

ORIX CORP
Form 6-K
November 13, 2013
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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 2013.

Commission File Number: 001-14856

ORIX Corporation

(Translation of Registrant's Name into English)

World Trade Center Bldg., 2-4-1 Hamamatsucho, 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 if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Table of Document(s) Submitted

1. This is an English translation of ORIX Corporation's quarterly financial report (*shihanki houkokusho*) as filed with the Kanto Financial Bureau in Japan on November 13, 2013, which includes 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, 2012 and 2013.

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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 13, 2013

By /s/ Haruyuki Urata
Haruyuki Urata
Director
Deputy President and Chief Financial Officer
ORIX Corporation

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CONSOLIDATED FINANCIAL INFORMATION

Notes to Translation

1. The following is an English translation of ORIX Corporation's quarterly financial report (*shihanki houkokusho*) as filed with the Kanto Financial Bureau in Japan on November 13, 2013, which includes 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, 2012 and 2013.

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, ORIX Corporation (the Company) and its subsidiaries have complied with U.S. GAAP.

This document 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.

This document contains 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 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.

Table of Contents**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	Six months ended	Fiscal year ended
	September 30, 2012	September 30, 2013	March 31, 2013
	September 30, 2012	September 30, 2013	March 31, 2013
Total revenues	¥ 508,534	¥ 614,131	¥ 1,064,484
Income before income taxes and discontinued operations	87,433	123,575	172,332
Net income attributable to ORIX Corporation shareholders	59,840	80,408	111,909
Comprehensive Income attributable to ORIX Corporation shareholders	44,970	85,568	171,791
ORIX Corporation shareholders' equity	1,415,999	1,759,626	1,643,596
Total assets	8,186,534	8,429,989	8,439,710
Earnings per share for net income attributable to ORIX Corporation shareholders			
Basic (yen)	55.65	64.67	102.87
Diluted (yen)	46.59	61.86	87.37
ORIX Corporation shareholders' equity ratio (%)	17.3	20.9	19.5
Cash flows from operating activities	215,733	218,969	391,304
Cash flows from investing activities	272	(110,713)	105,657
Cash flows from financing activities	(279,428)	(230,853)	(467,193)
Cash and cash equivalents at end of period	719,012	706,289	826,296
	Three months ended	Three months ended	
	September 30, 2012	September 30, 2013	
Total revenues	¥ 258,092	¥ 335,329	
Net income attributable to ORIX Corporation shareholders	25,067	35,401	
Earnings per share for net income attributable to ORIX Corporation shareholders			
Basic (yen)	23.31	28.19	

- Notes: 1. Pursuant to FASB Accounting Standards Codification (ASC) 205-20 (Presentation of Financial Statements Discontinued Operations), certain amounts in the fiscal year ended March 31, 2013 related to the operations of subsidiaries, business units, and certain properties, that have been sold or are to be disposed of by sale without significant continuing involvement as of September 30, 2013 have been reclassified retrospectively.
2. Consumption tax is excluded from the stated amount of total revenues.
3. On April 1, 2013, the Company implemented a 10-for-1 stock split of common stock held by shareholders registered on the Company's register of shareholders as of March 31, 2013. Per share data has been adjusted retrospectively to reflect the stock split for the previous period presented.

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(2) Overview of Activities

During the six months ended September 30, 2013, no significant changes were made in the Company and its subsidiaries' operations.

During the three months ended September 30, 2013, pursuing its growth ambitions in global asset management, the Company completed the acquisition of approximately 90.01% of the total issued shares of Robeco Groep N.V. (Head office: Rotterdam, the Netherlands, hereinafter, Robeco) from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Head office: Utrecht, the Netherlands). As a result, Robeco became a consolidated subsidiary of the Company since July 1, 2013.

2. Risk Factors

Investing in our securities involves risks. You should carefully consider the information described herein as well as the risks described under Risk Factors in our Form 20-F for the fiscal year ended March 31, 2013 and the other information in that annual report, including, but not limited to, our consolidated financial statements and related notes and Item 11. Quantitative and Qualitative Disclosures about Market Risk. Our business activities, financial condition and results of operations and the trading prices of our securities could be adversely affected by any of those factors or other factors.

3. Material Contracts

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 that could 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

Although the global economy continues to carry downside risks such as decelerating growth in emerging countries and lingering uncertainties in European sovereign debt issues, the risk of another serious global financial crisis is receding, with signs of improvement in the United States economy.

In the United States, although there is concern regarding the effect of increasing home loan interest rates on the housing market, private consumption has been firm on the back of increased wages and employment levels, and income and consumption in the retail sector are beginning to create a self-sustained healthy economic cycle. Meanwhile, although the feared tapering of Quantitative Easing Program (QE3) has been suspended for the time being, once again fiscal issues such as the U.S. debt-ceiling crisis are gaining attention.

In Asia's emerging economies, the Chinese economy is at a standstill due to policies restricting investment and India also continues to experience slower growth. In the ASEAN region, although the economic growth rate is beginning to decelerate as the economic slowdown gathers momentum, at the moment in many countries we are seeing higher market share prices and currency appreciation as a result of a delay in tapering Quantitative Easing Programs in the U.S.

In Japan, although a rapid depreciation of the yen and rise in market share prices that continued from the beginning of the year has subsided for the moment, we expect ongoing recovery in the domestic economy due to monetary easing by the Bank of Japan and various economic measures. Moving forward, against a background of improving Japanese domestic company results brought about by the depreciation of yen and increased public investment, we anticipate an increase in private consumption and improvement in the domestic employment environment. Further, following Tokyo's selection to host the 2020 Summer Olympics, there is anticipation of long term investment in Tokyo's infrastructure and increased private investment.

Table of Contents**Financial Highlights****Financial Results for the Six Months Ended September 30, 2013**

Total revenues	¥614,131 million (Up 21% year on year)
Total expenses	¥506,735 million (Up 17% year on year)
Income before income taxes and discontinued operations	¥123,575 million (Up 41% year on year)
Net income attributable to ORIX Corporation Shareholders	¥80,408 million (Up 34% year on year)
Earnings per share for net income attributable to ORIX Corporation Shareholders	
(Basic)	¥64.67 (Up 16% year on year)
(Diluted)	¥61.86 (Up 33% year on year)
ROE (Annualized) *1	9.5% (8.6% during the same period of the previous fiscal year)
ROA (Annualized) *2	1.91% (1.45% during the same period of the previous fiscal year)

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

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

*3 On April 1, 2013, the Company implemented a 10-for-1 stock split of common stock held by shareholders registered on the Company's register of shareholders as of March 31, 2013. Per share data has been retrospectively adjusted to reflect the stock split for the previous period presented.

Total Revenues for the six-month period ended September 30, 2013 (hereinafter the second consolidated period) increased 21% to ¥614,131 million compared to ¥508,534 million during the same period of the previous fiscal year. In addition to an increase in revenues from asset management and servicing due to the acquisition of asset management company Robeco Groep N.V. (hereinafter Robeco), operating lease revenues increased due to growth in auto leasing in Japan and aircraft leasing overseas, as did other operating revenues due to contributions from companies acquired after March 31, 2012, growth in the environment and energy-related business, and an increase in commission income compared to the same period of the previous fiscal year. On the other hand, real estate sales decreased compared to the same period of the previous fiscal year due to a decrease in the number of condominium units delivered.

Total Expenses increased 17% to ¥506,735 million compared to ¥431,498 million during the same period of the previous fiscal year. In addition to an increase in expenses from asset management and servicing in line with the acquisition of Robeco, costs of operating leases and other operating expenses increased in line with an expansion in revenues from operating leases and other operations, and selling, general and administrative expenses increased mainly due to corporate acquisitions made after March 31, 2012. Meanwhile, interest expense decreased due to a decrease in the average balance of borrowing; costs of real estate sales decreased due to a decrease in the number of condominium units delivered; and write-downs of securities decreased mainly due to a decrease in write-downs recorded for non-marketable securities compared to the same period of the previous fiscal year.

Equity in net income of affiliates increased compared to the same period of the previous fiscal year mainly due to an increase in profits from domestic joint real-estate ventures.

As a result of the foregoing, income before income taxes and discontinued operations for the second consolidated period increased 41% to ¥123,575 million compared to ¥87,433 million during the same period of the previous fiscal year, and net income attributable to ORIX Corporation shareholders increased 34% to ¥80,408 million compared to ¥59,840 million during the same period of the previous fiscal year.

For more information about the acquisition of Robeco, see Note 4 Acquisitions.

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Total revenues and profits by segment for the six months ended September 30, 2012 and 2013 are as follows:

	Millions of yen							
	Six months ended September 30, 2012		Six months ended September 30, 2013		Change (revenues)		Change (profits)	
	Segment Revenues	Segment Profits	Segment Revenues	Segment Profits	Amount	Percent (%)	Amount	Percent (%)
Corporate Financial Services	¥ 36,135	¥ 11,753	¥ 35,646	¥ 10,824	¥ (489)	(1)	¥ (929)	(8)
Maintenance Leasing	117,403	17,772	126,863	21,135	9,460	8	3,363	19
Real Estate	108,044	2,982	99,300	8,769	(8,744)	(8)	5,787	194
Investment and Operation	49,228	16,408	78,683	22,215	29,455	60	5,807	35
Retail	88,940	23,647	103,474	28,379	14,534	16	4,732	20
Overseas Business	93,287	22,660	151,364	34,204	58,077	62	11,544	51
Total	493,037	95,222	595,330	125,526	102,293	21	30,304	32
Difference between Segment Total and Consolidated Amounts	15,497	(7,789)	18,801	(1,951)	3,304	21	5,838	
Total Consolidated Amounts	¥ 508,534	¥ 87,433	¥ 614,131	¥ 123,575	¥ 105,597	21	¥ 36,142	41

Total assets by segment as of March 31, 2013 and September 30, 2013 are as follows:

	Millions of yen							
	March 31, 2013		September 30, 2013		Change			
	Segment Assets	Composition ratio (%)	Segment Assets	Composition ratio (%)	Amount	Percent (%)		
Corporate Financial Services	¥ 893,235	10.6	¥ 895,137	10.6	¥ 1,902	0		
Maintenance Leasing	599,360	7.1	634,662	7.5	35,302	6		
Real Estate	1,133,170	13.4	1,045,505	12.4	(87,665)	(8)		
Investment and Operation	444,315	5.3	434,230	5.2	(10,085)	(2)		
Retail	1,994,140	23.6	2,056,642	24.4	62,502	3		
Overseas Business	1,318,434	15.6	1,682,603	20.0	364,169	28		
Total	6,382,654	75.6	6,748,779	80.1	366,125	6		
Difference between Segment Total and Consolidated Amounts	2,057,056	24.4	1,681,210	19.9	(375,846)	(18)		
Total Consolidated Amounts	¥ 8,439,710	100.0	¥ 8,429,989	100.0	¥ (9,721)	(0)		

Segment profits for the second consolidated period increased 32% to ¥125,526 million compared to ¥95,222 million during the same period of the previous fiscal year.

In line with the acquisition of Robeco, goodwill and other intangible assets have been allocated to the relevant segments from the second consolidated period. The segment information for the previous periods has been reclassified to reflect this change.

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Segment information for the second consolidated period is as follows:

Corporate Financial Services Segment

This segment is involved in lending, leasing and fee business.

During the second consolidated period, improved revenues have not been limited to companies in the manufacturing industry but have extended to include large domestic companies across different industries. Also, small and medium-sized enterprises are showing signs of recovery in performance as a result of growing domestic demand including increased public investment.

Segment assets remained flat at ¥895,137 million compared to the end of the previous fiscal year primarily due to a decrease in installment loans, despite an increase in the balance of investment in direct financing leases.

Installment loan revenues have decreased in line with a decrease in the average loan balance. On the other hand, segment revenues only decreased 1% to ¥35,646 million compared to ¥36,135 million during the same period of the previous fiscal year due to solid direct financing lease revenues as a result of an increase in the average investment balance.

Segment profits decreased 8% to ¥10,824 million compared to ¥11,753 million during the same period of the previous fiscal year due to segm