



ORIX to Begin Construction of 6.5 MW Geothermal Power Plant in Hokkaido

TOKYO, Japan - August 8, 2019 - ORIX Corporation ("ORIX") announced today that it will begin construction of the Minami-Kayabe Geothermal Power Plant (name to be confirmed) in the Minami-Kayabe region of Hakodate City, Hokkaido. The power plant will have a generation capacity of 6,500 kW (6.5 MW), and will be the largest*¹ binary cycle*² geothermal power plants in Japan.

ORIX was selected to receive subsidies for geothermal power generation in the Minami-Kayabe region from Japan Oil, Gas, and Metals National Corporation (JOGMEC), thanks to the cooperation of local parties; since 2014, ORIX has carried out surveys into geothermal resources and into the possible impact on hot springs and the environment. Now, the company is set to begin construction of a geothermal power plant on municipal land, with the goal of completing construction and commencing commercial operations in early spring, 2022.

Geothermal power generation uses heat from steam and water that has been heated by underground magma to generate electricity. The Minami-Kayabe Geothermal Power Plant will use binary cycle power generation; only the heat of the hot water is used, after which all the water is returned underground. Pumping hot water to the surface reduces both the number of wells that need to be dug and the required site area; at the same time, the design of the power plant emphasizes environmental conservation, such as the use of cooling devices that do not use water to prevent trees from freezing. In addition, in order to safeguard Hokkaido's abundant marine resources, ORIX intends to work together with the local community to protect the environment through afforestation, thinning, and other forest maintenance activities.

Geothermal power generation is capable of providing a stable supply of electricity in the medium and long-term, regardless of the season, weather conditions, or time of day; for this reason, it is hoped that geothermal power can provide baseload power. Japan is thought to have the world's third most abundant geothermal resources—behind only the U.S. and Indonesia—and accordingly possesses great potential for the development of geothermal power generation.

ORIX is actively engaged in power generation businesses that utilize solar, geothermal, wind, biomass, and other forms of renewable energy. In the field of geothermal power generation, ORIX currently owns and operates one of the largest private geothermal power generation plants in Japan. With a generation capacity of 1,900 kW (1.9 MW), the plant is located on the site of the Beppu Suginoi Hotel (Beppu City, Oita Prefecture), a Japanese-style hot spring inn operated by the ORIX Group. ORIX has been working on developing its geothermal business at multiple locations across Japan; this includes conducting surveys for a publicly tendered geothermal power generation business in Hachijojima, with the goal of commencing operations in 2022.

In 2017, ORIX invested in and commenced a strategic partnership with Ormat Technologies, Inc., a geothermal power generation company listed in the United States. Discussions are underway regarding a geothermal power generation business that fuses the expertise and business foundations of both companies, primarily in Japan and the Asia region. ORIX is also engaged in a wide range of environment and energy businesses, including electric power retailing and the provision of energy-conservation services. Based on its approach of "contributing to the resolution of societal problems through its business activities," going forward ORIX will continue to generate new added value.

*1 According to research carried out by ORIX.

*2 Hot water is drawn from underground, and its heat is used to vaporize a second fluid with a boiling point lower than water; the vapor is used to turn a turbine, which generates power.

■ Business overview

Power plant name	Minami-Kayabe Geothermal Power Plant (name to be confirmed)
Location	722, Usujiricho, Hakodate City, Hokkaido
Generation capacity	6,500 kW (planned)
Annual power generation	Maximum of approximately 56,940,000 kWh Equivalent to the annual power consumption of approximately 18,250 households* ³
Construction company	NIPPON STEEL ENGINEERING CO., LTD.; KINDEN CORPORATION
Start of operations	Early spring, 2022 (planned)

*³ Calculation based on consumption of 3,120 kWh per year per household; Source: *Electricity Rate of the Average Model*, Tokyo Electric Power Company Holdings, Incorporated.

■ Image of Minami-Kayabe Geothermal Power Plant (name to be confirmed)



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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 37 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 March 31, 2019)

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, 2018 – March 31, 2019.”