

ORIX CORP
Form 6-K
August 10, 2007
Table of Contents

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 August, 2007.

ORIX Corporation

(Translation of Registrant's Name into English)

Mita NN Bldg., 4-1-23 Shiba, Minato-Ku,

Tokyo, 108-0014, JAPAN

(Address of Principal Executive Offices)

(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

Table of Contents

Table of Documents Filed

	Page
<u>1. ORIX's First Quarter Consolidated Financial Results (April 1, 2007 - June 30, 2007) filed with the Tokyo Stock Exchange on Thursday, August 9, 2007.</u>	

Table of Contents

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.

Date: August 9, 2007

ORIX Corporation

By /s/ Yasuhiko Fujiki
Yasuhiko Fujiki

Director

President, Chief Operating Officer and

Chief Financial Officer

ORIX Corporation

Table of Contents

Consolidated Financial Results

April 1, 2007 June 30, 2007

August 9, 2007

In preparing its consolidated financial information, ORIX Corporation and its subsidiaries have complied with accounting principles generally accepted in the United States of America, except as modified to account for stock splits in accordance with the usual practice in Japan.

U.S. Dollar amounts have been calculated at Yen 123.26 to \$1.00, the approximate exchange rate prevailing at June 30, 2007.

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 will be considered a "passive foreign investment company" for United States Federal income tax purpose in the year to which these consolidated financial results relate and for the foreseeable future by reason of the composition of its assets and the nature of its income. A U.S. holder of the shares or ADSs of the Company is therefore subject to special rules generally intended to eliminate any benefits from the deferral of U.S. Federal income tax that a holder could derive from investing in a foreign corporation that does not distribute all of its earnings on a current basis. Investors should consult their tax advisors with respect to such rules, which are summarized in the Company's annual report.

For further information please contact:

Corporate Communications

ORIX Corporation

Mita NN Bldg., 4-1-23 Shiba, Minato-ku, Tokyo 108-0014

JAPAN

Tel: +81-3-5419-5102 Fax: +81-3-5419-5901

E-mail: raymond_spencer@orix.co.jp

Table of Contents

Consolidated Financial Results from April 1, 2007 to June 30, 2007

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

Corporate Name: ORIX Corporation
 Listed Exchanges: Tokyo Stock Exchange (Securities No. 8591)
 Osaka Securities Exchange
 Head Office: New York Stock Exchange (Trading Symbol : IX)
 Tokyo JAPAN
 Tel: +81-3-5419-5102
 (URL http://www.orix.co.jp/grp/ir_e/ir_index.htm)

1. Performance Highlights for the Three Months Ended June 30, 2007 and 2006, and the Year Ended March 31, 2007

(1) Performance Highlights Operating Results (Unaudited)

	(millions of JPY)*1							
	Total	Year-on-Year	Operating	Year-on-Year	Income before	Year-on-Year	Net	Year-on-Year
	Revenues	Change	Income	Change	Income Taxes*2	Change	Income	Change
June 30, 2007	284,019	5.1%	52,999	(23.5%)	70,854	(10.3)%	45,778	(2.8)%
June 30, 2006	270,212	27.3%	69,235	40.9%	78,990	36.5%	47,103	24.6%
March 31, 2007	1,141,474	22.9%	282,396	31.7%	316,304	26.9%	196,506	18.1%

	Basic Earnings Per Share	Diluted Earnings Per Share
June 30, 2007	501.27	488.19
June 30, 2006	523.51	504.02
March 31, 2007	2,177.10	2,100.93

***Note 1:** Unless otherwise stated, all amounts shown herein are in millions of Japanese yen or millions of U.S. dollars, except for Per Share amounts which are in single yen.

***Note 2:** Income before Income Taxes as used throughout the report represents Income before Income Taxes, Minority Interests in Earnings of Subsidiaries, Discontinued Operations and Extraordinary Gain.

(2) Performance Highlights Financial Position (Unaudited)

Edgar Filing: ORIX CORP - Form 6-K

	Total Assets	Shareholders Equity	Shareholders Equity Ratio	Shareholders Equity Per Share
June 30, 2007	8,724,936	1,247,341	14.3%	13,629.34
June 30, 2006	7,223,560	986,502	13.7%	10,955.86
March 31, 2007	8,207,187	1,194,234	14.6%	13,089.83

(3) Performance Highlights Cash Flows (Unaudited)

	Cash Flows from			Cash and Cash Equivalents at End of Period
	Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	
June 30, 2007	(74,086)	(395,447)	442,426	189,223
June 30, 2006	116,129	(178,905)	(33,282)	149,498
March 31, 2007	226,128	(802,278)	545,014	215,163

2. Forecasts for the Year Ending March 31, 2008 (Unaudited)

Forecasts for the year ending March 31, 2008 have not been changed since the public release on May 10, 2007.

3. Other Information

- | | | |
|--|---------|----------|
| (1) Changes in Significant Consolidated Subsidiaries | Yes () | No (x) |
| (2) Adoption of Simplified Accounting Method | Yes () | No (x) |
| (3) Changes in Accounting Principles, Procedures and Disclosures | Yes () | No (x) |

Table of Contents**[Summary of Consolidated Financial Results]****1. Analysis of Results of Operations****Financial Highlights for the Three Months Ended June 30, 2007**

Income before Income Taxes*	70,854 million yen (Down 10% year on year)
Net Income	45,778 million yen (Down 3% year on year)
Earnings Per Share (Basic)	501.27 yen (Down 4% year on year)
Earnings Per Share (Diluted)	488.19 yen (Down 3% year on year)
Shareholders' Equity Per Share	13,629.34 yen (Up 4% on March 31, 2007)
ROE (Annualized)	15.0% (June 30, 2006: 19.4%)
ROA Annualized)	2.16% (June 30, 2006: 2.60%)

* Income before income taxes refers to income before income taxes, minority interests in earnings of subsidiaries, discontinued operations and extraordinary gain.

Revenues: 284,019 million yen (Up 5% year on year)

Revenues increased 5% to 284,019 million yen compared with the same period of the previous fiscal year. Although revenues from direct financing leases, brokerage commissions and net gains on investment securities, real estate sales and gains on sales of real estate under operating leases decreased year on year, revenues from operating leases, interest on loans and investment securities, life insurance premiums and related investment income and other operating revenues were up compared to the same period of the previous fiscal year.

Revenues from direct financing leases decreased 16% to 19,471 million yen compared to the same period of the previous fiscal year. In Japan, revenues from direct financing leases were down 17% to 12,948 million yen compared to 15,597 million yen in the same period of the previous fiscal year due to the lower level of operating assets in addition to the decrease in revenues from cancellations and decrease in revenues from sales of direct financing lease assets. Overseas, revenues were down 14% to 6,523 million yen compared to 7,577 million yen in the same period of the previous fiscal year due primarily to the lower level of operating assets as a result of the sale of a business unit in the third quarter of the previous fiscal year.

Revenues from operating leases increased 13% to 70,716 million yen compared to the same period of the previous fiscal year. In Japan, revenues were up 10% to 51,542 million yen compared to 46,798 million yen in the same period of the previous fiscal year due to an expansion in real estate and automobile operating leases in addition to an increase in revenues from the precision measuring and other equipment rental operations. Overseas, revenues were up 24% to 19,174 million yen compared to 15,507 million yen in the same period of the previous fiscal year due to the expansion of automobile operating leases in the Asia, Oceania and Europe segment, despite a decrease in revenues from gains on sales of operating lease assets.

Revenues from interest on loans and investment securities increased 27% to 54,423 million yen compared to the same period of the previous fiscal year. In Japan, interest on loans and investment securities increased 27% to 43,153 million yen compared to 33,910 million yen in the same period of the previous fiscal year due primarily to an expansion of loans to corporate customers, including non-recourse loans, as well as the contribution to revenues from the loan servicing operations. Overseas, revenues were up 26% to 11,270 million yen compared to 8,922 million yen in the same period of the previous fiscal year due to an expansion of loans to corporate customers in The Americas segment.

Table of Contents

Revenues from brokerage commissions and net gains on investment securities decreased 23% to 7,999 million yen compared to the same period of the previous fiscal year. Brokerage commissions decreased 13% year on year. Net gains on investment securities decreased 26% year on year due to the decrease in revenues from the venture capital operations.

Although life insurance premiums were flat year on year, revenues from life insurance premiums and related investment income were up 10% year on year to 32,552 million yen due to an increase in life insurance related investment income.

Although real estate sales were recorded in the Oceania region, real estate sales decreased 40% year on year to 17,354 million yen due mainly to a decrease in the number of condominiums sold to buyers in Japan in the first quarter of this fiscal year compared to the first quarter of the previous fiscal year.

Gains on sales of real estate under operating leases (refer to (Note 1) below) were down 49% year on year to 5,830 million yen due to a decrease in sales of office buildings and other real estate under operating leases not classified under discontinued operations.

Other operating revenues increased 23% year on year to 75,674 million yen. In Japan, revenues were up 23% to 59,461 million yen compared to 48,182 million yen in the same period of the previous fiscal year due to the increase in revenues associated with the real estate management operations, including golf courses and training facilities, and contribution from the beginning of this fiscal year from companies in which we invested in the previous fiscal year, as well as the expansion of revenues from the integrated facilities management operations and its related services, and the automobile maintenance service operations. Overseas, revenues increased 23% to 16,213 million yen compared to 13,165 million yen in the same period of the previous fiscal year due to the recognition of ship-related revenues in the Asian region, despite a decrease in revenues from the investment banking operations in The Americas segment.

Note 1: Subsidiaries, business units, and certain rental properties sold or to be disposed of by sale without significant continuing involvements are reported under discontinued operations and the related amounts that had been previously reported have been reclassified retroactively.

Expenses: 231,020 million yen (Up 15% year on year)

Expenses increased 15% to 231,020 million yen compared with the same period of the previous fiscal year. Although interest expense, costs of operating leases, other operating expenses, selling, general and administrative expenses, provision for doubtful receivables and probable loan losses and write-downs of securities increased, life insurance costs and costs of real estate sales were down year on year.

Interest expense was up 40% year on year to 24,901 million yen due mainly to the increase in Japan. In Japan, interest expense increased 57% year on year due to the higher interest rates as well as higher average debt levels. Overseas, interest expense increased 19% year on year due mainly to the higher average debt levels.

Costs of operating leases were up 18% year on year to 45,804 million yen accompanying the increase in operating lease assets.

Life insurance costs were almost flat year on year at 26,974 million yen.

Costs of real estate sales were down 32% year on year to 15,610 million yen along with the decrease in real estate sales.

Other operating expenses were up 34% year on year to 42,059 million yen accompanying the increase in other operating revenues.

Table of Contents

Selling, general and administrative expenses were up 14% year on year to 66,673 million yen due to an increase in general and administrative expenses for write-downs of intangible assets, in addition to recorded expenses associated with companies in which we invested in the previous fiscal year from the beginning of this fiscal year, and associated with the expansion of the existing operations.

Provision for doubtful receivables and probable loan losses almost tripled year on year to 7,128 million yen due to some reversals of the provision for doubtful receivables and probable loan losses in the same period of the previous fiscal year, and reflecting an increase in installment loans.

There were no write-downs of long-lived assets recorded in the first quarter of this fiscal year.

Write-downs of securities were up 13% year on year to 1,767 million yen.

Net Income: 45,778 million yen (Down 3% year on year)

Operating income was down 23% year on year to 52,999 million yen due to the reasons noted above.

Equity in net income of affiliates increased 97% to 17,848 million yen due to an increase in profits from equity method affiliates both in Japan and overseas, and an increase in earnings from investments in residential condominiums developed through certain joint ventures.

Gains on sales of subsidiaries and affiliates and liquidation losses were 7 million yen.

As a result, income before income taxes, minority interests in earnings of subsidiaries, discontinued operations and extraordinary gain decreased 10% year on year to 70,854 million yen.

Minority interests in earnings of subsidiaries, net increased 8% year on year to 956 million yen.

Income from continuing operations decreased 10% year on year to 41,278 million yen.

Discontinued operations (refer to (Note 1) on page 2), net of applicable tax effect more than tripled year on year to 4,500 million yen due mainly to the sales of real estate under operating leases in Japan.

As a result, net income decreased 3% year on year to 45,778 million yen.

Segment Information

Segment profits (refer to (Note 2) below) declined for the Corporate Financial Services,

Automobile Operations, Real Estate-Related Finance and Real Estate, segments; and increased for the Rental Operations, Life Insurance, The Americas and Asia, Oceania and Europe segments compared to the same period of the previous fiscal year.

The results of the reported segments from the first quarter of this fiscal year reflect the revised business classification of the Company. Accordingly, leasing operations of the affiliates, which had been included in the Other segment, have been included in the Corporate Financial Services segment from the first quarter of this fiscal year (refer to (Note 1) below on page 12 of the Segment Information).

Note 2: Since the Company evaluates the performance of its segments based on profits before income taxes, tax expenses are not included in segment profits. In addition, results of discontinued operations are included in Segment Revenues and Segment Profits of each segment, if any.

Table of Contents

Operations in Japan

Corporate Financial Services Segment:

Segment revenues were up 14% year on year to 29,890 million yen due primarily to the expansion of loans to corporate customers.

Segment profits decreased 38% to 7,111 million yen compared to 11,473 million yen in the same period of the previous fiscal year due to the increases in interest expense and provision for doubtful receivables and probable loan losses, in addition to the recognition of write-downs of intangible assets.

Segment assets increased 7% on March 31, 2007 to 1,988,400 million yen due to the expansion of loans to corporate customers.

Automobile Operations Segment:

Segment revenues increased 3% year on year to 37,701 million yen due to the increase in revenues from operating leases and maintenance services in the automobile leasing operations.

Segment profits decreased 7% to 5,826 million yen compared to 6,258 million yen in the same period of the previous fiscal year due to the increase in expenses accompanying an increase in revenues from operating leases and maintenance services, in addition to the increase in expenses associated with the opening of new stores and purchases in anticipation of the cyclical upturn in the market in the automobile rental operations.

Segment assets increased 3% on March 31, 2007 to 525,613 million yen due to the expansion of operating lease assets.

Rental Operations Segment:

Segment revenues were up 20% year on year to 18,489 million yen due to the increase in revenues from operating leases including precision measuring equipment.

Segment profits more than doubled to 2,840 million yen compared to 1,269 million yen in the same period of the previous fiscal year as there were no losses on the sale of investment securities, which were recorded in the same period of the previous fiscal year, and due to an increase in segment revenues.

Segment assets were flat on March 31, 2007 at 120,183 million yen due to a decrease in investment in direct financing leases, despite an increase in operating lease assets.

Real Estate-Related Finance Segment:

Segment revenues increased 19% year on year to 21,578 million yen due to an expansion of revenues associated with corporate loans, including non-recourse loans, and contributions from the loan servicing operations, despite the absence of revenues from real estate sales, which were recorded in the same period of the previous fiscal year.

Segment profits decreased 3% to 10,246 million yen compared to 10,598 million yen in the same period of the previous fiscal year due to the absence of gains from real estate sales, which were recorded in the same period of the previous fiscal year, in addition to the increases in provision for doubtful receivables and probable loan losses and interest expense, despite an increase in segment revenues.

Segment assets increased 12% on March 31, 2007 to 1,695,282 million yen due mainly to an increase in corporate loans, including non-recourse loans.

Table of Contents

Real Estate Segment:

Segment revenues decreased 12% year on year to 61,607 million yen due to a decrease in the number of condominiums sold to buyers, in addition to the decrease in revenues from sales of real estate under operating leases, despite an increase in revenues associated with real estate rental activities, including office buildings, and management operations, including golf courses and training facilities.

Segment profits decreased 12% to 18,252 million yen compared to 20,709 million yen in the same period of the previous fiscal year due to the decrease in segment revenues mentioned above, despite an increase in the contribution from residential condominiums developed through certain joint ventures which were accounted for by the equity method. The total number of condominiums sold to buyers increased from 811 units in the first quarter of the previous fiscal year to 830 units in the first quarter of this fiscal year.

Segment assets increased 5% on March 31, 2007 to 946,009 million yen due mainly to the expansion of operating assets, including operating lease assets.

Life Insurance Segment:

Although revenues from life insurance premiums were flat year on year, segment revenues were up 9% year on year to 32,175 million yen due to an increase in life insurance related investment income.

Segment profits almost tripled to 2,856 million yen compared to 1,139 million yen in the same period of the previous fiscal year due to an increase in segment revenues.

Segment assets increased 3% on March 31, 2007 to 527,156 million yen.

Other Segment:

Although gains on investment securities at the venture capital operations decreased, segment revenues were flat year on year at 30,930 million yen due to the contribution from the beginning of this fiscal year from companies in which we invested in the previous fiscal year.

Segment profits increased 20% to 12,828 million yen compared to 10,666 million yen in the same period of the previous fiscal year due to an increase in contributions from equity method affiliates in Japan.

Segment assets increased 3% on March 31, 2007 to 794,607 million yen.

Overseas Operations

The Americas Segment:

Segment revenues increased 2% year on year to 24,307 million yen due mainly to the increase in revenues associated with corporate loans.

Segment profits increased 5% to 5,413 million yen compared to 5,167 million yen in the same period of the previous fiscal year accompanying the increase in segment revenues.

Segment assets increased 7% on March 31, 2007 to 520,187 million yen due mainly to the increase in corporate loans.

Asia, Oceania and Europe Segment:

Although gains on sales of operating lease assets decreased, segment revenues were up 55% year on year to 36,999 million yen due to the expansion of operating leases, including automobile leasing, and the recognition of real estate sales and ship-related revenues.

Segment profits increased 8% to 12,594 million yen compared to 11,624 million yen in the same period of the previous fiscal year accompanying the increase in segment revenues.

Table of Contents

Segment assets were up 8% on March 31, 2007 to 677,987 million yen due mainly to the increase in operating lease assets and investment in affiliates.

2. Analysis of Financial Condition

Analysis of Assets, Liabilities, Shareholders' Equity

Operating Assets: 7,065,573 million yen (Up 6% on March 31, 2007)

Operating assets were up 6% on March 31, 2007 to 7,065,573 million yen. All operating assets including investment in direct financing leases, installment loans, investment in operating leases, investment in securities and other operating assets increased on March 31, 2007.

Summary of Cash Flows

Cash and cash equivalents decreased by 25,940 million yen to 189,223 million yen compared to March 31, 2007.

Cash flows from operating activities used 74,086 million yen in the first quarter of this fiscal year and provided 116,129 million yen in the first quarter of the previous fiscal year. This was due to the increased outflows from increase in inventories and decrease in accrued expenses.

Cash flows from investing activities used 395,447 million yen in the first quarter of this fiscal year and used 178,906 million yen in the first quarter of the previous fiscal year due mainly to the increase in outflows associated with the increase in installment loans made to customers, as a result of the expansion of loans to corporate customers, and purchases of available-for-sale securities.

Cash flows from financing activities provided 442,426 million yen in the first quarter of this fiscal year and used 33,282 million yen in the first quarter of the previous fiscal year due to the increase in debt accompanying the increase in operating assets.

Table of Contents**Consolidated Financial Highlights**

(For the Three Months Ended June 30, 2006 and 2007, and the Year Ended March 31, 2007) (Unaudited)

	(millions of JPY, except for per share data)						
	June 30, 2006	Year-on-year Change	June 30, 2007	Year-on-year Change	Relationship to March 31, 2007	March 31, 2007	Year-on-year Change
Operating Assets							
Investment in Direct							
Financing Leases	1,437,711	98%	1,288,317	90%	102%	1,258,404	88%
Installment Loans	3,036,818	124%	3,707,066	122%	106%	3,490,326	119%
Investment in Operating							
Leases	721,127	125%	912,310	127%	106%	862,049	120%
Investment in Securities	692,559	117%	999,500	144%	114%	875,581	128%
Other Operating Assets	93,226	102%	158,380	170%	104%	152,106	166%
Total	5,981,441	116%	7,065,573	118%	106%	6,638,466	113%
Operating Results							
Total Revenues	270,212	127%	284,019	105%		1,141,474	123%
Income before Income Taxes, Minority Interests in Earnings of Subsidiaries, Discontinued Operations and Extraordinary Gain	78,990	136%	70,854	90%		316,304	127%
Net Income	47,103	125%	45,778	97%		196,506	118%
Earnings Per Share							
Net Income							
Basic	523.51	121%	501.27	96%		2,177.10	116%
Diluted	504.02	123%	488.19	97%		2,100.93	117%
Shareholders' Equity Per Share	10,955.86	125%	13,629.34	124%	104%	13,089.83	123%
Financial Position							
Shareholders' Equity	986,502	129%	1,247,341	126%	104%	1,194,234	125%
Number of Outstanding Shares (thousands of shares)	90,043	103%	91,519	102%	100%	91,234	101%
Long- and Short-Term Debt and Deposits	4,890,505	115%	5,970,723	122%	109%	5,483,922	111%
Total Assets	7,223,560	117%	8,724,936	121%	106%	8,207,187	113%
Shareholders' Equity Ratio	13.7%		14.3%			14.6%	
Return on Equity (annualized)	19.4%		15.0%			18.3%	
Return on Assets (annualized)	2.60%		2.16%			2.54%	
New Business Volumes							
Direct Financing Leases							
New Receivables Added	201,398	103%	187,493	93%		720,840	81%
New Equipment Acquisitions	179,126	102%	163,998	92%		636,723	80%
Installment Loans	465,075	128%					