

ORIX CORP  
Form 6-K  
July 26, 2016  
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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 July 2016

## ORIX Corporation

(Translation of Registrant's Name into English)

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

(Address of Principal Executive Offices)

## Edgar Filing: ORIX CORP - Form 6-K

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

Form 20-F  Form 40-F

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

Yes  No

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1. <u>ORIX's First Quarter Consolidated Financial Results (April 1, 2016 – June 30, 2016) filed with the Tokyo Stock Exchange on Tuesday July 26, 2016.</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: July 26, 2016

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

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**Consolidated Financial Results**

**April 1, 2016    June 30, 2016**

July 26, 2016

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

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

*The Company believes that it will be considered a "passive foreign investment company" for United States 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.*

**For further information please contact:**

**Investor Relations**

**ORIX Corporation**

**World Trade Center Building, 2-4-1 Hamamatsucho, Minato-ku, Tokyo 105-6135**

**JAPAN**

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**Table of Contents****Consolidated Financial Results from April 1, 2016 to June 30, 2016**

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

Corporate Name: ORIX Corporation  
 Listed Exchanges: Tokyo Stock Exchange (Securities No. 8591)  
 New York Stock Exchange (Trading Symbol : IX)  
 Head Office: Tokyo JAPAN  
 Tel: +81-3-3435-3121  
 (URL <http://www.orix.co.jp/grp/en/ir/index.html>)

**1. Performance Highlights as of and for the Three Months Ended June 30, 2016****(1) Performance Highlights - Operating Results (Unaudited)**

(millions of yen)\*1

	Total Revenues	Year-on-Year Change	Operating Income	Year-on-Year Change	Income before Taxes		Net Income Attributable to ORIX Corporation	
					Income	Year-on-Year Change	Shareholders	Year-on-Year Change
June 30, 2016	587,945	(3.0%)	87,423	(19.4%)	118,434	(4.4%)	76,769	(5.8%)
June 30, 2015	606,124	42.5%	108,532	35.0%	123,916	18.6%	81,510	23.6%

Comprehensive Income Attributable to ORIX Corporation Shareholders was ¥47,557 million for the three months ended June 30, 2016 (year-on-year change was a 41.8% decrease) and ¥81,691 million for the three months ended June 30, 2015 (year-on-year change was a 58.3% increase).

	Basic Earnings Per Share	Diluted Earnings Per Share
June 30, 2016	58.62	58.58
June 30, 2015	62.28	62.22

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

**(2) Performance Highlights - Financial Position (Unaudited)**

	Total Assets	Total Equity	Shareholders Equity	Shareholders Equity Ratio
June 30, 2016	10,762,882	2,486,384	2,326,969	21.6%
March 31, 2016	10,992,918	2,472,819	2,310,431	21.0%

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**\*Note 2:** Shareholders Equity refers to Total ORIX Corporation Shareholders Equity.  
Shareholders Equity Ratio is the ratio of Total ORIX Corporation Shareholders Equity to Total Assets.

### 2. Dividends (Unaudited)

	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total
March 31, 2016		22.00		23.75	45.75
March 31, 2017					
March 31, 2017 (Est.)		23.00			

**\*Note 3:** Estimated dividend amount for the fiscal year ending March 31, 2017 has not yet been determined.

### 3. Targets for the Year Ending March 31, 2017 (Unaudited)

In order to facilitate a better understanding on our medium- and long- term growth projection for our shareholders and potential investors, we disclose our medium-term management target in this document. For details, refer to 1.Summary of Consolidated Financial Results (3) Medium-Term Management Targets on page 9.

### 4. Other Information

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

Addition - None ( ) Exclusion - None ( )

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

**(3) Changes in Accounting Principles, Procedures and Disclosures**

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

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

**(4) Number of Issued Shares (Ordinary Shares)**

1. The number of issued shares, including treasury stock, was 1,324,058,828 as of June 30, 2016, and 1,324,058,828 as of March 31, 2016.

2. The number of treasury shares was 12,848,781 as of June 30, 2016, and 12,848,591 as of March 31, 2016.

3. The average number of outstanding shares was 1,309,527,089 for the three months ended June 30, 2016, and 1,308,774,077 for the three months ended June 30, 2015.

The Company's shares held through the Board Incentive Plan Trust (1,643,551 shares as of June 30, 2016 and 1,696,217 shares as of March 31, 2016) are not included in the number of treasury stock shares as of the end of the periods, but are included in the average number of shares outstanding as treasury stock shares that are deducted from the basis of the calculation of per share data.

**Table of Contents****1. Summary of Consolidated Financial Results****(1) Analysis of Financial Highlights****Financial Results for the Three Months Ended June 30, 2016**

		Three months ended June 30, 2015	Three months ended June 30, 2016	Change	Year on Year Change
Total Revenues	(millions of yen)	606,124	587,945	(18,179)	(3)%
Total Expenses	(millions of yen)	497,592	500,522	2,930	1%
Income before Income Taxes	(millions of yen)	123,916	118,434	(5,482)	(4)%
Net Income Attributable to ORIX Corporation Shareholders	(millions of yen)	81,510	76,769	(4,741)	(6)%
Earnings Per Share (Basic)	(yen)	62.28	58.62	(3.66)	(6)%
(Diluted)	(yen)	62.22	58.58	(3.64)	(6)%
ROE (Annualized) *1	(%)	15.0	13.2	(1.8)	
ROA (Annualized) *2	(%)	2.87	2.82	(0.05)	

\*Note 1: ROE is the ratio of Net Income Attributable to ORIX Corporation Shareholders for the period to average ORIX Corporation Shareholders Equity.

\*Note 2: ROA is calculated based on Net Income Attributable to ORIX Corporation Shareholders.

**Economic Environment**

In the world economy, while the curbs on economic slowdown are seen mainly in emerging and resource rich countries, concerns over the United Kingdom's recent vote to exit the European Union has caused turbulence in political situation and financial markets and has interfered with recovery in economic growth. Against the backdrop of the monetary easing measures and capital flight in respective countries, long-term interest rates have been decreasing worldwide. In addition, there are political and geopolitical tensions in certain regions that need to be monitored carefully.

The Japanese economic outlook is becoming increasingly unclear due to the appreciation of the yen, falling stock prices and decrease in long-term interest rates which are affected by the increasing uncertainty in the overseas economy.

**Overview of Business Performance (April 1, 2016 to June 30, 2016)**

Total revenues for the three months ended June 30, 2016 (hereinafter, the first consolidated period) decreased 3% to ¥587,945 million compared to ¥606,124 million during the same period of the previous fiscal year. Operating lease revenues increased due primarily to gains on sales of large-scale rental properties in Japan. In addition, sales of goods and real estate increased due primarily to revenues generated by subsidiaries in the principal investment business. Gains on investment securities and dividends decreased due to a decrease in gains on investment securities. Life insurance premiums and related investment income decreased due mainly because investment income from the assets under variable annuity and variable life insurance contracts held by Hartford Life Insurance K.K. (hereinafter, HLIKK) decreased significantly compared to the same period of the previous fiscal year during which the investment had better performed reflecting a significant improvement in the capital market conditions. HLIKK was merged into ORIX Life Insurance Corporation (hereinafter, ORIX Life Insurance) on July 1, 2015. In addition, services income decreased due to the partial divestment of Houlihan Lokey Inc. (hereinafter, HL) shares in connection with its initial public offering in the United States and its becoming an equity method affiliate in the previous fiscal year.

Total expenses increased 1% to ¥500,522 million compared to ¥497,592 million during the same period of the previous fiscal year. Costs of goods and real estate sold increased in line with the aforementioned revenue increase. On the other hand, life insurance costs decreased due to a reversal of liability reserve in line with the aforementioned decrease in investment income from the assets under variable annuity and variable life insurance contracts.





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Gains on sales of subsidiaries and affiliates and liquidation losses, net increased due primarily to the increase in a gain on sale of shares of affiliates in Investment and Operation segment.

As a result of the foregoing, income before income taxes for the first consolidate period decreased 4% to ¥118,434 million compared to ¥123,916 million during the same period of the previous fiscal year, and net income attributable to ORIX Corporation shareholders decreased 6% to ¥76,769 million compared to ¥81,510 million during the same period of the previous fiscal year.

**Segment Information**

Total segment profits for the first consolidated period decreased 5% to ¥115,342 million compared to ¥120,779 million during the same period of the previous fiscal year. While profits from Real Estate segment and Investment and Operation segment increased, profits from each of the other segments decreased.

Segment information for the first consolidated period is as follows:

**Corporate Financial Services Segment:** Lending, leasing and fee business

	Three months ended June	Three months ended June	Change	
	30, 2015 (millions of yen)	30, 2016 (millions of yen)	Amount (millions of yen)	Percent (%)
Segment Revenues	27,558	24,990	(2,568)	(9)
Segment Profits	12,377	8,494	(3,883)	(31)

	As of March 31, 2016 (millions of yen)	As of June 30, 2016 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	1,049,867	1,033,214	(16,653)	(2)

The Japanese economic outlook is becoming increasingly unclear due to yen appreciation, falling stock prices and decreases in long-term interest rates, which are affected by increasing uncertainty in the overseas economy. The balance of outstanding loans at financial institutions continues to increase and interest rates on loans remain at low levels.

Segment revenues decreased 9% to ¥24,990 million compared to ¥27,558 million during the same period of the previous fiscal year due to a decrease in gains on investment securities, despite an increase in services income resulting primarily from revenue generated by Yayoi Co., Ltd. and stable fee business to domestic small-and medium-sized enterprise customers.

In addition, segment expenses increased due to an increase in selling, general and administrative expenses compared to the same period of the previous fiscal year and segment profits decreased 31% to ¥8,494 million compared to ¥12,377 million during the same period of the previous fiscal year.

Segment assets decreased 2% to ¥1,033,214 million compared to the end of the previous fiscal year due primarily to decreases in investment in direct financing leases, installment loans, and investment in securities.

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

	Three months ended June 30, 2015 (millions of yen)	Three months ended June 30, 2016 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	67,520	67,199	(321)	
Segment Profits	11,687	9,892	(1,795)	(15)

	As of March 31, 2016 (millions of yen)	As of June 30, 2016 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	731,329	700,427	(30,902)	(4)

While demand in corporate capital investment is gradually increasing, concerns about decreasing profitability and uncertainty in the economic outlook interfere with new investment. The volume of new auto leases in Japan decreased slightly compared to the previous fiscal year.

Segment revenues of ¥67,199 million remained at approximately the same level as the same period of the previous fiscal year due to an increase in services income derived from value-added services, offset by a decrease in operating leases revenues resulting from less gains on sale.

Segment expenses increased due to increases in the costs of operating leases in line with an increase in the average balance of operating lease assets and selling, general, and administrative expenses.

As a result, segment profits decreased 15% to ¥9,892 million compared to ¥11,687 million during the same period of the previous fiscal year.

Segment assets decreased 4% to ¥700,427 million compared to the end of the previous fiscal year primarily due to a decrease in leasing assets mainly in the automobile business in line with the securitizations.

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

	Three months ended June 30, 2015 (millions of yen)	Three months ended June 30, 2016 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Revenues	50,349	57,338	6,989	14
Segment Profits	14,451	23,603	9,152	63

	As of March 31, 2016 (millions of yen)	As of June 30, 2016 (millions of yen)	Change	
			Amount (millions of yen)	Percent (%)
Segment Assets	739,592	705,617	(33,975)	(5)

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The real estate market has remained active due primarily to the quantitative easing policies of the Bank of Japan, including the adoption of negative interest rates. Land prices remain high and office rents and vacancy rates in the Japanese office building market continue to show improvements especially in the Greater Tokyo Area. Furthermore, due to an increase in the number of tourists from abroad, we are seeing increases in the occupancy rates and average daily rates of hotels and Japanese inns. Meanwhile, we are also seeing a trend where sales prices of condominiums stopped rising.

Segment revenues increased 14% to ¥57,338 million compared to ¥50,349 million during the same period of the previous fiscal year primarily due to an increase in gains on sales of rental properties, which are included in operating leases revenues, despite a decrease in rental revenues, which are also included in operating leases revenues, in line with a decrease in the balance of real estate assets.

Segment expenses decreased compared to the same period of the previous fiscal year primarily due to decreases in interest expense and costs of operating leases in line with the decrease in assets.

As a result of the foregoing, segment profits increased 63% to ¥23,603 million compared to ¥14,451 million during the same period of the previous fiscal year.

Segment assets decreased 5% to ¥705,617 million compared to the end of the previous fiscal year primarily due to a decrease in investment in operating leases, which resulted from sales of rental properties.

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

	Three months ended June 30, 2015	Three months ended June 30, 2016	Change	
	(millions of yen)	(millions of yen)	Amount (millions of yen)	Percent (%)
Segment Revenues	229,187	258,002	28,815	13
Segment Profits	26,159	30,955	4,796	18

  

	As of March 31, 2016	As of June 30, 2016	Change	
	(millions of yen)	(millions of yen)	Amount (millions of yen)	Percent (%)
Segment Assets	704,156	678,570	(25,586)	(4)

In Japan, while the government is reassessing its renewable energy purchase program, the significance of renewable energy in the mid- to long-term is on the rise with investment targets expanding beyond solar power generation projects to include wind and geothermal power generation projects. In the capital market, the size of merger and acquisition (hereinafter M&A) transactions appear to have decreased despite an increase in the total number of M&A transactions closed since January 2016 compared to the year 2015 in which several large cross-border M&A transactions took place.

Segment revenues increased 13% to ¥258,002 million compared to ¥229,187 million during the same period of the previous fiscal year due to increases in sales of goods and services income generated by subsidiaries in the principal investment business and environment and energy-related business.

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

As a result of the foregoing and the recognition of gains on sales of shares of affiliates and the recognition of a bargain purchase gain from the acquisition of a subsidiary, segment profits increased 18% to ¥30,955 million compared to ¥26,159 million during the same period of the previous fiscal year.