

ORIX CORP  
Form 6-K  
August 01, 2005  
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, 2005.

---

## 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)

---

## 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

---

**Table of Contents**

**Table of Documents Filed**

	<b>Page</b>
1. <u>ORIX's First Quarter Consolidated Financial Results (April 1, 2005 – June 30, 2005) filed with the Tokyo Stock Exchange on Friday, July 29, 2005.</u>	<hr/>

**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 1, 2005

**ORIX Corporation**

By /s/ Shunsuke Takeda

Shunsuke Takeda  
Director

Vice Chairman and CFO

ORIX Corporation

**Table of Contents**

---

**Consolidated Financial Results**

**April 1, 2005    June 30, 2005**

---

July 29, 2005

*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 110.62 to \$1.00, the approximate exchange rate prevailing at June 30, 2005.*

*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 expects that it will be a "passive foreign investment company" under the U.S. Internal Revenue Code. A U.S. holder of the shares of the Company is therefore subject to special rules of taxation in respect of certain dividend, gain or other income on such shares. 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, 2005 to June 30, 2005**

(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  
New York Stock Exchange (Trading Symbol: IX)  
Head Office: Tokyo JAPAN  
Tel: +81-3-5419-5102  
(URL [http://www.orix.co.jp/grp/ir\\_e/ir\\_index.htm](http://www.orix.co.jp/grp/ir_e/ir_index.htm))

**1. Performance Highlights for the Three Months Ended June 30, 2005 and 2004, and the Year Ended March 31, 2005****(1) Performance Highlights - Operating Results (Unaudited)**

(millions of JPY)\*1

	<b>Total</b>	<b>Year-on-Year</b>	<b>Operating</b>	<b>Year-on-Year</b>	<b>Income before</b>	<b>Year-on-Year</b>
	<b>Revenues</b>	<b>Change</b>	<b>Income</b>	<b>Change</b>	<b>Income Taxes*2</b>	<b>Change</b>
June 30, 2005	212,635	4.8%	49,726	60.1%	58,448	59.5%
June 30, 2004	202,825	13.9%	31,060	45.9%	36,653	48.6%
March 31, 2005	916,950		130,957		154,347	

  

	<b>Net Income</b>	<b>Year-on-Year</b>	<b>Basic</b>	<b>Diluted</b>
		<b>Change</b>	<b>Earnings Per Share</b>	<b>Earnings Per Share*3</b>
June 30, 2005	37,789	60.6%	432.08	409.74
June 30, 2004	23,527	66.9%	281.05	258.14
March 31, 2005	91,496		1,087.82	1,002.18

- Equity in Net Income of Affiliates was a net gain of JPY 7,263 million for the three months ended June 30, 2005, a net gain of JPY 4,754 million for the three months ended June 30, 2004 and a net gain of JPY 20,043 million for the year ended March 31, 2005.
- The average number of shares was 87,458,625 for the three months ended June 30, 2005, 83,709,358 for the three months ended June 30, 2004 and 84,110,243 for the year ended March 31, 2005.
- Adoption of simplified accounting method Yes ( x ) No ( )

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

4. Changes in Accounting Principles Yes ( ) No ( x ) (except for adoptions of new accounting principles)
5. Changes in Numbers of Consolidated Subsidiaries and Affiliates Yes ( x ) No ( )

Additions: Consolidated Subsidiaries 0, Affiliates 3      Deletions: Consolidated Subsidiaries 12, Affiliates 3

- \*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 Discontinued Operations and Income Taxes.
- \*Note 3:** In accordance with the requirements of EITF 04-8, diluted earnings per share for the three months ended June 30, 2004 is revised retroactively.

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

	<u>Total Assets</u>	<u>Shareholders Equity</u>	<u>Shareholders Equity Ratio</u>	<u>Shareholders Equity Per Share</u>
June 30, 2005	6,185,171	764,603	12.4%	8,731.00
June 30, 2004	5,651,018	594,779	10.5%	7,104.39
March 31, 2005	6,068,953	727,333	12.0%	8,322.96

1. The number of outstanding shares was 87,573,268 as of June 30, 2005, 83,719,966 as of June 30, 2004 and 87,388,706 as of March 31, 2005.

### (3) Performance Highlights - Cash Flows (Unaudited)

	<u>Cash Flows from Operating Activities</u>	<u>Cash Flows from Investing Activities</u>	<u>Cash Flows from Financing Activities</u>	<u>Cash and Cash Equivalents at End of Period</u>
June 30, 2005	29,099	(100,677)	73,104	147,147
June 30, 2004	(18,840)	(19,185)	27,140	141,423
March 31, 2005	126,467	(408,004)	274,343	145,380

### 2. Forecasts for the Year Ending March 31, 2006 (Unaudited)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Income before Income Taxes</u>	<u>Net Income</u>
March 31, 2006	880,000	162,000	96,000

**Note:** Basic Earnings Per Share is forecasted to be JPY 1,096.22.

**Table of Contents****Summary of Consolidated Financial Results****1. Three Months Ended June 30, 2005****Financial Highlights**

<b>Income before Income Taxes*</b>	<b>58,448 million yen (Up 59% year on year)</b>
<b>Net Income</b>	<b>37,789 million yen (Up 61% year on year)</b>
<b>Earnings Per Share (Basic)</b>	<b>432.08 yen (Up 54% year on year)</b>
<b>Earnings Per Share (Diluted)</b>	<b>409.74 yen (Up 59% year on year)</b>
<b>Shareholders' Equity Per Share</b>	<b>8,731.00 yen (Up 5% on March 31, 2005)</b>
<b>ROE (Annualized)</b>	<b>20.3% (June 30, 2004: 16.2%)</b>
<b>ROA (Annualized)</b>	<b>2.47% (June 30, 2004: 1.67%)</b>

\* Income before income taxes refers to income before discontinued operations and income taxes.

**Revenues: 212,635 million yen (Up 5% year on year)**

Revenues increased 5% to 212,635 million yen compared with the same period of the previous fiscal year. Although real estate sales decreased year on year, revenues from direct financing leases, operating leases, interest on loans and investment securities, brokerage commissions and net gains on investment securities, life insurance premiums and related investment income, gains on sales of real estate under operating leases and other operating revenues were up compared to the same period of the previous fiscal year.

Furthermore, transportation revenues, which were recorded in the previous fiscal year, are recorded as equity in net income of affiliates during this fiscal year as shown in the (Note) on Page 2.

Revenues from direct financing leases increased 5% to 28,722 million yen compared to the same period of the previous fiscal year. In Japan, revenues from direct financing leases were up 5% year on year. The automobile leasing operations performed steadily. In addition, direct financing leases other than those associated with the automobile leasing operations were also up due primarily to the operations of ORIX Kitakanto Corporation, which entered the ORIX Group during the previous fiscal year, and contributed to the increase in revenues from the beginning of this fiscal year. Overseas, revenues were up 4% year on year. Although there were lower revenues as a result of a reduction of assets in The Americas segment compared to the same period of the previous fiscal year, the expansion of the leasing operations in the Asia, Oceania and Europe segment resulted in the higher revenues.

Revenues from operating leases increased 5% to 48,099 million yen compared to the same period of the previous fiscal year. In Japan, although revenues from the precision measuring and other equipment rental operations were down year on year, there was an increase in automobile and real estate operating leases and as a result revenues were flat year on year. Overseas, revenues were up 21% year on year due mainly to the expansion of automobile operating leases.



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

Revenues from interest on loans and investment securities increased 21% to 36,220 million yen compared to the same period of the previous fiscal year. In Japan, interest on loans and investment securities increased 23% year on year due to an increase in loans to corporate customers, including non-recourse loans, and an expansion of the loan servicing operations. Overseas, revenues were up 15% year on year, with increases in both The Americas segment and Asia, Oceania and Europe segment.

Revenues from brokerage commissions and net gains on investment securities increased 64% to 8,443 million yen compared to the same period of the previous fiscal year. Brokerage commissions were flat year on year due to a similar level of trading volume on the stock market in Japan. Net gains on investment securities were up 83% year on year due to the sale of securities mainly associated with our venture capital operations in Japan and securities investments in The Americas segment.

- 1 -

## **Table of Contents**

Life insurance premiums and related investment income were flat year on year at 30,229 million yen. Life insurance premiums were up due to an increase in the number of outstanding contracts and an increase in the proportion of more profitable life insurance products, while life insurance-related investment income was down year on year.

Real estate sales decreased 12% year on year to 19,214 million yen. Although there was an increase in the number of condominiums sold to buyers, there was no revenue associated with the sale of office buildings and other real estate developments in the first quarter of this fiscal year. Furthermore, residential condominiums developed through certain joint ventures were accounted for by the equity method, and are included as a net of revenues and selling costs in equity in net income of affiliates. The revenues from the aforementioned joint ventures were 345 million yen.

Gains on sales of real estate under operating leases were up 386% year on year to 5,820 million yen due to the higher revenues associated with the sales of rental purpose office buildings and other real estate.

Other operating revenues increased 26% to 35,888 million yen due to contributions, which were included from the beginning of this fiscal year, from companies in which we invested as part of our corporate rehabilitation business in the previous fiscal year. In addition, the increase in revenues associated with our integrated facilities management operations expanded compared to the same period of the previous fiscal year.

(Note)

Transportation revenues and costs of transportation revenues associated with the operations of Footwork Express Co. Ltd., in which we invested as part of our corporate rehabilitation operations, were included in the same period of the previous fiscal year based on a three-month lag basis as permitted under U.S. GAAP. However, ORIX's share in Footwork Express was reduced in December 2004 due to an increase in capital whereby the substantive participating right of a minority shareholder was increased. As a result, ORIX no longer has a controlling financial interest in the company and accounted for this company as an equity method affiliate at the end of the fiscal year ended March 31, 2005. ORIX has started recording its proportionate share of net income or loss of the company by the equity method from the fiscal year ending March 31, 2006 instead of recording transportation revenues and costs of transportation revenues.

### **Expenses: 162,909 million yen (Down 5% year on year)**

Expenses were down 5% to 162,909 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 and write-downs of securities increased, life insurance costs, costs of real estate sales and provision for doubtful receivables and probable loan losses were down year on year. For details on costs of transportation revenues please see the (Note) shown above.

Interest expense was up 5% year on year to 14,718 million yen. In Japan, interest expense was flat year on year as lower interest rates offset higher average debt levels. The interest expense overseas increased due to higher interest rates, despite lower average debt levels.

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

Costs of operating leases were flat year on year despite the increase in revenues from operating leases due primarily to a lower cost to revenues ratio of operating leases overseas.

Life insurance costs decreased 3% year on year to 27,239 million yen despite the higher life insurance premiums as insurance payments decreased.

Costs of real estate sales were down 19% year on year to 16,664 million yen in line with the decrease in real estate sales. Furthermore, 1,402 million yen in selling costs associated with residential condominiums developed through certain joint ventures were accounted for by the equity method.

- 2 -

## **Table of Contents**

Other operating expenses were up 41% year on year to 21,386 million yen in line with the increase in other operating revenues.

Selling, general and administrative expenses were up 11% year on year to 43,359 million yen due to an expansion of business activities and costs, which were included from the beginning of this fiscal year, associated with an increase in consolidated companies in the previous fiscal year.

Despite an increase in operating assets, provision for doubtful receivables and probable loan losses was down 46% year on year to 4,732 million yen due to a lower level of non-performing assets.

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

Write-downs of securities were up 23% year on year to 1,800 million yen as we recorded write-downs associated mainly with equity investments made by our venture capital operations in Japan.

### **Net Income: 37,789 million yen (Up 61% year on year)**

Operating income was up 60% year on year to 49,726 million yen.

Equity in net income of affiliates was up 53% to 7,263 million yen compared to the same period of the previous fiscal year due mainly to the contribution from overseas equity method affiliates. Included in equity in net income of affiliates are earnings on investments in operating companies accounted for by the equity method and earnings on investments in residential condominiums developed through certain joint ventures, which are also accounted for by the equity method. The equity in net income of affiliates associated with residential condominium joint ventures was a loss of 1,057 million yen, which is primarily attributable to the upfront recognition of advertising expenses, associated with some large-scale condominium development projects, preceding the revenue recognition of completed sales upon title transfer to buyers.

Gains on sales of subsidiaries and affiliates were up 74% year on year to 1,459 million yen.

Income before discontinued operations and income taxes increased 59% year on year to 58,448 million yen.

Discontinued operations, net of applicable tax effect were 3,306 million yen, an increase of 333 million yen compared to the same period of the previous fiscal year.

As a result, net income increased 61% year on year to 37,789 million yen.

**Operating Assets: 5,171,569 million yen (Up 1% on March 31, 2005)**

Operating assets were up 1% on March 31, 2005 to 5,171,569 million yen. Although investment in operating leases was down on March 31, 2005 due to the sale of some office buildings and a reclassification of some office buildings to office facilities upon a change in their use, investment in direct financing leases, installment loans, investment in securities and other operating assets were up.

**Segment Information ( Profits refer to income before income taxes)**

Segment profits decreased year on year for the Rental Operations and Life Insurance segments and increased for the Corporate Financial Services, Automobile Operations, Real Estate-Related Finance, Real Estate, Other, The Americas and Asia, Oceania and Europe segments.

The results of the reported segments from April 1, 2005 reflect the revised operating structure following the reorganization of the Company. Accordingly, the real estate-related equity investment operations and the REIT asset management operations, which had been included in the Real Estate-Related Finance segment, were included in the Real Estate segment from the first quarter of this fiscal year (Please refer to the note on the Segment Information on page 11).

## **Table of Contents**

### **Operations in Japan**

#### **Corporate Financial Services Segment:**

Segment revenues were up 16% year on year to 22,456 million yen as loans to corporate customers expanded and direct financing leases made a larger contribution compared to the same period of the previous fiscal year.

Segment profits increased 44% to 11,379 million yen compared to 7,909 million yen in the same period of the previous fiscal year due to the increase in segment revenues and the lower provision for doubtful receivables and probable loan losses as a result of a reduction in the level of non-performing assets.

Segment assets increased 3% on March 31, 2005 to 1,544,319 million yen due mainly to an increase in loans to corporate customers and direct financing leases.

#### **Automobile Operations Segment:**

Segment revenues increased 14% year on year to 24,462 million yen. Although the automobile rental operations were down year on year, the automobile leasing operations performed strongly.

Segment profits increased 25% to 6,280 million yen in line with the increase in segment revenues compared to 5,022 million yen in the same period of the previous fiscal year.

Segment assets increased 2% on March 31, 2005 to 461,148 million yen due to the expansion of the automobile leasing operations.

#### **Rental Operations Segment:**

Segment revenues were down 20% year on year to 15,765 million yen as the precision measuring and other equipment rental operations had fewer orders from electronics and communications equipment manufacturers and due to an increase in the proportion of transactions being accounted for as direct financing leases. (Direct financing lease transactions record revenues and expenses as a net amount, while gross revenues and expenses for operating lease transactions are recorded separately).

Segment profits decreased 32% to 1,634 million yen in line with the decrease in segment revenues compared to 2,411 million yen in the same period of the previous fiscal year.

Segment assets were down 2% on March 31, 2005 to 115,660 million yen due primarily to a decrease in new equipment acquisitions of operating leases.

**Real Estate-Related Finance Segment:**

Segment revenues increased 36% year on year to 15,493 million yen as revenues associated with corporate loans, including non-recourse loans, and the loan servicing operations, which include servicing fees, contributed. In addition, the housing loan operations performed steadily.

Segment profits increased 167% to 6,892 million yen compared to 2,584 million yen in the same period of the previous fiscal year due to the increase in segment revenues and reduction in non-performing assets, which resulted in a lower provision for doubtful receivables and probable loan losses.

Segment assets increased 2% on March 31, 2005 to 977,407 million yen due to the increase in corporate loans and housing loans.

**Real Estate Segment:**

Segment revenues increased 16% year on year to 51,495 million yen. While there were no revenues associated with the sale from real-estate developments, such as office buildings, in the first quarter of this fiscal year, sales of residential condominiums increased year on year due to the larger number of condominiums sold to buyers and gains on sales of real estate under operating leases were also up. In addition, revenues associated with our integrated facilities management operations also expanded.

## **Table of Contents**

Segment profits increased 45% to 12,781 million yen in line with the higher segment revenues compared to 8,837 million yen in the same period of the previous fiscal year.

Segment assets decreased 4% on March 31, 2005 to 478,389 million yen due to the sale of some office buildings and a reclassification of some office buildings to office facilities upon a change in their use.

### **Life Insurance Segment:**

Segment revenues were flat year on year at 30,093 million yen. The steady performance of life insurance premiums as a result of an increase in the number of outstanding contracts and an increase in the proportion of more profitable life insurance products countered the lower life insurance-related investment income.

Segment profits decreased 13% year on year to 1,632 million yen compared to 1,879 million yen in the same period of the previous fiscal year as the first quarter of the previous fiscal year included the recognition of certain gains on sales of subsidiaries and affiliates.

Segment assets were down 3% on March 31, 2005 to 548,898 million yen due to a reclassification of some assets as a result of a change in their use to office facilities and a decrease in the investment portfolio associated with the maturity of some endowment insurance policies.

### **Other Segment:**

Segment revenues decreased 25% year on year to 24,589 million yen due in part to the change in the accounting treatment of transportation revenues to equity in net income of affiliates as previously described on the (Note) on page 2. The card loan operations also had lower revenues due to the lower average loan balance. On the other hand, revenues from companies that we invested in the previous fiscal year, as part of our corporate rehabilitation business, contributed from the beginning of this fiscal year.

Segment profits increased 29% to 8,198 million yen compared to 6,374 million yen in the same period of the previous fiscal year due in part to the contribution from gains on sales of subsidiaries and affiliates.

Segment assets were up 1% on March 31, 2005 to 495,998 million yen.

### **Overseas Operations:**

### **The Americas Segment:**



Segment revenues were up 14% year on year to 12,773 million yen due to the increase in revenues from interest on loans to corporate customers and sales on real estate, despite the reduction in investment in direct financing leases and the subsequent lower revenues from direct financing leases.

Segment profits were up approximately six-fold to 7,152 million yen compared to 1,210 million yen in the same period of the previous fiscal year due to the increase in segment revenues and increase in profits associated with an equity method affiliate.

Segment assets were up 1% on March 31, 2005 to 406,247 million yen due mainly to an increase in securities and a depreciation of the yen against the dollar, despite the reduction in investment in operating leases as a result of the sales of real estate under operating leases.

**Asia, Oceania and Europe Segment:**

Segment revenues were up 19% year on year to 20,220 million yen as corporate lending and automobile leasing of a number of companies in the region performed steadily, while the ship-related operations also expanded.

Segment profits increased 28% to 7,569 million yen compared to 5,934 million yen in the same period of the previous fiscal year due to an increase in segment revenues and the steady performance of equity in net income of affiliates.

Segment assets were up 3% on March 31, 2005 to 514,018 million yen due mainly to the increase in investment in direct financing leases and the depreciation of the yen against the dollar.

**Table of Contents**

**2. Summary of Cash Flows (Three Months Ended June 30, 2005)**

Cash and cash equivalents increased by 1,767 million yen to 147,147 million yen compared to March 31, 2005.

Cash flows from operating activities provided 29,099 million yen in the first quarter of this fiscal year and used 18,840 million yen in the same period of the previous fiscal year due primarily to inflows associated with the increase in net income, decrease (increase) in restricted cash, which was an outflow in the same period of the previous fiscal year, and increase in inventories, which had a lower level of outflow compared with the same period of the previous fiscal year.

Cash flows from investing activities used 100,677 million yen in the first quarter of this fiscal year, compared to 19,185 million yen in the same period of the previous fiscal year. This was due primarily to the outflows associated with the increase in installment loans made to customers as a result of the expansion of loans to corporate customers, including non-recourse loans, and the increase in investment in and dividends received from affiliates, net due to the outflow associated with an increase in loans to certain affiliates.

Cash flows from financing activities provided 73,104 million yen in the first quarter of this fiscal year, compared to 27,140 million yen in the same period of the previous fiscal year, due primarily to the increase in debt accompanying the increase in operating assets.

**3. Outlook and Forecasts for the Year Ending March 31, 2006**

For the fiscal year ending March 31, 2006, we forecast revenues of 880,000 million yen (down 4% compared with the fiscal year ended March 31, 2005), income before income taxes of 162,000 million yen (up 5%) and net income of 96,000 million yen (up 5%), which is unchanged from the forecasts made on April 26, 2005 in our earnings announcement for the fiscal year ended March 31, 2005.

**Table of Contents****Consolidated Financial Highlights**

(For the Three Months Ended June 30, 2005 and 2004, and the Year Ended March 31, 2005)

(Unaudited)

(millions of JPY, except for per share data)

	<u>June 30,</u> <u>2005</u>	<u>Change</u> <u>from</u> <u>March 31,</u> <u>2005</u>	<u>Year</u> <u>-on-</u> <u>year</u> <u>Change</u>	<u>June 30,</u> <u>2004</u>	<u>Year</u> <u>-on-</u> <u>year</u> <u>Change</u>	<u>March 31,</u> <u>2005</u>	<u>Year</u> <u>-on-</u> <u>year</u> <u>Change</u>
<b>Operating Assets</b>							
Investment in Direct Financing Leases	1,470,338	101%	101%	1,454,461	92%	1,451,574	100%
Installment Loans	2,440,842	102%	110%	2,221,554	97%	2,386,597	107%
Investment in Operating Leases	574,801	93%	109%	529,078	101%	619,005	115%
Investment in Securities	593,911	101%	103%	579,193	83%	589,271	107%
Other Operating Assets	91,677	111%	135%	68,004	91%	82,651	115%
<b>Total</b>	<b>5,171,569</b>	<b>101%</b>	<b>107%</b>	<b>4,852,290</b>	<b>94%</b>	<b>5,129,098</b>	<b>106%</b>
<b>Operating Results</b>							
Total Revenues	212,635		105%	202,825	114%	916,950	121%
Income before Discontinued Operations and Income Taxes	58,448		159%	36,653	149%	154,347	151%
Net Income	37,789		161%	23,527	167%	91,496	169%
<b>Earnings Per Share</b>							
<b>Net Income</b>							
Basic	432.08		154%	281.05	167%	1,087.82	169%
Diluted	409.74		159%	258.14	164%	1,002.18	167%
Shareholders' Equity Per Share	8,731.00	105%	123%	7,104.39	113%	8,322.96	123%
<b>Financial Position</b>							
Shareholders' Equity	764,603	105%	129%	594,779	113%	727,333	129%
Number of Outstanding Shares ( '000)	87,573	100%	105%	83,720	100%	87,389	104%
<b>Long- and Short-Term Debt and Deposits</b>							
Deposits	4,236,166	102%	109%	3,876,782	92%	4,146,322	107%
Total Assets	6,185,171	102%	109%	5,651,018	95%	6,068,953	108%
Shareholders' Equity Ratio	12.4%			10.5%		12.0%	
Return on Equity (annualized)	20.3%			16.2%		14.2%	
Return on Assets (annualized)	2.47%			1.67%		1.56%	
<b>New Business Volumes</b>							
<b>Direct Financing Leases</b>							
New Receivables Added	196,181		104%	188,262	89%	863,137	108%
New Equipment Acquisitions	175,106		105%	166,937	89%	767,672	108%
Installment Loans	363,952		118%	307,530	113%	1,545,517	137%
Operating Leases	48,932		120%	40,737	100%	248,327	131%
Investment in Securities	51,178		113%	45,486	79%	244,600	200%
Other Operating Transactions	30,376		103%	29,354	102%	129,604	70%

**Table of Contents****Condensed Consolidated Statements of Income**

(For the Three Months Ended June 30, 2005 and 2004, and the Year Ended March 31, 2005)

(Unaudited)

(millions of JPY, millions of US\$)

	Three Months ended June 30, 2005	Year -on- year Change (%)	Three Months ended June 30, 2004	Year -on- year Change (%)	Year ended March 31, 2005	Year -on- year Change (%)	U.S. dollars June 30, 2005
<b>Total Revenues:</b>	212,635	105	202,825	114	916,950	121	1,922
Direct Financing Leases	28,722	105	27,399	96	113,514	101	260
Operating Leases	48,099	105	45,817	116	181,808	109	435
Interest on Loans and Investment Securities	36,220	121	29,904	106	136,035	117	327
Brokerage Commissions and Net Gains on Investment Securities	8,443	164	5,160	159	33,906	130	76
Life Insurance Premiums and Related Investment Income	30,229	100	30,208	99	137,004	102	273
Real Estate Sales	19,214	88	21,840	94	123,162	126	174
Gains on Sales of Real Estate under Operating Leases	5,820	486	1,198	22	1,554	17	53
Transportation Revenues			12,775		55,339		
Other Operating Revenues	35,888	126	28,524	149	134,628	144	324
<b>Total Expenses:</b>	162,909	95	171,765	110	785,993	117	1,472
Interest Expense	14,718	105	14,045	87	56,562	94	133
Costs of Operating Leases	33,654	101	33,177	114	124,658	103	304
Life Insurance Costs	27,239	97	27,965	95	122,896	103	246
Costs of Real Estate Sales	16,664	81	20,543	101	113,830	128	151
Costs of Transportation Revenues			11,714		46,594		
Other Operating Expenses	21,386	141	15,156	148	82,833	158	193
Selling, General and Administrative Expenses	43,359	111	39,074	104	181,620	112	392
Provision for Doubtful Receivables and Probable Loan Losses	4,732	54	8,795	73	39,574	80	43
Write-downs of Long-Lived Assets					11,713	95	
Write-downs of Securities	1,800	123	1,468	97	4,930	94	16
Foreign Currency Transaction Loss (Gain), Net	(643)	374	(172)		783	50	(6)
<b>Operating Income</b>	49,726	160	31,060	146	130,957	155	450
Equity in Net Income of Affiliates	7,263	153	4,754	140	20,043	112	65
Gains on Sales of Subsidiaries and Affiliates	1,459	174	839		3,347		13
<b>Income before Discontinued Operations and Income Taxes</b>	58,448	159	36,653	149	154,347	151	528
Provision for Income Taxes	23,965	149	16,099	142	68,826	134	216

Edgar Filing: ORIX CORP - Form 6-K

<b>Income from Continuing Operations</b>	34,483	168	20,554	154	85,521	169	312
<b>Discontinued Operations:</b>							
Income from Discontinued Operations, Net	5,559		4,991		10,037		50
Provision for Income Taxes	(2,253)		(2,018)		(4,062)		(20)
<b>Discontinued Operations, Net of Applicable Tax Effect</b>	<b>3,306</b>	<b>111</b>	<b>2,973</b>	<b>404</b>	<b>5,975</b>	<b>206</b>	<b>30</b>
<b>Net Income</b>	<b>37,789</b>	<b>161</b>	<b>23,527</b>	<b>167</b>	<b>91,496</b>	<b>169</b>	<b>342</b>

**Note:** 1. Comprehensive Income under FASB Statement No.130 ( Reporting Comprehensive Income ) was a gain of JPY 38,949 million (US\$352 million) for the three months ended June 30, 2005, a gain of JPY 32,593 million for the three months ended June 30, 2004 and a gain of JPY 122,764 million for the year ended March 31, 2005.

2. Net income from real estate under operating leases considered to be discontinued operations were reclassified as Discontinued Operations. Accordingly, certain amounts have been reclassified to conform to the presentation for this fiscal year.

3. In the previous fiscal year, Transportation Revenues and Costs of Transportation Revenues were disclosed separately. However, as the logistics subsidiary became a affiliate, the proportionate share of the net income (loss) was recorded in Equity in Net Income of Affiliates by the equity method.

**Table of Contents****Condensed Consolidated Balance Sheets**

(As of June 30, 2005 and March 31, 2005)

(Unaudited)

	(millions of JPY, millions of US\$)		
	June 30, 2005	March 31, 2005	U.S. dollars June 30, 2005
<b>Assets</b>			
Cash and Cash Equivalents	147,147	145,380	1,330
Restricted Cash	52,628	53,193	476
Time Deposits	7,983	8,678	72
Investment in Direct Financing Leases	1,470,338	1,451,574	13,292
Installment Loans	2,440,842	2,386,597	22,065
Allowance for Doubtful Receivables on Direct Financing Leases and Probable Loan Losses	(110,689)	(115,250)	(1,001)
Investment in Operating Leases	574,801	619,005	5,196
Investment in Securities	593,911	589,271	5,369
Other Operating Assets	91,677	82,651	829
Investment in Affiliates	305,999	274,486	2,766
Other Receivables	157,156	160,263	1,421
Inventories	119,159	113,203	1,077
Prepaid Expenses	50,540	45,082	457
Office Facilities	95,853	65,410	867
Other Assets	187,826	189,410	1,698
<b>Total Assets</b>	<b>6,185,171</b>	<b>6,068,953</b>	<b>55,914</b>
<b>Liabilities and Shareholders Equity</b>			
Short-Term Debt	975,269	947,871	8,816
Deposits	348,823	336,588	3,153
Trade Notes, Accounts Payable and Other Liabilities	277,959	270,737	2,513
Accrued Expenses	80,606	95,407	729
Policy Liabilities	537,746	550,880	4,861
Current and Deferred Income Taxes	184,160	179,859	1,665
Deposits from Lessees	103,931	98,415	940
Long-Term Debt	2,912,074	2,861,863	26,325
<b>Total Liabilities</b>	<b>5,420,568</b>	<b>5,341,620</b>	<b>49,002</b>
Common Stock	73,939	73,100	