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FOR IMMEDIATE RELEASE

Contact Information:

ORIX Corporation
Investor Relations
Tel: +81-3-5419-5042
Fax: +81-3-5419-5901
URL: <http://www.orix.co.jp/grp/en/>

**Announcement Regarding Investment in China's Water Utility Operator, China Water Affairs
- Participation in China's Water Business-**

TOKYO, Japan – May 20, 2011 – ORIX Corporation (TSE: 8591; NYSE: IX), a leading integrated financial services group, announced today that it will acquire approximately 14.5% of the diluted shares of China Water Affairs Group Limited (headquarters: Hong Kong; hereinafter “China Water Affairs”), which operates its water and sewage business in mainland China, by receiving an allotment of third party rights. The third party allotment to ORIX was resolved at the China Water Affairs’ Board of Directors meeting held May 19, 2011, under the condition of permission by the Stock Exchange of Hong Kong Limited, and is scheduled to be completed by early next month.

China Water Affairs is a water-related business company listed on the Hong Kong Stock Exchange that operates and manages the water and sewage of over 20 small to medium size regional cities in China, as well as peripheral businesses such as infrastructure maintenance. In addition to its direct-run facilities, it seeks to expand its operating facilities through investment in state-run enterprises that operate water and sewage facilities under local governments, and by improving its own facilities and providing operational know-how. China Water Affairs provides high value-added services such as fully automated sewage treatment plants and 24-hour call centers for households that receive the water supply.

While China represents approximately 20% of the total world population, it only possesses about 6% of water on Earth, which raises issues such as the drastic increase in water demand, improvement in water quality, and improvement in reuse rates of sewage and industrial water, instigated by the rapid increase in population and high economic growth. Under such conditions, the water business in China is expected to grow at a rapid speed, and it is believed to become the world’s largest market with an approximate 15% share (approx. 12.4 trillion yen) of the world’s water business market by 2025.

As a partner, ORIX will provide capital support for China Water Affairs’ business expansion, and in conjunction, will serve as a bridge for Japanese companies with high technological capability and know-how to participate in China’s water business.

ORIX established its first location in China in 1981, and since establishing a rental company handling products such as precision measuring equipment in 2004, it has provided financial services in China capitalizing on the know-how it accumulated through business expansion in Japan and overseas. In December 2009, ORIX established its Chinese headquarters in Dalian, and in April 2010, it entered into a strategic alliance with the China Academy of Science, seeking environmental business expansion. In August of the same year, ORIX’s Chinese Headquarters received approval as a “regional headquarters” from the Chinese government, and ORIX continues to steadily enhance its business platform in China.

Going forward, ORIX aims to expand various businesses by significantly increasing its presence in the fast growing Asian market.

China Water Affairs Overview

Company Name: China Water Affairs Group Limited
Established: July 2003
Location: Hong Kong
Capital: HK\$ 13.5 mil (approximately 140 mil yen, as of Sep. 2010)
Listing: Hong Kong Stock Exchange (00855)
Employees: Approx. 4,800
Operations: Water-related business such as sewage treatment and provision of water across China.
Fiscal Year Ended March 2010: Consolidated Revenues HK\$1,398mil (approx. 14.6bn yen), Current Earnings HK\$520mil (approx. 5.4bn yen), Net Income HK\$445mil (approx. 4.7bn yen)
Website: http://www.chinawatergroup.com/index_eng.asp

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-related finance, real estate, life insurance, and investment banking. 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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