

ORIX CORP
Form 6-K
January 30, 2018
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 OF

THE SECURITIES EXCHANGE Act of 1934

For the month of January 2018

ORIX Corporation

(Translation of Registrant's Name into English)

World Trade Center Bldg., 2-4-1 Hamamatsu-cho, Minato-Ku, Tokyo, JAPAN

(Address of Principal Executive Offices)

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(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

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| 1. <u>ORIX's Third Quarter Consolidated Financial Results (April 1, 2017 – December 31, 2017) filed with the Tokyo Stock Exchange on Tuesday January 30, 2018.</u> | |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORIX Corporation

Date: January 30, 2018

By /s/ Kazuo Kojima
Kazuo Kojima
Director
Deputy President & CFO
ORIX Corporation

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Consolidated Financial Results

April 1, 2017 December 31, 2017

January 30, 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.

For further information please contact:

Investor Relations

ORIX Corporation

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JAPAN

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(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
 Tel: +81-3-3435-3121
 (URL <http://www.orix.co.jp/grp/en/ir/index.html>)

1. Performance Highlights as of and for the Nine Months Ended December 31, 2017**(1) Performance Highlights - Operating Results (Unaudited)**

(millions of yen)*1

| | Total Year-on-Year Revenues Change | | Operating Income Change | | Income before Taxes Change | | Net Income Attributable to ORIX Corporation Shareholders Change | |
|-------------------|------------------------------------|-----------|-------------------------|---------|----------------------------|---------|---|---------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| December 31, 2017 | 2,194,882 | 1,925,769 | 273,282 | 247,567 | 360,488 | 334,096 | 256,391 | 217,118 |
| December 31, 2016 | | | | | | | | |
| | 14.0% | 7.2% | 10.4% | (2.0%) | 7.9% | (0.2%) | 18.1% | 0.8% |

Comprehensive Income Attributable to ORIX Corporation Shareholders was ¥272,442 million for the nine months ended December 31, 2017 (year-on-year change was a 46.8% increase) and ¥185,536 million for the nine months ended December 31, 2016 (year-on-year change was a 4.6% decrease).

| | Basic Earnings Per Share | Diluted Earnings Per Share |
|-------------------|--------------------------|----------------------------|
| December 31, 2017 | 200.05 | 199.86 |
| December 31, 2016 | 165.89 | 165.74 |

*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.

(2) Performance Highlights - Financial Position (Unaudited)

| | Total Assets | Total Equity | Shareholders Equity | Shareholders Equity Ratio |
|--|--------------|--------------|---------------------|---------------------------|
| | | | | |

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| | | | | |
|-------------------|------------|-----------|-----------|-------|
| December 31, 2017 | 11,551,918 | 2,806,396 | 2,667,906 | 23.1% |
| March 31, 2017 | 11,231,895 | 2,647,625 | 2,507,698 | 22.3% |

***Note 2:** Shareholders' Equity refers to Total ORIX Corporation Shareholders' Equity.

Shareholders' Equity Ratio is the ratio of Total ORIX Corporation Shareholders' Equity to Total Assets.

2. Dividends (Unaudited)

| | First Quarter-end | Second Quarter-end | Third Quarter-end | Year-end | Total |
|-----------------------|----------------------|-----------------------|----------------------|----------|-------|
| March 31, 2017 | | 23.00 | | 29.25 | 52.25 |
| March 31, 2018 | | 27.00 | | | |
| March 31, 2018 (Est.) | | | | | |

***Note 3:** Estimated dividend amount for the fiscal year ending March 31, 2018 has not yet been determined.

For details of dividend payout ratio forecast for the fiscal year ending March 31, 2018, please refer to Announcement Regarding Interim Dividend and Dividend Payout Ratio for the Fiscal Year Ending March 31, 2018 announced on October 30, 2017.

3. Targets for the Year Ending March 31, 2018 (Unaudited)

| | Net Income Attributable to ORIX Corporation Shareholders | Year-on-Year Change |
|----------------|---|--------------------------------|
| March 31, 2018 | 300,000 | 9.8% |

4. Other Information

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

Addition - None () Exclusion - None ()

(2) Adoption of Simplified Accounting Method Yes () No (x)

(3) Changes in Accounting Principles, Procedures and Disclosures

1. Changes due to adoptions of new accounting standards Yes () No (x)

2. Other than those above Yes () No (x)

(4) Number of Issued Shares (Ordinary Shares)

1. The number of issued shares, including treasury shares, was 1,324,285,528 as of December 31, 2017, and 1,324,107,328 as of March 31, 2017.

2. The number of treasury shares was 42,843,313 as of December 31, 2017, and 19,394,191 as of March 31, 2017.

3. The average number of outstanding shares was 1,281,625,426 for the nine months ended December 31, 2017, and 1,308,792,220 for the nine months ended December 31, 2016.

The Company's shares held through the Board Incentive Plan Trust (1,962,243 shares as of December 31, 2017 and 2,126,076 shares as of March 31, 2017) are not included in the number of treasury 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.

Table of Contents**1. Summary of Consolidated Financial Results****(1) Financial Highlights****Financial Results for the Nine Months Ended December 31, 2017**

| | | Nine months | Nine months | Change | |
|--|-------------------|--------------------|--------------------|---------|---------|
| | | ended December 31, | ended December 31, | Amount | Percent |
| | | 2016 | 2017 | | |
| Total Revenues | (millions of yen) | 1,925,769 | 2,194,882 | 269,113 | 14% |
| Total Expenses | (millions of yen) | 1,678,202 | 1,921,600 | 243,398 | 15% |
| Income before Income Taxes | (millions of yen) | 334,096 | 360,488 | 26,392 | 8% |
| Net Income Attributable to ORIX Corporation Shareholders | (millions of yen) | 217,118 | 256,391 | 39,273 | 18% |
| Earnings Per Share (Basic) | (yen) | 165.89 | 200.05 | 34.16 | 21% |
| (Diluted) | (yen) | 165.74 | 199.86 | 34.12 | 21% |
| ROE (Annualized) *1 | (%) | 12.2 | 13.2 | 1.0 | |
| ROA (Annualized) *2 | (%) | 2.62 | 3.00 | 0.38 | |

*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.

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

Total revenues for the nine months ended December 31, 2017 (hereinafter, the third consolidated period) increased 14% to ¥2,194,882 million compared to ¥1,925,769 million during the same period of 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 15% to ¥1,921,600 million compared to ¥1,678,202 million during the same period of 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. Gains on sales of subsidiaries and affiliates and liquidation losses, net decreased compared to the same period of the previous fiscal year due to significant gains on sales of subsidiaries and affiliates recorded during the previous fiscal year.

As a result of the foregoing, income before income taxes for the third consolidated period increased 8% to ¥360,488 million compared to ¥334,096 million during the same period of 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 18% to ¥256,391 million compared to ¥217,118 million during the same period of the previous fiscal year.

Table of Contents**Segment Information**

Total segment profits for the third consolidated period increased 8% to ¥356,218 million compared to ¥329,115 million during the same period of the previous fiscal year. While segment profits decreased in the Investment and Operation segment, segment profits for each of the other segments increased.

Segment information for the third consolidated period is as follows:

Corporate Financial Services Segment: Loan, leasing and fee business

| | Nine months ended December 31, 2016 (millions of yen) | Nine months ended December 31, 2017 (millions of yen) | Change | |
|------------------|--|---|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Revenues | 75,546 | 86,091 | 10,545 | 14 |
| Segment Profits | 26,314 | 37,551 | 11,237 | 43 |

| | As of March 31, 2017 (millions of yen) | As of December 31, 2017 (millions of yen) | Change | |
|----------------|---|---|--------------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Assets | 1,032,152 | 966,914 | (65,238) | (6) |

The Japanese economy on the whole entered a moderate recovery phase. The balance of outstanding loans at financial institutions continues to increase while interest rates on loans remain at low levels.

Segment revenues increased 14% to ¥86,091 million compared to ¥75,546 million during the same period of 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 generated by Yayoi Co. Ltd, despite a decrease in finance revenues from decreases in investment in direct financing leases and installment loans.

Segment expenses decreased due to a decrease in interest expense.

As a result of the foregoing, segment profits increased 43% to ¥37,551 million compared to ¥26,314 million during the same period of the previous fiscal year.

Segment assets decreased 6% to ¥966,914 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.

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

| | Nine months ended December 31, 2016 (millions of yen) | Nine months ended December 31, 2017 (millions of yen) | Change | |
|------------------|---|---|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Revenues | 202,657 | 207,085 | 4,428 | 2 |
| Segment Profits | 28,642 | 31,085 | 2,443 | 9 |

| | As of March 31, 2017 (millions of yen) | As of December 31, 2017 (millions of yen) | Change | |
|----------------|--|---|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Assets | 752,513 | 780,548 | 28,035 | 4 |

Demand in corporate capital investment has been gradually increasing. The volume of new auto-leases is gradually increasing due to moderate economic recovery in Japan.

Segment revenues increased 2% to ¥207,085 million compared to ¥202,657 million during the same period of 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 9% to ¥31,085 million compared to ¥28,642 million during the same period of the previous fiscal year.

Segment assets increased 4% to ¥780,548 million compared to the end of the previous fiscal year due primarily to 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

| | Nine months ended December 31, 2016 (millions of yen) | Nine months ended December 31, 2017 (millions of yen) | Change | |
|------------------|---|---|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Revenues | 153,243 | 138,632 | (14,611) | (10) |
| Segment Profits | 49,721 | 52,084 | 2,363 | 5 |

Change

| | As of March 31, 2017 (millions of yen) | As of December 31, 2017 (millions of yen) | Amount (millions of yen) | Percent (%) |
|----------------|---|--|---|------------------------|
| Segment Assets | 657,701 | 605,767 | (51,934) | (8) |

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Land prices remain high and vacancy rates in the Japanese office building market remain at low levels, especially in the Greater Tokyo Area due primarily to the quantitative easing policies implemented by the Bank of Japan, including the low interest rate environment. However, we are also seeing a trend where sales prices of condominiums are no longer increasing. Changes in tourism preferences such as increased availability and usage of vacation rentals are affecting the operations of hotels and Japanese inns.

Segment revenues decreased 10% to ¥138,632 million compared to ¥153,243 million during the same period of 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 in Japan and a decrease in asset balance in operating leases, partially offset by an increase in services income from facilities operations.

Segment expenses increased compared to the same period of the previous fiscal year due primarily to an increase in services expense from facilities operations.

As a result of the foregoing and due to 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 profits increased 5% to ¥52,084 million compared to ¥49,721 million during the same period of the previous fiscal year.

Segment assets decreased 8% to ¥605,767 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

| | Nine months ended December 31, 2016 (millions of yen) | Nine months ended December 31, 2017 (millions of yen) | Change | |
|------------------|---|--|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Revenues | 870,404 | 1,073,655 | 203,251 | 23 |
| Segment Profits | 68,783 | 62,648 | (6,135) | (9) |

| | As of March 31, 2017 (millions of yen) | As of December 31, 2017 (millions of yen) | Change | |
|----------------|--|--|--------------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Assets | 768,675 | 870,257 | 101,582 | 13 |

Investment in infrastructure, especially energy infrastructure, is diversifying in Japan. In the energy business, among renewable energy, investment is expanding beyond solar power to wind and geothermal power. In addition, business structures are diversifying. In infrastructure investment markets, the use of private funds is expanding within public facilities management. In emerging countries, infrastructure demand is growing rapidly with economic growth, and Japanese companies are expected to increase infrastructure investment.

Segment revenues increased 23% to ¥1,073,655 million compared to ¥870,404 million during the same period of the previous fiscal year due to increases in sales of goods from subsidiaries in the principal investment business and

services income from the environment and energy business.

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

On the other hand, due to the recognition of significant gains on sales of shares of an affiliate during the same period of the previous fiscal year, segment profits decreased 9% to ¥62,648 million compared to ¥68,783 million during the same period of the previous fiscal year.

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Segment assets increased 13% to ¥870,257 million compared to the end of the previous fiscal year due primarily to a new large-scale investment in affiliates in the environment and energy business.

Retail Segment: Life insurance, banking and card loan

| | Nine months ended December 31, 2016 (millions of yen) | Nine months ended December 31, 2017 (millions of yen) | Change | |
|------------------|--|--|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Revenues | 274,708 | 336,381 | 61,673 | 22 |
| Segment Profits | 60,055 | 63,274 | 3,219 | 5 |

| | As of March 31, 2017 (millions of yen) | As of December 31, 2017 (millions of yen) | Change | |
|----------------|---|--|--------------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Assets | 3,291,631 | 3,212,749 | (78,882) | (2) |

While the life insurance business in Japan is currently affected by macroeconomic factors such as domestic population decline, we are seeing a rise in demand for medical insurance. Companies are developing new products and revising insurance premiums which reflect the performance of related products. In the card loan business for individuals and the mortgage business, some lenders are refraining from expanding their assets due to an overheating business environment.

Segment revenues increased 22% to ¥336,381 million compared to ¥274,708 million during the same period of 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 following the market's recovery.

Segment expenses increased compared to the same period of 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 5% to ¥63,274 million compared to ¥60,055 million during the same period of the previous fiscal year.

Segment assets decreased 2% to ¥3,212,749 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, which offset an increase in installment loans in the banking business.

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

| | Nine months ended December 31, 2016 (millions of yen) | Nine months ended December 31, 2017 (millions of yen) | Change | |
|------------------|--|--|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Revenues | 351,733 | 358,340 | 6,607 | 2 |
| Segment Profits | 95,600 | 109,576 | 13,976 | 15 |

| | As of March 31, 2017 (millions of yen) | As of December 31, 2017 (millions of yen) | Change | |
|----------------|---|--|-----------------------------|----------------|
| | | | Amount (millions of yen) | Percent (%) |
| Segment Assets | 2,454,200 | 2,756,502 | 302,302 | 12 |

The U.S. economy has continued to recover with improvements in employment and income environment; other regions have also experienced moderate recovery. Although interest rates remain low worldwide, the scaling back of quantitative easing policies are likely in advanced nations. The asset management industry is expected to increase assets under management due to the increase in pension assets and the high-income class population over the mid- and long-term. The aviation industry is expected to continue to expand its market size against the backdrop of increasing passenger demand mainly in emerging countries. In addition, there are political and geopolitical tensions in certain regions that need to be monitored carefully.

Segment revenues increased 2% to ¥358,340 million compared to ¥351,733 million during the same period of the previous fiscal year due to increases in services income in the asset management business and operating leases revenues in our aircraft-related operations in line with an increase in gains on sales of aircraft, 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 same period of 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, segment profits increased 15% to ¥109,576 million compared to ¥95,600 million in the same period of the previous fiscal year.

Segment assets increased 12% to ¥2,756,502 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 investment in a new subsidiary, offset by a decrease in investment in securities.

Table of Contents**(2) Consolidated Financial Condition****Summary of Assets, Liabilities, Shareholders' Equity**

| | | As of March 31, 2017 | As of December 31, 2017 | Change | |
|--------------------------------|-------------------|----------------------------|-------------------------------|---------|---------|
| | | | | Amount | Percent |
| Total Assets | (millions of yen) | 11,231,895 | 11,551,918 | 320,023 | 3% |
| (Segment Assets) | | 8,956,872 | 9,192,737 | 235,865 | 3% |
| Total Liabilities | (millions of yen) | 8,577,722 | 8,738,720 | 160,998 | 2% |
| (Long- and Short-term Debt) | | 4,138,451 | 4,249,576 | 111,125 | 3% |
| (Deposits) | | 1,614,608 | 1,745,058 | 130,450 | 8% |
| Shareholders' Equity | (millions of yen) | 2,507,698 | 2,667,906 | 160,208 | 6% |
| Shareholders' Equity Per Share | (yen) | 1,925.17 | 2,085.15 | 159.98 | 8% |

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

Total assets increased 3% to ¥11,551,918 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, installment loans increased due primarily to an increase in the banking business in Japan, and investment in affiliates increased due primarily to a new large-scale investment in the environment and energy business. Segment assets increased 3% to ¥9,192,737 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- 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 to the surrender of variable annuity and variable life insurance contracts.

Shareholders' equity increased 6% to ¥2,667,906 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.

(3) Medium-Term Management Targets FY2016-2018

ORIX continues to provide innovative and flexible solutions to address changes in the market environment and customer needs. ORIX's diversified business portfolio consists of six business segments: Corporate Financial Services, Maintenance Leasing, Real Estate, Investment and Operation, Retail, and Overseas Business. These business segments are closely integrated with each other to create greater value through sharing know-how and expertise.

ORIX, using its diversified business portfolio as a basis, intends to capitalize on its business foundation, client base, industry know-how and accumulated expertise, to continuously improve profitability by providing high value-added services to the market. Furthermore, under our mid-term strategy of "Expansion in Non-Finance Business," ORIX aims to achieve sustainable profit growth.

Our strategy of Expansion in Non-Finance Business consists of Organic growth and New investment in key areas. With these principles, we will pursue new business arising from the changing business environment.

Organic growth : Deepen our strengths and expertise to further expand our existing operations both in Japan and abroad. Those in Japan include fee business, automobile-related business, facility operation business, and life insurance business. Those abroad include automobile-related business, and further diversification towards non-finance business.

New investment in key areas : Continue to pursue new investment opportunities in key areas identified as the environment and energy business and private equity investment in Japan and abroad, the network in Asia, global asset management and concession business.

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The Company aims to achieve ¥300 billion in net income and ROE around 11% to 12% for the fiscal year ending March 31, 2018.

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.

Table of Contents**2. Financial Information****(1) Condensed Consolidated Balance Sheets (Unaudited)**

| | (millions of yen) | |
|--|----------------------------|-------------------------------|
| | As of March 31, 2017 | As of December 31, 2017 |
| Assets | | |
| Cash and Cash Equivalents | 1,039,870 | 1,232,874 |
| Restricted Cash | 93,342 | 90,680 |
| Investment in Direct Financing Leases | 1,204,024 | 1,214,118 |
| Installment Loans | 2,815,706 | 2,872,025 |
| The amounts which are measured at fair value by electing the fair value option are as follows: | | |
| March 31, 2017 ¥19,232 million | | |
| December 31, 2017 ¥31,980 million | | |
| Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses | (59,227) | (55,713) |
| Investment in Operating Leases | 1,313,164 | 1,346,466 |
| Investment in Securities | 2,026,512 | 1,834,645 |
| The amounts which are measured at fair value by electing the fair value option are as follows: | | |
| March 31, 2017 ¥24,894 million | | |
| December 31, 2017 ¥39,277 million | | |
| Property under Facility Operations | 398,936 | 408,140 |
| Investment in Affiliates | 524,234 | 588,376 |
| Trade Notes, Accounts and Other Receivable | 283,427 | 308,128 |
| Inventories | 117,863 | 137,909 |
| Office Facilities | 110,781 | 109,845 |
| Other Assets | 1,363,263 | 1,464,425 |
| The amounts which are measured at fair value by electing the fair value option are as follows: | | |
| March 31, 2017 ¥22,116 million | | |
| December 31, 2017 ¥12,834 million | | |
| Total Assets | 11,231,895 | 11,551,918 |
| Liabilities and Equity | | |
| Short-Term Debt | 283,467 | 358,570 |
| Deposits | 1,614,608 | 1,745,058 |
| Trade Notes, Accounts and Other Payable | 251,800 | 210,031 |
| Policy Liabilities and Policy Account Balances | 1,564,758 | 1,524,532 |

The amounts which are measured at fair value by electing the fair value option are as follows:

| | | | |
|---|------------------|-------------------|-------------------|
| March 31, 2017 | ¥605,520 million | | |
| December 31, 2017 | ¥487,136 million | | |
| Current and Deferred Income Taxes | | 445,712 | 393,207 |
| Long-Term Debt | | 3,854,984 | 3,891,006 |
| Other Liabilities | | 562,393 | 616,316 |
| Total Liabilities | | 8,577,722 | 8,738,720 |
| Redeemable Noncontrolling Interests | | 6,548 | 6,802 |
| Commitments and Contingent Liabilities | | | |
| Common Stock | | 220,524 | 220,724 |
| Additional Paid-in Capital | | 268,138 | 267,319 |
| Retained Earnings | | 2,077,474 | 2,261,107 |
| Accumulated Other Comprehensive Income (Loss) | | (21,270) | (5,219) |
| Treasury Stock, at Cost | | (37,168) | (76,025) |
| Total ORIX Corporation Shareholders Equity | | 2,507,698 | 2,667,906 |
| Noncontrolling Interests | | 139,927 | 138,490 |
| Total Equity | | 2,647,625 | 2,806,396 |
| Total Liabilities and Equity | | 11,231,895 | 11,551,918 |

Table of Contents**Note :** Breakdowns of Accumulated Other Comprehensive Income (Loss)

| | As of March 31, 2017 | As of December 31, 2017 |
|--|-------------------------------------|--|
| Accumulated Other Comprehensive Income (Loss) | | |
| Net unrealized gains on investment in securities | 32,279 | 22,402 |
| Defined benefit pension plans | (17,330) | (17,915) |
| Foreign currency translation adjustments | (31,736) | (5,629) |
| Net unrealized losses on derivative instruments | (4,483) | (4,077) |
| Total | (21,270) | (5,219) |

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Table of Contents**(2) Condensed Consolidated Statements of Income (Unaudited)**

| | (millions of yen) | |
|--|---|---|
| | Nine months ended December 31, 2016 | Nine months ended December 31, 2017 |
| Revenues : | | |
| Finance revenues | 147,894 | 160,915 |
| Gains on investment securities and dividends | 24,354 | 33,919 |
| Operating leases | 289,769 | 289,967 |
| Life insurance premiums and related investment income | 221,398 | 278,538 |
| Sales of goods and real estate | 695,616 | 836,689 |
| Services income | 546,738 | 594,854 |
| Total Revenues | 1,925,769 | 2,194,882 |
| Expenses : | | |
| Interest expense | 53,955 | 56,806 |
| Costs of operating leases | 181,417 | 188,777 |
| Life insurance costs | 147,467 | 205,030 |
| Costs of goods and real estate sold | 631,538 | 782,273 |
| Services expense | 332,299 | 358,724 |
| Other (income) and expense, net | 710 | (1,096) |
| Selling, general and administrative expenses | 307,280 | 315,267 |
| Provision for doubtful receivables and probable loan losses | 12,371 | 11,960 |
| Write-downs of long-lived assets | 4,802 | 3,029 |
| Write-downs of securities | 6,363 | 830 |
| Total Expenses | 1,678,202 | 1,921,600 |
| Operating Income | 247,567 | 273,282 |
| Equity in Net Income of Affiliates | 25,811 | 46,289 |
| Gains on Sales of Subsidiaries and Affiliates and Liquidation | | |
| Losses, net | 56,431 | 40,917 |
| Bargain Purchase Gain | 4,287 | 0 |
| Income before Income Taxes | 334,096 | 360,488 |
| Provision for Income Taxes | 110,212 | 98,934 |
| Net Income | 223,884 | 261,554 |
| Net Income Attributable to the Noncontrolling Interests | 6,542 | 4,875 |

| | | |
|---|---------|---------|
| Net Income Attributable to the Redeemable Noncontrolling Interests | 224 | 288 |
| Net Income Attributable to ORIX Corporation Shareholders | 217,118 | 256,391 |

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Table of Contents**(3) Condensed Consolidated Statements of Comprehensive Income (Unaudited)**

| | (millions of yen) | |
|---|---|---|
| | Nine months ended December 31, 2016 | Nine months ended December 31, 2017 |
| Net Income : | 223,884 | 261,554 |
| Other comprehensive income (loss), net of tax: | | |
| Net change of unrealized gains (losses) on investment in securities | (16,872) | (9,926) |
| Net change of defined benefit pension plans | 677 | (583) |
| Net change of foreign currency translation adjustments | (18,528) | 25,882 |
| Net change of unrealized gains (losses) on derivative instruments | 353 | 439 |
| Total other comprehensive income (loss) | (34,370) | 15,812 |
| Comprehensive Income | 189,514 | 277,366 |
| Comprehensive Income Attributable to the Noncontrolling Interests | 3,479 | 4,587 |
| Comprehensive Income Attributable to the Redeemable Noncontrolling Interests | 499 | 337 |
| Comprehensive Income Attributable to ORIX Corporation Shareholders | 185,536 | 272,442 |

(4) Assumptions for Going Concern

There is no corresponding item.

(5) Significant Changes in Shareholders Equity

There is no corresponding item.

| | | The Americas*1 | | Consolidated Amounts |
|----------------------------|-----------|---------------------------|---------|---------------------------------|
| Total Revenues | 1,555,622 | 116,680 | 253,467 | 1,925,769 |
| Income before Income Taxes | 239,166 | 35,626 | 59,304 | 334,096 |

(millions of yen)

| | Nine Months Ended December 31, 2017 | | | |
|----------------------------|--|---------------------------|----------------|---------------------------------|
| | Japan | The Americas*1 | Other*2 | Consolidated Amounts |
| Total Revenues | 1,822,281 | 83,738 | 288,863 | 2,194,882 |
| Income before Income Taxes | 247,489 | 37,778 | 75,221 | 360,488 |

***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 has 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 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 generated in the Americas were ¥71,914 million and ¥76,330 million and in Other were ¥56,102 million and ¥65,204 million for the nine months ended December 31, 2016 and 2017, respectively.

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(7) Subsequent Events

There are no material subsequent events.

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