



ORIX Real Estate and ORIX Hotel Management Completes Full Upgrade of Suginoi Geothermal Power Plant, the Largest Internal Consumption Geothermal Power Generation in Japan

TOKYO, Japan – August 30, 2024 – ORIX Real Estate Corporation (“ORIX Real Estate”) and ORIX Hotel Management Corporation (“ORIX Hotel Management”) announced that they have completed a full upgrade of the power generation facility of Suginoi Geothermal Power Plant and will recommence operation on September 1, 2024.



Suginoi Geothermal Power Plant

Suginoi Geothermal Power Plant commenced operation in 1980 as the first geothermal power plant of a hotel in Japan^{*1}. Operation was suspended in January 2022 due to deterioration of its power generation facility. The power plant is recommencing operation after replacing the power generation facility and upgrading related facilities.

The new power generation facility has a capacity of 1,100 kW (1.1 MW) and an annual power generation of 6,224,000 kWh (6,224 MWh^{*2}). The power generated will be fully consumed internally by Beppu SUGINOI HOTEL, which is operated by ORIX Hotel Management. As an internal consumption geothermal power plant, it has the largest power generation in Japan^{*3}, and besides providing approximately 30%^{*4} of the electricity used by SUGINOI HOTEL, it is expected to reduce annual CO₂ emissions by 2,956 tons each year^{*5}. In addition, it is also effective as a measure for business continuity planning (BCP) as it can provide a stable supply of electricity to the hotel regardless of weather or time of the day, even when there is an interruption in commercial power supply due to disasters and such.

ORIX Group is actively engaged in power generation businesses that utilize solar, geothermal, wind, and other forms of renewable energy. In the field of geothermal power generation, besides commencing commercial operation of Minami-Kayabe Geothermal Power Plant—the largest binary cycle geothermal power plant in Japan—in Hakodate City, Hokkaido, the Group is also promoting development at several locations in Japan, including Tokyo’s Hachijojima.

ORIX Group will continue to actively promote initiatives toward the realization of a sustainable society.

*1 According to research by ORIX Real Estate.

*2 Estimated value; power generation output fluctuates depending on factors such as outside temperature.

*3 Reference: "Geothermal Power Generation in Japan" by Japan Organization for Metals and Energy Security (JOGMEC) (in Japanese)

*4 Estimated value based on actual electricity consumption between July 2023 and June 2024.

*5 Estimated value using the emission coefficient by electric power company (actual results for 2022 by Kyushu Electric Power Co., Inc.).

1. Business overview

Power plant name	Suginoi Geothermal Power Plant
Location	1 Kankaiji, Beppu, Oita
Generation capacity	1.1 MW (1,100 kW)
Annual power generation	6,224,000 kWh (6,224 MWh) (estimate)
CO ₂ reduction	2,956 t-CO ₂ /year (estimate)
Construction company	JFE Engineering Corporation
Start of operations	September 1, 2024

2. Overview of Beppu SUGINOI HOTEL

Address	1 Kankaiji, Beppu, Oita
Guest rooms	554 (Naka Kan: 63, Niji Kan: 155, Sora Kan: 336)
Hot springs	Large open-air bath with view Tanayu, open-air bath with view Sorayu, and open-air swimwear hot spring Aqua Garden
Dining facilities	Three restaurants (buffet restaurant, café, etc.)
Other facilities	AQUABEAT (only during summer), SUGINOI BOWL & PARK, etc.
Access	5 minutes by car from the Beppu Interchange on the Higashi Kyushu Expressway 10 minutes by car from JR Beppu Station (a free shuttle bus operates between the hotel and the West Exit of JR Beppu Station) 20 minutes by car from Beppu International Tourism Port 45 minutes by car from Oita Airport
Operating company	ORIX Hotel Management Corporation
Telephone	0977-24-1141
URL	https://suginoi.orixhotelsandresorts.com/ (in Japanese)

3. Overview of ORIX Real Estate Corporation

ORIX Real Estate is developing real estate-related businesses in a wide range of areas. These include development and investment in facilities such as office buildings, logistics facilities, and commercial facilities; development and management of condominiums; real estate brokerage, and construction contracting; and management of facilities such as onsen resorts, hotels, training facilities, and aquariums. It is pursuing the creation of new value in the real estate business based on its accumulated expertise.

<Corporate Profile>

Address: 2-3-1 Hamamatsu-cho, Minato-ku, Tokyo

Established: March, 1999

Representatives: Toshinari Fukaya

Description of Business: Real estate investment and development business etc.

Website: <https://www.orix-realestate.co.jp/en/>

4. Overview of ORIX Hotel Management Corporation

ORIX Hotel Management is an operating company of ORIX Group and operates 24 facilities in Japan, such as a wide variety of onsen resorts and hotels (including facilities outsourced to third parties for operation). Fourteen of these facilities fall under the ORIX HOTELS & RESORTS business brand, which is based on the brand concept of “a location to which customers wish to return,” and are designed to provide visiting guests with experiences to match their various life stages. The company also operates training facilities and supports the operations of aquariums.

<Corporate Profile>

Address: 2-3-1 Hamamatsu-cho, Minato-ku, Tokyo
Established: January 1997 (company name changed from Blue Wave Corporation on April 1, 2020)
Representative: Takaaki Nitanaï
Description of Business: Operation of Japanese-style inns, hotels, and training facilities
Shareholder: ORIX Real Estate Corporation (100%)
Website: <https://www.orix-realestate.co.jp/hotelmanagement/en/>

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About ORIX Group:

ORIX Group (ORIX Corporation TSE: 8591; NYSE: IX) was established in 1964 and has grown from its roots in leasing in Japan to become a global, diverse, and unique corporate group. Today, it is active around the world in financing and investment, life insurance, banking, asset management, real estate, concession, environment and energy, automobile-related services, industrial/ICT equipment, ships and aircraft. Since expanding outside of Japan in 1971, ORIX Group has grown its business globally and now operates in around 30 countries and regions across the world with approximately 34,000 people. ORIX Group unites globally around its Purpose: “Finding Paths. Making Impact.” combining diverse expertise and innovative thinking to help our world develop in a sustainable way.

For more details, please visit our website: <https://www.orix.co.jp/grp/en/>

(As of March 31, 2024)

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, 2023 – March 31, 2024” furnished on Form 6-K.