



ORIX, Toray, and China Water Affairs to Establish Drinking Water Treatment Facility Production and Sales Company in China

TOKYO, Japan – February 22, 2019 – ORIX Corporation (“ORIX”), Toray Industries, Inc. (“Toray”), and China Water Affairs Group Ltd. (“China Water Affairs”), which is engaged in water and sewage operation businesses in China, announced today that they will establish a joint venture corporation to manufacture and sell drinking water treatment facilities in China.

ORIX, Toray, and China Water Affairs formed a strategic partnership in June 2018 with the aim of working together in a wide range of water business activities in China*1. Through the establishment of the joint venture as one of the partnership’s concrete initiatives, it will incorporate Toray’s membrane filtration technologies to manufacture and sell drinking water treatment facilities capable of supplying water that is suitable for drinking straight from the tap. After obtaining a water products production and sales license from the Chinese government, the joint venture intends to utilize China Water Affairs’ water business know-how and networks in China to install facilities in public buildings such as schools and hospitals, as well as private buildings including hotels, office buildings, and apartment buildings.

Due to issues with supply water management at water purification plants and the deterioration of water supply facilities such as piping, tap water is not drunk directly in China. Instead, consumers customarily use water servers and household water purifiers, or bring tap water to the boil before drinking. In recent years, however, there has been rising demand for water that can be suitable for drinking straight from the tap.

China Water Affairs is a comprehensive water treatment company listed on the Hong Kong Stock Exchange. In addition to the operation and management of water supply and sewage facilities in regional cities across China, it also handles peripheral projects including infrastructure maintenance. China Water Affairs is primarily active in the south-eastern and central regions of China, including Jiangxi, Henan, and Guangdong Provinces, with operations in more than 60 regional cities in 13 provinces and 3 municipalities. The company provides comprehensive water purification and supply services ranging from the production of water treatment facilities to piping work, water supply, and maintenance.

ORIX established China’s first leasing company in 1981. Since then, it has utilized the experience and know-how cultivated in Japan and overseas to expand its financial service business in China. Toray established a water treatment membrane business in China in the 1980s, and launched its TORAYVINO series of household water purifiers in 2007. The company is currently in the process of expanding its lineup, focusing on faucet mount products.

Going forward, ORIX, Toray, and China Water Affairs will continue to engage in collaborations that maximize the resources, expertise, and superiority of all three companies.

*1 [New Strategic Partnership Formed for Water Treatment Project in China \(June 27, 2018\)](#)



Image of installed facilities



Example of drinking water straight from the tap

■ Overview of the joint venture

Description of business	Production and sales of drinking water facilities
Location	Xinyu City, Jiangxi Province, China
Scheduled date of establishment	March 2019 (Planned)
Representative	Feng Tian hua
Stated capital	RMB 50 million
Major shareholders and their shareholding percentages	China Water Affairs 55%, ORIX 20%*2, Toray 15%, Xinyu Yinlong Water Equipment Co., Ltd. 10% *2 ORIX will hold the shares of the joint venture through its wholly owned Chinese headquarters, ORIX (China) Investment Co., Ltd.

■ Overview of ORIX

Description of business	Diversified financial services
Location	Minato-ku, Tokyo
Establishment	April 1964
Representative	President and CEO Makoto Inoue
Revenue	2,862.8 billion yen (consolidated, for the year ended March 31, 2018)

<https://www.orix.co.jp/grp/en/>

■ Overview of Toray

Description of business	Manufacturing, processing, and sales of the following products: fibers and textiles, performance chemicals, carbon fiber composite materials, environment and engineering, life science, and others
Location	Chuo-ku, Tokyo
Establishment	January 1926
Representative	President Akihiro Nikkaku
Revenue	2,204.9 billion yen (for the year ended March 31, 2018)

www.toray.com

■ Overview of China Water Affairs

Description of business	Water supply, water sewage, and other water-related businesses across China
Location	Hong Kong
Establishment	July 2003
Representative	Duan Chuan Liang
Revenue	RMB 6,074 million (as of March 31, 2018)
Major shareholders and their shareholding percentages	Duan Chuan Liang 29.16%, ORIX 18.10%*3 *3 ORIX has been a shareholder of China Water Affairs since 2011

http://www.chinawatergroup.com/index_eng.asp

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About ORIX:

ORIX Corporation (TSE: 8591; NYSE: IX) is a financial services group which provides innovative products and services to its customers by constantly pursuing new businesses.

Established in 1964, from its start in the leasing business, ORIX has advanced into neighboring fields and at present has expanded into lending, investment, life insurance, banking, asset management, automobile related, real estate and environment and energy related businesses. Since entering Hong Kong in 1971, ORIX has spread its businesses globally by establishing locations in 38 countries and regions across the world.

Going forward, ORIX intends to utilize its strengths and expertise, which generate new value, to establish an independent ORIX business model that continues to evolve perpetually. In this way, ORIX will engage in business activities that instill vitality in its companies and workforce, and thereby contribute to society. For more details, please visit our website: <https://www.orix.co.jp/grp/en/>

(As of September 30, 2018)

Caution Concerning Forward-Looking Statements:

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 that 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 “1. Summary of Consolidated Financial Results” of the “Consolidated Financial Results April 1, 2017 – March 31, 2018.”