,164	1,344,926
Investment in Securities	2,026,512	1,729,455
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2017 ¥24,894 million		
March 31, 2018 ¥37,631 million		
Property under Facility Operations	398,936	434,786
Investment in Affiliates	524,234	591,363
Trade Notes, Accounts and Other Receivable	283,427	294,773
Inventories	117,863	111,001
Office Facilities	110,781	112,962
Other Assets	1,363,263	1,437,614
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2017 ¥22,116 million		
March 31, 2018 ¥15,008 million		
Total Assets	11,231,895	11,425,982
Liabilities and Equity		
Short-Term Debt	283,467	306,754
Deposits	1,614,608	1,757,462
Trade Notes, Accounts and Other Payable	251,800	262,301
Policy Liabilities and Policy Account Balances	1,564,758	1,511,246
The amounts which are measured at fair value by electing the fair value option are as follows:		
March 31, 2017 ¥605,520 million		
March 31, 2018 ¥444,010 million		
Current and Deferred Income Taxes	445,712	366,947
Long-Term Debt	3,854,984	3,826,504
Other Liabilities	562,393	588,474
Total Liabilities	8,577,722	8,619,688
Redeemable Noncontrolling Interests	6,548	7,420
Commitments and Contingent Liabilities		
Common Stock	220,524	220,961
Additional Paid-in Capital	268,138	267,291
Retained Earnings	2,077,474	2,315,283
Accumulated Other Comprehensive Income (Loss)	(21,270)	(45,566)
Treasury Stock, at Cost	(37,168)	(75,545)
Total ORIX Corporation Shareholders' Equity	2,507,698	2,682,424
Noncontrolling Interests	139,927	116,450
Total Equity	2,647,625	2,798,874
Total Liabilities and Equity	11,231,895	11,425,982

Note: Breakdowns of Accumulated Other Comprehensive Income (Loss)

	As of March 31, 2017	As of March 31, 2018
Accumulated Other Comprehensive Income (Loss)		
Net unrealized gains on investment in securities	32,279	10,465
Defined benefit pension plans	(17,330)	(20,487)
Foreign currency translation adjustments	(31,736)	(31,806)
Net unrealized losses on derivative instruments	(4,483)	(3,738)
Total	(21,270)	(45,566)

(2) Condensed Consolidated Statements of Income (Unaudited)

(millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Revenues :		
Finance revenues	200,584	214,104
Gains on investment securities and dividends	30,328	43,302
Operating leases	398,655	379,665
Life insurance premiums and related investment income	295,940	351,590
Sales of goods and real estate	1,015,249	1,079,052
Services income	737,903	795,058
Total Revenues	2,678,659	2,862,771
Expenses :		
Interest expense	72,910	76,815
Costs of operating leases	243,537	252,327
Life insurance costs	200,158	255,070
Costs of goods and real estate sold	928,794	1,003,509
Services expense	451,277	482,796
Other (income) and expense, net	(4,396)	429
Selling, general and administrative expenses	418,746	431,594
Provision for doubtful receivables and probable loan losses	22,667	17,265
Write-downs of long-lived assets	9,134	5,525
Write-downs of securities	6,608	1,246
Total Expenses	2,349,435	2,526,576
Operating Income	329,224	336,195
Equity in Net Income of Affiliates	26,520	50,103
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, Net	63,419	49,203
Bargain Purchase Gain	5,802	0
Income before Income Taxes	424,965	435,501
Provision for Income Taxes	144,039	113,912
Net Income	280,926	321,589
Net Income Attributable to the Noncontrolling Interests	7,255	8,002
Net Income Attributable to the Redeemable Noncontrolling Interests	432	452
Net Income Attributable to ORIX Corporation Shareholders	273,239	313,135

(3) Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(millions of yen)

	Year Ended March 31, 2017	Year Ended March 31, 2018
Net Income :	280,926	321,589
Other comprehensive income (loss), net of tax:		
Net change of unrealized gains (losses) on investment in securities	(14,926)	(22,834)
Net change of defined benefit pension plans	7,670	(2,962)
Net change of foreign currency translation adjustments	(5,968)	(1,955)
Net change of unrealized gains (losses) on derivative instruments	326	779
Total other comprehensive income (loss)	(12,898)	(26,972)
Comprehensive Income	268,028	294,617
Comprehensive Income Attributable to the Noncontrolling Interests	4,276	6,433
Comprehensive Income Attributable to the Redeemable Noncontrolling Interests	374	36
Comprehensive Income Attributable to ORIX Corporation Shareholders	263,378	288,148

(4) Condensed Consolidated Statements of Changes in Equity (Unaudited)

(millions of yen)

	ORIX Corporation Shareholders' Equity							
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total ORIX Corporation Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at March 31, 2016	220,469	257,629	1,864,241	(6,222)	(25,686)	2,310,431	162,388	2,472,819
Contribution to subsidiaries						0	20,811	20,811
Transaction with noncontrolling interests		10,516		(5,187)		5,329	(42,421)	(37,092)
Comprehensive income, net of tax:								
Net income			273,239			273,239	7,255	280,494
Other comprehensive income (loss)								
Net change of unrealized gains (losses) on investment in securities				(14,918)		(14,918)	(8)	(14,926)
Net change of defined benefit pension plans				7,508		7,508	162	7,670
Net change of foreign currency translation adjustments				(2,725)		(2,725)	(3,185)	(5,910)
Net change of unrealized gains (losses) on derivative instruments				274		274	52	326
Total other comprehensive income (loss)						(9,861)	(2,979)	(12,840)
Total comprehensive income						263,378	4,276	267,654
Cash dividends			(61,299)			(61,299)	(5,127)	(66,426)
Exercise of stock options	55	26				81	0	81
Acquisition of treasury stock					(12,128)	(12,128)	0	(12,128)
Disposal of treasury stock		(409)			646	237	0	237
Adjustment of redeemable noncontrolling interests to redemption value			1,293			1,293	0	1,293
Other, net		376				376	0	376
Balance at March 31, 2017	220,524	268,138	2,077,474	(21,270)	(37,168)	2,507,698	139,927	2,647,625
Contribution to subsidiaries						0	13,830	13,830
Transaction with noncontrolling interests		(972)		(1)		(973)	(35,522)	(36,495)
Comprehensive income, net of tax:								
Net income			313,135			313,135	8,002	321,137
Other comprehensive income (loss)								
Net change of unrealized gains (losses) on investment in securities				(22,746)		(22,746)	(88)	(22,834)
Net change of defined benefit pension plans				(2,984)		(2,984)	22	(2,962)
Net change of foreign currency translation adjustments				(2)		(2)	(1,537)	(1,539)
Net change of unrealized gains (losses) on derivative instruments				745		745	34	779
Total other comprehensive income (loss)						(24,987)	(1,569)	(26,556)
Total comprehensive income						288,148	6,433	294,581
Cash dividends			(72,757)			(72,757)	(8,218)	(80,975)
Exercise of stock options	437	219				656	0	656
Acquisition of treasury stock					(39,110)	(39,110)	0	(39,110)
Disposal of treasury stock		(476)			733	257	0	257
Adjustment of redeemable noncontrolling interests to redemption value			(1,876)			(1,876)	0	(1,876)
Reclassification of change in accounting standards			(692)	692		0	0	0
Other, net		382	(1)			381	0	381
Balance at March 31, 2018	220,961	267,291	2,315,283	(45,566)	(75,545)	2,682,424	116,450	2,798,874

Notes 1 : Changes in the redeemable noncontrolling interests are not included in the table.

2 : Reclassification of change in accounting standards represents the amounts reclassified for the early adoption of the Accounting Standards Update 2018-02 ("Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ―ASC 220 ("Income Statement―Reporting Comprehensive Income")).

(5) Condensed Consolidated Statements of Cash Flows (Unaudited)

(millions of yen)

	Year ended March 31, 2017	Year ended March 31, 2018
Cash Flows from Operating Activities:		
Net income	280,926	321,589
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	253,677	279,923
Provision for doubtful receivables and probable loan losses	22,667	17,265
Equity in net income of affiliates (excluding interest on loans)	(24,549)	(46,587)
Gains on sales of subsidiaries and affiliates and liquidation losses, net	(63,419)	(49,203)
Bargain purchase gain	(5,802)	0
Gains on sales of available-for-sale securities	(30,701)	(30,716)
Gains on sales of operating lease assets	(69,265)	(35,291)
Write-downs of long-lived assets	9,134	5,525
Write-downs of securities	6,608	1,246
Decrease in restricted cash	155	450
Decrease in trading securities	159,809	144,367
Decrease (Increase) in inventories	(5,318)	10,609
Decrease (Increase) in trade notes, accounts and other receivable	8,362	(13,984)
Increase (Decrease) in trade notes, accounts and other payable	(6,660)	17,831
Decrease in policy liabilities and policy account balances	(103,878)	(53,512)
Other, net	152,209	(22,888)
Net cash provided by operating activities	583,955	546,624
Cash Flows from Investing Activities:		
Purchases of lease equipment	(894,300)	(971,163)
Principal payments received under direct financing leases	483,627	470,870
Installment loans made to customers	(1,309,056)	(1,396,724)
Principal collected on installment loans	1,063,339	1,184,298
Proceeds from sales of operating lease assets	321,328	285,954
Investment in affiliates, net	(51,529)	(110,547)
Proceeds from sales of investment in affiliates	97,453	74,742
Purchases of available-for-sale securities	(466,314)	(399,362)
Proceeds from sales of available-for-sale securities	549,865	456,270
Proceeds from redemption of available-for-sale securities	105,255	97,565
Purchases of held-to-maturity securities	(306)	0
Purchases of other securities	(22,737)	(40,021)
Proceeds from sales of other securities	31,829	43,959
Purchases of property under facility operations	(95,601)	(80,095)
Acquisitions of subsidiaries, net of cash acquired	(79,405)	(66,418)
Sales of subsidiaries, net of cash disposed	55,530	57,205
Other, net	(26,586)	(18,111)
Net cash used in investing activities	(237,608)	(411,578)
Cash Flows from Financing Activities:		
Net increase in debt with maturities of three months or less	793	50,900
Proceeds from debt with maturities longer than three months	1,319,523	1,488,259
Repayment of debt with maturities longer than three months	(1,456,366)	(1,396,531)
Net increase in deposits due to customers	216,118	143,318
Cash dividends paid to ORIX Corporation shareholders	(61,299)	(72,757)
Acquisition of treasury stock	(12,128)	(39,110)
Contribution from noncontrolling interests	5,599	4,740
Purchases of shares of subsidiaries from noncontrolling interests	(25,840)	(11,299)
Cash dividends paid to redeemable noncontrolling interests	0	(1,040)
Net decrease in call money	(14,500)	(18,000)
Other, net	(5,359)	(4,898)
Net cash provided by (used in) financing activities	(33,459)	143,582
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3,438)	2,743
Net increase in Cash and Cash Equivalents	309,450	281,371
Cash and Cash Equivalents at Beginning of Year	730,420	1,039,870
Cash and Cash Equivalents at End of Year	1,039,870	1,321,241

(6) Assumptions for Going Concern

There is no corresponding item.

(7) Segment Information (Unaudited)

1. Segment Information by Sector

(millions of yen)

	Year ended March 31, 2017		Year ended March 31, 2018		March 31, 2017	March 31, 2018
	Segment Revenues	Segment Profits	Segment Revenues	Segment Profits	Segment Assets	Segment Assets
Corporate Financial Services	102,979	38,032	115,712	49,275	1,032,152	961,901
Maintenance Leasing	270,615	39,787	275,740	40,162	752,513	818,201
Real Estate	212,050	72,841	172,948	62,372	657,701	620,238
Investment and Operation	1,271,973	85,000	1,402,313	96,120	768,675	847,677
Retail	368,665	72,865	428,697	74,527	3,291,631	3,174,505
Overseas Business	458,912	112,312	477,420	106,602	2,454,200	2,594,728
Segment Total	2,685,194	420,837	2,872,830	429,058	8,956,872	9,017,250
Difference between Segment Total and Consolidated Amounts	(6,535)	4,128	(10,059)	6,443	2,275,023	2,408,732
Consolidated Amounts	2,678,659	424,965	2,862,771	435,501	11,231,895	11,425,982

Note 1: The Company evaluates the performance of segments based on income before income taxes, adjusted for net income attributable to the noncontrolling interests and net income attributable to the redeemable noncontrolling interests before applicable tax effect. Tax expenses are not included in segment profits.

Note 2: For those VIEs that are used for securitization and are consolidated, for which the VIE's assets can be used only to settle related obligations of those VIEs and the creditors (or beneficial interest holders) do not have recourse to other assets of the Company or its subsidiaries, segment assets are measured based on the amount of the Company and its subsidiaries' net investments in the VIEs, which is different from the amount of total assets of the VIEs, and accordingly, segment revenues are also measured at a net amount representing the revenues earned on the net investments in the VIEs. Certain gains or losses related to assets and liabilities of consolidated VIEs, which are not ultimately attributable to the Company and its subsidiaries, are excluded from segment profits.

Note 3: Inter-segment transactions are included in segment revenues, and eliminations of inter-segment transactions are included in the difference between segment total and consolidated amounts.

2. Geographic Information

(millions of yen)

	Year Ended March 31, 2017			
	Japan	The Americas*1	Other*2	Consolidated Amounts
Total Revenues	2,195,389	142,430	340,840	2,678,659
Income before Income Taxes	313,175	44,083	67,707	424,965

(millions of yen)

	Year Ended March 31, 2018			
	Japan	The Americas*1	Other*2	Consolidated Amounts
Total Revenues	2,377,729	108,186	376,856	2,862,771
Income before Income Taxes	320,511	46,869	68,121	435,501

***Note 1:** Mainly the United States

***Note 2:** Mainly Asia, Europe, Australasia and Middle East

Note 3: ORIX Corporation Europe N.V., one of the Company's subsidiaries domiciled in the Netherlands, which changed its name from Robeco Groep N.V. on January 1, 2018, is a holding company owning asset management companies. Due to its customer base being spread across the world, total revenues and income before income taxes of the company are included in "Other." Based on its legal entity location, revenues were ¥96,157 million in the Americas and ¥76,012 million in Other for the fiscal year ended March 31, 2017, and ¥100,116 million in the Americas and ¥87,100 million in Other for the fiscal year ended March 31, 2018.

(8) Per Share Data (Unaudited)

	Year ended March 31, 2017	Year ended March 31, 2018
		(millions of yen)
Net Income Attributable to ORIX Corporation Shareholders	273,239	313,135
		(thousands of shares)
Weighted-average shares	1,308,105	1,281,238
Effect of Dilutive Securities -		
Exercise of stock options	1,277	1,314
Weighted-average shares for diluted EPS computation	1,309,382	1,282,552
Earnings per share for net income attributable to ORIX Corporation shareholders		**(yen)**
Basic	208.88	244.40
Diluted	208.68	244.15
		(yen)
Shareholders' equity per share	1,925.17	2,095.64

Note : In fiscal 2017, the diluted EPS calculation excludes stock options for 2,697 thousand shares, as they were antidilutive.
In fiscal 2018, the diluted EPS calculation excludes stock options for 192 thousand shares, as they were antidilutive.

(9) Changes in Significant Basis of Preparation of Consolidated Financial Statements Significant Accounting Policies

(Application of New Accounting Standards)

In February 2018, Accounting Standards Update 2018-02 ("Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ― ASC 220 ("Income Statement ― Reporting Comprehensive Income")) was issued. This Update provides the option to reclassify certain stranded tax effects resulting from the Tax Cuts and Jobs Act, which was enacted on December 22, 2017, from accumulated other comprehensive income to retained earnings. The Company and its subsidiaries early adopted this Update on January 1, 2018. The effect of the early adoption on the Company and its subsidiaries' financial position at the adoption date was an increase of ¥692 million in accumulated other comprehensive income and a decrease of ¥692 million in retained earnings in the consolidated balance sheets.

(10) Notes to Consolidated Financial Statements

(Subsequent Events)

There are no material subsequent events.