

ORIX CORP
Form 6-K
November 14, 2011
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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 November 2011.

ORIX Corporation

(Translation of Registrant's Name into English)

Mita NN Bldg., 4-1-23 Shiba, 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>On November 11, ORIX Corporation (the Company) filed its quarterly financial report (shihanki houkokusho) with the Kanto Financial Bureau in Japan. This document is an English translation of consolidated financial information prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for the three and six months ended September 30, 2010 and 2011. This translation is unaudited.</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: November 11, 2011

By /s/ Haruyuki Urata
Haruyuki Urata
Director
Deputy President & CFO
ORIX Corporation

Table of Contents**CONSOLIDATED FINANCIAL INFORMATION**

1. On November 11, 2011, ORIX Corporation (the Company) filed its quarterly financial report (*shihanki houkokusho*) with the Kanto Financial Bureau in Japan. This document is an English translation of unaudited consolidated financial information prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for the three and six months ended September 30, 2010 and 2011.

2. Significant differences between U.S. GAAP and generally accepted accounting principles in Japan (Japanese GAAP) are stated in the notes of Overview of Accounting Principles Utilized.

In preparing its consolidated financial information, the Company and its subsidiaries have complied with U.S. GAAP, except as modified to account for stock splits in accordance with the usual practice in Japan.

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 most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission.

These documents contain non-GAAP financial measures, including adjusted long-term and interest-bearing debt, adjusted total assets and adjusted ORIX Corporation shareholders' equity, as well as other measures and ratios calculated on the basis thereof. These Non-GAAP financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures included in our consolidated financial statements presented in accordance with U.S. GAAP. Reconciliations of these Non-GAAP financial measures to the most directly comparable U.S. GAAP measures are included on page 11 in these documents.

The Company believes that it will be considered a passive foreign investment company for U.S. Federal income tax purposes 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.

1. Information on the Company and its Subsidiaries**(1) Consolidated Financial Highlights**

	Millions of yen (except for per share amounts and ratios)		
	Six months ended September 30, 2010	Six months ended September 30, 2011	Fiscal year ended March 31, 2011
Total revenues	¥ 470,886	¥ 483,191	¥ 967,272
Income before income taxes and discontinued operations	51,884	76,193	93,339
Net income attributable to ORIX Corporation	34,053	45,335	67,275
Comprehensive Income Attributable to ORIX Corporation	14,874	19,322	53,956
ORIX Corporation shareholders' equity	1,279,800	1,330,274	1,319,341
Total assets	8,643,758	8,255,173	8,581,582
Earnings per Share for net income attributable to ORIX Corporation			
Basic (yen)	316.81	421.70	625.88

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Diluted (yen)	267.19	352.31	527.75
ORIX Corporation shareholders' equity ratio (%)	14.81	16.11	15.37
Cash flows from operating activities	109,214	167,554	212,380
Cash flows from investing activities	134,527	71,249	251,598
Cash flows from financing activities	(126,442)	(252,447)	(363,590)
Cash and cash equivalents at end of period	749,009	710,303	732,127
	Three months ended	Three months ended	
	September 30, 2010	September 30, 2011	
Total revenues	241,833	239,945	
Net income attributable to ORIX Corporation	17,603	21,682	
Earnings per Share for net income attributable to ORIX Corporation			
Basic (yen)	163.77	201.67	

- Notes: 1. Pursuant to FASB Accounting Standards Codification (ASC) 205-20 (Presentation of Financial Statements Discontinued Operations), certain amounts in fiscal year ended March 31, 2011 related to the operations of subsidiaries, business units, and certain properties, which have been sold or are to be disposed of by sale without significant continuing involvement as of September 30, 2011 have been reclassified retroactively.
2. Consumption tax is excluded from the stated amount of total revenues.

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(2) Overview of Activities

For the six months ended September 30, 2011, no significant changes were made in the Company and its subsidiaries' operations. Additionally, there are no changes of principal related companies.

2. Risk Factors

There were no additional Risk Factors for the six months ended September 30, 2011.

In addition, there were not significant changes to the description under Risk Factors in the Form 20-F for the fiscal year ended March 31, 2011.

3. Material Contract

Not applicable.

4. Analysis of Financial Results and Condition

The following discussion provides management's explanation of factors and events that have significantly affected our financial condition and results of operations. Also included is management's assessment of factors and trends which are anticipated to have a material effect on our financial condition and results of operations in the future. However, please be advised that financial conditions and results of operations in the future may also be affected by factors other than those discussed here. These factors and trends regarding the future were assessed as of the issue date of the quarterly financial report (*shihanki houkokusho*).

(1) Qualitative Information Regarding Consolidated Financial Results

Economic Environment

The global economy continued to show moderate recovery. However, uncertainty is growing due in part to the spread of the European credit crisis, delayed economic recovery, fiscal concerns in advanced economies and tightened monetary policies in emerging economies.

In the United States, housing investment and employment remain weak, giving rise to a sense of slowdown amid weakening business sentiment and a conclusion of quantitative easing.

There continue to be lingering financial concerns related to the peripheral states in the European Union, which affect the financial and capital markets. Repercussions are starting to be felt in the real economy, with business confidence rapidly deteriorating even among core European Union states such as Germany. Despite the temporary avoidance of a debt crisis through the cooperation of countries around the world, the issue has yet to be resolved.

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Emerging economies in Asia continue to experience stable growth, yet the specter of inflation continues to simmer beneath the surface. The rate of growth is currently expected to slow due to the slowdown of the European and United States economies.

The Japanese economy continues to tread water despite recovery from effects of the Great East Japan Earthquake and a partial recovery in production activity. Amid the confusion in the global financial markets, the yen continues to remain at a historic high, putting a squeeze on economic recovery.

Financial Highlights**Financial Results for the Six Months Ended September 30, 2011**

Total revenues	¥483,191 million (Up 3% year on year)
Income before income taxes and discontinued operations	¥76,193 million (Up 47% year on year)
Net income attributable to ORIX Corporation	¥45,335 million (Up 33% year on year)
Earnings per share for net income attributable to ORIX Corporation (Basic)	¥421.70 (Up 33% year on year)
(Diluted)	¥352.31 (Up 32% year on year)
ROE (Annualized) *1	6.8% (5.3% during the same period of the previous fiscal year)
ROA (Annualized) *2	1.08% (0.83% during the same period of the previous fiscal year)

*1 ROE is the ratio of net income attributable to ORIX Corporation for the period to average ORIX Corporation Shareholders' Equity.

*2 ROA is the ratio of net income attributable to ORIX Corporation for the period to average Total Assets.

Revenues for the six-month period ended September 30, 2011 (hereinafter the second consolidated period) increased 3% to ¥483,191 million compared to ¥470,886 million during the same period of the previous fiscal year. Interest on loans and investment securities decreased compared to the same period of the previous fiscal year in line with a decrease in the balance of installment loans. Meanwhile, operating lease revenues increased compared to the same period of the previous fiscal year mainly due to an increase in sales of automobiles in the Maintenance Leasing segment and an increase in aircraft operating lease revenues in the Overseas Business segment, and brokerage commissions and net gains on investment securities increased compared to the same period of the previous fiscal year due to the sale of shares of Aozora Bank.

Total expenses decreased 5% to ¥406,010 million compared to ¥425,219 million during the same period of the previous fiscal year. Both interest expense and provision for doubtful receivables and probable loan losses decreased compared to the same period of the previous fiscal year due to a decrease in the balance of liabilities and a decrease in the amount of non-performing loans, respectively. In addition, write-downs of securities decreased mainly due to the absence of write-downs recorded for non-marketable securities during the same period of the previous fiscal year.

Equity in net income (loss) of affiliates recorded a loss of ¥2,810 million down from a profit of ¥5,871 million for the same period of the previous fiscal year. A write-down was recorded for the equity-method affiliate Monex Group, Inc..

As a result of the foregoing, income before income taxes and discontinued operations increased 47% to ¥76,193 million compared to ¥51,884 million during the same period of the previous fiscal year, and net income attributable to ORIX Corporation rose 33% to ¥45,335 million from ¥34,053 million during the same period of the previous fiscal year.

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Total revenues and profits by segment for the six months ended September 30, 2010 and 2011 are as follows:

	Millions of yen							
	Six months ended September 30, 2010		Six months ended September 30, 2011		Change (revenues)		Change (profits)	
	Segment Revenues	Segment Profits	Segment Revenues	Segment Profits	Amount	Percent (%)	Amount	Percent (%)
Corporate Financial Services	¥ 40,119	¥ 4,166	¥ 36,060	¥ 8,556	¥ (4,059)	(10)	¥ 4,390	105
Maintenance Leasing	112,511	14,041	117,546	18,312	5,035	4	4,271	30
Real Estate	99,507	2,392	95,906	3,454	(3,601)	(4)	1,062	44
Investment and Operation	45,892	6,432	40,166	14,931	(5,726)	(12)	8,499	132
Retail	75,237	15,175	79,829	6,855	4,592	6	(8,320)	(55)
Overseas Business	83,897	22,478	91,308	29,069	7,411	9	6,591	29
Total	457,163	64,684	460,815	81,177	3,652	1	16,493	25
Difference between Segment Total and Consolidated Amounts	13,723	(12,800)	22,376	(4,984)	8,653	63	7,816	
Total Consolidated Amounts	¥ 470,886	¥ 51,884	¥ 483,191	¥ 76,193	¥ 12,305	3	¥ 24,309	47

Total assets by segment as of March 31, 2011 and September 30, 2011 are as follows:

	Millions of yen					
	March 31, 2011		September 30, 2011		Change	
	Segment Assets	Composition ratio (%)	Segment Assets	Composition ratio (%)	Amount	Percent (%)
Corporate Financial Services	¥ 968,327	11.3	¥ 891,819	10.8	¥ (76,508)	(8)
Maintenance Leasing	502,738	5.9	515,360	6.2	12,622	3
Real Estate	1,539,814	17.9	1,467,636	17.8	(72,178)	(5)
Investment and Operation	506,011	5.9	511,850	6.2	5,839	1
Retail	1,653,704	19.3	1,670,787	20.2	17,083	1
Overseas Business	972,224	11.3	889,259	10.8	(82,965)	(9)
Total	6,142,818	71.6	5,946,711	72.0	(196,107)	(3)
Difference between Segment Total and Consolidated Amounts	2,438,764	28.4	2,308,462	28.0	(130,302)	(5)
Total Consolidated Amounts	¥ 8,581,582	100.0	¥ 8,255,173	100.0	¥ (326,409)	(4)

All segments, with the exception of the Retail segment, which recognized a write-down on investment in affiliates, recorded increased profits compared to the same period of the previous fiscal year.

In line with a change in management classification, the environment and energy related businesses, which were heretofore included in the Corporate Financial Services segment have been included in the Investment Banking segment during the second consolidated period, and the Investment Banking segment has been renamed the Investment and Operation segment.

Due to these changes, the reclassified figures are shown for the six months ended September 30, 2010 and as of March 31, 2011.

Segment information for the second consolidated period is as follows:

Corporate Financial Services Segment

This segment is involved in lending, leasing and the commission business for the sale of financial products.

Segment revenues decreased 10% to ¥36,060 million compared to ¥40,119 million during the same period of the previous fiscal year due to a decrease in installment loan revenues in line with a decrease in the average balance of installment loans as a result of selective new loan execution continuing from the previous fiscal year despite robust direct financing lease revenues.

Similarly, segment expenses decreased compared to the same period of the previous fiscal year, resulting from decreases in provision for doubtful receivables and probable loan losses and interest expense.

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As a result, segment profits increased 105% to ¥8,556 million compared to ¥4,166 million during the same period of the previous fiscal year.

Segment assets decreased 8% compared to March 31, 2011 to ¥891,819 million due to a decline in investment in direct financing leases and installment loans.

Maintenance Leasing Segment

This segment consists of automobile and rental operations. The automobile operations are comprised of automobile leasing, rentals and car sharing and the rental operations are comprised of leasing and rental of precision measuring and IT-related equipment.

Despite limited recovery in domestic capital expenditure and an otherwise bleak business environment outlook, Maintenance Leasing segment revenues have remained stable due to the ability to provide customers with high value-added services while meeting corporate customers' cost reduction needs.

Segment revenues remained robust, increasing 4% to ¥117,546 million compared to ¥112,511 million during the same period of the previous fiscal year due to solid revenues from operating leases including the sales of used automobiles. Segment expenses remained flat year on year.

As a result, segment profits increased 30% to ¥18,312 million compared to ¥14,041 million during the same period of the previous fiscal year.

Segment assets increased 3% compared to March 31, 2011 to ¥515,360 million due to an increase in investment in direct financing leases and operating lease assets.

Real Estate Segment

This segment consists of development and rental of commercial real estate and office buildings; condominium development and sales; hotel, golf course and training facility operation; senior housing development and management; REIT asset management; real estate investment and advisory services and real estate finance.

A post-earthquake drop in sales was feared in the residential condominium market, but a calm is returning to the market as evidenced by contract completion rates surpassing the key benchmark level of 70% in the Tokyo metropolitan area. Under these conditions, the number of condominiums delivered increased to 467 units compared to 437 units during the same period of the previous fiscal year.

The office building market is still in an adjustment phase. However, investors such as J-REITs and overseas investors are starting to consider the acquisition of new properties. In this environment, the real estate investment business is pursuing a policy of turning over assets while carefully monitoring the market and making appropriate asset sales.

The real estate operating business, which consists of various businesses such as hotels, Japanese inns, golf courses and training facilities, has stable revenues despite a small portion of facilities having halted operation at the beginning of the fiscal year due to the Great East Japan Earthquake.

Segment revenues decreased 4% to ¥95,906 million compared to ¥99,507 million during the same period of the previous fiscal year due to decreases in the sales of real estate under operating leases and condominium units being partially offset by an increase in operating lease revenues resulting from an increase in properties in operation.

Segment expenses decreased compared to the same period of the previous fiscal year due to a decrease in write-downs of securities, write-downs of long-lived assets and interest expense offsetting an increase in provision for doubtful receivables and probable loan losses.

As a result, segment profits increased 44% to ¥3,454 million compared to ¥2,392 million during the same period of the previous fiscal year due to gains on sales recorded by a real estate joint venture.

Segment assets decreased 5% compared to March 31, 2011 to ¥1,467,636 million due to the sales of real estate under operating leases and decreases in installment loans and investment in securities.

Investment and Operation Segment

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This segment consists of loan servicing (asset recovery), principal investment, M&A advisory, venture capital, securities brokerage and the environment and energy -related businesses.

The domestic IPO market has been stagnant since the Lehman Shock, but there continue to be steady corporate realignment activities such as mergers, acquisitions and de-listings.

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Segment revenues decreased 12% to ¥40,166 million compared to ¥45,892 million during the same period of the previous fiscal year in line with decreased revenues as a result of the sale of a consolidated subsidiary during the previous fiscal year despite gains on investment securities from the sale of Aozora Bank shares and robust collection and fee revenues in the servicing business.

Similarly, segment expenses decreased compared to the same period of the previous fiscal year due to the effects of the sale of a consolidated subsidiary during the previous fiscal year in addition to decreases in write-downs of securities and provision for doubtful receivables and probable loan losses.

Segment profits increased 132% to ¥14,931 million compared to ¥6,432 million during the same period of the previous fiscal year due to the foregoing in addition to increased profits from equity-method affiliates.

Segment assets remained flat at ¥511,850 million compared to March 31, 2011.

Retail Segment

This segment consists of the life insurance business, the banking business and the card loan business.

In the life insurance business, insurance-related income grew steadily due to an increase in the number of policies in force.

Both corporate lending and individual home loans steadily increased in the banking business, and both revenues and profits increased.

As a result of the foregoing, segment revenues increased 6% to ¥79,829 million compared to ¥75,237 million during the same period of the previous fiscal year. Segment expenses remained flat year on year. However, segment profits decreased 55% to ¥6,855 million compared to ¥15,175 million during the same period of the previous fiscal year resulting from the recognition of a write-down of the equity-method affiliate Monex Group, Inc..

Segment assets remained flat compared to March 31, 2011 at ¥1,670,787 million due to an increase in installment loans being offset by a decrease in investment in affiliates.

Overseas Business Segment

This segment consists of leasing, lending, investment in bonds, investment banking, real estate-related operations, and ship- and aircraft-related operations in the United States, Asia, Oceania and Europe.

The moderate recovery in the United States may be slowing down as housing investment and employment data continue to raise concern and quantitative easing measures concluded. Meanwhile, there is the possibility of a short-term adjustment phase in Asia, which is continuing to see strong economic performance, in response to concerns regarding inflation and the effects of European and United States economic slowdown.

Segment revenues increased 9% to ¥91,308 million compared to ¥83,897 million during the same period of the previous fiscal year due to direct financing leases in Asia, automobile and aircraft operating leases, in addition to revenue contributions from Red Capital (a loan servicing company) and Mariner Investment (a fund management company) acquired last year as well as gains on investment securities in the United States.

Segment expenses increased due to an increase in interest expense despite a decrease in selling, general and administrative expenses.

As a result, segment profits increased 29% to ¥29,069 million compared to ¥22,478 million during the same period of the previous fiscal year.

Segment assets decreased 9% compared to March 31, 2011 to ¥889,259 million due to the effects of the appreciated yen and sales of municipal bonds and loans in the United States, offsetting increases from new investments in a water business company in China and a life insurance company in South Korea.

ORIX has almost no direct exposure to assets or investments in Europe that would cause concerns relating to credit risk and there has been no direct impact on either segment profits or segment assets stemming from the European financial problems.

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	As of March 31, 2011	As of September 30, 2011	Change Amount	Percent (%)
Total assets (millions of yen)	8,581,582	8,255,173	(326,409)	(4%)
(Segment assets)	6,142,818	5,946,711	(196,107)	(3%)
Total liabilities (millions of yen)	7,206,652	6,853,677	(352,975)	(5%)
(Long- and short-term debt)	5,009,901	4,667,002	(342,899)	(7%)
(Deposits)	1,065,175	1,061,421	(3,754)	(0%)
ORIX Corporation shareholders' equity (millions of yen)	1,319,341	1,330,274	10,933	1%
ORIX Corporation shareholders' equity ratio	15.4%	16.1%	0.7%	
Adjusted ORIX Corporation shareholders' equity ratio*	17.7%	18.3%	0.6%	
D/E ratio (Debt-to-equity ratio)	3.8x	3.5x	(0.3)	
Adjusted D/E ratio*	3.0x	2.8x	(0.2)	

* Adjusted ORIX Corporation shareholders' equity ratio and adjusted D/E ratio are non-GAAP financial measures presented on an adjusted basis which excludes certain assets or liabilities attributable to consolidated VIEs and reverses the cumulative effect on our retained earnings of applying the new accounting standards for the consolidation of VIEs under ASU 2009-16 and ASU 2009-17, effective April 1, 2010. For a discussion of this and other non-GAAP financial measures, including a quantitative reconciliation to the most directly comparable GAAP financial measures, see 5. NON-GAAP FINANCIAL MEASURES.

Total assets decreased 4% to ¥8,255,173 million from ¥8,581,582 million on March 31, 2011. Investment in operating leases increased due to the completion of large properties under operating leases. However, installment loans decreased as a result of selective loan execution, continuing from the previous fiscal year. Also, investment in securities decreased due to a decrease in trading securities overseas and specified bonds in Japan which offset increases resulting from new transactions overseas. In addition, investment in affiliates decreased due to the recognition of a write-down. Segment assets decreased 3% compared to March 31, 2011 to ¥5,946,711 million.

The balance of interest bearing liabilities is controlled at an appropriate level depending on assets, cash flow and liquidity on-hand in addition to the domestic and overseas financial environment. As a result, long- and short-term debt and deposits decreased compared to March 31, 2011.

ORIX Corporation shareholders' equity increased 1% compared to March 31, 2011 to ¥1,330,274 million primarily due to an increase in retained earnings.

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(3) Liquidity and Capital Resources

We require capital resources for working capital and investment and lending in our businesses. In setting funding strategies, we prioritize funding stability and maintaining adequate liquidity to minimize the effects of volatility in financial markets. In preparing our management plan, we consider asset structure and size in light of expected cash flows, asset liquidity and our own liquidity situation. In actual implementation, we adjust our funding plans at times in response to changes in external environments and funding necessities based on our business activities, and maintain flexible funding activities.

To help ensure adequate stability and reduce liquidity risk in actual funding activities, we have sought to diversify our funding resources, promote longer liability maturities, stagger interest and principal repayment dates, and maintain committed credit facilities from a stable base of financial institutions.

Funding was comprised of borrowings from financial institutions, direct fund procurement from capital markets, and deposit. ORIX Group's total funding including those from short-and long-term debt and deposits on a consolidated basis was ¥5,728,423 million as of September 30, 2011.

Borrowings were procured from a diverse range of financial institutions including major banks, regional banks, foreign banks, life and casualty insurance companies. The number of financial institutions from which we procured borrowings exceeded 200 as of September 30, 2011. Procurement from the capital markets was composed of bonds including unsecured convertible bonds, commercial paper, medium-term notes issued by the Company and overseas subsidiaries, payables under securitized leases, loan receivables and investment in securities (including asset backed securities). Three domestic and overseas subsidiaries accept deposits for funding purposes, with the majority of deposits attributable to ORIX Bank Corporation, which changed its name from ORIX Trust and Banking Corporation on October 1, 2011.

In the efforts to promote longer maturities of liabilities and further diversified capital resources, the Company secured longer maturities of borrowings from various range of domestic financial institutions, and issued domestic straight bonds both for institutions as well as individuals and asset backed securities during the six months ended September 30, 2011. It also made international efforts including issuing SEC registered U.S. dollar dominated senior notes in the United States. We intend to continue to strengthen our financial condition, while maintaining an appropriate balance of funding structure.

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Debt

(a) Short-term debt

	Millions of yen	
	March 31, 2011	September 30, 2011
Borrowings from financial institutions	¥ 297,835	¥ 221,267
Commercial paper	180,798	172,475
Total	¥ 478,633	¥ 393,742

Short-term debt as of September 30, 2011 was ¥393,742 million, which accounts for 8% of the total amount of short and long-term debt (excluding deposits) as compared to 10% as of March 31, 2011.

While the amount of short term debt as of September 30, 2011 was ¥393,742 million, liquidity is maintained at adequate level: the sum of cash and cash equivalent and available amount of the committed credit facilities as of September 30, 2011 was ¥1,117,113 million.

(b) Long-term debt

	Millions of yen	
	March 31, 2011	September 30, 2011
Borrowings from financial institutions	¥ 2,063,099	¥ 1,930,783
Bonds	1,361,789	1,370,107
Medium-term notes	88,190	82,658
Payable under securitized lease and loan receivables and other	1,018,190	889,712
Total	¥ 4,531,268	¥ 4,273,260

The balance of long-term debt as of September 30, 2011 was ¥4,273,260 million, which accounts for 92% of to the total amount of short and long-term debts (excluding deposits) while the ratio was 90% as of March 31, 2011. On an adjusted basis, our ratio of long-term debt to total debt (excluding deposits) was 88% as of March 31, 2011 and 90% as of September 30, 2011. This ratio is a non-GAAP financial measure presented on an adjusted basis that excludes payables under securitized leases, loan receivables and investment in securities. For a discussion of this and other non-GAAP financial measures including reconciliations to the most directly comparable financial measures presented in accordance with GAAP, see 5. NON-GAAP FINANCIAL MEASURES.

(c) Deposits

	Millions of yen	
	March 31, 2011	September 30, 2011
Deposits	¥ 1,065,175	¥ 1,061,421

Apart from the short-term and long-term debt noted above, ORIX Bank Corporation, ORIX Savings Bank, and ORIX Asia Limited accept deposits.

(4) Summary of Cash Flows

Cash and cash equivalents decreased by ¥21,824 million to ¥710,303 million in the second consolidated period compared to March 31, 2011.

Cash flows from operating activities provided ¥167,554 million in the six months ended September 30, 2011, up from ¥109,214 million during the same period of the previous fiscal year, resulting from an increase in quarterly net income and a decrease in trading securities, in addition to

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the adjustments of net income such as depreciation and amortization, provision for doubtful receivables and probable loan losses and equity in net income (loss) of affiliates (excluding interest on loans) compared to the same period of the previous fiscal year.

Cash flows from investing activities provided ¥71,249 million in the six months ended September 30, 2011, while having provided ¥134,527 million during the same period of the previous fiscal year. This change was due to decreases in principal collected on installment loans and proceeds from sales of available-for-sale securities .

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Cash flows from financing activities used ¥252,447 million in the six months ended September 30, 2011, while having used ¥126,442 million during the same period of the previous fiscal year. This change was due to a decrease in net increase in funding from deposits due to customers for the six months ended September 30, 2011.

(5) Challenges to be addressed

There were no significant changes for the six months ended September 30, 2011.

(6) Research and Development Activity

There were no significant changes for the six months ended September 30, 2011.

(7) Major facilities

Significant changes in major facilities for the six months ended September 30, 2011 include the following:

New construction

We have finished the construction of a new regional head quarters in Nishi-ku, Osaka-shi, Osaka. The new head quarters allows us to manage our Osaka operations from a single location. The total investment for the facility was ¥13.6 billion.

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The sections in (2) Financial Condition and (3) Liquidity and Capital Resources contain certain financial measures presented on a basis not in accordance with U.S. GAAP (commonly referred to as non-GAAP financial measures), including long-term debt, ORIX Corporation Shareholders' equity and total assets, as well as other measures or ratios calculated based on those measures, presented on an adjusted basis. The adjustment excludes payables under securitized leases, loan receivables and investment in securities and reverses the cumulative effect on retained earnings of applying the new accounting standards for the consolidation of VIEs, effective April 1, 2010.

Our management believes these non-GAAP financial measures provide investors with additional meaningful comparisons between our financial condition as of September 30, 2011, as compared to prior periods. Effective April 1, 2010, we adopted ASU 2009-16 and ASU 2009-17, which changed the circumstances under which we are required to consolidate certain VIEs. Our adoption of these new accounting standards caused a significant increase in our consolidated assets and liabilities and a decrease in our retained earnings without affecting the net cash flow and economic effects of our investments in such consolidated VIEs. Accordingly, our management believes that providing certain financial measures that exclude assets and liabilities attributable to consolidated VIEs as a supplement to financial information calculated in accordance with U.S. GAAP enhances the overall picture of our current financial position and enables investors to evaluate our historical financial and business trends without the large balance sheet fluctuation caused by our adoption of these new accounting standards.

We provide these non-GAAP financial measures as supplemental information to our consolidated financial statements prepared in accordance with U.S. GAAP, and they should not be considered in isolation or as substitutes for the most directly comparable U.S. GAAP measures.

The tables set forth below provide reconciliations of these non-GAAP financial measures to the most directly comparable financial measures presented in accordance with U.S. GAAP as reflected in our consolidated financial statements for the periods provided.

		2011	
		As of March 31,	As of September 30,
		(In millions of yen, except percentage data)	
Total assets	(a)	8,581,582	8,255,173
Deduct: Payables under securitized leases, loan receivables and investment in securities*		1,018,190	889,712
Adjusted total assets	(b)	7,563,392	7,365,461
Short-term debt	(c)	478,633	393,742
Long-term debt	(d)	4,531,268	4,273,260
Deduct: Payables under securitized leases, loan receivables and investment in securities*		1,018,190	889,712
Adjusted long-term debt	(e)	3,513,078	3,383,548
Short- and long-term debt (excluding deposits)	(f)=(c)+(d)	5,009,901	4,667,002
Adjusted short- and long-term debt (excluding deposits)	(g)=(c)+(e)	3,991,711	3,777,290
ORIX Corporation Shareholders' equity	(h)	1,319,341	1,330,274
Deduct: The cumulative effect on retained earnings of applying the new accounting standards for the consolidation of VIEs under ASU 2009-16 and ASU 2009-17, effective April 1, 2010		(21,947)	(20,880)
Adjusted ORIX Corporation Shareholders' equity	(i)	1,341,288	1,351,154
ORIX Corporation Shareholders' Equity Ratio	(h)/(a)	15.4%	16.1%
Adjusted ORIX Corporation Shareholders' Equity Ratio	(i)/(b)	17.7%	18.3%
D/E ratio (Debt-to-equity ratio)	(f)/(h)	3.8x	3.5x
Adjusted D/E ratio	(g)/(i)	3.0x	2.8x
Long-term debt ratio	(d)/(f)	90%	92%
Adjusted long-term debt ratio	(e)/(g)	88%	90%

* These deductions represent amounts recorded as liabilities and included in long-term debt on the consolidated balance sheet.

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(Following disclosure is based on Japanese GAAP and represents stand-alone basis of ORIX Corporation.)

(1) Information of Issued Shares, Common Stock and Additional Paid-in Capital

The information of the number of issued shares, the amount of common stock and additional paid-in capital for the three months ended September 30, 2011 is as follows:

In thousands		Millions of yen			
Increase, net	September 30, 2011	Increase, net	September 30, 2011	Increase, net	September 30, 2011
0	110,249	2	¥144,007	2	¥171,187

Note: *1 Common stock and additional paid-in capital have been increased by the exercise of stock acquisition rights and the conversion of convertible bond.

(2) List of Major Shareholders

The following is a list of major shareholders as of September 30, 2011:

Name	Number of shares held (in thousands)	Percentage of total shares issued
Address Japan Trustee Services Bank, Ltd. (Trust Account)	11,192	10.15%
1-8-11, Harumi, Chuo-ku, Tokyo		
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,033	9.10
2-11-3, Hamamatsu-cho, Minato-ku, Tokyo		
The Chase Manhattan Bank 385036	4,604	4.17
360 N. Crescent Drive Beverly Hills, CA 90210 U.S.A.		
Japan Trustee Services Bank, Ltd. (Trust Account 9)	4,539	4.11
1-8-11, Harumi, Chuo-ku, Tokyo		
SSBT OD05 OMNIBUS ACCOUNT TREATY CLIENTS	4,139	3.75
338 Pitt Street Sydney Nsw 2000Australia		
State Street Bank and Trust Company	3,512	3.18
P.O. BOX 351 Boston, MA 02101 U.S.A.		
The Nomura Trust and Banking Co., Ltd. (Trust Account)	1,863	1.69
2-2-2, Otemachi, Chiyoda-ku, Tokyo		
CITIBANK, N.A.-NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	1,646	1.49
388 Greenwich Street New York, NY 10013 USA		
Northern Trust Co. AVFC Re Fidelity Funds	1,565	1.42
50 Bank Street Canary Wharf London E14 5NT, UK		

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Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	1,546	1.40
ONE Boston Place Boston, MA 02108		
	44,645	40.49%

Notes:

- (a) The number of shares held in relation to a trust business may not be all inclusive and therefore is reported with reference to the names listed as shareholders.
- (b) The Company has 2,738 thousands of shares of treasury stocks (2.48%) as of September 30, 2011, which is not included in the List of Major Shareholders above.
- (c) Nomura Securities Co., Ltd., NOMURA INTERNATIONAL PLC, Nomura Capital Markets plc, Nomura Asset Management Co., Ltd. and Nomura Principal Investments Asia Limited jointly filed an amended report as required under Japanese regulations on June 22, 2011 that shows their share holdings of the Company as of June 15, 2011. The following information is not included in the List of Major Shareholders above because the reported number of shares held is not able to be confirmed substantially against the list of shareholders as of September 30, 2011.

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Name	Number of shares held (in thousands)	Percentage of total shares issued
Nomura Securities Co., Ltd. *1	228	0.21%
NOMURA INTERNATIONAL PLC *2	7,120	6.15
Nomura Capital Markets plc *3	70	0.06
Nomura Asset Management Co., Ltd. *4	4,578	4.15
Nomura Principal Investments Asia Limited *5	112	0.10
Total	12,109	10.39%

* 1,2,3,4,5 The number of shares and percentage of total shares issued held by Nomura Securities Co., Ltd., NOMURA INTERNATIONAL PLC, Nomura Capital Markets plc, Nomura Asset Management Co., Ltd. and Nomura Principal Investments Asia Limited include the potential shares.

(d) AllianceBernstein L.P. and AllianceBernstein Japan Ltd. jointly filed an amended report as required under Japanese regulations on July 5, 2011 that shows their share holdings of the Company as of June 30, 2011. The following information is not included in the List of Major Shareholders above because the reported number of shares held is not able to be confirmed substantially against the list of shareholders as of September 30, 2011.

Name	Number of shares held (in thousands)	Percentage of total shares issued
AllianceBernstein L.P.	4,192	3.80%
AllianceBernstein Japan Ltd.	1,205	1.09
Total	5,397	4.90%

(e) JPMorgan Asset Management (Japan) Limited, JPMorgan Asset Management (UK) Limited, J.P. Morgan Investment Management Inc., JF Asset Management Limited, Highbridge Capital Management LLC, J.P. Morgan Whitefriars Inc., JPMorgan Chase Bank, National Association, JPMorgan Securities Japan Co., Ltd. and J.P. Morgan Securities Ltd. jointly filed an amended report as required under Japanese regulations on July 25, 2011 that shows their share holdings of the Company as of July 15, 2011. The following information is not included in the List of Major Shareholders above because the reported number of shares held is not able to be confirmed substantially against the list of shareholders as of September 30, 2011.

Name	Number of shares held (in thousands)	Percentage of total shares issued
JPMorgan Asset Management (Japan) Limited	3,340	3.03%
JPMorgan Asset Management (UK) Limited *6	1,630	1.47
J.P. Morgan Investment Management Inc.	484	0.44
JF Asset Management Limited	686	0.62
Highbridge Capital Management LLC *7	173	0.16
J.P. Morgan Whitefriars Inc.	158	0.14
JPMorgan Chase Bank, National Association	181	0.16
JPMorgan Securities Japan Co., Ltd.	43	0.04
J.P. Morgan Securities Ltd. *8	630	0.57

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Total	7,328	6.60%
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* 6,7,8 The number of shares and percentage of total shares issued held by JPMorgan Asset Management (UK) Limited, Highbridge Capital Management LLC and J.P. Morgan Securities Ltd. include the potential shares.

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- (f) Fidelity Investments Japan Limited and FMR LLC jointly filed an amended report as required under Japanese regulations on October 3, 2011 that shows their share holdings of the Company as of September 26, 2011. The following information is not included in the List of Major Shareholders above because the reported number of shares held is not able to be confirmed substantially against the list of shareholders as of September 30, 2011.

Name	[Number of shares] Number of shares held (in thousands)	[Number of shares] Percentage of total shares issued
Fidelity Investments Japan Limited	4,806	4.36%
FMR LLC	8,738	7.93
Total	13,544	12.29%

- (g) The Sumitomo Trust and Banking Co., Ltd., Chuo Mitsui Asset Trust and Banking Company, Limited, Chuo Mitsui Asset Management Company, Limited and Nikko Asset Management Co., Ltd. jointly filed an amended report as required under Japanese regulations on October 6, 2011 that shows their share holdings of the Company as of September 30, 2011. The following information is not included in the List of Major Shareholders above because the reported number of shares held is not able to be confirmed substantially against the list of shareholders as of September 30, 2011.

Name	[Number of shares] Number of shares held (in thousands)	[Number of shares] Percentage of total shares issued
The Sumitomo Trust and Banking Co., Ltd.	4,558	4.13%
Chuo Mitsui Asset Trust and Banking Company, Limited *9	3,009	2.73
Chuo Mitsui Asset Management Company, Limited	160	0.15
Nikko Asset Management Co., Ltd. *10	699	0.63
Total	8,428	7.64%

- * 9,10 The number of shares and percentage of total shares issued held by Chuo Mitsui Asset Trust and Banking Company, Limited and Nikko Asset Management Co., Ltd. include the potential shares.

7. Information of the Directors and the Executive Officers

(Following disclosure represents stand-alone basis of ORIX Corporation.)

Between the filing date of Form 20-F for the fiscal year ended March 31, 2011 and September 30, 2011, changes of the directors and the executive officers are as follows:

(1) Changes of Position

Name	New Position	Ex-Position	The day of changes
Mitsuo Nishiumi	Corporate Senior Vice President Head of Investment and Operation Headquarters	Corporate Senior Vice President Head of Investment Banking Headquarters	September 1, 2011

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Yuichi Nishigori

Executive Officer Acting Head of Investment
and Operation Headquarters

Executive Officer Deputy Head of
Investment Banking Headquarters

September 1, 2011

Table of Contents**8. Financial Information****(1) Condensed Consolidated Balance Sheets (Unaudited)**

	Millions of yen	
	March 31, 2011	September 30, 2011
Assets		
Cash and Cash Equivalents	¥ 732,127	¥ 710,303
Restricted Cash	118,065	125,782
Time Deposits	5,148	1,566
Investment in Direct Financing Leases	830,853	813,525
Installment Loans	2,983,164	2,760,017
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(154,150)	(139,134)
Investment in Operating Leases	1,270,295	1,278,964
Investment in Securities	1,175,381	1,167,372
Other Operating Assets	235,430	239,959
Investment in Affiliates	373,376	337,452
Other Receivables	182,013	190,150
Inventories	108,410	103,591
Prepaid Expenses	44,551	47,312
Office Facilities	102,403	123,048
Other Assets	574,516	495,266
Total Assets	¥ 8,581,582	¥ 8,255,173

Accounting Standards Update 2009-17 (ASC810-10 (Consolidation)) has been adopted since April 1, 2010. Pursuant to ASU 2009-17, the assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of those VIEs are below:

	Millions of yen	
	March 31, 2011	September 30, 2011
Assets		
Cash and Cash Equivalents	¥ 14,267	¥ 13,087
Investment in Direct Financing Leases (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	242,309	232,723
Installment Loans (Net of Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses)	830,689	725,764
Investment in Operating Leases	195,221	213,609
Investment in Securities	51,883	56,806
Investment in Affiliates	17,441	11,384
Others	121,811	98,370
	¥ 1,473,621	¥ 1,351,743

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	Millions of yen	
	March 31, 2011	September 30, 2011
Liabilities and Equity		
Liabilities:		
Short-Term Debt	¥ 478,633	¥ 393,742
Deposits	1,065,175	1,061,421
Trade Notes, Accounts Payable and Other Liabilities	304,354	320,436
Accrued Expenses	118,359	100,451
Policy Liabilities	398,265	396,541
Current and Deferred Income Taxes	182,501	177,348
Security Deposits	128,097	130,478
Long-Term Debt	4,531,268	4,273,260
Total Liabilities	7,206,652	6,853,677
Redeemable Noncontrolling Interests	33,902	32,948
Commitments and Contingent Liabilities		
Equity:		
Common Stock	143,995	144,007
Additional Paid-in Capital	179,137	179,145
Retained Earnings	1,141,559	1,178,318
Accumulated Other Comprehensive Income (Loss)	(96,180)	(122,193)
Treasury Stock, at Cost	(49,170)	(49,003)
ORIX Corporation Shareholders' Equity	1,319,341	1,330,274
Noncontrolling Interests	21,687	38,274
Total Equity	1,341,028	1,368,548
Total Liabilities and Equity	¥ 8,581,582	¥ 8,255,173

Accounting Standards Update 2009-17 (ASC810-10 (Consolidation)) has been adopted since April 1, 2010. Pursuant to ASU 2009-17, the liabilities of consolidated VIEs for which creditors (or beneficial interest holders) do not have recourse to the general credit of the Company and subsidiaries are below:

	Millions of yen	
	March 31, 2011	September 30, 2011
Liabilities		
Short-Term Debt	¥ 1,847	¥ 1,250
Trade Notes, Accounts Payable and Other Liabilities	9,803	11,985
Security Deposits	6,884	7,564
Long-Term Debt	1,160,042	1,025,032
Others	6,674	6,865
	¥ 1,185,250	¥ 1,052,696

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

	Millions of yen	
	Six months ended September 30, 2010	Six months ended September 30, 2011
Revenues:		
Direct financing leases	¥ 24,815	¥ 25,149
Operating leases	139,681	150,305
Interest on loans and investment securities	87,214	75,473
Brokerage commissions and net gains on investment securities	11,281	18,960
Life insurance premiums and related investment income	59,648	63,500
Real estate sales	19,419	16,202
Gains on sales of real estate under operating leases	438	253
Other operating revenues	128,390	133,349
Total revenues	470,886	483,191
Expenses:		
Interest expense	64,411	57,540
Costs of operating leases	93,822	94,799
Life insurance costs	44,772	46,197
Costs of real estate sales	18,628	16,561
Other operating expenses	76,570	80,227
Selling, general and administrative expenses	97,556	93,456
Provision for doubtful receivables and probable loan losses	13,709	8,797
Write-downs of long-lived assets	3,725	1,900
Write-downs of securities	11,896	6,629
Foreign currency transaction loss (gain), net	130	(96)
Total expenses	425,219	406,010
Operating Income	45,667	77,181
Equity in Net Income (loss) of Affiliates	5,871	(2,810)
Gains on Sales of Subsidiaries and Affiliates and Liquidation Losses, Net	346	1,822
Income before Income Taxes and Discontinued Operations	51,884	76,193
Provision for Income Taxes	19,767	29,828
Income from Continuing Operations	32,117	46,365
Discontinued Operations:		
Income from discontinued operations, net	5,482	1,761
Provision for income taxes	(2,481)	(685)
Discontinued operations, net of applicable tax effect	3,001	1,076
Net Income	35,118	47,441
Net Income Attributable to the Noncontrolling Interests	165	841
Net Income Attributable to the Redeemable Noncontrolling Interests	900	1,265

Net Income Attributable to ORIX Corporation

¥ 34,053

¥

45,335

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	Millions of yen	
	Six months ended September 30, 2010	Six months ended September 30, 2011
Income attributable to ORIX Corporation:		
Income from continuing operations	¥ 31,147	¥ 44,398
Discontinued operations	2,906	937
Net income attributable to ORIX Corporation	34,053	45,335
	Yen	
	Six months ended September 30, 2010	Six months ended September 30, 2011
Amounts per Share of Common Stock for Income attributable to ORIX Corporation:		
Basic:		
Income from continuing operations	¥ 289.78	¥ 412.99
Discontinued operations	27.03	8.71
Net income attributable to ORIX Corporation	316.81	421.70
Diluted:		
Income from continuing operations	¥ 245.17	¥ 345.22
Discontinued operations	22.02	7.09
Net income attributable to ORIX Corporation	267.19	352.31
	Millions of yen	
	Three months ended September 30, 2010	Three months ended September 30, 2011
Revenues:		