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**Naruko Hotel (Naruko Onsen) Rehabilitation Complete
Overcame the Challenges of the Great East Japan Earthquake
to Resume Management Under the Previous Management Team**

TOKYO, Japan – November 1, 2011 – ORIX Real Estate Corporation, a subsidiary of ORIX Corporation, today announced that it has transferred business rights and all shares of Naruko Hotel Management Corporation (hereinafter, “Naruko Hotel Management”), the a wholly-owned ORIX subsidiary holding the assets associated with the Naruko Hotel, a revered traditional hot-spring inn under rehabilitation support, to Naruko Hotel Operations Corporation (Head office: Osaki City, Miyagi Prefecture; Hiromi Takahashi, Proprietress; hereinafter, “Naruko Hotel Operations”). Naruko Hotel Operations was established by the former management team of the Naruko Hotel. The transfer marks the completion of rehabilitation efforts by ORIX Real Estate.

The Naruko Hotel is located in the Naruko Onsen (hot spring) area in Miyagi Prefecture, a site counted among the three famous hot springs of Oshu (present-day northeastern Japan). First built in 1873, the Naruko Hotel has a 138-year history as a traditional hot-spring inn. ORIX Real Estate began providing support to the Naruko Hotel in November 2006 as part of its business to revitalize traditional inns. Naruko Hotel Management held the hotel’s business rights and assets, entrusted operations to Naruko Hotel Operations and formulated a rehabilitation plan. Naruko Hotel Management provided operational guidance and invested in new facilities, including large bath areas, a buffet-style restaurant and remodeled guest rooms. Management was dispatched to Naruko Hotel Operations to work alongside the proprietress and former management in addition to the hotel staff in daily operations in line with the rehabilitation plan.

This accomplishment marked the completion of the rehabilitation support scheme led by ORIX Real Estate, as well as the start of a new stage of independent management by Naruko Hotel Operations. Going forward, ORIX Real Estate will continue to support the hotel’s further growth and development in its capacity as an advisor for the full range of issues concerning the management and operation of the Naruko Hotel.

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Overview of Naruko Hotel

The Naruko Onsen, Iizaka Onsen and Akiu Onsen areas were considered the three famous hot springs in Oshu, the old name for northeastern Japan. The abundant hot springs that bubble up from the entire area also have a variation in water quality unmatched in Japan.

The Naruko Hotel, founded in 1873, was built on an elevation in the hot-spring area, and has grown into a respected and well-known hotel through its 138-year history. Three springs are located onsite, allowing visitors to enjoy bathing in three distinct types of water.

Location:	36 Naruko Onsen Yumoto, Osaki City, Miyagi Prefecture, Japan
Capacity:	129 guest rooms accommodating 550 guests
Hot spring baths:	Large bath <i>Basho no yu</i>
Large cypress bath	<i>Tama no yu</i>
Large private bath	<i>Kokeshi no yu</i>
Dining:	Buffet-style restaurant, café lounge, karaoke bar, Japanese-style bar
Banquet halls:	1 large hall, 3 medium-sized halls, 17 small halls and 1 conference room

Access: 5-minute walk from the JR Naruko Onsen Station on the Rikuuto Line, following transfer from Furukawa Station on the JR Tohoku Shinkansen Line

Facility Renovations at the Naruko Hotel

Large Bath

The interiors of the large bath areas—*Basho no yu* and *Tama no yu*—were renovated to better accent the hot spring waters for which the Naruko Hotel is renowned (*Tama no yu* shown in photo). Special attention was given to lighting, creating a satisfying space for spending a calm and relaxing time. Visitors can experience seven color changes in the water, which varies based on the volume of water present and exposure to the air.



Before renovation



After renovation

Buffet-style Restaurant

The convention hall was fully renovated and now includes a buffet-style restaurant with an open kitchen. This is a space where guests can enjoy a feast for the senses as chefs prepare their meals right in front of them.

Emphasis was also placed on developing a customer-satisfying menu that now features dishes made from a host of locally produced, seasonal ingredients.



Before renovation



After renovation



Miyagino is a buffet-style restaurant with a rich menu that offers a feast for all of the senses.

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Guest Rooms With Outdoor Foot Baths

Following renovation, all seven guest rooms on the seventh floor of the Koyokan wing have footbaths installed. Customers can now spend time relaxing in comfort while viewing the spectacular Mt. Onikobe right before their eyes. Furthermore, two of the rooms are connecting rooms, with traditional and Western-styled rooms on either side. This layout is perfect for trips by multigenerational families, or for overnight stays with groups of friends.



Footbath for viewing Mt. Onikobe



Japanese-style guest room with footbath

About ORIX

ORIX Corporation (TSE: 8591; NYSE: IX) is an integrated financial services group based in Tokyo, Japan, providing innovative value-added products and services to both corporate and retail customers. With operations in 27 countries and regions worldwide, ORIX's activities include corporate financial services, such as leases and loans, as well as automobile operations, rental operations, real estate, life insurance, banking and loan servicing. For more details, please visit our website at: <http://www.orix.co.jp/grp/en/>

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 and under "4. Risk Factors" of the "Summary of Consolidated Financial Results" of the "Consolidated Financial Results April 1, 2010 – March 31, 2011."

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