Orico



INTEGRATED REPORT

2023

Shaping the Future of Finance

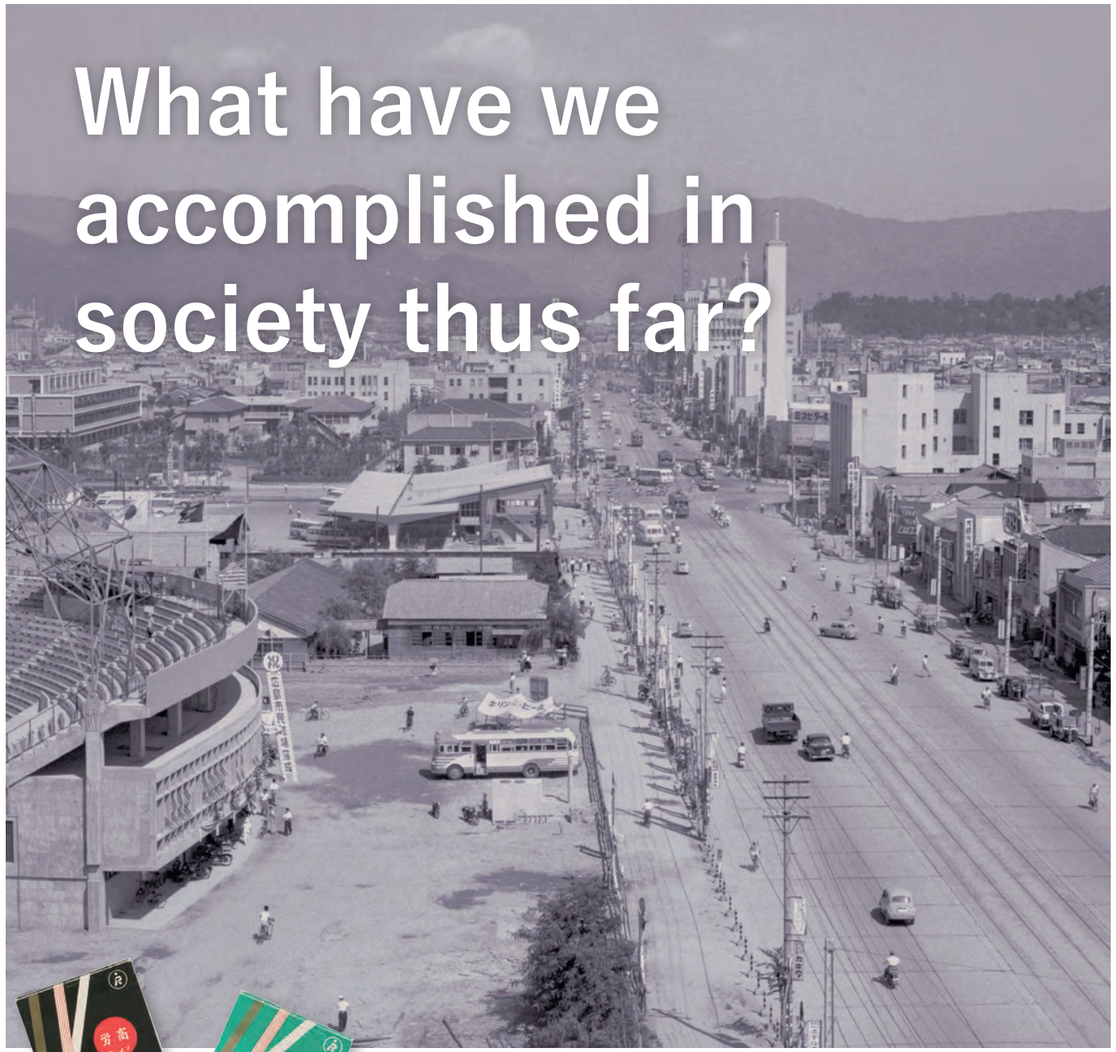


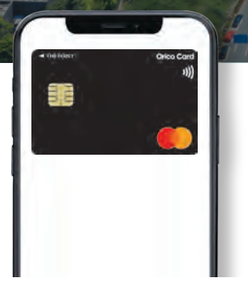
Photo: Kyodo News



It all started with coupons in Hiroshima

Our credit service launched in Hiroshima in 1954 in the form of “coupons.” We created the Hiroshima Coupon and the system involved recruiting members, conducting credit assessments, and issuing coupons, just like modern-day credit cards.





OricoPayment Plus, Orico's all-encompassing web payment tool

Gain integrated access not only to credit cards and convenience store payments, but our shopping credit service (Orico Web Credit), digital cash, internet banking, and more.

A Step Beyond That Dream With You

Endeavor to Achieving a **Decarbonized and Circular Society**

In alignment with the government's 2050 goal of achieving carbon neutrality, as a leading company in the auto loans sector, we will contribute by expanding initiatives aimed at promoting the spread of environmentally friendly products such as EVs and V2H.

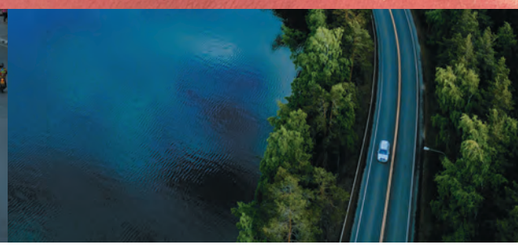
GREEN













Contributing to the Realization of a Decarbonized Society

We aim to contribute to the realization of a decarbonized society not only through the field of auto loans, but also through the supply of electric vehicles (EVs). We also provide a combined loan for EVs and V2H (Vehicle-to-Home), which enables the complimentary introduction of EVs and green power supply to homes, and utilize our services to support an eco-friendly lifestyle. Together with our co-creation partners such as automotive dealers and housebuilders, we strive to contribute to the realization of a decarbonized and circular society.



Becoming a Player in Establishing Healthy Used Car Market and EV Market in Southeast Asia

We are actively expanding into the rapidly growing Southeast Asian market. Leveraging our experience and expertise as a player in the auto loan industry in Japan, we aim to establish a certified used car system that guarantees safety and integrity in Southeast Asia, contributing to the establishment of a circular economy. Moreover, we support the efforts of Southeast Asian countries towards developing an EV market, offering the abundant knowledge in auto loan and network that we have cultivated through our domestic operations.

Striving to Create New **Customer Experience** Utilizing Digital Technology

With approximately 11 million credit card members and 850,000 member merchants serving as the foundation of our business, we will leverage sophisticated digital technology to explore new business models and, as a leading tech company, persist in the challenge to make Japan's cashless society a reality and create value for a diverse array of customers and business partners.

DIGITAL



Addressing the Challenges of Small- and Medium-Sized Enterprises (SMEs)

"Orico Business payment for SME (OBS)" makes it possible to pay invoices by credit card, even if the supplier does not accept card payments. We will continue our relentless efforts to enhance productivity for SMEs by encouraging DX and cashless transitions and making financial services easily accessible and convenient. We will continue to facilitate the growth of SMEs and stimulate regional economic growth through extensive support, including the building of EC sites and the introduction of accounting DX.



Advancing Digital to Provide Customers with a Variety of New Value

Our member site, e-Orico Services, offers web services such as account statements and the option to change payment methods and exchange points. We will persist in our efforts to further evolve e-Orico Services as a platform for digital communication. We are also working to develop "digital cards" that do not require a plastic card to be issued, as well as to employ advanced digital technology to generate new customer experience value in the realm of cashless transactions.

Taking on Challenges through Open Innovation

We are committed to contributing to a sustainable society by constructing new business models through open innovation and providing convenient financial products and services aimed at growth markets.

OPEN INNOVATION



Investing in Companies That Create New Value for Society and Industry through Technological Innovation

We have established the "Orico Digital Fund" as an investment function and are promoting collaboration with startups and ventures that possess advanced technologies in FinTech and so on. Additionally, we have formed the "Orico Sustainability Fund" with the goal of creating new business opportunities leading to decarbonization and achieving sustainable community development, thereby advancing collaboration with companies that have synergistic potential from an ESG perspective. We will continue to utilize these funds to expand our circle of co-creation partners and generate value over the medium to long term.



Constructing New Business Models through Open Innovation

As a top company in the auto loans sector, we aim to realize a decarbonized and circular society through the use of digital technology by participating in the Mobility Open Blockchain Initiative (MOBI)*1. Additionally, through collaboration with multiple tech companies to create new customer experience value, we will create new business models by leveraging external capabilities*2.

*1 MOBI: An international non-profit organization that researches business models using blockchain technology in the mobility domain
*2 Capabilities: Organizational strengths or advantages

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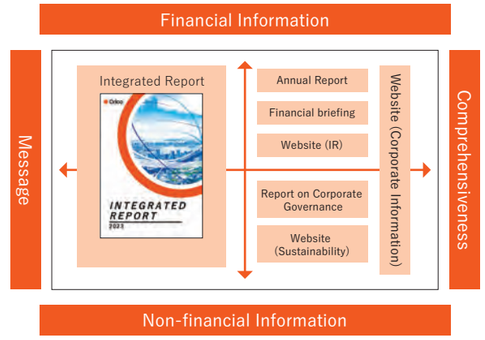
POINT
An overview of our Company and Group companies along with primary data from past years

Editorial Policy

● Purpose of Publication

We have actively engaged in the disclosure of not only financial information, but also non-financial information including our management strategy, governance, and risks through Annual Report, financial briefings, various explanatory financial materials, corporate governance reports, sustainability reports, our website, and so on.
In conjunction with our transition to being a Prime Market-listed company due to the market segmentation reorganization of the Tokyo Stock Exchange in April 2022, as well as our transition to being a company with an audit and supervisory committee in June 2022 established for the purpose of strengthening strategic planning and the agility of our operations, we decided to issue an integrated report for the first time in fiscal year 2022. The main aims of this integrated report are as follows:

1) To clearly explain our Company's vision, business model, strategy, and other aspects to a wide range of domestic and overseas stakeholders and gain their understanding;
2) To get stakeholders to believe in the potential for continuous improvement of our corporate value through a deep understanding of 1) above; and
3) To clearly explain the relationship between business strategy and financial/non-financial capital, and create a cycle of two-way communication through broad dissemination both internally and externally.



● Scope

Our Company and Group companies were subject to reporting; however, report targets may differ depending on the item.

● Target Period

April 1, 2022 - March 31, 2023 (however, some activities after April 2023 are also included)

● Guidelines Referenced

International Integrated Reporting Council (IIRC, now the IFRS Foundation), "International Integrated Reporting Framework"; Ministry of Economy, Trade and Industry, "Guidance for Collaborative Value Creation"

Environment Social Governance
Guidance for Collaborative Value Creation

● Note about Company Outlook

This report contains information related to future plans, strategies, performance forecasts, and the outlook for our Company and affiliated Group companies. These descriptions are not predicated on past facts, but are predictions based on assumptions and beliefs that we have determined from the information available at this point in time. Furthermore, it encompasses uncertainties such as risks related to economic trends, individual consumption, market demand, taxation, and various systems. Please be advised that actual performance may diverge from our expectations.

We also disseminate information on our website as necessary.
https://orico.jp/en/corp

Enhancing social and corporate value through imagination and creativity in a highly volatile financial market



Tetsuo Iimori, President and Representative Director

Tetsuo Iimori

The History of Orico

Our Company was founded in 1954, the year before Japan began to experience high economic growth. From that point onward, the Japanese economy grew at an annual rate of about 10% until the first oil shock in 1973, and subsequently entered a stable growth phase of approximately 5%. During this extended period, the expansion of personal consumption buoyed Japan's economic growth. To my mind, the banks were not actually the ones who supported consumer spending during Japan's period of rapid economic growth. The function of banks was to channel deposits from individuals into capital for smokestack industries. The provision of personal credit that fueled personal consumption was, in fact, the role of our consumer credit and finance industry. Post-war consumption of the so-called "Three Sacred Treasures" (black-and-white TVs, refrigerators, and washing machines) and the “three Cs” that followed (cars, color TVs, and air conditioners) was stimulated and expanded by the consumer credit industry granting credit to individuals, thus contributing to Japan's economic growth. However, with the collapse of the bubble economy in the 1990s, our industry took a significant hit from the real estate bubble, compounded by the issue of over-lending and multiple debtors. The repercussions of unnecessary funding and providing what should not have been provided came full circle. Our Company considers this a painful lesson.

Between our founding and the present, we have followed a path of enhancing corporate value by creating social value. Therefore, for us, enhancing corporate value is the outcome, and what should always be at the forefront of our minds is whether this coincides with creating social value. This philosophy is reflected in our current medium-term management plan. We have positioned the coexistence of improving social value and corporate value—in other words, sustainability—at the core of our management. I have also infused my own strong convictions into this endeavor.
I have spent much of my career as a banker. I began my career at a bank as a fresh graduate in 1984. This was during Japan's transition from a period of stable economic growth to the bubble era. Banks had started to get involved in housing loans and the like, but when I entered the industry, they were not yet proactively lending to individuals. Afterwards, I confronted the challenges facing Japan's finance sector on the job, such as the financial crisis of 1997 with the collapse of Yamaichi Securities, and the birth of mega-banks through mergers and integration. During my student days, I studied Japanese economic history in a public finance seminar. Since becoming a businessman, I have found myself in the midst of financial history and have witnessed significant changes. I felt that the business of finance, which should be inextricably linked to the dynamics of the world, was becoming increasingly disconnected from them. After all, it is important for the financial industry to continue to operate in tandem with the real economy.
Ever since leaving the banking world and joining the Company, I have come to appreciate the excitement and dynamism of finance integrated with goods and services.

Future Strategy

Currently, the financial market is in turbulent flux, driven by the massive funds supplied to the market as a result of ongoing global financial easing, causing finance to drift away from the needs of goods and people mentioned previously. Looking toward 2030 and beyond, I think that countries will begin to explore exits from financial easing, reducing the supply of funds in the market and raising interest rates. It is a well-known fact that excess funds in the market can adversely affect commodity market conditions and inflationary pressures. However, since we have carried out unprecedented large-scale easing around the globe, the result of this exit strategy remains uncertain, and the financial environment will become unstable.
For our Company to consistently generate stable profits in such a high-volatility management environment, we believe it is vital to focus on two aspects: creating "truly necessary finance" closely aligned with goods and consumption, and building a business model of "de-financing" that does not overly rely on interest income and expenditures. Additionally, there is a significant societal role to be played in the domain of small enterprises in the BtoB sector. 99.7% of companies in Japan are small- and medium-sized enterprises (SMEs). People working within these SMEs constitute 68.8% of all industries in Japan.

With the streamlining of distribution mechanisms and the advancement of digitization, even these SMEs are increasingly placing orders for parts and other items online. The once problematic and complex distribution structure in Japan has been simplified, and local wholesalers are rapidly disappearing. However, the function of credit extensions (selling on credit), which was traditionally handled by these wholesalers, is being lost at the same time. With the SME market as our target, we aim to substantially enhance productivity by issuing business credit cards, and by providing payment and billing mechanisms online, we seek to supplement the credit for SMEs and improve tasks such as accounting operations.

No one knows exactly what the future holds. However, by constantly thinking about what value we can create for society and working with that in mind, we can envision our future path. In this regard, I deem talent development as the most critical aspect of all. We must imagine the future and then create what we have imagined. Starting in fiscal year 2023, we initiated a new human resource system that focuses on cultivating talent that possesses both imagination and creativity. The concept of a "job" pertains to paying compensation that matches the results of the assigned work. This new human resource system is built not around jobs, but around assessing and rewarding the degree to which “missions” are accomplished. So what is a mission? At our Company, we define this as creating value for customers, employees, and the market (society). We aim to expand our business operations based on this mission-driven mindset and evaluate our talent accordingly, channeling our efforts into the creation of value for our entire Company moving forward.



The Characteristics and Strengths of the Orico Group

The significance, and strength, of our Group is our customer base. We have approximately 11 million credit card holders, 850,000 member merchants in our installment credit business, 565 allied financial institutions, and 1.33 million customers provided with rent settlement guarantees. In addition to this unique customer base, another significant feature is the wide variety of financial functions we offer. Besides our core businesses like individual installment sales, credit cards, and bank loan guarantees, we also have an industry-leading scale in rent settlement guarantees, and our transaction volume for BtoB accounts receivable settlement guarantees is also substantial.

I believe that the key to further refining our strengths and differentiating ourselves from our competitors will be to consolidate the customer base we have cultivated through our broad range of financial services, rather than viewing them as separate entities.



Japan's population has been shrinking since peaking in 2008. The productive age population, which constitutes our customer base, is expected to drop from the peak of 87.16 million in 1995 to 68.75 million by 2030. This is a business environment where growth strategies cannot be outlined solely on personal credit.
Meanwhile, if you look at BtoB transactions, the market size is said to exceed 1,000 trillion yen, and even SMEs alone are twice the size of the personal cashless market. This is where our strength comes into play—namely, our close relationships with Mizuho Financial Group and ITOCHU Corporation. Mizuho Financial Group conducts transactions with hundreds of thousands of SMEs. ITOCHU Corporation plays a role in distribution. We believe that these relationships will form a robust foundation that supports our growth strategy going forward, with a focus on the domestic BtoB domain.

Naturally, the overseas market is also promising. In particular, we are expanding our business in Southeast Asia, and we expect a significant business expansion in this area in the future. In Southeast Asia, which boasts a high economic growth rate and geopolitical stability, our transaction volume in Thailand increased by 70% compared to the previous year, by 95% in the Philippines, and by 230% in Indonesia, showing great momentum. Last year in Indonesia, we launched a "certified used car scheme" with a local Honda dealer. We will contribute to nurturing a sound market using quality-assured Japanese used cars as a foothold as we consider other financial developments. The fourth candidate country for entry is Vietnam, with nearly 100 million people, a young average age, and a national average income exceeding 4,000 dollars. Automobile sales are expected to continue growing beyond the current level of 500,000 units. Against the backdrop of economic growth and recovery from COVID-19, we will allocate assets to the high-profit Southeast Asia market.

Reflecting on the First Year of the Medium-Term Management Plan

Three years have passed since I assumed the position of President in 2020. The first thing we did after deciding to go public in the prime market of the Tokyo Stock Exchange was to strengthen our governance structure. We transitioned toward being a company with an Audit and Supervisory Committee and delegated significant authority to the executive side. Simultaneously, we built a system in the Board of Directors where particular emphasis was placed on strategic planning and subsequent monitoring and supervision.
During this time, we achieved two-level improvements in our credit ratings with R&I and JCR by stabilizing and liberalizing procurement.
I mentioned earlier that we launched a new human resources system, but we placed particular focus on developing human resources with expertise in Digital Transformation (DX). We launched a three-year DX program training for all full-time employees, and almost everyone has already taken the introductory-level course in the first year. Both the chairperson and I have taken the course as well. Out of about 3,000 who passed the introductory course, about half are now advancing to the intermediate program. Human resources equipped with DX skills are steadily moving forward towards transforming existing businesses and creating new businesses utilizing DX.

That being said, I am aware that formulating measures to deal with increased costs due to rising interest rates in the installment credit business is a task that has yet to be addressed. I will not take measures to cover a smaller profit margin with quantity in the face of the risk of interest rate increases. It is essential to gain our customers' understanding of the cost increase and work on improving conditions while pursuing co-creation with our business partners. In addition to organizational restructuring to promote radical structural reforms such as the elimination of unprofitable transactions, we obtained authorization as a "Certified Comprehensive Credit Purchase Intermediary" newly established under the revised Installment Sales Act. We will also strive for thorough customer and member merchant management by making profits more visible for our stores and member merchants, as well as implementing and constructing an AI-based credit management system. By transforming unprofitable businesses into profitable ones and building a sustainable business model, we will achieve an ordinary profit of over 40 billion yen in the final fiscal year of the medium-term management plan in fiscal year 2024.

Enhancing Corporate Value

I recognize that our Price Book-value Ratio (PBR) as of the end of March 2023 falling below 1.0 presents a challenge. While striving to improve capital efficiency and raise ROE, I also wish to further reinforce our trust relationship with investors. This will be achieved by faithfully executing the strategies and policies laid out in our medium-term management plan so that our future growth prospects can be understood by the capital market.

The initiatives we are currently pursuing might only exist as a few lines on the page when we look back at history in the future. Nevertheless, it is precisely because of this possibility that I believe it is my role as a leader to continually search for something universal that contributes to enhancing social value. To sustain the Company's growth, we will focus on nurturing talent endowed with imagination and creativity while constantly visualizing the landscape of the future and crafting a story aimed at success. I ask that all our stakeholders look forward to what we have to offer in the future.



Value Creation Journey

Since our founding in 1954, we have served as a pioneer in the credit industry, undertaking initiatives ahead of others and offering services tailored to the changing demands and lifestyles of the times. We will continue to make our customers lives more fulfilling by providing high value-added services.

1954 onward — Orico founded

Major Social Events

Post-war reconstruction to period of rapid economic growth

Key Value Creation Initiatives

December 1954
Hiroshima Coupon established

April 1969
Introduction of installment credit purchase business (now auto loans, shopping credit)

November 1969
Started issuing credit cards

November 1983
Launch of guarantee services for personal loans from financial institutions (now known as bank loan guarantees)

October 1989
Company name changed to Orient Corporation

April 1992
Industry's first fee collection guarantee service launched (now known as settlement and guarantee)

2000 onward — Business development and diversification

Major Social Events

2006 Money Lending Business Act amended

2008 Global financial crisis

Key Value Creation Initiatives

October 2001
Credit card users surpass 10 million

July 2004
Comprehensive business alliance with Mizuho Bank, Ltd.

February 2005
Strategic capital alliance with ITOCHU Corporation

March 2008
ORICO AUTO LEASING CO., LTD. established

2010 onward — Overseas expansion and creation of new businesses

Major Social Events

2011 Great East Japan Earthquake

2015 United Nations adopts SDGs

Key Value Creation Initiatives

April 2015
Established ORICO BUSINESS LEASING CO., LTD.

May 2015
Orico Auto Leasing (Thailand) Ltd. established and enters the auto loan industry in Thailand

October 2017
Orico Forrent Insure Co., Ltd. made into a consolidated subsidiary

April 2018
Launch of Orico Digital Fund

2020 onward — Practicing sustainability management

Major Social Events

2020 COVID-19 pandemic

2022 Deterioration of Russia-Ukraine situation

Key Value Creation Initiatives

March 2021
PT Orico Balimor Finance made into a consolidated subsidiary, entering the auto loan industry in Indonesia

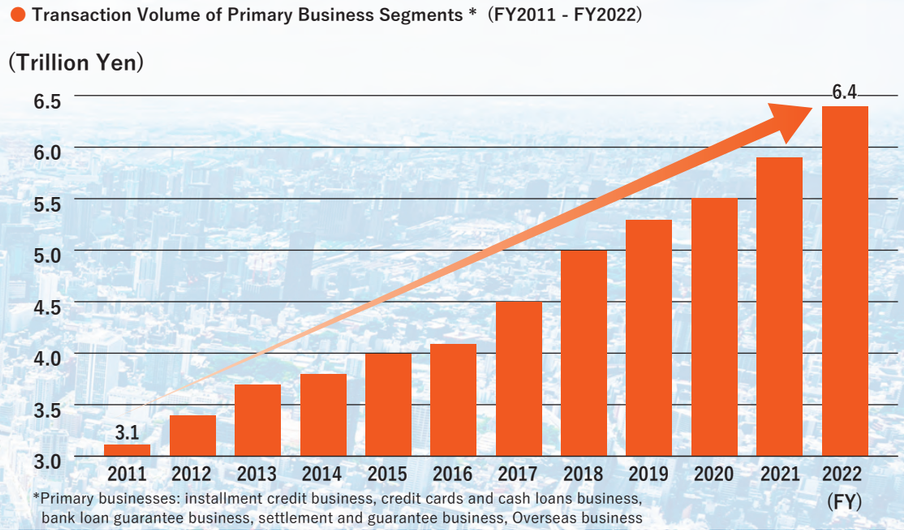
April 2022
Transition to Prime Market-listed company in conjunction with Tokyo Stock Exchange Market segment reorganization

May 2022
New Medium-Term Management Plan announced

June 2022
Transitioned to company with Audit and Supervisory Committee System

Growth Trends

● Transaction Volume of Primary Business Segments * (FY2011 - FY2022)



*Primary businesses: installment credit business, credit cards and cash loans business, bank loan guarantee business, settlement and guarantee business, Overseas business

Orico in Figures

We are striving to expand our services focusing on customer needs in various areas such as auto loans, shopping credit, credit cards, settlement and various guarantee products for more customers to enjoy and benefit from our services.

Installment credit transaction volume:

1,192.2 billion yen

Our installment credit business boasts industry-leading transaction volume primarily consisting of auto loans and shopping credit for housing-related and education-related products, utilized through our nationwide network of member merchants.

Number of auto loan contracts:

1.55 million

We have over 1.5 million auto loans used both domestically and abroad. Since the launch of the industry's first auto loan, we have continued to provide customers with products and services that constantly meet the needs of the times, such as free-payment auto loans and O-Lai!, long-term auto-insured auto loans.

Number of member merchants:

850,000

We provide products and services to customers through our more than 800,000 member merchants that use Orico auto loans, shopping credit and credit cards.

Credit card transaction volume:

2,948.7 billion yen

With no annual fee, the Orico Card offers a point system that provides up to double the number of points, various services that use the web, and contactless IC payment. Our goal is to create a card that can be conveniently used by as many customers as possible.

Number of credit cards issued:

10.98 million people

We provide safe, reliable, and convenient services. We offer credit cards with innovative designs and contactless IC that can be used by as many customers as possible, and through the issuance of co-branded credit cards with a wide variety of companies and organizations.

Settlement and guarantee business transaction volume:

1,593.2 billion yen

For our medium-term management plan, we are focusing on domains where further business expansion is expected. This includes business such as collection and guarantee of rent settlements arising from rent agreements for condominiums, apartments and other such residences, collection and guarantee of accounts receivables arising between businesses, collection and guarantee of lease payments for business equipment, and collection of various fees on behalf of our clients.

Outstanding bank loan balance:

1,153.6 billion yen

In 1983, we began offering personal loan guarantee services for financial institutions. Currently, we are affiliated with 565 financial institutions nationwide, and the balance of our guarantees has exceeded 1 trillion yen. With a nationwide network and abundant know-how, we provide support to the financial institutions' personal loans.

Operating assets balance:

5,468.3 billion yen

We have an operating assets balance of more than 5 trillion yen, which mainly consist of auto loans and shopping credit in the installment credit business, along with other assets in the credit cards and cash loans business, the bank loan guarantee business, and the settlement and guarantee business.

(As of March 31, 2023) *Figures are based on consolidated results.

Orico's Business Fields

As a pioneer of the industry, we meet the various needs of our customers and business partners across a wide range of business domains.











Orico's Strengths

1 Extensive Network of Business Partners

Our Company has more than 800,000 member merchants accepting auto loans, shopping credit, credit cards, and more, with alliance partners extending across business categories such as retail, service, wholesale, educational institutions, and financial institutions. In addition to handling auto loans through the JAPAN USED CAR DEALERS ASSOCIATION, the largest used car distribution organization in Japan, and issuing co-branded credit cards in partnership with major retailers including EDION Corporation and Costco Wholesale Japan, Ltd., we are also developing markets through alliances with Mizuho Financial Group and ITOCHU Corporation. In recent years, we have expanded collaborations with startup and FinTech companies and are working on constructing new business models.

2 Fusion of AI-based automated scoring and advanced assessment expertise

We have built specialized, highly accurate scoring models for auto loans, credit cards and bank-guaranteed card loans. For all applications, we implement automated scoring decisions using AI, dividing the assessment process into zones that are completed solely by the system and zones that require the judgment of an assessor. In the latter case, we also consider qualitative judgments based on the assessment results and perform careful assessments for each case. By combining system-based assessments with human-based assessments, we strive to achieve stable and high-performance assessment processes.

3 Accumulated collection know-how with counseling and negotiation

One of the essential operations supporting our business model is credit management. Credit management involves urging repayment from customers who have failed to repay various loans and credit card payments by the due date. At management centers and service centers nationwide, we practice customer-centered counseling negotiations, which entail proposing repayment plans tailored to each customer's situation and supporting them until the full payment is made. Our accumulated experience and know-how provides us with a competitive advantage.

Value Creation Process

External Changes

Acceleration of decarbonization | Financial unbundling | Accelerated reorganization of regional banks | Demographic shifts | Emphasis on ESG

Vision for our Society

A sustainable society in which everyone can realize a fulfilling life

Vision of the Company

- An innovative and leading company that provides financial services by always being attentive and responsive to our customers, while contributing to solving various social issues
- A company that is more than ever recognized by its stakeholders for its significance in society

INPUT

Manufacturing capital
- Extensive network covering the entire country (more than 100 sites in total)
- Core system that handles payments, among others

Intellectual capital
- Highly accurate assessment models
- Collection know-how that includes counseling

Human capital
- Number of employees (non-consolidated) Approx. 5,800 (consolidated) Approx. 8,500

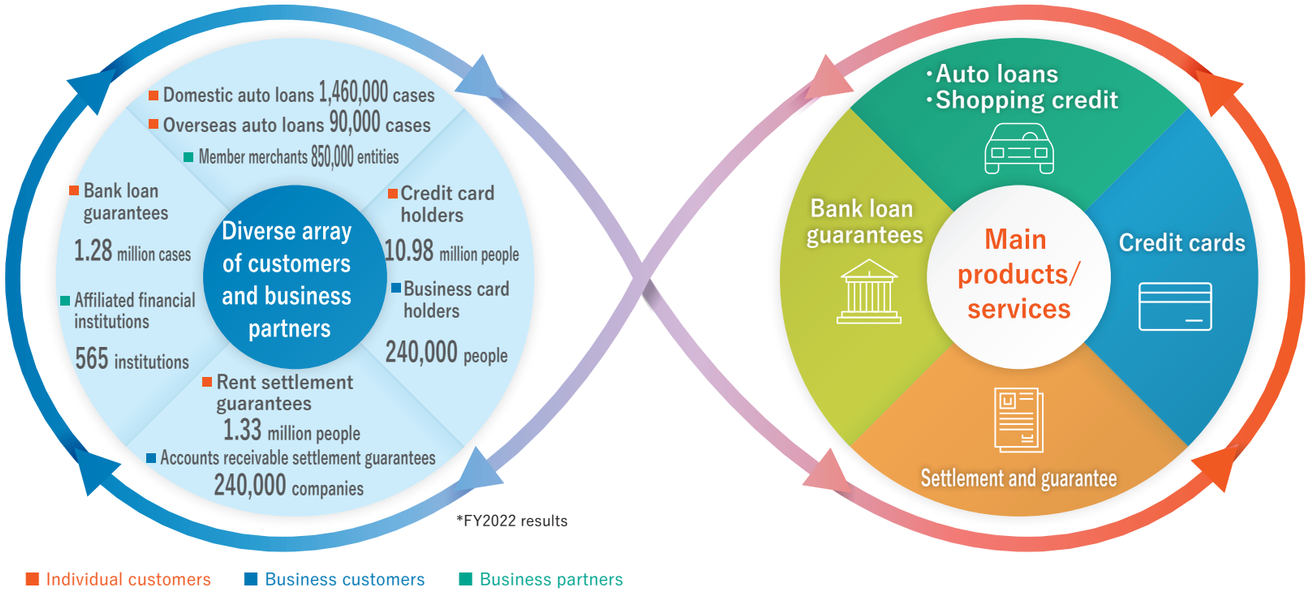
Financial capital
- Capital stock: 150 billion yen

Social relationship capital
- Listed on the Tokyo Stock Exchange Prime Market Index
- Joined Keidanren (Japan Business Federation), MOBI, among others

Natural capital
- Alignment with TCFD recommendations
- Orico Forest Project and other social contribution initiatives

BUSINESS MODEL

Offering our wide range of products and services together with member merchants, alliance partners, and other business partners to meet the diverse needs of individual and small- to medium-sized enterprises



*FY2024 results

OUTPUT

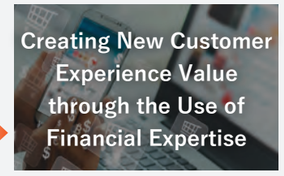
FY2024

Management objectives
- Ordinary profit 40 billion yen or above
- ROE 10% or above
- Ratio of general expenses to operating revenue Less than 60%

Non-financial KPIs
- Credit card transaction volume 3.5 trillion yen
- Complete automation of acceptance and assessment processes 40% or more
- Reduced paper use equivalent 800 t-CO_2 per year
- DX promotion personnel 3,000

OUTCOME













Business strategies
1) Cultivating priority markets and exploring new business fields
2) Establishing market-in type of sales
3) Creation of new services through collaboration with other industries and leading-edge companies
4) Delving into process innovation

Management foundation (Governance, new human resources strategy)

Financial discipline and capital policies (Balancing soundness and profitability, new capital policy)

Sustainability Basic Policy

Corporate Philosophy

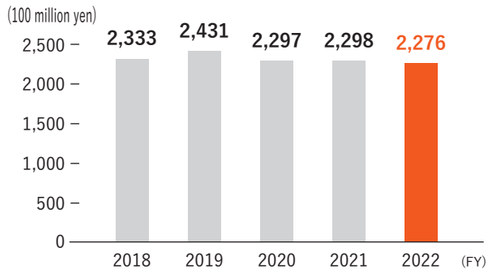
Capital reuse

Financial and Non-financial Highlights

Financial Highlights

*As a result of changes in accounting policies at the beginning of fiscal year 2021, figures have been reported after retrospective adjustments extending back to fiscal year 2020.

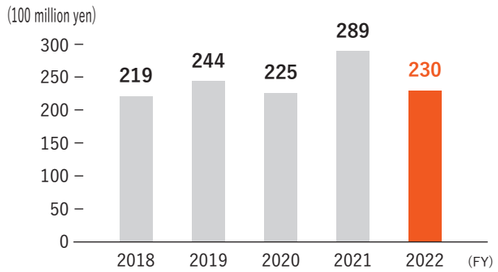
Operating Revenue



Our settlement and guarantee business and overseas business, both key areas, have seen increased revenues. However, due to the effect of rising interest rates leading to a decrease in securitization revenue, the installment credit business has seen decreased revenues, resulting in a 2.1 billion yen decrease YoY to 227.6 billion yen.

Ordinary Profit

Management objective: 40 billion yen or more by fiscal year 2024



In addition to the decrease in operating revenue, operating expenses have also increased, primarily due to an increase in non-personnel expenses, such as the rise in point costs, resulting in a decrease of 5.9 billion yen YoY to 23.0 billion yen.

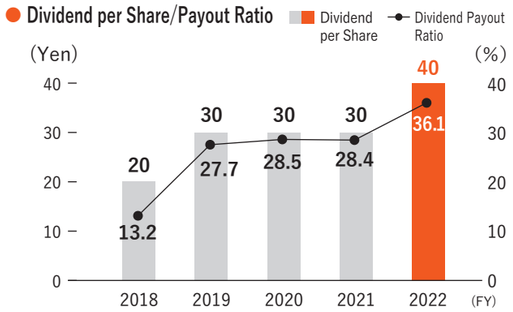
Profit Attributable to Owners of Parent

While it was slightly lower compared to the previous fiscal year at 19 billion yen, it has remained at the same level.

Net Assets/Capital Adequacy Ratio

Net assets increased in fiscal year 2022 due to an increase in retained earnings. Consequently, the capital adequacy ratio also rose in fiscal year 2022.

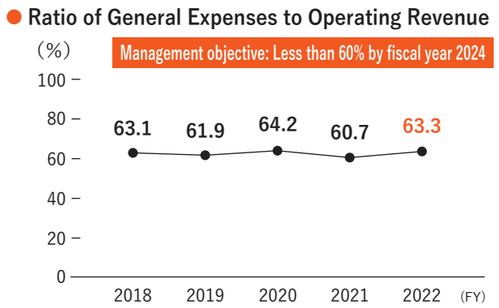
Dividend per Share/Payout Ratio



As of October 1, 2022, we have conducted a reverse stock split at a ratio of 1 share for every 10 ordinary shares. Regarding the dividend per share, we take into account the impact of this reverse stock split.

Ratio of General Expenses to Operating Revenue

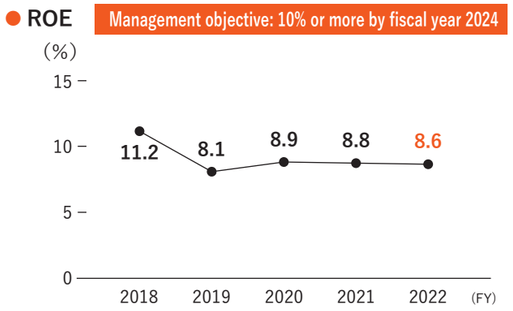
Management objective: Less than 60% by fiscal year 2024



Although operating revenue has decreased, the ratio of general expenses to operating revenue turned out as planned thanks to a thorough control of expenses.

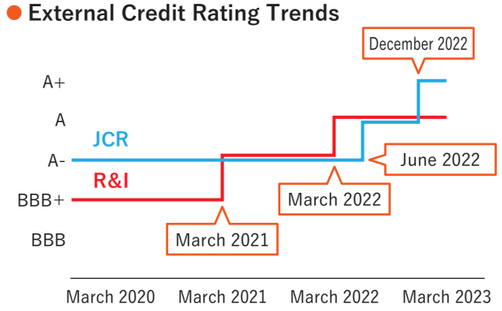
ROE

Management objective: 10% or more by fiscal year 2024



Due to profit for the period remaining at the same level as the previous year, the ROE for fiscal year 2022 was 8.6%.

External Credit Rating Trends

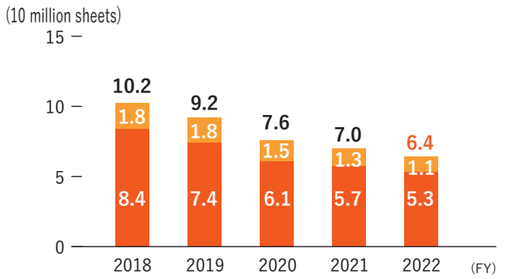


Our ability to secure stable profits despite the challenging environment has been taken into consideration, and our R&I and JCR external credit ratings have been raised by two levels since 2021.

Non-financial Highlights

Amount of Copy Paper Purchased

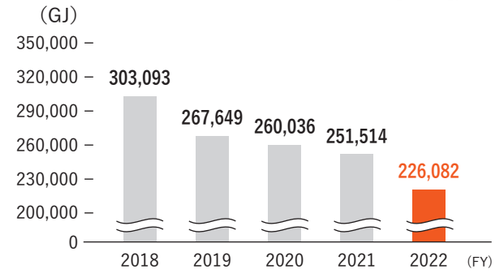
Orico
Group Company Total



We are promoting paperless operations through the use of RPA in operational tasks and the digitization of various application forms.

Energy Consumption

*Calculated based on the Act on Rationalizing Energy Use



By upgrading lighting to LEDs and air conditioning systems to eco-friendly energy-saving equipment in our buildings, we are diligently working to reduce energy consumption.

CO_2 Emissions

*Calculated based on the Act on Rationalizing Energy Use

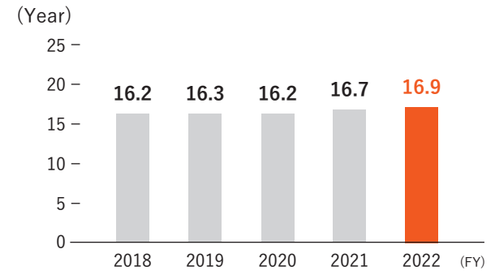
We are also working on reducing CO_2 emissions along with energy consumption by upgrading to energy-saving equipment in our buildings.

Non-combustible Waste Disposal Volume

*Occupied offices at Orico head office building

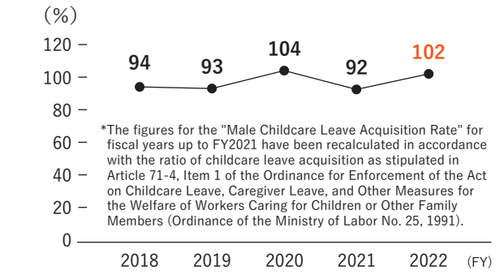
We are working to reduce waste within the Company by promoting waste separation and the use of recycled office supplies.

Average Length of Service



We will foster a deeper bond between the Company and its employees, recognizing each as essential to the other, and build a relationship where employees can thrive by embracing their roles with enthusiasm and vitality as we grow together.

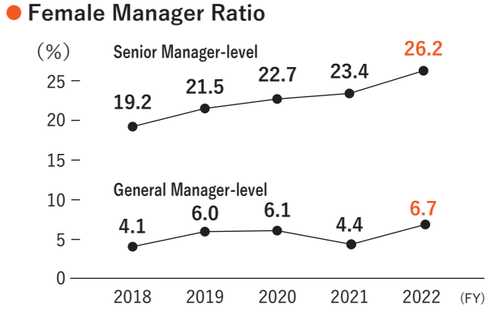
Male Childcare Leave Acquisition Rate



*The figures for the "Male Childcare Leave Acquisition Rate" for fiscal years up to FY2021 have been recalculated in accordance with the ratio of childcare leave acquisition as stipulated in Article 71-4, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991).

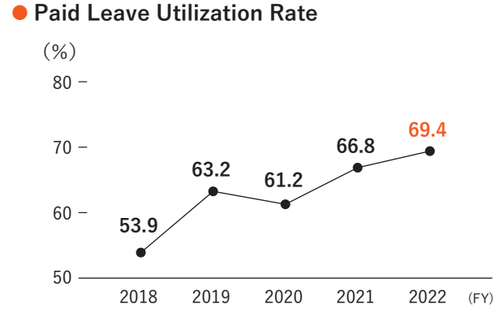
We are actively pursuing our target of a 100% male childcare leave acquisition rate in an effort to create a workplace where child-rearing families can balance both work and family life with confidence.

Female Manager Ratio



The "female manager ratio" KPI has been steadily increasing towards the objectives for fiscal year 2024, which are 27% or more for Senior Manager level and above and 9% or more for General Manager-level positions.

Paid Leave Utilization Rate



The paid leave utilization rate has been steadily growing and approaching the KPI (fiscal year 2024) target of an acquisition rate of 70% or more.

Orico's Growth Strategy: From a Management Perspective

Message from Head of Corporate Strategy Group



Sustainability as the Axis of Management
The Key to Transformation is to Create a Group of Talent Who Autonomously Take up the Challenge of a Discontinuous Future

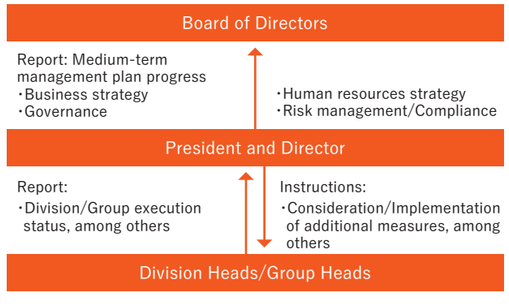
Shinya Uda
Managing Executive Officer
Head of Corporate Strategy Group

Medium-Term Management Plan Creation Process

The three-year medium-term management plan, starting from fiscal year 2022, was formulated over approximately one year through repeated discussions with board members, including External Directors. We knew we were at a tipping point when we developed the plan. Rather than designing future strategies as an extension of the past, we created a vision of the Company 10 years from now. In addition to looking at the past, we looked at megatrends and environmental assumptions for the future, recognized our current strengths and weaknesses, and organized what we must not change and what we must change. Based on this, we chose a path to transform from a traditional business model by backcasting from our vision for 2030. Our Company is a leading credit company that boasts an approximately 70-year history. However, considering changes in the environment and the growth of the markets where we are mainly engaged, we believe that relying solely on continuity will not lead to growth sufficient for maintaining our position 10 years from now. We used this healthy sense of crisis to envision the future we desire while remaining conscious of undergoing discontinuous changes. Our vision of the Company in 2030 consists of two aspects: an innovative and leading company while contributing to solving various social issues, and a company that is more than ever recognized by its stakeholders for its significance in society. In terms of specific medium-term management plan measures, we linked this vision with sustainability management and established six materialities (important issues), associating them with all strategies that need to be resolved. The current medium-term management plan, which is for the first three years of our journey in which we aim for our 2030 visions for our society and of the Company, is focusing on "Transformation to a New Business Model".
The global sense of crisis concerning climate change and the spread of digitization will continue to accelerate as always. In this context, Japan's unique low-interest-rate environment may also change significantly. We believe that it is essential to establish a robust revenue base that allows sustainable growth in such changing environments by leveraging the strengths of the credit model while transitioning to a new business model.

Medium-Term Management Plan: Key Strategies and Progress

● Medium-Term Management Plan Promotion Structure



The medium-term management plan is organized into three sections: business strategies, management foundation, and financial discipline and capital policy. In our medium-term management plan, we have set the following business strategies: 1) Cultivating priority markets and exploring new business fields, 2) Establishing market-in type of sales, 3) Creation of new services through collaboration with other industries and leading-edge companies, and 4) Delving into process innovation. As of the conclusion of the first year, our business strategies are making steady progress, with key overseas markets seeing increased revenue and the settlement and guarantee businesses expanding their shares. Regarding the management foundation, we became a company with an Audit and Supervisory Committee in June 2022 and made firm improvements, such as accelerating management and strengthening supervision, as well as reinvigorating discussions from a long-term perspective at Board meetings. In the area of talent, another pillar of our management foundation, we formulated a new human resources strategy and implemented concrete measures to create a diverse workforce, such as nurturing DX-promoting human resources, facilitating side jobs at startups, and recruiting external and overseas trainees, providing many employees with opportunities for autonomous learning. Still, given the significant environmental changes, our performance fell short of plans, and the immediate task is recognized as the reform of the revenue structure of the installment credit business, heavily affected by rising interest rates. By managing the entire business portfolio based on risk-return and cost-return to accelerate structural reforms, we will continue our utmost efforts to shift to a business model that can achieve sustainable growth even amid environmental changes.

Key Points for the Initial Year of the Medium-Term Management Plan

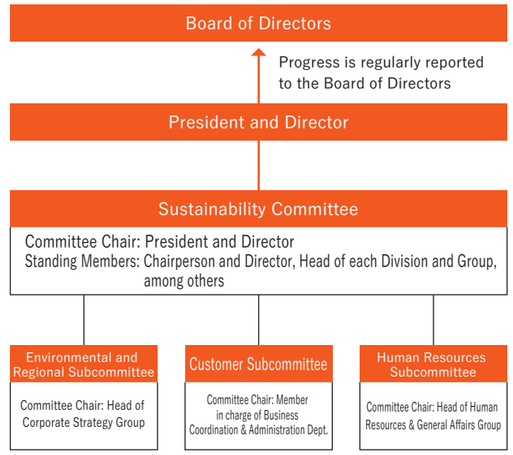
Steady progress on business strategy
- **Increased sales in settlement and guarantee business and overseas business**
- **Began structural reform of installment credit business**

Further improvement of management foundation
- **Became a company with an Audit and Supervisory Committee**
- **New human resources strategy formulated and promoted**

New capital policy
- **New basic capital policy established**

Sustainability Governance

In this medium-term management plan, we have defined sustainability as the balance between social value and corporate value, and we are placing sustainability at the heart of management, not only in some departments, but also in each and every employee to solve social issues through their work. In April 2022, we established a Sustainability Committee chaired by the President and Director and comprising all division and group heads as members, with meetings held at least four times a year. Beneath the Sustainability Committee, there are three subcommittees related to six areas of materiality: "Environmental and Regional", "Customer", and “Human Resources”. Each subcommittee serves as a cross-functional platform where division heads convene monthly to engage in multifaceted discussions. For example, in the Environmental and Regional Subcommittee, which I preside over, we deliberate on matters such as forming the "Orico Sustainability Fund", collaborating with EV fabless manufacturers, and utilizing vacant houses, all contributing to the creation of new businesses that aid in environmental preservation and community revitalization. Within the Company, there is a widespread understanding that environmental investment is a growth investment rather than a necessary cost, and the search for new business seeds has begun while preparing for risk.



Transforming by Evolving into a Group of Individuals Who Actively Embrace Challenges

In the medium-term management plan, we connect the promotion of SX (Sustainability) through CX (Customers), DX (Digital), and EX (Employees) with "Green", "Digital", and "Open Innovation” serving as a starting point. Digital is not only for improving our Company's operational efficiency and associated cost reductions, but also for promoting the creation of new products and services using digital technology by utilizing open innovation to facilitate new customer experience value. Human resources are the foundation for advancing DX and CX and are most important. Last fiscal year, the Company revised its basic policy on human resources and re-examined its ideals in regard to human resources. One quality we look for is proactiveness, which entails taking initiative and thinking for oneself, rather than relying on others for instructions. We are determined to create a group of talent who autonomously take up the challenge of a discontinuous future. This will make our Company an innovative, leading company that is more than ever recognized by its stakeholders for its significance in society.

Medium-Term Management Plan

We aim to operate our business by placing "sustainability" at the core of our management and strive to achieve a balance between creating social value and enhancing corporate value through our business.

Where We'll Be Three Years from Now (Backcasting from 2030)

Depart from the conventional credit sales model, create value from a customer-centric perspective, and enhance social contribution and corporate value through Green, Digital, and Open Innovation

Key Strategies

Business Strategies

Business portfolio management based on risk return and cost return
1) Cultivating priority markets and exploring new business fields
2) Establishing market-in type of sales
3) Creation of new services through collaboration with other industries and leading-edge companies
4) Delving into process innovation

Management Foundation

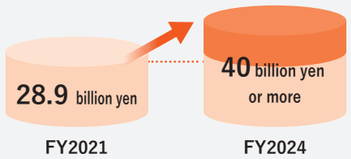
- Governance
- New human resources strategy

Financial Discipline and Capital Policy

- Balancing soundness and profitability
- New capital policy

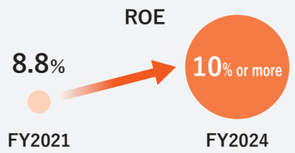
Earning Power

Ordinary Profit



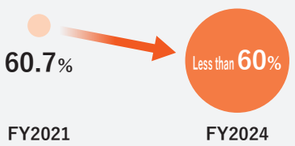
Capital Efficiency

ROE



Cost Control

Ratio of general expenses to operating revenue



2030

Vision for our Society

A sustainable society in which everyone can realize a fulfilling life

Vision of the Company

- An innovative and leading company that provides financial services by always being attentive and responsive to our customers, while contributing to solving various social issues
- A company that is more than ever recognized by its stakeholders for its significance in society

Becoming a financial services group for a new era that creates value from the customer's perspective

CX
Customer Experience
Providing a new customer experience

DX
Digital Transformation
Becoming an innovative and leading tech company

April 2022

March 2025

Medium-Term Management Plan
Transformation Now!

EX
Employee Experience
Offering new ways of working

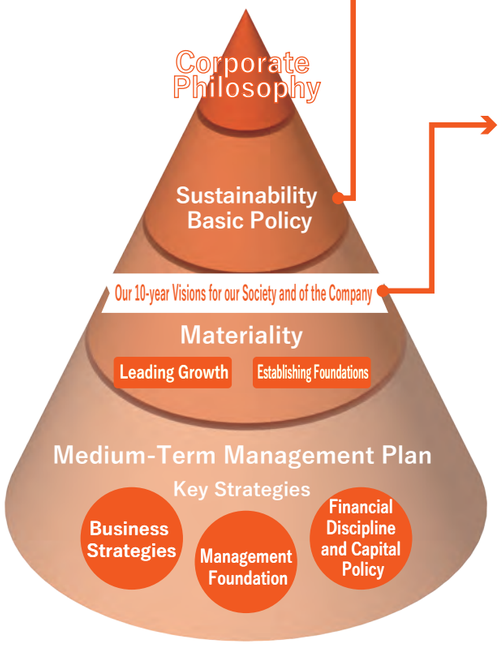
Our slogan

Transformation Now!

Becoming a financial services group for a new era that creates value from the customer's perspective

GREEN p. 03-04 | DIGITAL p. 05-06 | OPEN INNOVATION p. 07-08

Sustainability Management Initiatives



Sustainability Basic Policy

Based on the expectations and demands of our stakeholders, we have prioritized and selected several material topics out of various social issues. Through initiatives such as providing financial products and services that align with our fundamental principle of being a "company that contributes to society," we aim to enhance corporate value and realize a sustainable society.

Our 10-year Visions for our Society and of the Company

Vision for our Society
A sustainable society in which everyone can realize a fulfilling life

Vision of the Company
An innovative and leading company that provides financial services by always being attentive and responsive to our customers, while contributing to solving various social issues
A company that is more than ever recognized by its stakeholders for its significance in society

Materialities aimed at our visions for our society and of the Company

- Contributing to Realize a Safe, Secure, and Convenient Cashless Society
- Creating New Customer Experience Value through the Use of Financial Expertise
- Contributing to Realize a Decarbonized and Circular Society
- Contributing to Sustainable Community Development
- Focusing more on diversity,employee-development, and work-style reforms
- Strengthening governance

The Process of Identifying Sustainability Initiatives

Our Company has established specific initiatives and KPIs in conjunction with the medium-term management plan to address social issues through our business activities and to achieve our materiality, as outlined in the following process.
By advancing these initiatives, we are striving to generate new businesses that contribute to solving social issues and to drive organizational transformation, thereby achieving a balance between social and corporate value.

1) Identifying Materiality	We define our 10-year visions for our society and of the Company, and identify key issues (materialities) that must be prioritized in order to achieve them
2) Selection of Initiatives	To resolve social issues, we select materiality-related action items from among division/group strategies
3) Analysis of Importance	Map the items based on stakeholder expectations and requests and importance to Orico's strategy, and identify high-priority items as a preliminary draft
4) Decision on Initiatives	Upon the Sustainability Committee's review and submission of a report to the Board of Directors, the President and Director decides

Overview of Sustainability Committee/Subcommittees

Sustainability Committee

The Committee Chair is the President and Director, the members include the Chairperson and Director as well as the heads of all divisions/groups, and the Sustainability Management Office acts as the secretariat. They conduct deliberations and reporting on key matters related to sustainability based on the Sustainability Basic Policy.

Main Items for Deliberation in FY2022	In the first year of the Sustainability Committee's establishment, handling matters related to building the management foundation for sustainability, including: ・Setting up the Environmental and Regional Subcommittees, Customer Subcommittee, Human Resources Subcommittee, and annual activity plan ・Sustainability initiative items, KPI targets, and the value creation process ・Policy for approach towards TCFD and disclosure aligned with TCFD recommendations
Main Report Items for FY2022	・Status of Environmental and Regional Subcommittee, Customer Subcommittee, and Human Resources Subcommittee activities ・Achievements and progress with regard to sustainability initiative items and KPI targets ・Status of initiatives to enhance communication inside and outside the Company, such as raising awareness of ESG, TCFD, and sustainability throughout the Company

Subcommittees

Based on the annual activity plans of each subcommittee, specific initiatives and measures are discussed according to the goals, and the outcomes are reported to the Sustainability Committee.

	Purpose	Main Activities for FY2022
Environmental and Regional Subcommittee	Contributing to the creation of a decarbonized society and sustainable local communities through business activities ・Exploration and creation of business opportunities ・Establishment of a business operation structure that reduces the burden on the environment in conjunction with process innovation	・Discussion about the establishment of the Orico Sustainability Fund and collaboration with ASF Inc. ・Joining MOBI, gathering global information through subcommittees, and discussing business ideas that involve use of MOBI's blockchain technology to create a used EV market ・Collaborating with AKIYA KATSUYO Co., Ltd. for regional revitalization
Customer Subcommittee	Striving to enhance the value of customer experiences in every situation, aiming to improve customer satisfaction by enriching products and services ・Exploring customer-centric services and products ・Providing service that exceeds customer expectations and strengthening the foundation (customer protection) that supports these efforts	・Engagement in discussions on topics such as customer-oriented basic policy and customer engagement to enhance customer-centric business operations
Human Resources Subcommittee	Establishing a mutually beneficial relationship where the Company and employees can grow together, enabling all employees to fully express their value, and creating an engaging and vibrant work environment	・Sharing of external and internal environments related to human resources, and holding substantial discussions for achieving our vision of the Company and management strategy ・Making Inclusion & Diversity a central theme, share the newly formulated Basic Policy, and discuss the status of initiatives in each organization and issues to be tackled going forward

Detailed information about sustainability is available on our website.
https://orico.jp/en/sus

Orico's Growth Strategy: From a Management Perspective

Orico's Digital Transformation Strategy



Our Company established the Orico DX Vision and digital transformation strategy in April 2022 as one of our vital strategies for achieving the medium-term management plan. We are striving to become an innovative and leading technology company by leveraging digital technologies and data, creating new value from a customer-centric perspective, and tirelessly contributing to the resolution of social issues.

Managing Executive Officer

Head of Digital Marketing Group Hidenobu Mukai

DX Promotion Background

The digital environment that surrounds us has seen significant advancements over the past decade or so, giving birth to many new services and fundamentally altering our lifestyle. Additionally, with the advent of cutting-edge technologies like generative AI, there are signs of changes in the way we work. We anticipate continued progress in various digital technologies, leading to the successive introduction of new products and services.
Conversely, as Japan's labor force declines, business models dependent on human labor are reaching their limits. For businesses, it is essential to effectively utilize constantly evolving digital technology and data to construct an effective and efficient operating structure and ensure ongoing sustainable growth. We believe that a transformation is required in which digital matters are left to the digital space and people focus on creating value in business that only humans can provide.

Digital Transformation Strategy

Our digital transformation strategy consists of the following three strategic axes, and we are developing initiatives to transform ourselves into a company that contributes to solving environmental and social issues through our business in accordance with each strategic axis. To promote the digital transformation strategy, we have formed the DX Promotion Headquarters, headed by the President and Director, to create and materialize ideas through vigorous discussions on measures to promote DX across the entire company.

■ Strategy 1: Creating new business models using digital technology

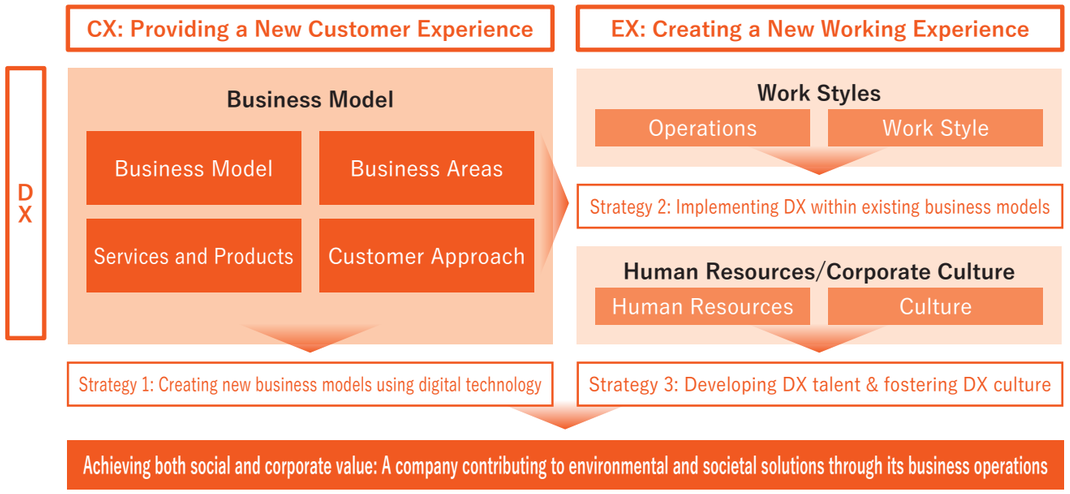
We are working to make effective use of digital technology and data. Specifically, we are creating new business models by combining our know-how and expertise in financial services with the digital technologies of other companies. We will also create new business models based on a wealth of data, including settlement and credit data, by combining our own anonymously processed data with open data and using AI for analyses. We are also working to create a data economy by providing solutions that support the sales strategies and promotions of partner companies.

■ Strategy 2: Implementing DX within existing business models

In order to achieve structural reform of business processes, we are working to improve the efficiency and speed of operations by utilizing digital technology. In particular, we are further promoting BPR from the perspective of overall optimization by taking a bird's-eye view of the "end-to-end" process from the customer's application process to the completion of the transaction contract and business operations. By going paperless through the digitization of our business operations, we have achieved reductions in CO_2 of 124 tons in fiscal year 2022, far exceeding our plan.

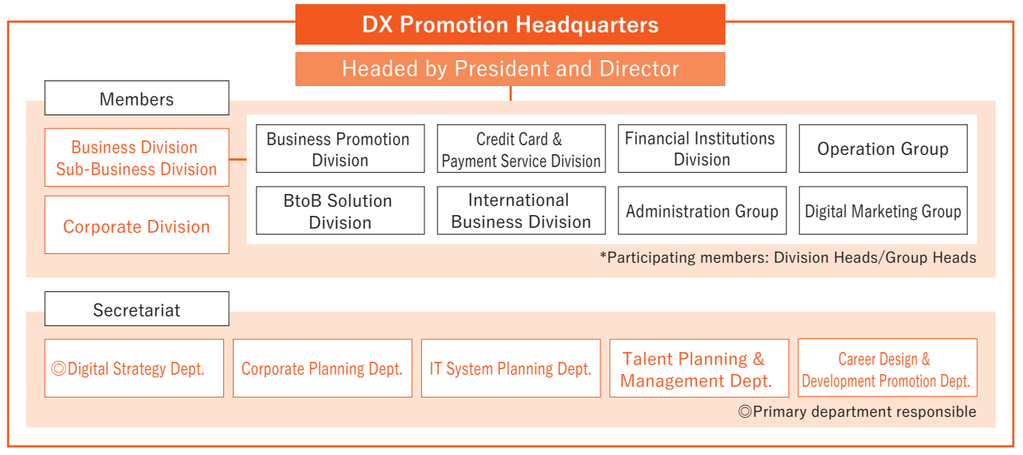
■ Strategy 3: Developing DX talent & fostering DX culture

In promoting DX, we have developed our own DX human resource development program to develop human resources who are passionate about providing value to customers through the use of digital technology. In our medium-term management plan, we set a goal to train all employees as DX promoters with basic digital technology knowledge and skills, and by March 2023, the first year of the plan, more than 3,000 employees were certified. In addition, we have launched "DX Place", in which all Group employees are encouraged to submit new business ideas and ideas for operational reform based on their own awareness of the issues they face, and we will continue our efforts to foster and establish a DX culture throughout our Group.



■ DX Promotion Structure

We have created a DX Promotion Headquarters headed by our President and Director that overlooks all divisions and groups to establish systems that promote our digital transformation strategy throughout the entire company. With the President and Director acting as Chair, we hold regular DX promotion meetings with the participation of the various division and group heads. Through these meetings, we are advancing comprehensive discussions and considerations for company-wide, cross-sectional initiatives aimed at promoting DX.



● Creation of new services through collaboration with cutting-edge companies in different industries

We are working to create new business models by combining our know-how and expertise in financial services with the digital technologies of other companies. In order to realize many such collaborative projects, we have established the "Orico Digital Fund" as a function to invest in startups, and are working to discover and create collaborative projects, including investments.

● Conversion of routine operations at the head office to RPA

We are promoting the automation of more than 2,000 routine head office operations by making them more visible and prioritizing them. We are also promoting the development of human resources capable of developing RPA so that the person in charge of each task can proceed with the automation of that task on their own.

● Acquisition of DX Certification

In March 2023, we received certification as a Certified DX Business Operator from the Ministry of Economy, Trade and Industry (METI) in recognition of our formulation of digital transformation strategies, establishment of a promotion system, and efforts to promote DX. DX Certification is a national certification system for businesses that are ready to transform their business through digitalization.

Digital Transformation Certification

Orico's Growth Strategy: From a Management Perspective

Orico's Human Resources Strategy



In an era marked by diversifying values and lifestyles among the working population, we believe it is essential for the Company to align closely with each and every employee. We will strive to cultivate a relationship where employees and the Company can grow together, and we aim to build an organization where all members can flourish in their own unique way through their work.

Managing Executive Officer
Head of Human Resources & General Affairs Group Hideyuki Matsuoka

Formulating a Human Resources Strategy to Achieve Transformation by 2030

Our human resources strategy is geared towards achieving our visions for our society and of the Company by 2030. Taking into consideration the global trends in human resource strategies, our past initiatives and challenges related to human resources, personnel characteristics, and reorganization of human resource systems and organization management, we have developed a strategy that captures the very essence of our organization and human resources from a medium- to long-term perspective.
In devising this new human resources strategy, we identified three necessary prerequisites. First, amid a declining labor population, workers increasingly see companies as a platform for growth and realizing their core values, so it is vital to establish an organization that appeals to and retains employees. Second, in our medium-term management plan launched in 2022, we aim for a radical transformation of our business, organization, and processes, and the human resources strategy must serve this transformation, not merely extend previous practices. Third, during the transformation process, change must go beyond mere alterations to systems and structures. A reform in the thoughts and behaviors of executives and employees is indispensable, with a strong emphasis on fostering such behavioral changes.
For our desired talent profile, we took the time to not only prepare for future changes, but also identify the strengths our employees should retain and areas that require enhancement, incorporating the views of the Directors and conducting extensive discussions with a wide range of organizational stakeholders. The Human Resources Management Policy has been redefined as the Company's commitment, encouraging and supporting reform of the mindset and behavior of the employees.

A Radical Departure from Conventional Thinking: Our Human Resources Basic Policy and the Direction of Our Human Resources Strategy

This approach underpins our human resources strategy, whose core premise is to transform the relationship between employees and the Company into a mutually chosen (Win-Win) partnership. We have identified 11 areas that require change and formulated our Human Resources Basic Policy, which consists of our desired talent profile and Human Resources Management Policy.

Direction of Our Human Resources Strategy

Relationship between Company and Employees	Mutually chosen (Win-Win relationship)
Expectations from Employees	Alignment with Company/diverse value
Philosophy on Employment	Free to come and go
Talent Acquisition	Available whenever needed, regardless of work style or whether in-house or off-site
Career Development	Employee-driven
Training	Autonomous learning/Company support

Management	Transformation & leadership
Assignment & Promotion	Skills (Rational)
Personnel Evaluation	Multifaceted
Compensation	Jobs as the standard
Work Styles	Flexible & diverse

Human Resources Basic Policy

Human Resource Vision Statement	We respect each employee's commitment to enhancing their own value. We also strive to create an engaging and vibrant work environment where they can achieve self-fulfillment through their work.
What we Envision through our Human Resources Strategy	**Maximize employee engagement by establishing a mutually beneficial relationship where the Company and employees can grow together (Win-Win relationship)** Learn, challenge and grow self-directed, making the most of one's strength and abilities — Employees **Win-Win** Company — Realizing our visions for our society and of the Company through the growth and success of our employees
Desired Talent Profile	1. Proactiveness — Taking initiative and thinking for oneself, rather than relying on others for instructions 2. Willingness to take on challenges — Fearlessly taking on new endeavors and not being afraid of failure 3. Analytical thinking — Considering the "why" before the "what" in decision-making 4. Passion — Approaching tasks with a strong passion that also inspires others 5. Curiosity and Ambition — Not settling but continuously seeking improvement, always striving to move forward 6. Open-mindedness and eagerness — Respecting diverse opinions and values, using them for personal growth 7. Integrity and nobility — Engaging with sincerity, upholding high ethical standards, and demonstrating a sense of responsibility throughout
Human Resources Management Policy	**1. Emphasize individuality and Nurture Diversity:** Value the individuality of each employee to foster diversity throughout the company. **2. Provide Opportunities for Self-Growth and Support Autonomous Career Development:** Encourage proactive actions from employees to enhance overall organizational vitality, leading to high performance and increased productivity. **3. Evaluate and Treat Fairly, with Objectivity and Transparency:** Properly evaluate and treat employees based on their efforts and contributions, hence promoting changes in thinking and behavior. **4. Develop Leaders to Drive Change and Unite Diverse Talents:** Cultivate leaders who can lead transformation in an ever-changing environment and practice inclusive management that leverages diversity. **5. Ensure Psychological Safety and Create a Vibrant Work Environment:** Establish an environment of psychological safety where employees can freely express their opinions, increasing productivity and reforming management practices.

Creating a Diverse Workforce and the Human Resources Infrastructure to Support It

We define what we envision through our human resources strategy as to “maximize employee engagement by establishing a mutually beneficial relationship where the Company and employees can grow together (Win-Win relationship)”, and the two pillars essential to achieving this are our desired talent profile and our Human Resources Management Policy. To bring these principles to fruition, we have outlined two key practices:

1 Creating a Diverse Workforce

Becoming an organization where individuals with unique qualities can thrive

To transition the relationship between the Company and its employees into one characterized by a mutually chosen (Win-Win) partnership, it is crucial to leverage individual characteristics more effectively. We are committed to enhancing career support that motivates each individual to grow and develop their strengths, including providing opportunities for skill development and career-related challenges; accelerating the promotion of executives from various backgrounds, including women, and with various personalities; and focusing on the acquisition, development, and promotion of specialized talents essential to creating new business.

2 Creating a HR Foundation for the New Era

To a system and operation of evaluation, treatment, and training employees appropriate for the future Orico

We are fundamentally transforming the Company's human resources system and structure. The Company will assist in shaping the career paths of each individual to align with their life plans, and as a part of this initiative, we will abolish transfers requiring unwanted relocations from April 2025 onward. Additionally, key areas of focus will include transitioning from age and skill-based criteria to a new human resources approach centered around work and missions, reassessing evaluation criteria in line with our desired talent profile, introducing multifaceted evaluations, and actively engaging in the development of core talent to lead future generations. As a foundation for these measures, we will continue to invest in health management, ensuring that our employees maintain both physical and mental well-being and can fully leverage their capabilities on the job while enjoying a vibrant life both personally and professionally.

Orico's Growth Strategy: From a Business Perspective

Message from Head of Finance Group



Balance financial soundness, shareholder returns, and capital efficiency while increasing asset efficiency and moving toward sustainable growth

Managing Executive Officer
Head of Finance Group Masahiro Kosugi

Review of Fiscal Year 2022 and Prospects for Fiscal Year 2023

In fiscal year 2022, amidst continued uncertainty about the future, some signs of recovery in personal consumption were observed. However, interest rates rose more than anticipated, due in part to the Bank of Japan's monetary policy adjustment in December 2022. Operating revenue declined by 1% YoY to 227.6 billion yen. The decrease was mainly attributed to the reduction in securitization revenue following the interest rate hike, causing a significant decrease in the installment credit business. Ordinary profit decreased by 20% to 23 billion yen, and the profit attributable to owners of parent decreased by 2%, amounting to 19 billion yen. That being said, we believe we have been able to minimize the damage from the interest rate rise through successful expansion in the settlement and guarantee business and overseas business, key areas of the medium-term management plan, as well as through flexible real estate sales and containment of expenses relative to plan.
For fiscal year 2023, we are forecasting an increase in ordinary profit to 25 billion yen and profit attributable to owners of parent to 20 billion yen. While the impact of rising interest rates will present a challenge throughout the year, we are planning to accumulate revenue through further growth in our settlement and guarantee business and overseas business, and by incorporating the recovery from the pandemic into our credit cards and cash loans business and bank loan guarantee business. Looking toward achieving 40 billion yen or more in ordinary profit in the final year of the medium-term management plan, we will take firm steps to execute four key strategies and fundamentally reform the revenue structure of the installment credit business.

Overview of Financial Results

(100 million yen)

	FY2022	YoY	Change
Operating revenue	**2,276**	**(21)**	**(1%)**
Operating revenues	2,113	(47)	(2%)
Operating expenses	**2,046**	**38**	**2%**
General expenses	1,441	46	3%
Bad debt-related expenses	464	(26)	(5%)
Financial expenses	105	6	7%
Ordinary profit	**230**	**(59)**	**(20%)**
Net profit	**190**	**(4)**	**(2%)**

Stable and Efficient Fundraising

With regard to fundraising, there are a number of options, including borrowing from financial institutions, securitization of receivables, credit guarantees, corporate bonds, and commercial paper. We are striving to maintain an optimal balance by utilizing diverse channels, with a focus on stable and efficient funding operations. In particular, looking ahead to potential interest rate hikes, we are progressing toward a fixed funding ratio of approximately 80% for interest-bearing liability.
Concerning fundraising itself, there are no worries in this area thanks to credit rating upgrades and our favorable relationships with financial institutions. While there may be a need for new funds to support future growth investments, we will continue to fine-tune our cash holdings, which were kept robust during the pandemic.

Credit Rating Trends

Credit Rating Institution	Long-term	Short-term
R&I	A (Stable)	a-1
JCR	A+ (Stable)	J-1



Business Portfolio Management

We began business portfolio management in fiscal year 2022. Under the seven business portfolios, we created further segmented sub-portfolios, then analyzed the medium- to long-term trends for each business and designated the future directions as “concentrate”, “maintain”, or “reduce” based on the two axes of risk return and cost return. We are actively discussing the allocation of managerial resources and future business strategies. Along with business portfolio management, we have also been making progress on implementing a system of management accounting by division. We are working out the relationships between individual management figures and our P&L and are tracking the progress of results for the fiscal year. These efforts are also contributing to a transformation in the sales-oriented mindset that was prevalent in certain areas.

Market Growth × Competitive Advantage × Risk Return × Cost Return

Focus on Key Markets & Explore New Businesses

Portfolio Analysis/Direction		Market Growth Potential
Credit Cards	Considering the rapid changes in the business environment of the growing market, emphasize quality over quantity in operations	High
Financing	Enhancing efficiency and expanding membership through improved product quality	Low
Settlement and Guarantee	As a pillar of the non-financial businesses, invest managerial resources	Very High
Automobiles Shopping	Improve efficiency and profitability while thoroughly focusing on sales based on customer needs	Low
Bank Loan Guarantees	Expand the guarantee business area by addressing the needs of financial institutions and solving management issues	Low
Overseas	Strengthen appropriate risk-taking and capability based on the knowledge accumulated in the auto loan business	Very High
New Businesses	Create new portfolios through digital technology and open innovation	—

Risk Return and Cost Return Analysis

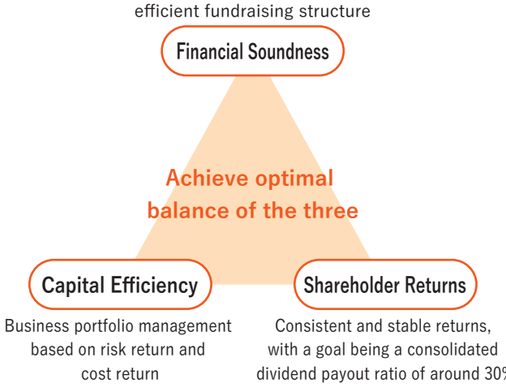


Capital Structure Policy

In fiscal year 2022, we formulated a new Basic Policy on Capital Structure that entails striking a balance between financial soundness, shareholder returns, and capital efficiency. For shareholder returns, we will aim for a consolidated dividend payout ratio of 30%, based on stable and continuous shareholder returns. In the implementation of our capital structure policy, improving asset efficiency is essential. To this end, we are concentrating on our high asset efficiency settlement and guarantee businesses, as well as our overseas business. We are also focusing on building a foundation that can efficiently raise revenue through engagement in non-interest businesses in the Business Promotion Division, combined with reforming the revenue structure of the installment credit business.

Basic Policy on Capital Structure

Establishing a stable and efficient fundraising structure



To Our Valued Stakeholders

Under the present medium-term management plan, our goal is to address social issues through our business while enhancing profitability. In alignment with this approach, we believe that demonstrating solid growth and profitability will increase the trust stakeholders have in our Company and be reflected in stock prices, among other areas. We are committed to making efforts to become a sustainable company 20 or 30 years from now as well, and we would be grateful for your continued support.

Orico's Growth Strategy: From a Business Perspective

Installment Credit Business

As the core business sustaining the Company, we will transform our conventional credit sales model into a sustainable and profitable business model responsive to changes in the market environment. We aim to offer timely and optimal solutions, products, and services tailored to customer needs to make contributions to society and enhance our corporate value.

Managing Executive Officer
Head of Business Promotion Division Kazuaki Baba



Medium- to Long-term Vision of the Company

Our installment credit business, through auto loans, shopping credit, and other features, has been providing a wide range of products and services that match customer and market needs in line with the changing of the times, with the aim of embodying our brand slogan "standing by your side, helping dreams come true". We will continue to stay abreast of global and technological advancements and respond to anticipated market changes, values, and other factors. This will allow us to provide safe, secure, and convenient financing based on customer needs, as well as to collaborate with our member merchants, who are our business partners, to create a healthy market.
Under our medium-term management plan slogan of "Transformation Now! Becoming a financial services group for a new era that creates value from the customer's perspective", we will depart from the conventional credit sales model and apply the ideas of "Green", "Digital", and "Open Innovation" to create new value and contribute to solving societal challenges such as achieving a decarbonized society, improving productivity, all while simultaneously improving corporate value.

Social Issues to be Addressed through Business Activities

In addition to auto loans, for which we boast industry-leading transaction volumes, our Company offers shopping credits that support various life events of our customers. These include home renovation, tuition, driving license acquisition costs, bridal-related expenses, and more. Through the installment credit business, we are actively working on the development of financial products and services that promote the use of renewable energy such as EVs, residential solar power systems, and storage batteries, with the goal of contributing to the realization of a decarbonized and circular society. For example, in November 2022, we invested in EV fabless manufacturer ASF Inc., and we will help achieve a decarbonized society by promoting the introduction of EVs to customers nationwide through our group company, ORICO AUTO LEASING, as well as collaborating with ASF Inc.'s supply chain. Also, regarding set loans consisting of environmental products including EV and V2H products developed in February this year, we are advancing collaboration in new areas and supporting the spread of environmental products through a comprehensive business alliance with NICHIRON CORPORATION, a leading V2H company. Furthermore, by expanding home renovation loans and rent settlement guarantees, we will contribute to the development of local communities by alleviating various people's anxiety about living.
Going forward, each of us will be more aware than ever of the importance of solving social problems through our business activities, and we will work to deliver products and services that are in touch with our customers, while drastically changing the way we approach things and the way we do business.

Medium to Long-Term Market Outlook

There is a possibility that the movement towards decarbonization could accelerate on a global scale beyond our expectations. We also consider the impact on our Company from the worsening of the declining birthrate and aging society in Japan to be significant. We will actively take measures by identifying risks and opportunities, primarily in our core auto loan business, and also view the changes as business opportunities to create new businesses.
We will also work together to solve social issues such as a shortage of successors at our business partner member merchants. Going forward, we predict that the financial environment will enter a phase of rising interest rates. In the installment credit business, it is urgent that we shift toward a long-tail business model that focuses on profitability more than expanding the transaction volume. We will channel this into enhancing profitability through radical structural reforms using digital technology.

Installment Credit Business

As a pioneer and leading company in the consumer finance industry, we provide various types of credit in collaboration with member merchants, catering to our customers' needs and lifestyles.

Auto Loans

We boast top-level market share in the industry. We address the extensive needs of our customers by developing unique products that enrich their lives after purchasing cars.

Shopping Credit

We aspire to be of service across a broad spectrum of our customers' lifestyles, enabling them to utilize various products and services via credit.

Home Renovation Loans

Home renovation loans are available for various improvements, including home expansion and renovation costs and household appliance purchases. We also accommodate purchases of items such as all-electric systems and solar power generation systems and storage batteries.

Business Features and Market Superiority

We are engaged in market-in type of sales via our nationwide network of sales branches, which enables us to provide the best solutions promptly without being confined to existing domains. We do this by harnessing region-based agile operations, scalability, and by proposing a wide range of products and services. We also boldly embrace changes in laws and regulations in line with trends in decarbonization initiatives and digital transformation, viewing them as new business opportunities.

Strengths

- Nationwide coverage through our sales branch network allows us to approach not only existing member merchants but also prominent local businesses
- In addition to our installment credit business, we can offer a wide array of services including leases, credit cards, and our settlement and guarantee business to meet customer needs
- Collaboration with Mizuho Bank, Ltd. and ITOCHU Corporation enables product and service offerings with close affiliate companies

Weaknesses

- Implementation of product strategies that separate us from other companies, and additional expansion
- Further enhancement of alliances in EV & environmental products
- Increase in financial expenses due to rising interest rates

Opportunities

- Emergence of new markets focusing on automobiles and housing to achieve a decarbonized society
- Increased demand for a guarantee business for corporate payments, rent, and so on
- Amendment of laws and regulations in line with the trends of digital transformation (DX), such as the Installment Sales Act, Act on Specified Commercial Transactions, Civil Code, new lease accounting standards, among others

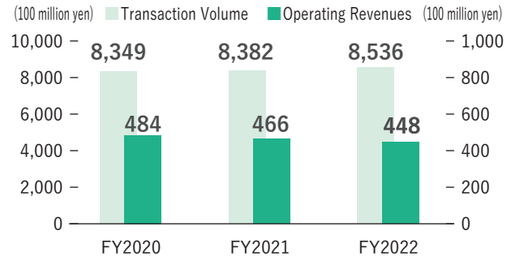
Threats

- Persistence of an unstable environment for personal consumption trends due to rapidly changing global situations
- Market shrinkage, sluggish growth in the installment credit business market, and intensified competition caused by the declining birthrate and aging society
- Concerns about inflation due to the surge in raw material prices, and the risk of rising interest rates

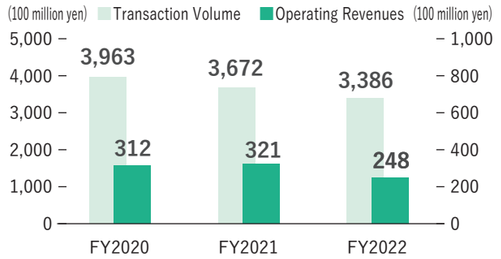
Overview of Fiscal Year 2022

Although the volume of auto loan transactions was affected more than expected by constraints in supply, such as a semiconductor shortage for new cars, it remained at the previous year's level due to an increase in used car transactions. The volume of shopping credit transactions decreased YoY owing to factors such as a reduction in the volume of home renovation loans due to construction delays caused by material shortages.

Auto Loans



Shopping Credit



Highlights in Fiscal Year 2022

As the inaugural project of the Orico Sustainability Fund, we have entered into a capital and business alliance with ASF Inc., as well as a comprehensive business partnership with NICHICON CORPORATION commencing collaboration with new business partners for sustainable growth. In terms of product development, we secured a business model patent for “O-Lai!” and, as previously mentioned, achieved tangible results such as the release of set loans for environmental materials, inclusive of EVs and V2H.



Medium- to Long-Term Vision of the Company

The environment surrounding the payment industry is changing daily due to technological advancements and the impact of COVID-19 on lifestyles. While society is expected to see an increased shift toward cashless transactions in the medium-to long- term amid these environmental changes, our mission is to provide value of safety, security, convenience, and enjoyment to our customers through our credit card business. Beyond common point redemption schemes and special coupons, we plan to provide personalized services to approximately 11 million credit card users and approximately 4 million customers using our auto loans through our digital communication platform "e-Orico", which is scheduled for a complete overhaul. Moreover, we will dramatically change the customer experience in card applications and usage by developing products and services utilizing digital technology, such as performance-based credit, which we were the first major credit card company to implement, and digital cards on smartphones, and so on.

Social Issues to be Addressed through Business Activities

In the credit card industry, fraud is becoming more common, especially in online transactions on e-commerce sites. Strengthening fraud prevention measures is an industry-wide challenge. We are committed to creating an environment where customers can use credit cards with confidence by implementing various measures, such as incorporating AI functionality into fraud detection systems and enhancing personal authentication services through the implementation of one-time passwords.
In addition, although the percentage of individuals in the payment market using cashless transactions is steadily growing, improving the low percentage of cashless transactions for corporations is extremely important from the viewpoint of enhancing the productivity of the Japanese economy. To address this issue, we are actively promoting the Orico Business payment for SME (OBS), an invoice card payment service for business-to-business transactions. We will continue to expand our service lineup to contribute to the DX of accounting operations of small- and medium-sized enterprises and sole proprietors.

Medium to Long-Term Market Outlook

As technology makes rapid advances and the digital native generation expands its presence in society, the customer experience in the payment scene is likely to undergo a dramatic transformation. Just as we could not have imagined the widespread use of QR code payments* just 10 years ago, it is not easy to envision what the payment market will look like 10 years from now. Currently, credit cards, which account for over 80% of cashless payments, may not maintain the market position. However, one thing we can say is that the cashless trend will continue to advance in the payment market for both individuals and corporations. We expect the entry of FinTech companies and companies from different industries to continue. In this expanding and evolving payment market, our Company possesses assets such as domestic and overseas payment networks built on long experience, credibility, advanced security, and extensive human resources. We aim to reap the fruits of the market's growth by refining our services in our economic sphere to be safe, secure, convenient, and enjoyable, and by providing necessary payment functionality to new entrants.

*QR code is a registered trademark of DENSO WAVE INCORPORATED.

Credit Cards and Cash Loans Business

Orico's credit card lets customers enjoy safety, security, and convenience. We accommodate a wide range of customer needs with attractive point programs and a variety of co-branded credit cards.

Official Card

We offer services that excel in functionality to meet a wide range of customer needs, such as Orico Card THE POINT, which has a high point reward rate of one Orico point for every 100 yen spent using the card and has no annual fees.

Co-branded Credit Cards

We offer cards that meet customer needs in partnership with business partners, such as Mizuho Mileage Club Card/THE POINT, EDION Card, and Costco Global Card. Currently, we have about 1,500 types in our co-branded credit card lineup and continue to provide attractive services to customers.

Features of the Business and Market Superiority

We boast a network of 850,000 member merchants, around 11 million credit card users, and approximately 4 million customers utilizing installment credits such as auto loans. Through the full-scale enhancement slated for e-Orico aimed at fostering digital communication and providing innovative products and services using technology, we seek to create a new experience value for our customers, deepening our connection with customers in the Orico Economic Zone.

Strengths

- Addressing the diverse financial needs of roughly 15 million customers
- A comprehensive network spanning the country and encompassing 850,000 member merchants, co-branded credit card partners, and more
- Pioneering product development through digital technology

Weaknesses

- Enhancement of digital communications with approximately 15 million customers and further layering of transactions
- Hardening of preventive measures against unauthorized credit card usage

Opportunities

- Further advancement in cashless payments in both individual and corporate payment markets
- Increased diversification of financial products and services driven by digital technology evolution

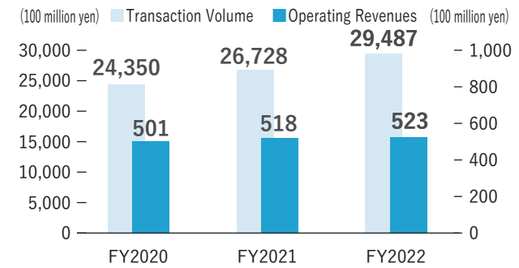
Threats

- Intensified competitive environment due to new entrants into the payment market from FinTech companies and various industries
- Rise in development costs due to diversification and fragmentation of payment methods
- Decline of profitability due to point redemption competition in the credit card industry

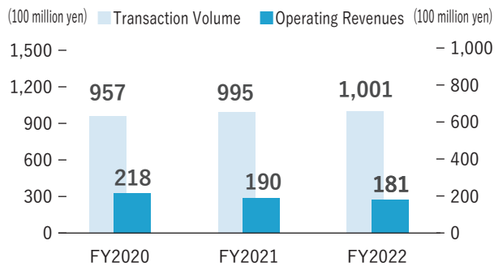
Overview of Fiscal Year 2022

The card shopping handling amount continues to grow, increasing by 10% YoY through the promotion of large-scale co-branded credit cards related to daily life, and further expansion is expected.

Card Shopping



Financing



Highlights in Fiscal Year 2022

In collaboration with eight new partnering companies, we have launched a number of co-branded credit cards that primarily target younger generations, including the "cheeky SBI e-Sports card", the "BLUELOCK Orico card", and the "CAPCOM Orico Card: Dragon's Dogma" associated with the popular game series.
Moreover, we are accelerating new business ventures such as a collaboration with SBI SECURITIES Co., Ltd. for individual asset management services and development of OBS invoice card settlement service for business-to-business transactions.



Medium- to Long-Term Vision of the Company

Through our bank loan guarantee business, we act as a partner who shares the risks for financial institutions providing personal loans while simultaneously meeting the needs of individual customers beyond our immediate reach, thus facilitating the smooth provision of funds. In doing so, we enliven and enrich the lives of residents in the region. To fulfill this role, in our medium-term management plan, we have established “becoming a power that supports the region” as the mission of our division, and we will tackle the expansion of business domains and solving social issues through trial and error.
Moreover, our Company is in an alliance with 565 financial institutions of various types and sizes across the country. To provide timely solutions for the diverse range of issues faced by financial institutions, their customers, and regions, we collaborate with business partners that have strengths in innovative ideas and business models. In the midst of a drastically changing environment for financial institutions, we aim to improve profits by being "the guarantee company of choice" as a business partner that can face the business challenges of financial institutions and provide diverse solutions. This includes not only personal loan guarantees, but also for DX promotion, personnel development, operational efficiency, further support for clients, and business domain expansion.

Social Issues to be Addressed through Business Activities

Against the backdrop of a declining birthrate and aging society as well as a shrinking population, the nationwide problem of vacant houses is becoming more severe, especially in areas with aging populations. The number of vacant houses continues to increase, which could potentially have a serious impact on local residents' living environments in terms of disaster prevention, hygiene, and scenery, and dealing with this issue is a major challenge for local governments. To solve this social issue, our Company, in collaboration with AKIYA KATSUYO Co., Ltd. and local governments, has built a framework to promote the utilization of vacant houses through support ranging from cultivating understanding of the actual situation to promoting utilization. It then launched it as a platform available nationwide in March 2023 by commercializing Akikatsu Loan in cooperation with local financial institutions. We will encourage an increase in the number of people involved in each region and ultimately revitalize local economies. In addition, for traditional purpose loan products, we are developing products from the perspectives of decarbonization and SDGs, and in fiscal year 2022, we began offering SDGs-compatible EV auto loans, educational loans, and housing renovation loans with The Ehime Bank, Ltd.

Medium to Long-Term Market Outlook

Now that Japan’s population is decreasing, considering the penetration of the sharing economy, the shift from material consumption to experience consumption, and other factors, the environment is not one where unsecured personal loan balances will continue to rise. Moreover, considering the intergenerational and interregional transfer of financial assets through inheritance that will occur into the future, it cannot be denied that relying solely on the traditional expansion of personal loans for guarantee business leaves little room for growth as a business. We will continue to develop new products with financial institutions with an emphasis on satisfying the needs and convenience of customers who use personal loans, while also taking into consideration individual life plans and regional characteristics. We are also working to expand the scope of the guarantee business, such as through small corporate loan guarantees for startups and guarantee provisions for business loans in collaboration with local governments.

Bank Loan Guarantee Business

Since 1983, we have been collaborating with financial institutions to provide personal loan guarantees.
We pride ourselves on being among the top in the industry in the number of trading partners and help bolster the retail divisions of financial institutions with our extensive know-how nurtured in the credit business.

Purpose Loan Guarantee

We also provide guarantee collaboration products that respond to the needs of customers with specific funding purposes. Our Company guarantees “purpose loans” from financial institutions such as auto loans, educational loans, and housing renovation loans.

Free Loan Guarantee

We offer guarantee collaboration products that respond to a wide range of our customers' immediate financial needs, allowing for the freedom of funds usage.
We guarantee free loans from financial institutions of the certificate loan type.

Card Loan Guarantee

A guarantee collaboration product that promptly meets the diverse financial needs of our customers. We guarantee financial institutions’ card loans, which can be repeatedly used within the credit limit.

Features of the Business and Market Superiority

With 40 years of experience in the bank loan guarantee business, our Company possesses credit expertise and a network with 565 affiliated financial institutions across the nation. We maintain a strong guarantee balance regardless of the type, such as regional banks, credit cooperatives, and credit unions, thus sustaining a high market share. We will continue to emphasize our nuanced responsiveness to customers and our ability to address financial institutions' management challenges beyond bank loan guarantees, working to differentiate ourselves from competitors.

Strengths

- Nationwide network with 565 affiliated financial institutions
- Long-standing expertise in personal credit and the evolution of credit models utilizing AI
- Including collaboration with Mizuho, capability to provide solutions for the challenges of financial institutions, their clients, and local communities

Weaknesses

- Aligning IT capabilities with the speed of technological innovation

Opportunities

- Expansion of business opportunities through the reorganization and integration of financial institutions and the formation of holding companies
- Strengthening competitiveness through partnerships with new business categories such as online banks and digital banks

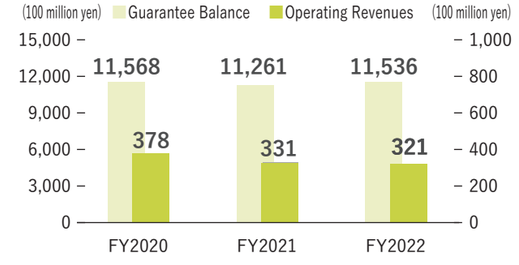
Threats

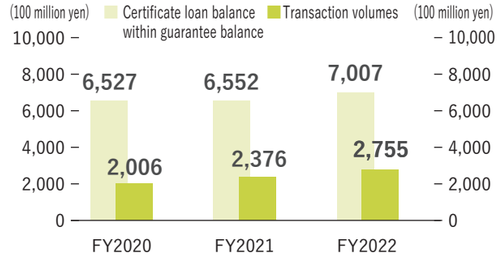
- Changes in consumer behavior, especially among younger generations

Overview of Fiscal Year 2022

Through market-in type of sales, we succeeded in continual engagement with 28 financial institutions to initiate new loan handling, among other problem-solving efforts, thus leading to an increase in the guarantee balance for the first time in five terms from the previous term end backed by steady growth in the transaction volume for certificate loans. We will work to increase revenue through enhanced profitability going forward.

Bank Loan Guarantees





Highlights in Fiscal Year 2022

We have been providing a pre-assessment service utilizing our assessment and guarantee know-how for the "crowd loan" platform aimed at connecting customers considering personal loans with financial institutions, with the goal of improving customer convenience. In May 2022, we formed a capital alliance with CrowdLoan Inc., which operates the platform. This has allowed us to further increase the number of affiliated financial institutions and acquire new digital application channels, and we are also utilizing this platform in the framework of the aforementioned Akikatsu Loan.

Settlement and Guarantee Business

In the settlement and guarantee business, we are working to expand credit provisions to small- and medium-sized enterprises and individual business owners, and at the same time, drive our Company's growth in the key markets of the medium-term management plan by creating non-financial businesses that are not dependent on assets.

Managing Executive Officer
Head of BtoB Solution Division Daisuke Horiuchi



Medium- to Long-Term Vision of the Company

With the progress of digitization and the increasing complexity of economic activities, the payment needs for transactions between businesses are diversifying. In the settlement and guarantee business, we have made it our mission to sincerely address these diverse customer needs and provide comfortable and convenient payment methods. By building an environment for comfortable, safe, secure, reliable, and convenient corporate transactions and expanding credit provision to small- and medium-sized enterprises and individual business owners, we will contribute to the development of their businesses as well as risk control. This will allow us to help revitalize local economies. Additionally, we will also provide products and services that anticipate changes in society while utilizing digital technology. As we get closer to our customers and gain an understanding of their challenges, we find that there are tangible needs in areas beyond the financial services we have provided, such as business succession and real estate needs. In our relationships with customers, we will strive to become their valued partner by 2030 by taking on the challenge to provide solutions that go beyond the financial realm.

Social Issues to be Addressed through Business Activities

As the business environment becomes more challenging, many corporate clients are facing a multitude of issues. Among them, business succession stands out as a significant challenge, especially for small- and medium-sized enterprises. Besides the aging of business leaders, due to trends in the past Japanese economy that led to hiring being suppressed, the recruitment of executive successors has been delayed, leading to a noticeable number of cases in which successor development is insufficient. Moreover, the decrease in population has made securing personnel another challenge, resulting in an increase in companies that are downsizing or restructuring their operations. At our Company, we will not merely offer financial products and services such as those available through our settlement and guarantee business. Rather, by utilizing our nationwide customer network and the expertise and networks of partners like Mizuho Financial Group and ITOCHU Corporation, we will also take on the challenge of providing optimal solutions for the myriad challenges that corporate clients face, including business succession. Through efforts such as these that transcend traditional financial boundaries, we aim to solve the issues faced by our corporate clients and contribute to the revitalization of the Japanese economy.

Medium to Long-Term Market Outlook

For the settlement and guarantee business, there are three important elements. The first is the significant change in people's behavioral patterns, such as how they buy things and work, after the COVID-19 crisis. The second is industry shakeout and reorganization gaining speed due to the emergence of small- and medium-sized enterprises experiencing trouble with business succession due to the aging population. The third consists of an increase in the cost of sustainable business growth due to increasing geopolitical risks, issues of economic security, initiatives aimed at SDGs management, and measures against cyberattacks that coincide with advances in digitization. Our Company accurately captures the impact on and needs of our customers due to these environmental changes, and we will continue to provide optimal solutions.

Settlement and Guarantee Business

To respond to a wide array of our customers' settlement and guarantee needs, we have been advancing our settlement and guarantee business through services like rent settlement guarantees and accounts receivable settlement guarantees.

Rent Settlement Guarantees

In recent years, due to the increase in the number of single households and the rise in the utilization rate of guarantee companies, we offer various products and services to tenants and property management companies, and many are using them.

B2B Payment Services (Accounts Receivable Settlement Guarantee)

This service, intended to eliminate the risk of non-collection, improve sales efficiency, and streamline accounting tasks, involves advancing the payment on behalf of customers who purchase the product.

Features of the Business and Market Superiority

The settlement and guarantee business is a growing field with multiple digital companies excelling in statistical data analysis. That being said, the customer environment is complex and diverse, and understanding the customer through a human touch is also an assessment capability. Our Company has a market advantage in that it can discover various customer needs and respond accurately through the utilization of nationwide branches and the network of Mizuho Financial Group companies. Furthermore, by leveraging the high assessment ability cultivated in the financial business for many years, we are differentiating ourselves from other companies by responding to a diverse range of needs, ranging from large transactions to small ones.

Strengths

- Diverse lineup of existing four products that can handle various trade and fund flows (B2B Settlement Card, B2B Support Plan, B2B Collection System, Smart Plan)
- Know-how to respond quickly to large and small accounts receivable settlement guarantees
- Accurate response to customer needs through nationwide branch network and channels such as Mizuho Financial Group

Weaknesses

- By maintaining and expanding human touchpoints while honing digital strengths, we will achieve hybrid sales and meet customer DX needs

Opportunities

- Increase in direct transactions between manufacturers and consumers due to the digitization of corporate transactions and advances in logistics, leading to a clear need for the settlement and guarantee business
- Full recovery of domestic consumption and inbound travel with the normalization of social activities after COVID-19

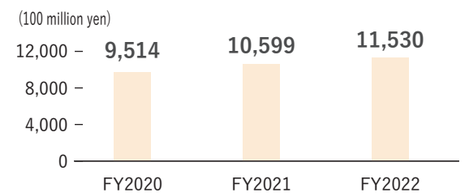
Threats

- Deterioration in the performance of guarantee customers due to the increase in risks associated with geopolitics, natural disasters, and so on
- Shrinkage in customer commercial spheres due to a declining birthrate and aging society
- Increase in corporate bankruptcies due to rising raw material costs, rising personnel expenses, and the end of COVID-19-related loans, among other factors
- Entry of new players, including digital enterprises

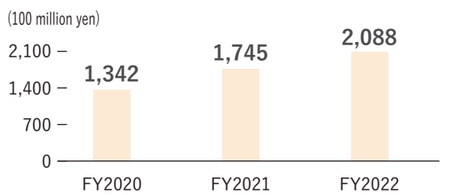
Overview of Fiscal Year 2022

The amount of rent settlement guarantee transactions increased by 9% YoY, while accounts receivable settlement guarantee transactions also continued to grow, increasing by about 20% YoY in key industries such as fuel, building materials, and food. We will continue to support business expansion by responding to corporate settlement needs between customers and expand the market.

● Transaction Volume for Rent Settlement Guarantees



● Transaction Volume for Accounts Receivable Settlement Guarantees



*The figures do not include the accounts receivable settlement guarantees handled through credit cards.

Highlights in Fiscal Year 2022

In this medium-term management plan, we have newly established a BtoB Solution Division to aim for the dramatic expansion of the settlement and guarantee business, a key market. Moreover, in establishing a market-in type of sales, we have begun providing business succession and real estate solutions to address the absence of successors, one of the most critical management issues for small- and medium-sized enterprises, as well as to respond to member merchants' entry and exit needs. We have also actively collaborated with Mizuho Bank, Ltd. to support small- and medium-sized enterprises, their clients, through the provision of accounts receivable settlement guarantee products, business cards, and support for cash flow and operational efficiency. In terms of collaboration with other companies, we have also started providing food platforms through an alliance with XMart Inc. and subsidy/grant automatic diagnosis services through an alliance with Writeup.co., Ltd. We will continue to lead our Company's growth through solutions that go beyond the realm of finance.

Orico's Growth Strategy: From a Business Perspective

Overseas Business

Overseas Business is positioned as a priority area in the medium-term management plan, and we are nurturing it to be the next major pillar. We will contribute to sustainable community building through financial products in Southeast Asia by expanding business areas and handling products in the countries where we operate.

Managing Executive Officer
Head of International Business Division Kazuhiro Mukai
株式会社オリエントコーポレーション



Medium- to Long-Term Vision of the Company

It has been eight years since we focused on expanding our auto loan business in the ever-growing Southeast Asia market, launching operations in Thailand in 2015 and the Philippines and Indonesia thereafter. The middle-income class continues to grow in these countries, and consumption is steadily expanding. Under these conditions, we intend to leverage our domestic expertise in auto loan businesses to expand our sales network, enhance our product offerings, and elevate our financial service capabilities, thereby boosting Orico's brand recognition in each country. Additionally, with the accelerated development of digital technology and the establishment of communications infrastructure, financial inclusion is becoming more widespread. We aim to help our customers lead prosperous lives and foster the development of sustainable communities by providing safe, secure, and convenient financial services that meet our customers' needs. We are also exploring the possibility of designating Vietnam as our fourth auto loan market, all while initiating new businesses in countries where we are already present and further extending our overseas operations.

Social Issues to be Addressed through Business Activities

As responding to climate change becomes an immediate global concern, the three countries we have entered are undertaking more aggressive, government-run measures towards EV adoption, even more so than Japan. Although Korean and Chinese automobile manufacturers currently has a strong presence in EV offerings, we believe that the full-scale deployment of EVs by Japanese car manufacturers will create opportunities for our overseas business to branch into the EV sector. We commenced a certified used car scheme in Indonesia in March 2023, aiming to contribute to further growth in the automotive market. This is achieved by creating a market for consumers in Asia to purchase safe and reliable used cars, and by promoting the "reuse" of high-quality Japanese vehicles, which hold more than a 90% share in the Southeast Asian market. Moving forward, we will continue to contribute to the entire development of the Southeast Asian automobile market by exploring the creation of used car markets with certified processes in active personal used car trading markets. Furthermore, we will help to enrich our customers' lives by offering the financial services and new products beyond auto loans most suitable for each country.

Medium to Long-Term Market Outlook

Looking at the global new car sales market, developed countries, including Japan, have been saturated since the 2010s. On the other hand, in the five major Southeast Asian countries, the GDP is expected to grow at an average annual rate of 3% until the 2030s, and new car sales, including for EVs, are expected to increase significantly. In proportion to this increase, the need to purchase automobiles is expected to rise with the increase in consumer income, and the auto loan market is expected to expand further. However, at the moment, there is a need to be mindful of economic trends such as higher-than-expected interest rate increases, the rise in inflation, and a global economic slowdown, which have led to economic slowdowns in the five major Southeast Asian countries and a decline in consumer spending.
Nevertheless, the GDP growth rate in the five major Southeast Asian countries continues to grow steadily, and with the diversification of consumer lifestyles in the post-COVID-19 era, financial services are evolving in a leapfrog manner due to the dramatic spread of digital technology and infrastructure, and consumer usage is expanding. We will firmly acknowledge this trend and continue to provide auto loans, new products, and services that enhance customer convenience, as well as expand our overseas business.

Overseas Business

Capitalizing on our top-class performance and expertise with auto loans in Japan, we will contribute to the healthy growth of the new and used car market in Southeast Asia by offering financial services tailored to local needs.

Thailand

We established an operating company in 2015 to offer used car loans and related products to customers in major urban areas, including Bangkok.

Philippines

In 2019, we established an operating company, expanded our sales network centered in Manila, and provided used car loans to our customers.

Indonesia

In 2021, we acquired shares of a loan company and are offering new and used car loans. We launched a new certified used car scheme in 2023.

Features of the Business and Market Superiority

While tailoring the expertise of our auto loan business, honed in Japan, to fit various overseas markets, we are embracing the challenge of expanding our business into previously untapped markets.

Strengths

- Utilizing the expertise we developed in Japan in the auto loan business, member merchant management, and credit collection
- Fundraising ability

Weaknesses

- Development of overseas talent
- Building a strong governance structure including risk management to align with business expansion

Opportunities

- Increase in the middle-income class with strong purchasing desire due to population growth, acceleration of motorization
- Progress of financial inclusion such as digitization post-COVID-19

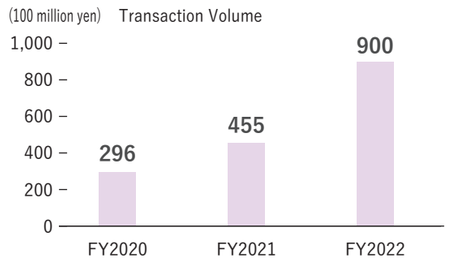
Threats

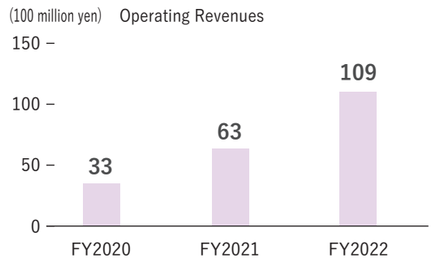
- Intensification in customers' preference for interest rates
- Burden of adapting to regulatory changes imposed by various national supervisory authorities
- Influence of geopolitical and market risks
- Heightened competition with local banks and others

Overview of Fiscal Year 2022

The overseas auto loan business witnessed a substantial increase in transaction volumes across all countries, including Thailand (up 70% YoY), the Philippines (up 95%), and Indonesia (up 230%), spurred by economic recovery from the pandemic and enhancement of the management foundation.

● Overseas





Highlights in Fiscal Year 2022

Beginning in March 2023, we initiated the "certified used car scheme" in Indonesia. In Southeast Asia, where vehicle inspection is limited and there is no quality assurance for used cars, we are utilizing our experience in used car assessments to design a system to cultivate the used car market and boost the auto loan transaction volume. Also, for the first time in the credit industry, we have also formulated a Sustainability-linked Financing Framework, establishing auto loan volumes in Southeast Asia as a key performance indicator (KPI).

Conversation with External Directors

We will continue to strengthen our governance structure as we move toward transforming into a financial services group for a new era

At Orico Group, we aim to further enhance corporate governance by appointing External Directors with a wide range of knowledge and experience. We held an honest discussion about the governance reforms we have been working on and our future goals.



External Director
(Audit and Supervisory Committee Member)
Gan Matsui

External Director
Kazumi Nishino

External Director
(Audit and Supervisory Committee Member)
Naoki Ohgo

—— Our Company kicked off the medium-term management plan in fiscal year 2022. Can you talk about how you've been involved in shaping this plan, and how you evaluate the details and the creation process?

Matsui: In preparation for this iteration of the medium-term management plan, the members of the Board of Directors, including us External Directors, held off-site meetings for several months where we freely exchanged ideas. As a result, I believe we've been able to formulate a business strategy fit for Orico's new era, one that incorporates not only the feedback from the management team, but also discussions with External Directors. I think the plan firmly expresses the direction we wish to head in to transform Orico into a financial services group for a new era.

Nishino: Exactly. In the process of formulating the plan, we all reconsidered what kind of company Orico is, what it should be, and where it's headed, clearly defining our Corporate Philosophy and materiality, and considering the positioning and unified evaluation axis of each business. As a result, I believe we've determined the direction to head in amid changes in the external environment, such as digitization.

Ohgo: During the process of formulating this medium-term management plan, we broke our business down into over 50 units along the two axes of risk return and cost return based on discussions at these off-site meetings. We color-coded them clearly to indicate whether they belonged to the "focus", "maintain", or "reduce" groups. It's significant that we were able to show that our areas of focus are the settlement and guarantee business and overseas business. Also, nearly all full-time employees underwent digital training as part of our digital strategy, with over 1,000 employees volunteering to advance to intermediate training after completing the beginner's course, which I think indicates commitment to enhancing their skills as an organization with a clear strategy. I can feel our Company's potential in this area.

Matsui: I think it was a fantastic process that made clear what we have to do and set priorities and direction based on an analysis of our materiality.

Nishino: There are six key management issues that comprise our materiality, but as an example, one of these, "Creating new customer experience value through the use of financial expertise", has been reinforced in terms of exploring new customers, improving individual understanding of digital technology, and devising new services. Another materiality, "Focusing more on diversity, employee-development, and work-style reforms", is also being put into concrete action to maximize the potential of our staff, with adjustments in personnel placement, compensation revision, and other areas to create a more fulfilling work environment. I think we have ensured the comprehensiveness of our materiality in conjunction with our Corporate Philosophy based on our goal of achieving both a sustainable society and our sustainable growth.

Ohgo: For financial services, we have to consider long-term profits, and management accounting is not easy due to overlapping revenues and costs from multiple business lines, such as the installment credit and credit card businesses. However, the head of the Finance Group was focused on breaking down costs while getting sites involved in preparation for the medium-term management plan, allowing the cost return and risk return to be calculated and leading to a discussion of policies such as the "focus", "maintain", and "reduce" approach. I think the fusion of scientific analysis with Orico's corporate culture of unity through heart-to-heart communication has been conducive to mutual discussions.

Matsui: Indeed. As an External Director deeply involved from the planning stages of the medium-term management plan and shouldering significant responsibility, I will closely monitor and supervise the management team through the Board of Directors to ensure proper implementation going forward. At the same time, I'd like to actively share my opinions and contribute to enhancing Orico's corporate value.



Conversation with External Directors

—— Compared to Orico in the past, what progress do you feel has been made through Board of Directors meetings, offsite meetings, and the like?

Ohgo: Compared to 2014, when I assumed the position of External Director, there are now five External Directors, allowing a diverse range of opinions to be shared based on individual expertise. I feel that now we can have thorough discussions and figure out the correct direction to head in. The materials for the Board of Directors have been significantly enhanced as well.
Nishino: I've been an External Director since 2019. I receive clear materials ahead of time, and I'm also briefed on important items beforehand. Also, offsite meetings and other various opportunities provide plenty of chances for us to deepen our understanding of the Company. A culture has been fostered where External Directors find it easier to voice their opinions.
Matsui: The viewpoints raised at the Board of Directors are given serious consideration, and there have been instances where they were re-examined within the Company and approved in a more refined form. This makes me feel an increased sense of purpose in my role as an External Director and motivates me to improve the Company. I believe that the smooth communication we have with the executive side is generating positive synergy.
Ohgo: Indeed. The transparency of the medium-term management plan formulation process has improved as well. Generally, discussions about scaling back business activities can be challenging, but acknowledging and preparing for this contraction from two fronts was a significant step forward.
Nishino: Now that we've built a commendable strategy, the focus has shifted to the execution needed to achieve it. By cultivating digital talent and utilizing our HR strategy, we are enhancing employees' skills and motivation. As the External Directors work together with the executive side, management, and employees, we will help the Company achieve its vision by offering advice based on our respective areas of expertise.
Matsui: If we view strategy as a unified vision and tactics as the means to achieving it, wisdom becomes the key to executing those tactics. Our Company attracts diligent, hard-working, and motivated individuals, so integrating employees' insights and ideas into management is the essence of our leadership. We have also seen success in new business domains, so I look forward to seeing what innovations emerge in the future.
Ohgo: I often hear people say that Orico is going to become a tech company. If that's the case, not only should we increase recruitment of science and tech professionals, but we must also foster an open environment where people with varied skills and backgrounds, including mid-career hires and freelancers, can flourish.
Nishino: Exactly. Not being restricted by traditional commercial practices and ways of conducting business while fostering personnel and embracing an open working culture, including side-jobs or concurrent jobs, is essential for creating new services and even entirely new business models. Within this framework, I'm hopeful that we'll be able to craft a business model appropriate for Orico as a leading tech company for the next generation.



—— How do you assess our governance structure?

Matsui: Last June, we moved to a company with an Audit and Supervisory Committee, resulting in a robust governance framework. This structure combines proactive governance led by the execution team and protective governance centered around the Audit and Supervisory Committee, strengthening it in unison. The Audit and Supervisory Committee, consisting of three External Directors and two full-time internal Directors, a total of five members, works diligently to enhance the effectiveness of audits. This is achieved by conducting organizational audits through information from the internal control division, as well as actual audits performed by full-time Audit and Supervisory Committee Members. One year after the change in the governance structure, we have concluded that our goal of enhancing governance has been successfully achieved.
Ohgo: The separation between the executive and supervising sides has allowed for an increase in decisions made by the President and Representative Director, resulting in more rapid decision-making. Additionally, discussions within the Board of Directors have become focused on crucial matters, with an increase in more medium- to long-term perspectives. I feel like our management approach has undergone a significant transformation.
Matsui: Risk management, compliance, and internal auditing have become more transparent. There are also more opportunities to communicate with Directors outside of Board meetings, which helps with auditing the appropriateness of management.
Nishino: While company audits have consistently been conducted by auditors in an effective manner, ever since moving to an Audit and Supervisory Committee, the Committee has carried out more in-depth evaluations of the management's appropriateness, thus ensuring meticulous and independent management oversight. The increase in the number of External Directors has also contributed to diversifying the Board.

—— Finally, do you have a message for our stakeholders?

Nishino: I believe the role of an External Director is to provide feedback for the sake of the future of the Company by drawing upon insights and experience nurtured in an external environment from an objective standpoint. As someone specializing in business administration and business models, and—while this isn't a specialty per se—as a woman, I intend to contribute to a better future for our Company, which includes addressing challenges such as improving the ratio of female managers.



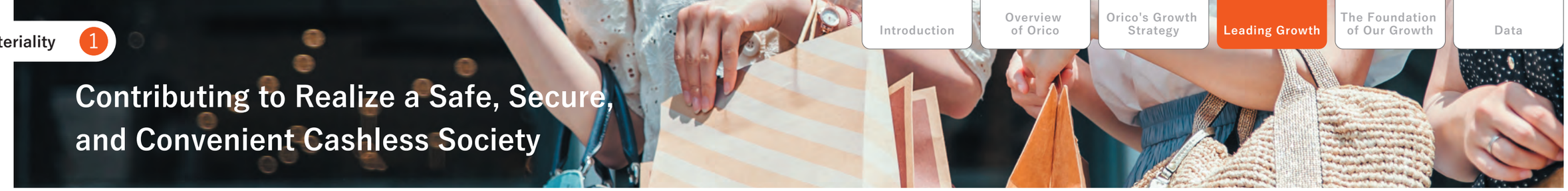
Ohgo: As I embark on my tenth year as an External Director and as it gradually becomes harder to remain independent, I'm looking ahead to the next ten years with intent of leveraging my network to support new business domains and DX. A key issue this year is our relationship with Mizuho Bank. We must establish a cooperative and collaborative relationship while maintaining independence as a listed company on the Tokyo Stock Exchange's Prime Market.
Matsui: Our Company, with its long history and high social credibility, must be wary of being constrained by past precedents or various entanglements. However, "Transformation Now!" is exactly what is being demanded of Orico now. We External Directors have been deeply involved from the planning stages of the current medium-term management plan. Given the magnitude of this responsibility, I believe we must supervise and monitor management through the Board of Directors to enable it to properly implement this plan, as well as actively voice our opinions to help enhance corporate value.
The fundamental position of an External Director focuses on monitoring management and maintaining a healthy tension with the executive side. In addition, besides providing feedback on management decisions from a broad stakeholder perspective, our Company consists of External Directors with remarkable skills, and harnessing the abilities of every External Director will enhance the Company's strength. Personally, as a legal expert, I wish to continue keeping watch particularly when it comes to areas such as corporate misconduct and crisis management.

Sustainability Goals and Achievements

Materiality	Initiatives	Initiative Details		KPIs (FY2024)	SDGs	Social Value/Corporate Value Targets	Results and Achievements for FY2022
Contributing to realize a safe, secure, and convenient cashless society	Expanding the use of credit cards	・Expand credit card membership base ・Strengthen promotion of debit cards ・Strengthen the promotion of acquiring		Expand card shopping transaction volume to 3.5 trillion yen to achieve a cashless ratio of 40% in Japan by 2025		Contribute to consumer convenience by promoting cashless payment through increased use of credit cards	・Credit card transaction volume: 2.9 trillion yen ・Promoting co-branded credit cards targeting the IP/entertainment (character ticket/POD) industry
Creating new customer experience value through the use of financial expertise	Automation of assessment operations	・Promote web-based applications, automated assessment ・Digitization of customer contact points (e.g., confirmation of contract intention via SMS, digitization of various information) ・Improve AI credit checks for credit cards		Double the rate of fully automated reception and assessment operations to provide high quality services and improve customer convenience ・Credit card automation rate of 80% or more ・Total automation rate of 40% or more		Improve customer convenience, provide high-quality services, and increase productivity by promoting automation of business operations	・Credit card automation rate of 41.7% ・Overall automation rate of 21.5% ・Expanding member merchants eligible for confirmation via SMS to enhance convenience
Contributing to realize a decarbonized and circular society	Reduction of greenhouse gas emissions and energy usage in business operations	1) Encouraging the switch to eco-friendly company-owned cars (such as EV, FCV, HV, and fuel-efficient vehicles) 2) Reducing the total number of company-owned cars ・Reducing CO_2 emissions through the transition to eco-friendly vehicles and reducing gasoline usage by promoting online operations and decreasing travel distance 3) Reducing energy usage ・Further introduction of energy-efficient and renewable energy equipment ・Updating energy-efficient equipment in company buildings ・Considering the adoption of renewable energy and equipment		1) An eco-friendly vehicle ratio of 75% or higher. Promoting the eventual shift to using eco-friendly vehicles for 100% of company-owned cars 2) 10% reduction in the total number of company-owned cars 3) 3% reduction in energy usage (based on original units) compared to FY2021		Contributing to a decarbonized society through the reduction of greenhouse gas emissions and energy usage	1) Eco-car ratio of 45.7% 2) Reduction of total vehicle count by 1.4% 3) Switching to LED lighting in our buildings and updating to high-efficiency air-conditioning systems
	Promoting a paperless business operation	1) Reduced paper usage through digitization (including application forms, 800 types of copy documents, card issuance included materials, commercial product agreements, accounting forms) 2) Company-wide reduction in copy paper purchases		1) CO_2 reduction equivalent to 800 t/year through reduced paper usage 2) 15% reduction in copy paper purchases compared to FY2021		By promoting the efficient utilization of limited resources of the entire Group, we contribute to a circular society	1) Reduction of CO_2 by 124 t/year through paper reduction 2) 8.3% cut in copy paper purchases compared to FY2021
Contributing to sustainable community development	Using our expertise to provide financial products in Southeast Asia	Expansion of auto loan business ・Research market trends in each country and expand into new markets to increase market presence		・Expanding the transaction volume to 133.5 billion yen to enrich citizens' lives ・Expanding the number of loan users to 65,000, including auto loans		By providing tailored services for each country, we contribute to the development of the automotive market in Southeast Asia	・Transaction volume of 90 billion yen ・Approximately 40,000 new applications
	Expanding credit provision to small- and medium-sized enterprises (SMEs) and individual business owners	Expanding the accounts receivable settlement guarantee business: ・Full-scale deployment of guarantee factoring and development/release of purchase factoring ・Exploring major partnerships through product improvements in "Smart Plan (debt assignment type)"		To further enhance the credit intermediation function in the local community, expand the transaction volume of accounts receivable settlement guarantees to 300 billion yen		By providing a secure business transaction environment, we contribute to the revitalization of the local economy through support for SMEs and individual business owners	・Accounts receivable settlement and guarantee transaction volume of 237.6 billion yen* ・Alliance initiated with Mizuho Engagement Office and initiatives at sales branches enhanced
	Providing sustainable products through collaboration with regional financial institutions	Developing sustainable products in collaboration with financial institutions (such as decarbonization-focused multi-purpose loans)		Partnering with 10 or more financial institutions to develop sustainable products that contribute to solving regional challenges		We contribute to regional revitalization by offering financial products and services tailored to local challenges	・Collaborations with six financial institutions (Ehime Bank, three Shinkin Banks in Miyagi Prefecture, Kiyo Bank, Keiyo Bank) ・Offering sustainable products that address regional challenges
Focusing more on diversity, employee-development, and work-style reforms	Creating an environment where diverse talents can thrive	・Raising awareness among manager candidates ・Creating an environment for women to succeed		We aim to promote the active participation of women and create an organization where diverse talents with unique characteristics can thrive ・Female manager ratio (Senior Manager level or higher) Target for FY2024: 27% or higher Target for FY2026: 30% or higher ・Female manager ratio (department/office General Manager level) Target for FY2024: 9% or higher Target for FY2026: 12% or higher		By promoting initiatives that leverage diversity, we will create an environment where each employee can work enthusiastically and thrive	・Female manager ratio: 26.2% at Senior Manager-level or higher, 6.7% at General Manager-level ・Leadership training conducted for female employees
		Promotion of male childcare leave uptake		We strive for a society where work-life balance is achievable for both men and women, aiming for a 100% male childcare leave uptake			・Male childcare leave utilization rate of 102%, indicating that eligible personnel and managers are being encouraged to take the leave after childbirth
		Utilizing surveys to enhance employee engagement		Improvement of Employee Engagement Score to BBB (an increase of three ranks on the 11-rank AAA-DD scale)			・Employee engagement score: B ・Sharing survey results targeting managers, holding meetings to discuss action plans
	Expanding support measures for autonomous career development that cater to each employee's drive to grow	Meeting employees' drive to grow by expanding opportunities ・Providing opportunities to gain experience in other companies' overseas divisions or digital divisions ・Providing opportunities to work outside the company through side jobs and rental transfers ・Posting internal job openings		Over 3 years, 200 employees have participated in new experiential programs both within and outside the company, including side jobs and trainee positions in startup companies		Through the provision of diverse learning opportunities and platforms, we will foster employees who can excel in various situations	・80 participants ・Posting internal job openings such as side jobs at startups, rental transfers, and external/overseas trainee experiences
		Expanding talent with DX skills (DX promotion personnel) ・Developing DX talent development programs ・Cultivation of DX culture		Expanding talent with DX skills (DX promotion personnel) to 3,000 individuals			・3,208 individuals certified as DX promotion personnel, reaching the goal three years early
	Promoting work-life balance	Optimizing total working hours through initiatives such as improving the rate of taking paid leave		Achieving a paid leave utilization rate of 70% or higher to establish a work-life balance		We promote a work style that emphasizes a healthy balance which will enhance employee satisfaction and improve productivity	・Paid leave utilization rate of 69.4%, with biannual council meetings held within each organization to discuss reducing work hours

*The figures include the accounts receivable settlement guarantees handled through credit cards.

Materiality 1

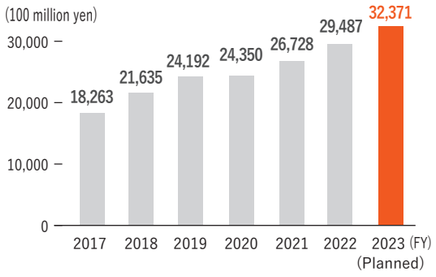


Contributing to Realize a Safe, Secure, and Convenient Cashless Society

Expanding the Use of Credit Cards

Our Company is continually working on expanding our membership by developing a variety of convenient cards, including credit cards, tailored to customer needs in alliance with various domestic companies and organizations. Due to the demand for contactless payment amid the COVID-19 pandemic, we are issuing credit cards equipped with touch payment promoted by international brands, in addition to supporting payments via iD, QUICPay, and Apple Pay (QUICPay).
Furthermore, we have improved the design and reduced the risk of card information theft by displaying credit card numbers and other sensitive information on the back, and introduced on-demand printing*1 technology to allow customers to choose their design for added enjoyment. We will continue to provide attractive services that anticipate the diversifying needs under the new lifestyle.

● Credit Card Transaction Volume



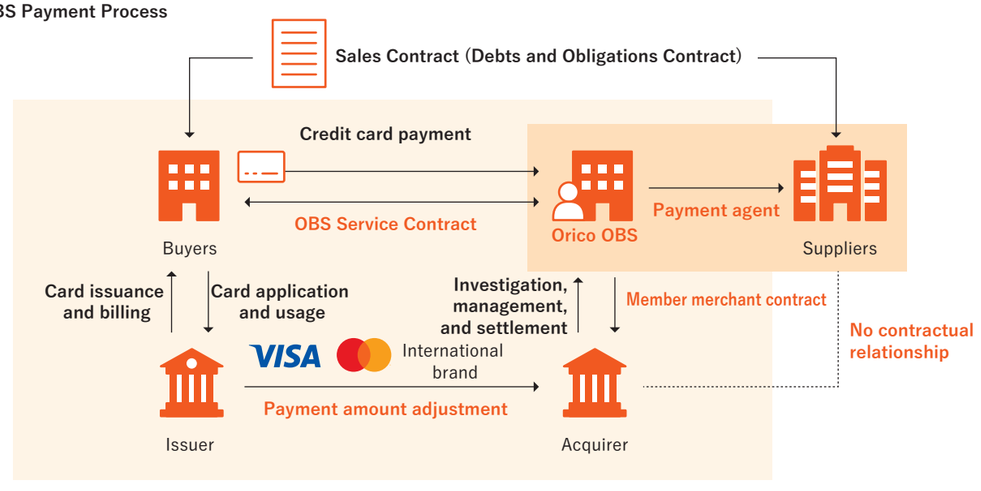
*1 On-demand printing: Printing technology that makes it easy to issue cards even in small lots

Expanding the Use of Business Credit Cards

We provide convenient credit cards and loan cards for business expense payment to corporations and individual business owners. In the small- and medium sized enterprises (SMEs) market, the use of business credit cards is biased towards travel expenses and entertainment expenses, and expanding the use to inter-business payments such as purchase funds has become an industry-wide issue. Amidst these circumstances, the emergence of invoice card payment businesses *2 has made it possible for buyers to make card payments to suppliers who do not accept cards.
We are working to enhance the added value of business credit cards by acquiring alliances with a number of invoice card payment businesses, and we began offering Orico Business payment for SME (OBS) in April 2023.

*2 For invoice card payments, the business names are: BPSP for Visa, BPAP for Mastercard, and BBPS for JCB.

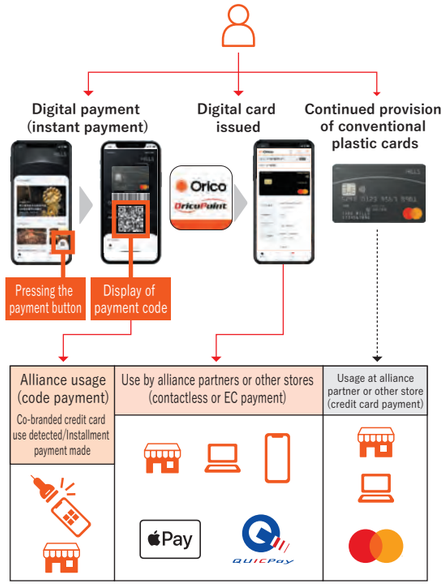
● OBS Payment Process



Providing New Cashless Payment Services

Our Company is working towards making a cashless society a reality to improve customer convenience and safety through various platform implementations.
We have introduced a digital payment scheme that enables immediate completion of the credit card application procedure through the customer's smartphone app (alliance partner/our Company), which includes making QR code payments. This responds to the needs of customers who wish to shop at partner stores without waiting to receive their credit cards (delivered afterwards by mail).
Moreover, we obtained certification as a "Certified Comprehensive Credit Purchase Intermediary" newly established by the revised Installment Sales Act (implemented in April 2021) in June 2023. By substantially reducing the number of required entry fields and automating the review process at the time of application, we have managed to shorten assessment times.
In the future, we are preparing to introduce digital cards that allow card information to be checked anytime after completing the membership procedure through e-Orico and smartphone apps, enabling contactless payments for online shopping and physical stores.

● Overview of New Cashless Payment Services

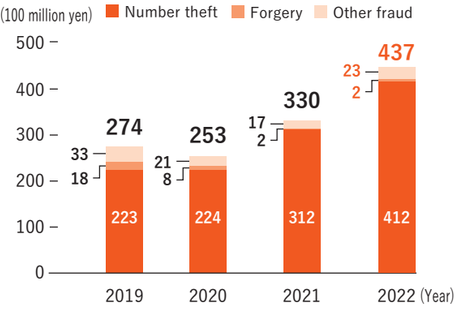


Strengthening Measures against Credit Card Fraud through the Utilization of Digital Technology

Our Company takes security measures in accordance with the risk by actively promoting the acquisition of PCIDSS*3 certification for systems that hold credit card information to protect it from various unauthorized access and to strengthen measures against unauthorized usage resulting from theft and the like.
Furthermore, we are working with security vendors and others to detect and shut down the phishing sites that have been proliferating recently, as well as implementing e-mail authentication technology (DMARC*4) as a measure against deceptive e-mails pretending to originate from our Company.
In June 2023, we released a new fraud detection system, "IFINDS". In addition to the conventional 24-hour, 365-day monitoring system, we have implemented a more advanced fraud detection system that utilizes the features of AI, such as continuous learning of fraudulent trends and fast and accurate analysis of large transaction data, to detect third-party fraud in advance.

*3 PCIDSS: An abbreviation of Payment Card Industry Data Security Standard.
It is an international unified standard for card information security established to protect card member information.
*4 DMARC: An abbreviation of Domain-based Message Authentication, Reporting, and Conformance.
It is a technology for authenticating the sending domain for e-mails.

● Fraud Damage in the Credit Card Industry



Japan Consumer Credit Association's Survey

* There may be discrepancies in the totals due to rounding adjustments.

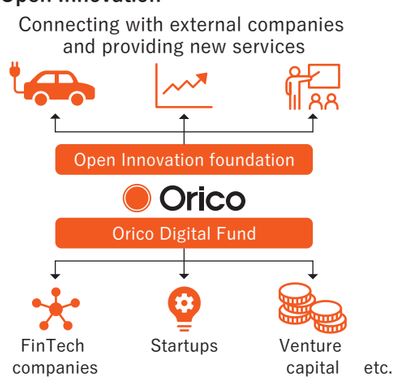
Materiality 2

Creating New Customer Experience Value through the Use of Financial Expertise

Providing Customer Experience Value through the Use of Digital Technology

Our Company is striving to be an enterprise that continues to provide new customer experiences by utilizing digital technology and data to create products and services that address our customers' challenges. By blending our expertise and insights in financial services with the digital technology and business models of startups, we aim to provide new value to our customers. To this end, we are leveraging the investment capabilities of the "Orico Digital Fund", advancing collaborations and capital and business alliances with cutting-edge technology companies and startups. Furthermore, we are conducting research into digital technologies, including the metaverse, and actively pursuing development of the infrastructure required for open innovation. Our commitment is to continually work towards enhancing our customers' benefits and convenience while contributing positively to society and the environment.

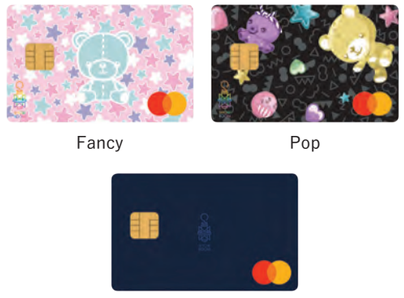
● Creating New Business Models through Open Innovation



Capital and Business Alliance with SHOWROOM

In June 2022, we entered into a capital and business alliance with SHOWROOM Inc. (hereinafter “the company”) to expand our business in the digital content market. In an effort to provide new financial services, we have combined the live-streaming know-how that the company has cultivated with our financial services to explore initiatives that support the digitization of our member merchants and provide services to digital content viewers and live-streamers. As the first step, in June 2023, we began issuing the SHOWROOM CARD. We will continue to work to provide new experience value to our customers beyond our current financial service offerings.

● SHOWROOM CARD



Automation of Assessment Operations

Our Company has advanced the automation of assessment operations through the sophistication of credit scoring models using AI, and the refinement of fraudulent application detection, as part of our efforts to implement automation operations utilizing digital technology to enhance business quality and response speed for our customers. Furthermore, by promoting the transition of contract confirmation tasks from phone calls to Short Message Service (SMS) confirmation tasks, we have made them available 24 hours a day online, significantly improving customer convenience by shortening the time from application to contract. We will continue to provide new value by furthering automation.

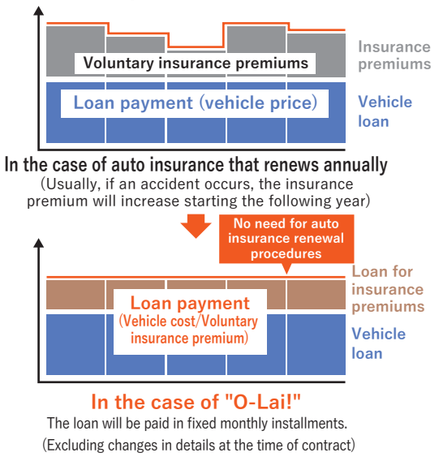
● Assessment Flow Overview



"O-Lai!" Auto Loans with Long-Term Auto Insurance

Our Company has obtained a business model patent for the application system of "O-Lai!" (auto loan with long-term auto insurance). "O-Lai!" is a loan product that integrates long-term lump-sum payment auto insurance into an auto loan, which eliminates the need for contract renewal procedures for auto insurance during the usage period, eliminates increases in insurance premiums even in the case of an accident until the end of the contract, and consolidates vehicle purchase prices and auto insurance payments. By utilizing this application system, it is possible to simplify the application procedures for installment payments of auto insurance and auto loans. We will continue to contribute to improving the convenience of our customers and member merchants and create new customer experience value.

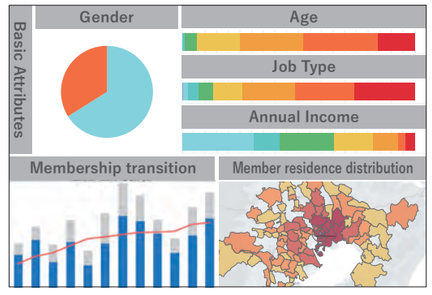
● "O-Lai!" System



Data Business Initiatives

As our foray into a new business domain, our Company leverages the know-how in data utilization that we have cultivated up until now, such as in visualizing information and building scoring models, to provide data analysis services to external companies. We utilize anonymized data, such as open data from the national census, geolocation data, and credit card usage information, through statistical processing. We aim to help solve the marketing challenges that many companies face, such as understanding customers, effective promotional activities, and competitor store analysis. We also help increase the number of customers and sales, as well as provide efficient customer communication support, thus assisting in the future growth of our clients.

● Membership Analysis Result Provision Image

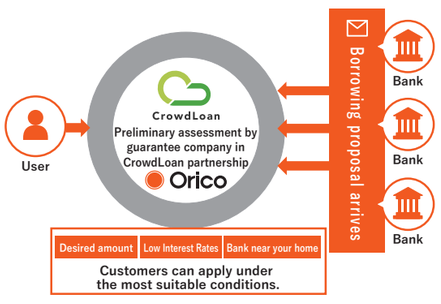


We provide information that can be utilized for promotions, such as enhancing the visibility of analysis results for basic attributes, membership trends, and so on.

Developing New Financial Services in Collaboration with Financial Institutions

Our Company is providing new services in collaboration with FinTech companies as a new initiative for personal loan guarantees.
Through CrowdLoan Inc., we conduct a preliminary assessment as a guarantor for customers who wish to borrow. As a result, customers will receive proposals for borrowing conditions from our affiliated financial institutions. We believe that eliminating the asymmetry of information between financial institutions and customers will lead to improved customer benefits and experience value. We will continue to collaborate with FinTech companies to expand customer-oriented services.

● CrowdLoan Overview



Materiality 3

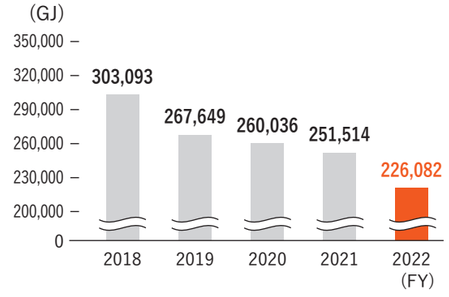
Contributing to Realize a Decarbonized and Circular Society

Initiatives to Reduce Greenhouse Gas and Energy Usage in Business Operations

As a result of our efforts to update to energy-saving equipment with consideration for the environmental impact of major devices such as air conditioners in our company building, and the progressive transition to LED lighting devices, energy consumption in fiscal year 2022 has been reduced by 10.1% compared to fiscal year 2021. We are also reducing CO_2 emissions by promoting the use of eco-cars (HVs, fuel-efficient vehicles) as company-owned vehicles, reducing gasoline consumption by decreasing the total number of company vehicles, and decreasing travel distance by promoting online sales. In fiscal year 2023, we will continue to work towards further reducing energy consumption, which includes considering the introduction of renewable energy.

Energy Consumption

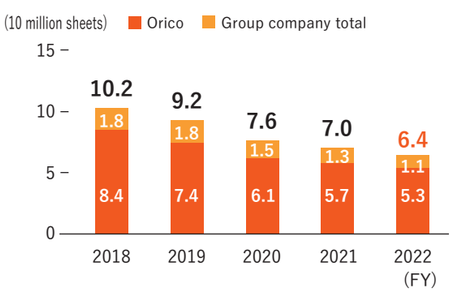
*Calculated based on the Act on Rationalizing Energy Use



Promoting a Paperless Business Operation

Our Company is pursuing initiatives to transition to paperless documentation both internally and externally. Following the previous digitization of credit card statements, in 2022 we made shopping ticket methods and accounts receivable settlement guarantee statements available online, and we also digitized approximately 200 types of processing slips. Through these activities, we reduced CO_2 by approximately 124 t across the entire Group. Additionally, by promoting remote meetings and cultivating environmental consciousness among employees, we achieved an 8.3% reduction in the purchase of copy paper in fiscal year 2022 YoY.

Amount of Copy Paper Purchased



Promotion of Initiatives for CO_2 Reduction and Energy Saving

We have been contributing to the popularization of solar power systems by including storage batteries as eligible targets for home renovation loans, which allow partial early repayment through subsidies, to improve customer convenience. In addition, in our efforts to constantly anticipate the needs of the market in the development of loan products related to V2H and energy-saving equipment, we created a solar power system extended warranty system attached to home renovation loans through an alliance with ITOCHU Orico Insurance Services Co., Ltd. Going forward, we will continue to work towards reducing CO_2 and conserve energy by further promoting the government-recommended private consumption of electricity through the use of solar power generation and storage batteries, as well as loans that address split needs in renovation work aimed at improving the insulation performance of existing homes.



Helping to Expand the EV Market through Collaboration with Startup Companies

In November 2022, we formed a new investment framework, "Orico Sustainability Fund", with the aim of creating new business opportunities leading to decarbonization and achieving sustainable local community development. For the first project, we entered into a capital and business alliance with ASF Inc., an electric vehicle (EV) fabless manufacturer*, to create new businesses that contribute to a carbon-neutral society. As a finance partner, we collaborated with the company, which uses a supply chain characterized by a horizontal division of labor, where different companies work together using their respective areas of expertise. Through our network, we will provide the company's cost-effective EVs to member merchants and customers nationwide and contribute to the expansion of the EV market.

*Fabless manufacturer: A manufacturer without its own factories

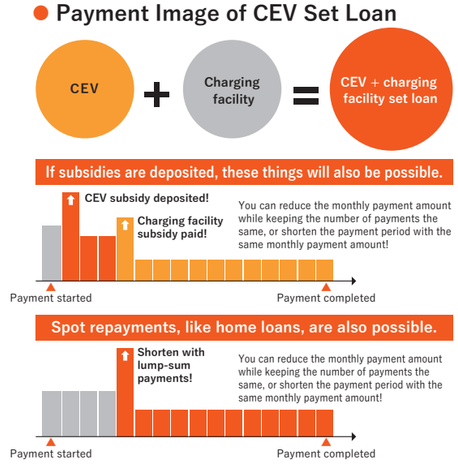
EV Delivery Overview



Initiation of Handling New Products for Promoting the Proliferation of CEV

Our Company has developed a set loan scheme for clean energy vehicles (CEVs) and charging facilities, including V2H, and began a trial run at some member merchants in February 2023. The automobile market is expected to advance in the direction of electric vehicles, but there may be a need to secure charging facilities and the like for customers to be able to purchase CEVs with confidence. Until now, we have handled loans for CEVs and charging facilities separately, but in the future, we will not only combine payments, but also meet a wide range of customer and member merchant needs, such as pre-filling CEV subsidies and spot repayments. Through this scheme, we will strive to contribute to making a decarbonized and circular society a reality, such as by supporting the popularization of CEVs and charging facilities, CO_2 reduction, and promoting energy conservation.

Payment Image of CEV Set Loan



Joining MOBI

In May 2022, our Company joined the Mobility Open Blockchain Initiative (headquartered in California, USA; Representatives: Chris Ballinger, Tram Vo; hereinafter "MOBI") to promote and standardize blockchain technology in the mobility industry and lithium-ion battery supply chain. Through activities at MOBI (such as research on business models utilizing blockchain technology in the mobility field, industry rule formation, and standardization), we will promote the transition to a decarbonized society and aim to make a decarbonized and circular society a reality.

Contributing to Realize a Decarbonized and Circular Society

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES | TCFD Consortium

Climate Change Initiatives

Since the Paris Agreement came into effect in 2016, there has been a rapid increase in the demand for companies to address climate change risks and pursue decarbonization.
We recognize the impact of intensified abnormal weather events, such as typhoons and heavy rainfall, and the transition to a decarbonized society as serious risks. As one key priority that is part of our materiality, we have set the objective of "contributing to realize a decarbonized and circular society" and are progressing towards achieving this goal by utilizing our business expertise and creating new business opportunities.
The information to be disclosed in accordance with the TCFD recommendations, under the topics of "Governance", "Risk Management", "Indicators and Targets", and "Strategy", is as follows.

Governance

We prioritize maintaining transparency in management and fairness towards stakeholders, as well as making prompt and definite decisions, and we are striving to enhance our corporate governance in light of the business environment. In view of the importance of business strategies that include risks and opportunities related to climate change, we have established a system for deliberation and reporting within the Sustainability Committee, chaired by the President and Director. In addition, we report regularly to the Board of Directors on the review status of business strategies that include risks and opportunities related to climate change.

Risk Management

We recognize that the impact of business continuity risks is limited, as we do not hold any interests in business sites directly affected by climate change, and have established business continuity plans and conducted BCP training anticipating emergencies such as large-scale disasters.
However, in light of the impacts of climate change on our business and society, as well as the rapidly accelerating efforts in policy and industry, we recognize “the impact on business due to the introduction/change of new regulations related to climate change and technological innovation” as a serious risk. Therefore, we have selected it as one of our top risks, intensified monitoring, and are reporting management conditions to bodies such as the Comprehensive Risk Management Committee and the Board of Directors.

Indicators and Targets

Based on the TCFD recommendations, we are working to quantify Scope 1, Scope 2, and Scope 3 emissions in accordance with the GHG Protocol as indicators contributing to our understanding of climate change-related risks and opportunities. Additionally, our Company's emissions over the past three years and reduction targets are as follows. We will continue to work towards reducing emissions in order to contribute to the Paris Agreement's goal of limiting global warming to 1.5°C and the Japanese government's goal of achieving net zero by 2050.

Reduction Target Reduction target for 2030 compared to 2020: Reduce Scope 1 and Scope 2 by 42%, Scope 3 by 25%

Category		FY2020 Emissions ($t\text{-}CO_2$)	FY2021 Emissions ($t\text{-}CO_2$)	FY2022 Emissions ($t\text{-}CO_2$)
Scope 1	Direct emission of greenhouse gases by the business operator	2,971	2,951	2,905
Scope 2	Indirect emissions associated with electricity, heat, and steam supplied from other companies	10,395	10,394	9,541
Scope 3	Category 6 Business Travel, Category 7 Employee Commutes	2,690	2,632	2,469
Total		16,056	15,977	14,915

Strategy

Our Company has positioned sustainability as a top theme in our medium-term management plan. Within this context, we have defined materiality to be prioritized for the realization of our 10-year vision for our society and of the Company, and by using the backcasting technique, we are working to solve social and environmental issues, including climate change.
With regard to the potential effects of climate change on our Company, the specific scenarios we have analyzed and the corresponding measures, based on the TCFD recommendations, are as follows.

Classifications	Scenario	Changes in Externalities	Timeframe	Possibility of Occurrence	Orico's Risks & Opportunities	Total Impact Value (Sum within the Period)	Level of Impact	Countermeasures
Transition risk	Used gasoline car risk	Regulatory and consumer preference changes drive a shift to EVs, shrinking the market for new and used gasoline cars	Medium-to-long-term	High	Decrease in volume of auto loans for used gasoline cars	Transaction Volume Approx. -130 billion yen	Low	Expansion of transaction volumes for new EVs, overseas EVs, and EV leasing Formation of a suitable used EV market through initiatives like MOBI
Transition risk	Increased financing expenses due to delays in sustainability initiatives	Increasing demand for social and environmental aspects from institutional investors and others will increase the importance of sustainable finance	Medium-term	Medium	Higher funding costs due to the deterioration of our image and reputation for handling auto loans for gasoline vehicles	Financial expenses Approx. +4.5 billion yen	High	Continue to implement ESG financing Publicize our high level of ESG awareness and initiatives in various disclosures
Transition risk	Introduction of carbon tax	Government policy to become carbon neutral (net zero) by 2050 will lead to further carbon taxation	Medium-to-long-term	Medium	Increased business costs due to the introduction of the carbon tax	Ordinary profit Approx. -1.5 billion yen	Low	Reduction of energy emissions Introduction of renewable energy Installation of high-efficiency energy-saving equipment Purchase of certificates and credit
Physical risk	Business continuity risk due to increased extreme weather such as typhoons and heavy rain	Increased risk of business continuity due to frequent disasters such as typhoons, floods, and other similar events Note: Following the 4°C scenario	Medium-to-long-term	Low	Increased business continuity risk in the event of a power outage at our data center	Operating revenue Approx. -500 million yen (Assuming 1 day down)	Low	Support for business continuity during disasters
Opportunity (Market)	Formation of the used EV market	Appropriate valuation of used EVs (market formation) and increased EV ownership (change in consumer behavior)	Medium-to-long-term	High	Establishment of EV battery valuation method and correct evaluation of the value of used EVs will lead to an influx of EVs into the used car market, in which we have a large market share, and increase our transaction volume both in Japan and overseas	—	—	Formation of a suitable used EV market through initiatives like MOBI
Opportunity (Market)	Ethical shift	Trends with regard to regulatory authorities and consumer awareness and behavior are moving in the direction of heightened environmental and social consciousness, creating momentum for ethical consumption	Medium-to-long-term	Medium	A shift in consumer awareness toward environmentally and ethically conscious products has increased demand for products and services such as solar power generation, V2H, and social contribution cards, leading to an increase in our transaction volume	Transaction volume Approx. +870 billion yen	High	Fulfilling needs for environmentally friendly products (both in credit provision and sales) Differentiation of our products (sales of set environmentally friendly products) Expansion of partnerships for social contribution cards
Opportunity (Market)	Reduction of financing expenses through enhanced sustainability measures	Increased importance of sustainable finance due to growing demand for green social aspects from consumers, financial institutions, and institutional investors	Medium-term	High	Increased potential for lower financial expenses through new fundraising methods such as sustainability-linked loans/bonds in response to the expansion of ESG investments	Financial expenses Approx. -100 million yen	Low	Establishing KPIs that are valued by investors Improvement of ESG ratings
Opportunity (Market)	Disaster prevention and mitigation demand	Increased demand for financing for disaster prevention and mitigation due to increased disasters such as typhoons, floods, and other similar events	Medium-to-long-term	Medium	Increased demand related to disaster prevention and mitigation, increasing opportunities for our support. Increased disaster resilience of our stakeholders and our business continuity	Transaction volume Approx. +150 billion yen	Low	Prompt response to the demand for funds for disaster prevention, mitigation, and recovery Collaboration with local governments on disaster prevention and mitigation

Detailed information about our climate change initiatives is available on our website.
https://orico.jp/en/tcfd

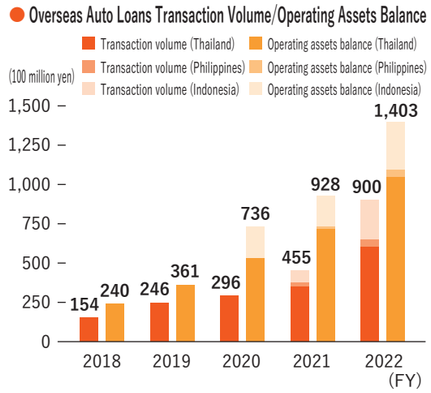


Contributing to Sustainable Community Development

Using Orico's Expertise to Provide Financial Products in Southeast Asia

Our Company is developing auto loan businesses in three countries: Thailand, the Philippines, and Indonesia, with the aim of developing the automobile market in Southeast Asia and helping people lead rich lives. We expanded our financial services that leverage the know-how and expertise cultivated in the domestic auto loan business to a transaction volume of 90 billion yen and an operating assets balance of 140.3 billion yen in fiscal year 2022, and launched a certified used car business in Indonesia in March 2023. In Southeast Asia as well, the advancement of digital technology and the post-COVID-19 situation are changing the game and diversifying consumer lifestyles. We are contributing to sustainable community building by providing optimal financial and payment services not limited to our auto loan business.

Overseas Auto Loans Transaction Volume/Operating Assets Balance



Continuous Implementation of ESG Procurement

Our Company positions sustainability that achieves both social value and corporate value as the core of its management, with the goal of solving social issues through its business activities and enhancing sustainable profits. In our overseas business, we set the annual transaction volume of auto loans (used cars + new EVs) in three Southeast Asian countries (Thailand, the Philippines, and Indonesia) as a KPI for the Sustainability-linked Financing Framework, the first of its kind formulated in the credit industry, and conducted fundraising in both loan and bond formats. Additionally, we have carried out ESG financing in a variety of ways, including green bonds for solar home renovation loans and EV-oriented auto loans, and social bonds for funding tuition loans, thus contributing to environmental improvements and the resolution of social issues.

ESG Finance Situation (as of March 2023)

Procurement Method	Balance
Sustainability-linked financing	95.5 billion yen
Sustainability-linked loans	85.5 billion yen
Sustainability-linked bonds	10 billion yen
ESG bonds	20 billion yen
Green bonds	10 billion yen
Solar panel receivables, etc.	5 billion yen
EV receivables	5 billion yen
Social bonds	10 billion yen
Tution fees receivables	10 billion yen

Providing Sustainable Products through Collaboration with Regional Financial Institutions

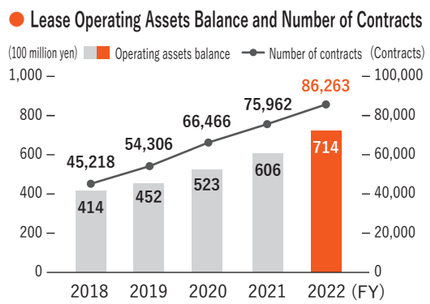
Through collaboration with local financial institutions, we are working to revitalize local economies by providing financial products that solve customer issues. In fiscal year 2022, we started offering three purpose loans (EV car loans, education loans, and home renovation loans) in cooperation with The Ehime Bank, Ltd., and education card loans as unified products with three credit associations (Ishinomaki Syokou Shinkumi, Furukawa Credit Cooperative, and Community Bank Senpoku) in Miyagi Prefecture. We will continue to strengthen our relationships with financial institutions and advance the provision of financial products that contribute to solving various local issues, all while working to achieve a sustainable society together with our customers through said provision.



Revitalizing Local Economies through Support for SMEs and Individual Business Owners through Financial Products

Since 2015, we have operated a small-lease guarantee business for small- and medium-sized enterprises (SMEs) and individual business owners. Despite rapid changes in the business environment since the start of operations, as of fiscal year 2022, we have achieved lease operating assets of 70 billion yen, 86,000 contracts, and new contracts amounting to more than 30 billion yen, cementing our presence in the industry. Furthermore, through the OBL Direct Lease, which meets the equipment investment needs of member merchants nationwide, we are currently achieving an annual transaction value of over 400 million yen, primarily for environmental products such as automotive maintenance equipment and LEDs. By fulfilling the equipment investment needs of many SMEs and individual business owners who are attempting to make their businesses succeed through our financial products, we contribute to revitalizing local economies and building sustainable communities.

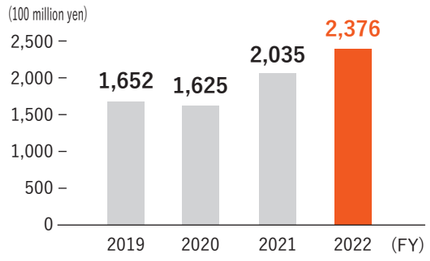
Lease Operating Assets Balance and Number of Contracts



Expanding Credit Provision to SMEs and Individual Business Owners

Our Company is committed to providing the optimal inter-company payment environment for SMEs and individual business owners, by offering a wide range of accounts receivable settlement guarantee services, and we are grateful to many SMEs and individual business owners for utilizing them (transaction volume in fiscal year 2022 was 237.6 billion yen, a 16.7% increase YoY). Currently, against the backdrop of social conditions such as labor shortages due to declining birthrates and an aging population, and rising geopolitical risks, there is an increasing need for efficiency and preservation of accounts receivable collection in inter-company payments, and further market expansion is expected. By collaborating with Mizuho and regional financial institutions, we contribute to revitalizing local economies by providing services such as accounts receivable settlement guarantees that are best suited to the characteristics and management challenges of SMEs and individual business owners, thereby achieving a stable business-to-business settlement environment and improving operational efficiency.

Transaction Volume for Accounts Receivable Settlement Guarantees

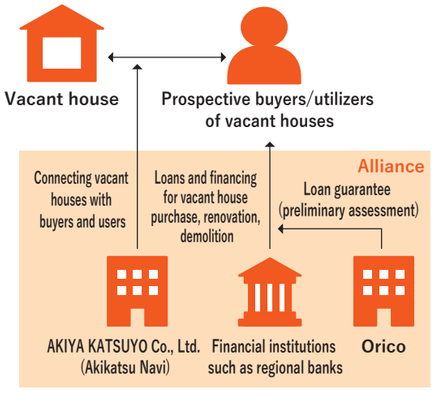


Note: The figures include the accounts receivable settlement guarantees handled through credit cards.

Product Development Linked to Local Problem Solving

The "vacant house issue" that emerged recently is in part due to there being only a few financial products that can accommodate the purchase or renovation costs of older homes with shorter lifespans. This has resulted in situations where potential buyers exist, but actual purchases do not occur. Considering this scenario, our Company developed loan products specifically targeting vacant houses with AKIYA KATSUYO Co., Ltd., which maintains data on vacant houses in collaboration with local governments and offers services for the utilization of vacant houses, and regional financial institutions nationwide. With the nationwide rise of the "vacant house issue" against the backdrop of declining birthrates, an aging population, and a shrinking population, our aim, in collaboration with AKIYA KATSUYO Co., Ltd., local governments, and regional financial institutions, is to provide comprehensive support from understanding the actual situation of vacant houses to promoting their effective utilization.

Akikatsu Loan Scheme



Materiality 5

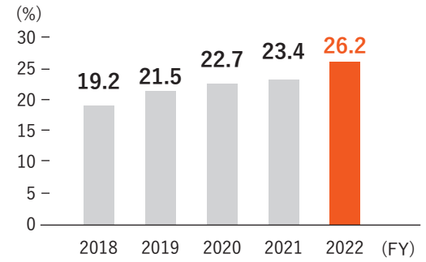


Focusing more on diversity, employee-development, and work-style reforms

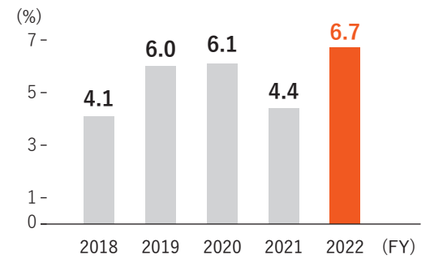
Creating an Environment Where Diverse Talents Can Thrive

To drive our Company's development even further, we recognize the need to expand the spheres of activity for our diverse workforce more than ever and enable them to fully unleash their potential. Through specialized training programs for prospective female leaders and level-specific training aimed at creating a talent pool for potential management positions, in fiscal year 2022, the proportion of female managers at the Senior Manager-level and above was 26.2%, while 6.7% were at the General Manager-level or equivalent.
Moreover, we are committed to cultivating an inclusive work environment for all, including sexual minorities such as members of the LGBTQ+ community, by offering support for child-rearing, fertility treatments, and other work-life balance measures.
In fiscal year 2023, we established an Inclusion & Diversity Basic Policy to further advance our diversity initiatives. To enable each individual to make the most of their abilities, we will provide tailored support based on individual circumstances to close existing gaps. We are also moving away from entrenched organizational habits and unwritten rules to create a culture where all employees have equitable opportunities. In doing so, our focus is on inclusion, which entails accepting and leveraging the unique thoughts, perspectives, and values of each and every employee.

● Female Manager Ratio (Senior Manager-level or Higher)



● Female Manager Ratio (General Manager-level)



Expanding Support Measures for Autonomous Career Development that Cater to Each Employee's Drive to Grow

To expand support for the autonomous career development of each individual, we have been actively promoting a range of initiatives, including offering opportunities for challenges that contribute to personal growth. In addition to our internal recruitment system, which targets managerial positions in sales branches such as General Managers, Deputy General Managers, and Senior Managers, as well as all departments at our headquarters, we have also started offering external employment opportunities. These opportunities range from domestic and overseas trainee programs to temporary assignments or side jobs at digital and startup companies. Employees across various age groups—from young employees in their third year with the Company to experienced employees in their late 40s—have applied. Fiscal year 2022 was the first full year for these initiatives, and a total of 80 individuals have participated.
Regarding internal transfers, we are revising the traditional company-driven personnel transfers to respect different work styles tailored to individual values and life stages. Starting in April 2025, we will eliminate involuntary relocations and job transfers and transition to a job posting system. This will allow employees to proactively apply for positions or roles that the Company needs, thereby expanding the opportunities for individuals to choose their own career paths.

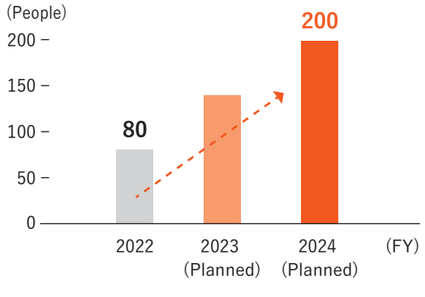
● Number of People Doing External Side Jobs/Utilizing Internal Job Postings

(Target for fiscal year 2024 based on the cumulative number of participants since fiscal year 2022)

Breakdown of Participants

Domestic trainees	7	External side jobs	20
Overseas trainees	1	Internal job postings	48
Rental transfers*	4		

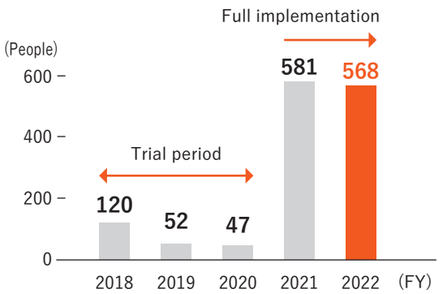
*Rental transfers: A system that supports career growth by enabling a six-month transfer to a company in a different industry, allowing for the acquisition of external knowledge and the development of an external network.



Promoting Work-Life Balance

As part of our ongoing efforts to achieve work-life balance, we are actively promoting remote working throughout the Company. We have also implemented a flexible work hours system that allows employees to choose their own work hours.
Additionally, we have implemented a four-day workweek system at selected credit centers, with the aim of optimizing employees' total annual working hours, including overtime. At the onset, some employees were uncertain about these new work arrangements; however, currently, around 70% of the targeted employees report a more fulfilling personal life. These efforts have garnered positive feedback and proven to be effective to some extent. We will continue to focus on and enhance initiatives such as this to firmly establish a balanced work-life culture for all employees.

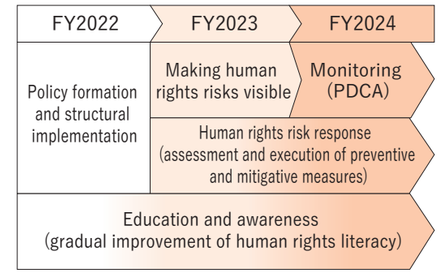
● Number of Participants in the Four-day Workweek System



Initiatives on Human Rights

In a bid to enhance the level of human rights awareness within our workplace, we offer training programs targeting all employees, as well as specialized courses for upper-level management such as executives and General Managers. Each year, more than 4,000 individuals participate in these educational initiatives.
We have also engaged external experts to consult on the best practices for corporations to engage in to uphold human rights, and in April 2023, we established our Human Rights Basic Policy and created the Human Rights Promotion Committee to ensure the effective implementation of this policy. For fiscal year 2023, we will carry out human rights due diligence and develop concrete measures to mitigate human rights risks while continuing to emphasize respect for human rights across all of our stakeholders.

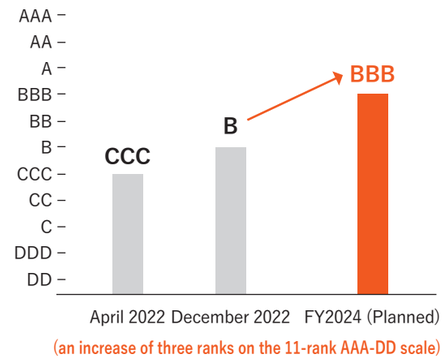
● Roadmap for Addressing Human Rights



Improving Employee Engagement

As a cornerstone of our human resources strategy, we overhauled the traditional employee satisfaction survey and launched an Employee Engagement Survey in April 2022. Conducted biannually, General Managers communicate with their staff to address specific workplace issues. Through these collective employee engagement efforts, we have improved our engagement score from "CCC" to "B" in a single year.
We will continue to undertake various initiatives to bridge the gap in perceptions and understanding among employees. This will include hosting talk sessions between the President and employees, offering opportunities for peer interaction, and fostering employee growth through career discussions with supervisors. Our aim is to achieve a BBB rating by the end of fiscal year 2024.

● Employee Engagement Score



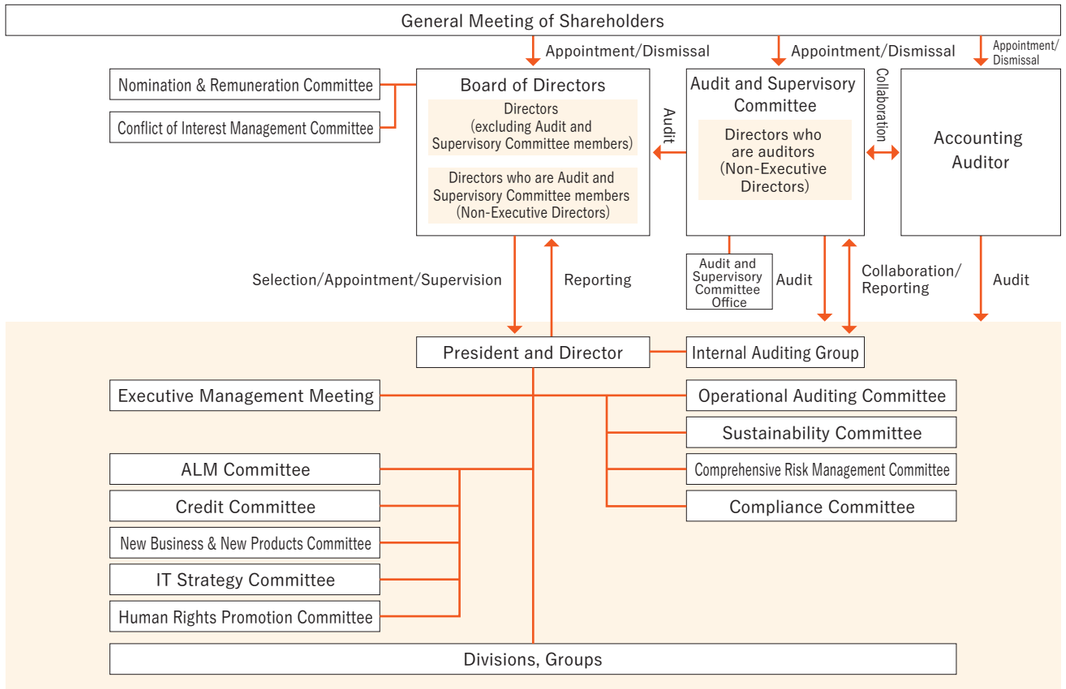
(an increase of three ranks on the 11-rank AAA-DD scale)



Strengthening Governance

Corporate Governance

We prioritize maintaining transparency in management and fairness towards stakeholders, as well as making prompt and definite decisions, and we shall strive to enhance our corporate governance.



Basic Policies on Corporate Governance

1. We are committed to respecting the rights of our shareholders and creating an environment where shareholders can exercise those rights appropriately and equality of shareholders is maintained.
2. We recognize the importance of social responsibility and strive for appropriate collaboration with stakeholders other than shareholders.
3. We will continue to disclose financial and non-financial information in compliance with legal requirements and actively provide additional information beyond the requirements of regulation.
4. Our Board of Directors will appropriately fulfill its roles and responsibilities for the sustainable growth of the company and the medium- to long-term enhancement of corporate value, based on its fiduciary responsibility and accountability to shareholders.
5. We will disclose information regarding our management strategy and financial and performance status in a timely and appropriate manner, which will enhance our investor relations (IR) activities and earn the trust and recognition of shareholders and investors.

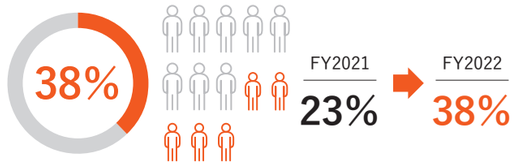
To view our Information Disclosure Basic Policy, please visit our website.
https://orico.jp/en/disc

To view our Corporate Governance, please visit our website.
https://orico.jp/en/cg

Board of Directors

Our Board of Directors consists of 13 members, including 8 Directors (excluding those who are Audit and Supervisory Committee members) and 5 Directors who are members of the Audit and Supervisory Committee. Additionally, we disclose a "skills matrix" that outlines the knowledge, experience, and abilities of Directors. We make sure that independent External Directors consist of one-third or more of the Board of Directors to ensure the objectivity and transparency of multi-faceted discussions and decision-making. Moreover, our Board of Directors entrusts the President and Director with the utmost authority for making significant operational decisions, while the Board itself conducts discussions and reports focused on formulating strategies and performing its supervisory role.
The Nomination & Remuneration Committee and the Conflict of Interest Management Committee, the majority of whose members are independent External Directors, have been established as advisory bodies to the Board of Directors.

● Board of Directors' Percentage of Independent External Directors (as of June 30, 2023)



● Conflict of Interest Management Committee's Percentage of Independent External Directors (as of June 30, 2023)



Audit and Supervisory Committee

Our Audit and Supervisory Committee consists of 5 Directors, 3 of whom are External Directors.
The committee primarily focuses on organizational audits leveraging our internal control system, but also conducts direct audits as required.
Furthermore, we have set up a specialized Audit and Supervisory Committee Office to assist the committee in fulfilling its duties.

Business Execution Structure

While the Board of Directors delegates decision-making on important business operations to the President and Director to the greatest extent possible, we have established various advisory bodies, including Executive Management Meeting, Operational Auditing Committee, Sustainability Committee, Comprehensive Risk Management Committee, and Compliance Committee.

Executive Management Meeting	The Executive Management Meeting is held to conduct pre-deliberation on matters to be submitted to the Board of Directors and discuss important matters related to business execution and operation.
Operational Auditing Committee	We have established a framework aimed at discussing key issues concerning internal audits. Updates on the state of internal audit activities are reported regularly to the Board of Directors.
Sustainability Committee	Established for the purpose of reviewing vital issues related to sustainability. The progress of our sustainability initiatives is regularly reported to the Board of Directors.
Comprehensive Risk Management Committee	We have established procedures aimed at identifying and managing various risks in a comprehensive manner. Updates on the state of our risk management activities are regularly reported during Board of Directors meetings and Executive Management Meetings.
Compliance Committee	Established with the aim of ingraining compliance within our group. Its activities are regularly reported at Board of Directors meetings and Executive Management Meetings.

List of Directors (as of June 30, 2023)

Directors



Chairperson and Director, Chairperson Executive Officer

Masaaki Kono

1979.4 Joined Mizuho Bank, Ltd.
2013.7 Deputy President, Executive Officer of Mizuho Financial Group, Inc.
2016.4 Joined Orico
2016.6 Appointed President and Representative Director, President Executive Officer of our Company
2020.6 Appointed and currently serving as Chairperson and Director, Chairperson Executive Officer of our Company



President and Representative Director, President Executive Officer

Tetsuo Iimori

1984.4 Joined Mizuho Bank, Ltd.
2017.4 Appointed President and Representative Director of Mizuho Trust & Banking Co., Ltd.
2020.4 Joined Orico
2020.6 Appointed and currently serving as President and Representative Director, President Executive Officer of our Company



Representative Director, Senior Managing Executive Officer

Yoshinori Yokoyama

1988.4 Joined Orico
2022.6 Appointed and currently serving as Representative Director, Senior Managing Executive Officer of our Company
2022.6 Appointed Head of Business Promotion Division, General Manager of Business Promotion Division, and Head of BtoB Solution Division
2023.4 Appointed and currently serving as Supervisor of Business Promotion Division, Supervisor of BtoB Solution Division of our Company



Representative Director, Senior Managing Executive Officer

Ichiro Watanabe

1983.4 Joined ITOCHU Corporation
2022.5 Joined Orico
2022.6 Appointed and currently serving as Representative Director, Senior Managing Executive Officer of our Company
2022.6 Appointed and currently serving as Supervisor of Digital Marketing Group, Supervisor of IT System Group of our Company



Director, Senior Managing Executive Officer

Tetsuro Mizuno

1982.4 Joined Mizuho Bank, Ltd.
2010.1 Joined Orico
2019.6 In charge of Finance Group, Risk Management Group of our Company
2022.4 Appointed and currently serving as Head of Risk Management Group of our Company
2022.6 Appointed and currently serving as Director, Senior Managing Executive Officer of our Company



Director, Managing Executive Officer

Chiharu Higuchi

1984.4 Joined ITOCHU Corporation
2017.6 Joined Orico
2020.6 Appointed Director, Managing Executive Officer of our Company
2020.6 In charge of and the General Manager of Business Coordination & Administration Group of our Company
2023.4 Appointed and currently serving as Head of Operation Group of our Company



External Director

Kazumi Nishino

1992.4 Joined Fuji Photo Film Co., Ltd.
2017.4 Associate Professor at Graduate School of Commerce, Hitotsubashi University
2019.6 Appointed and currently serving as Director of our Company
2022.4 Currently serving as Professor at Graduate School of Business Administration, Hitotsubashi University



External Director

Shigeaki Honjo

1979.4 Joined Fujitsu Limited
2012.6 Appointed President and Representative Director of Fujitsu Research Institute, Limited
2022.6 Appointed and currently serving as Director of our Company

Directors (Audit and Supervisory Committee Members)



Director (Audit and Supervisory Committee Member)

Yuji Fukasawa

1980.4 Joined Mizuho Bank, Ltd.
2007.4 Joined Orico
2007.6 Appointed Managing Executive Officer of our Company
2017.4 In charge of Risk Management Group of our Company
2019.6 Appointed Corporate Auditor (full-time) of our Company
2022.6 Appointed and currently serving as a Director (Audit and Supervisory Committee member) of our Company



Director (Audit and Supervisory Committee Member)

Hiroshi Nagao

1990.4 Joined Orico
2019.6 Appointed Executive Officer of our Company
2022.8 Appointed General Manager of Financial Planning Dept. of Finance Group of our Company
2022.6 Appointed and currently serving as a Director (Audit and Supervisory Committee member) of our Company



External Director (Audit and Supervisory Committee Member)

Naoki Ohgo

1985.4 Joined McKinsey & Company, Inc.
2008.8 Appointed Representative Director of Root F Co., Ltd.
2014.6 Appointed Director of our Company
2017.11 Appointed Representative Director of Root F Datum, Inc.
2022.6 Appointed and currently serving as an External Director (Audit and Supervisory Committee member) of our Company



External Director (Audit and Supervisory Committee Member)

Yuuki Sakurai

1976.4 Joined Fukoku Mutual Life Insurance Company
2009.6 Appointed President and Representative Director of Fukoku Capital Management, Inc.
2016.6 Appointed Corporate Auditor of our Company
2022.4 Appointed and currently serving as Deputy President Executive Officer of Fukoku Mutual Life Insurance Company
2022.6 Appointed and currently serving as an External Director (Audit and Supervisory Committee member) of our Company



External Director (Audit and Supervisory Committee Member)

Gan Matsui

1980.4 Appointed Public Prosecutor
2015.1 Became Chief Public Prosecutor of Fukuoka High District Public Prosecutors Office
2016.11 Registered as an attorney with the Japan Federation of Bar Associations (affiliated with Tokyo Bar Association)
2016.11 Yaesu Sogo Law Office
2017.6 Appointed Corporate Auditor of our Company
2022.6 Appointed and currently serving as an External Director (Audit and Supervisory Committee member) of our Company

For more on career history, positions, responsibilities, and important concurrent position details of our Directors and Executive Officers, please visit: https://orico.jp/en/officer

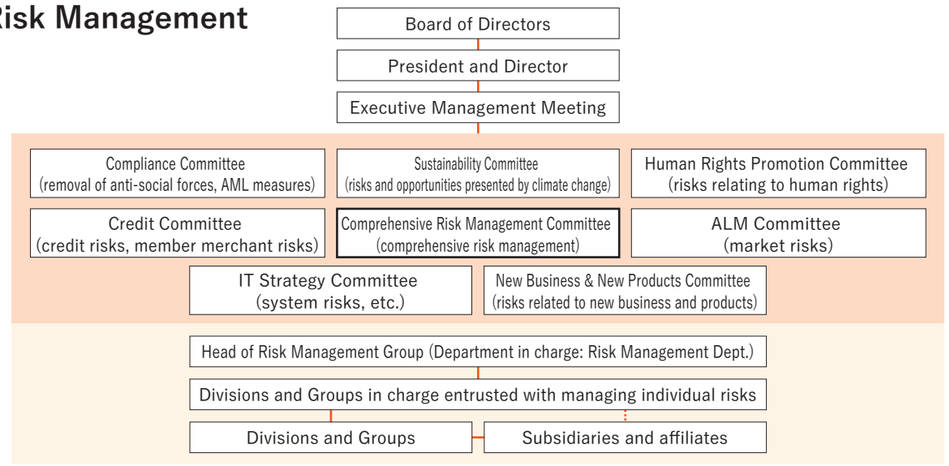
Skills Matrix

			Nomination & Remuneration Committee	Conflict of interest Management Committee	Foundation: Corporate Management	Foundation: Sustainability	Foundation: Business Insights	Foundation: Finance and Accounting	Foundation: Governance, Risk Management, Legal, and Compliance	Foundation: Research and Development, Academic Knowledge	Strategy: Digital Security	Strategy: International Business
Directors	Internal	Masaaki Kono			++	++	++	++	++			
		Tetsuo Iimori	+	+	++	++	++	++	++			
		Yoshinori Yokoyama				+	++					++
		Ichiro Watanabe				+					++	++
		Tetsuro Mizuno				+	++	++	++			
		Chiharu Higuchi				+	++					++
	External	Kazumi Nishino	+			+				++		
		Shigeaki Honjo				+				++	++	
Directors (Audit and Supervisory Committee Members)	Internal	Yuji Fukasawa				+	++	++	++			
		Hiroshi Nagao				+	++	++				
	External	Naoki Ohgo	+	+		+	++			++		
		Yuuki Sakurai			++	+		++	++			++
		Gan Matsui		+		+			++	++		



Strengthening Governance

Risk Management

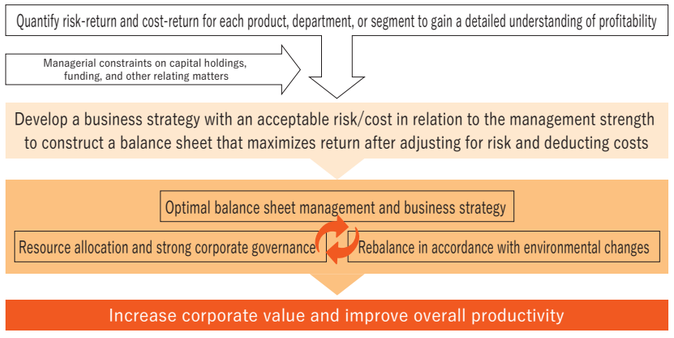


Orico has established a "Risk Management Basic Policy" to comprehensively understand and manage various risks within the Group. Departments in charge are entrusted with managing individual risks, while the Risk Management Dept. oversees the overall management of these risks. To ensure effective control, Orico has established various committees, including the Comprehensive Risk Management Committee, that monitor and evaluate risks at the management level. In addition, Orico proactively identifies and monitors "Top Risks", which are risk events with significant potential impact on the Orico Group, considering both internal and external factors. The President and Director and Board of Directors receive regular updates and reports in an appropriate and timely manner to ensure a unified understanding of risks and enhance risk management practices' effectiveness.

Detailed information about our risk management is available on our website.
https://orico.jp/en/risk

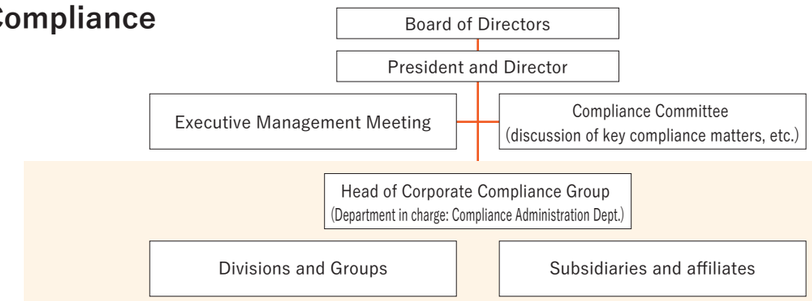
Risk Appetite Framework

Orico utilizes a Risk Appetite Framework to develop optimal balance sheet strategies and business plans by considering quantified risk- and cost-return factors, enhancing progress monitoring, responding quickly to environmental changes by rebalancing investments precisely, and allocating resources methodically. By strengthening its governance practices as well, it endeavors to improve Orico's overall productivity and corporate value.



- **Risk measurement**
  - Utilization of internal data, such as bankruptcy rates, and market data to quantify credit, market, and operational risks
- **Risk capital allocation**
  - Allocation based on capital ratios and acceptable levels of risk
- **Set risk appetite**
  - Setting risk appetite in alignment with business goals
- **Reporting the above to the Board of Directors (governance enhancement measures)**

Compliance



In our Company, we consider compliance to be one of the most important challenges in management. We view compliance not only as adhering to legal regulations but also encompassing corporate ethics and social norms. We regularly hold Compliance Committee meetings to deliberate and report on our compliance efforts. The details of these meetings are then promptly and appropriately reported to both the President and Director and the Board of Directors, ensuring that a compliance framework is firmly in place across our entire Group.

The Orico Group Code and the Orico Helpline

We consider conduct risks that could impair corporate value to be significant management risks. Taking into account current societal demands, we revised "The Orico Group Code" in 2022 as a new code of conduct to guide "right actions" from a societal perspective, and we are committed to promoting fair corporate activities. Moreover, we've established an internal whistleblowing system called the Orico Helpline that is accessible both internally and externally. This system is designed to swiftly detect actions that are either violations or potential violations, allowing us to take prompt remedial measures. In doing so, we aim to enhance the Company's self-regulatory functions while also preventing any misconduct or unfortunate incidents proactively.

Progress on Eliminating Anti-Social Forces

Our Company has formulated a Basic Policy Against Anti-Social Forces to deal with anti-social forces that threaten civil society's order and safety, and is committed to severing all relationships with such forces. In addition, we have developed and are actively utilizing a database on anti-social elements. This assists us in preventing undesirable transactions and initiating contract termination procedures after contracts have been concluded. Furthermore, we regularly administer training sessions aimed at severing any ties with anti-social forces, thereby fostering and solidifying awareness among our employees. The status of these initiatives is reported in an appropriate and timely manner to the Compliance Committee, the President and Director, and the Board of Directors.

Commitment to Protecting Our Customers

To earn the trust and satisfaction of our customers, we strive to respond to customers in honest and fair manners, putting customers as our first priority. To ensure strict compliance with laws and proper management of customer information, we diligently confirm our customers' needs and strive to provide them with accurate and appropriate information. Similarly, we expect our business partners to maintain lawful conduct, manage information responsibly, and ensure transactional integrity.

Detailed information about how we protect our customers is available on our website.
https://orico.jp/en/eng

Financial and Non-financial Highlights (10 Years)

Consolidated Financial Data

		Medium-Term Management Plan KPIs (FY2024 Targets)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 *1	FY2021	FY2022
1	Operating revenue (100 million yen)		2,075	2,063	2,118	2,136	2,243	2,333	2,431	2,297	2,298	2,276
2	Ordinary profit (100 million yen)	40 billion yen or more	267	207	294	335	300	219	244	225	289	230
3	Profit attributable to owners of parent (100 million yen)		226	184	245	286	280	288	206	196	194	190
4	Net assets (100 million yen)		2,258	2,499	2,740	3,039	2,594	2,564	2,515	2,284	2,168	2,297
5	Total assets (100 million yen)		47,760	49,287	51,529	53,290	54,753	55,429	55,847	38,139	37,520	36,700
6	Net assets per share (yen)*2 Note: Common stock		-561.60	-200.70	779.50	953.30	1,092.50	1,192.70	1,253.90	1,199.00	1,249.79	1,324.44
7	Profit per share (yen)*2 Note: Common stock		293.50	229.50	174.60	154.40	132.80	151.90	108.50	105.40	105.54	110.92
8	Capital adequacy ratio (%)		4.7	5.1	5.3	5.7	4.7	4.6	4.5	5.9	5.7	6.2
9	ROE (%)	10% or more	10.7	7.8	9.4	9.9	10.0	11.2	8.1	8.9	8.8	8.6
10	Price-earnings ratio (multiplier)		7.09	8.50	12.83	13.02	12.58	7.44	11.15	16.45	11.75	9.94
11	General expenses (100 million yen)		1,170	1,181	1,159	1,184	1,279	1,471	1,504	1,474	1,395	1,441
12	Ratio of general expenses to operating revenue (%)	Less than 60%	56.4	57.2	54.7	55.4	57.0	63.1	61.9	64.2	60.7	63.3
13	Dividend per share (yen)*2 Note: Common stock		-	-	-	20	20	20	30	30	30	40
14	Dividend payout ratio (%)		-	-	-	13.0	15.1	13.2	27.7	28.5	28.4	36.1

*1 As a result of changes in accounting policies at the beginning of fiscal year 2021, figures have been reported after retrospective adjustments extending back to fiscal year 2020.
*2 As of October 1, 2022, we have conducted a reverse stock split at a ratio of 1 share for every 10 ordinary shares. Note that the amounts stated for the fiscal year 2021 and prior have been adjusted to reflect the impact of the reverse stock split.

Non-financial Data

		Sustainability KPIs (FY2024 Targets)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
1	Amount of copy paper purchased (10 million sheets)	Reduction of 15% compared to FY2021	-	-	-	-	10.6	10.2	9.2	7.6	7.0	6.4
	For Orico		-	-	-	-	8.7	8.4	7.4	6.1	5.7	5.3
	For all Group companies		-	-	-	-	1.9	1.8	1.8	1.5	1.3	1.1
2	Energy consumption (GJ)*1	3% reduction compared to FY2021 (on a base unit basis)	342,607	332,980	331,956	336,302	335,040	303,093	267,649	260,036	251,514	226,082
3	CO_2 emissions (t-CO_2)*1		18,300	17,915	17,183	19,401	16,942	14,800	13,292	11,656	11,619	10,764
4	Non-combustible waste disposal volume (t)*2		-	-	73.5	74.3	75.4	79.1	78.8	80.5	83.7	82.7
5	Average length of service (years)		16.1	16.3	16.5	16.5	16.3	16.2	16.3	16.2	16.7	16.9
6	Male childcare leave acquisition rate (%)*3	100%	-	-	-	-	34	94	93	104	92	102
7	Female manager ratio (Senior Manager-level and above) (%)	27% or more	11.2	13.7	16.2	17.2	18.6	19.2	21.5	22.7	23.4	26.2
	Female manager ratio (General Manager-level) (%)	9% or more	0.6	0.6	0.6	1.2	4.0	4.1	6.0	6.1	4.4	6.7
8	Paid leave utilization rate (%)	70% or more	49.9	49.2	53.3	54.3	57.4	53.9	63.2	61.2	66.8	69.4

*1 Calculated in accordance with the Act on Rationalizing Energy Use
*2 Occupied offices at Orico head office building (Six companies: Orico, Japan Collection Service, CAL Credit Guarantee, Staff Orico, Orico Research Institute, and Orico Real Estate)
*3 The figures for the "Male childcare leave acquisition rate" for fiscal years up to fiscal year 2021 have been recalculated in accordance with the ratio of childcare leave acquisition as stipulated in Article 71-4, Item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25, 1991).

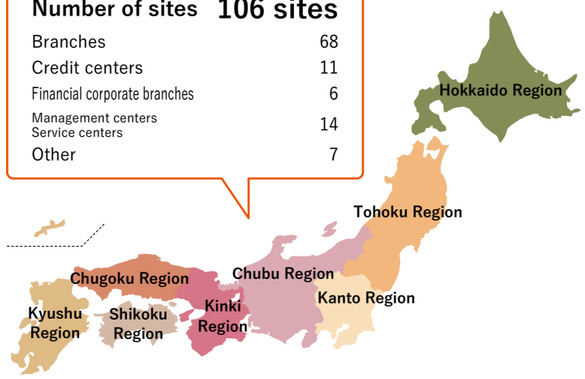
Company Overview

Company Overview

Trade Name	Orient Corporation
Stock Exchange	Tokyo Stock Exchange Prime Market (Code: 8585, Name: Orico)
Founded	December 27, 1954
Main Businesses	● Installment credit business ● Credit cards and cash loans business ● Bank loan guarantee business ● Settlement and guarantee business ● Overseas business
Capital	150 billion yen (as of March 31, 2023)
Number of Employees	Non-consolidated 5,819 Consolidated 8,521 (as of March 31, 2023)
Headquarters	Address: 5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan TEL +81-3-5877-1111

Site Information (as of March 31, 2023)

Number of sites	106 sites
Branches	68
Credit centers	11
Financial corporate branches	6
Management centers Service centers	14
Other	7



External Evaluations

Digital Transformation Certification

Certified as a "DX-certified business operator," which certifies business operators that are prepared to transform their businesses by promoting DX (DX-Ready), in line with the government's guidelines for the operation and management of information processing systems

D&I AWARD BEST WORKPLACE for diversity & inclusion 2022

Recognized with the highest rating of "BEST WORKPLACE for diversity & inclusion" for the "D&I Award 2022" hosted by JobRainbow Co., Ltd., reflecting our status as a leading role model for advancing D&I in Japan

work with Pride Gold 2022

Awarded "Gold" for the fourth consecutive year in the "PRIDE Index 2022", which evaluates LGBTQ+ and other sexual minority initiatives in workplaces including corporations

Certified as a "Platinum Kurumin Plus" company for implementing excellent support for child-rearing and balancing infertility treatment with work based on the Act on Advancement of Measures to Support Raising Next-Generation

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Selected as a constituent stock of the "MSCI Japan Empowering Women Index (WIN)", aimed at investors who prioritize gender diversity and are seeking to invest in companies actively promoting women's participation

Note: THE INCLUSION OF ORIENT CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ORIENT CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

IR Information

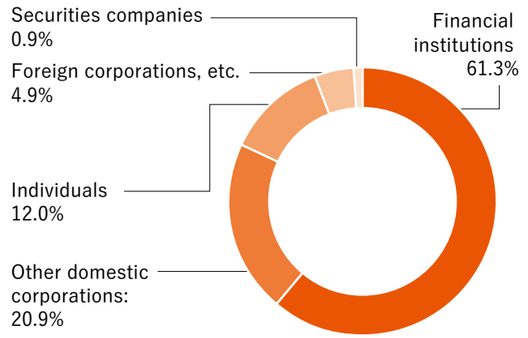
For more detailed IR-related information, please visit our Investor Relations website.
https://orico.jp/en/ir

Stock Information (as of March 31, 2023)

Stock Information

Total number of shares authorized	182,500,000
Issued and outstanding shares	171,882,370
Number of shareholders	28,935
Share units	100 Shares

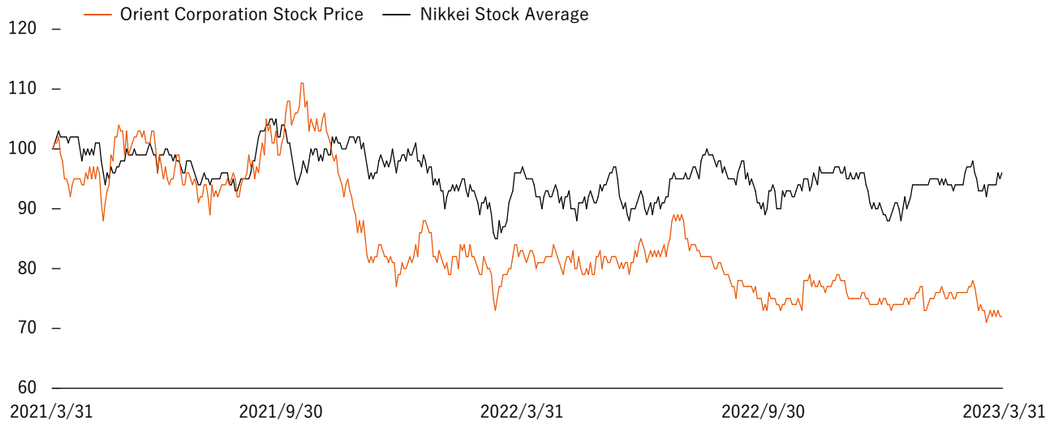
Share Ownership Distribution



Major Shareholders (As of March 31, 2023)

Shareholder Name	Number of Shares Held	Shareholding Ratio
Mizuho Bank, Ltd.	83,640,000 shares	48.66%
ITOCHU Corporation	28,404,000 shares	16.52%
Custody Bank of Japan, Ltd. (Trust Account)	11,951,000 shares	6.95%
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,773,000 shares	3.94%
Chuo-Nittochi Co.,Ltd.	1,917,000 shares	1.11%
Tokyo Century Corporation	1,536,000 shares	0.89%
STATE STREET BANK WEST CLIENT – TREATY 505234	923,000 shares	0.53%
BNYM AS AGT/CLTS NON TREATY JASDEC	766,000 shares	0.44%
Hiroyoshi Morimoto	737,000 shares	0.42%
MSIP CLIENT SECURITIES	682,000 shares	0.39%

Stock Price Chart



(Note) The graph depicting the fluctuations in Orient Corporation's stock price and the Nikkei Stock Average is based on the closing price at the end of March 2021, set at 100. As of October 1, 2022, we have conducted a reverse stock split at a ratio of 1 share for every 10 ordinary shares. The stock price fluctuations take into account the effect of the reverse stock split.

Group Company Information (as of June 30, 2023)

Consolidated Subsidiaries

Orico Research Institute, Ltd.

Description of Business

Research and analysis on consumption, the economy, and technology trends; general support for talent development and education

Address: 5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan
TEL: +81-3-5877-5858 FAX: +81-3-5877-5859

Orico Real Estate Co., Ltd.

Description of Business

Real estate sales business (including real estate investment), real estate leasing business, real estate brokerage business

Address: 5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan
TEL: +81-3-5210-2171 FAX: +81-3-5210-2174

Orico Business & Communications Co., Ltd.

Description of Business

Commercial product sales business (including commercial equipment, office supplies, direct gift certificates, sales promotion materials, etc.), advertising and promotion business

Address: 1-4-15 Takadanobaba, Taiju Seimei Takadanobaba Building, Shinjuku-ku, Tokyo 169-0075, Japan
TEL: +81-3-6892-0611 FAX: +81-3-6892-0615
(Moving to the following address from August 21, 2023)
5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan
TEL: +81-50-5537-8058 FAX: +81-3-6840-1602

Orico Forrent Insure Co., Ltd.

Description of Business

Rental guarantee service (guarantee services in the real estate rental domain)

Address: 4-9-25 Shibaura, Shibaura Square Building, Minato-ku, Tokyo 108-8555, Japan
TEL: +81-3-6743-6120 FAX: +81-3-6743-6121

ORIFA Servicer Corporation

Description of Business

Research business, debt collection business
(an "on-site visitation-type" servicing company that utilizes a nationwide network for everything from customer surveys to debt collections)

Address: 1-3-21 Okubo, Lucid Square Shinjuku East, Shinjuku-ku, Tokyo 169-0072, Japan
TEL: +81-3-6233-3480 FAX: +81-3-6233-3481

Staff Orico Co., Ltd.

Description of Business

Comprehensive shared services related to human resources, general affairs, accounting, and finance for Orico Group

Address: 5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan
TEL: +81-3-5877-5970 FAX: +81-3-5877-5971

Japan Collection Service Co., Ltd.

Description of Business

Debt collection business
(comprehensive servicing company that conducts credit purchases, collections, and backup servicing for credit securitization)

Address: 5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan
TEL: +81-3-3222-0328 FAX: +81-3-3222-0391

Business Orico Co., Ltd.

Description of Business

Administrative processing for the Orico Group

Address: 6-1 Kujirai Shinden, Dai 3 Imaizumi Building, Kawagoe City, Saitama 350-0809, Japan
TEL: +81-49-239-1785 FAX: +81-49-239-5759

HOLONIC CO., LTD.

Description of Business

Business solutions (credit card sales promotions, office support service, etc.), outsourcing for the Orico Group

Address: 1-36-14 Shinjuku, Shinjuku Gyoen Side Building, Shinjuku-ku, Tokyo 160-0022, Japan
TEL: +81-3-5361-8741 FAX: +81-3-5361-8744

CAL Credit Guarantee Co., Ltd.

Description of Business

Auto loan guarantees for Orico

Address: 5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan
Note: Customer service is not available at this address.

Orico Auto Leasing (Thailand) Ltd.

Description of Business

Auto loan business in Thailand

Bhiraj Tower at EmQuartier, 17th Fl., Unit 1705-1707
689 Sukhumvit Rd., North Klongton, Vadhana, Bangkok
10110 Thailand

Orico Auto Finance Philippines Inc.

Description of Business

Auto loan business in the Philippines

The Podium West Tower, 21th FL, Unit 2104
12 ADB Avenue, Ortigas Center,
Barangay Wack-Wack, Greenhills East,
1550 Mandaluyong City, Metro Manila
The Philippines

PT Orico Balimor Finance

Description of Business

Auto loan business in Indonesia

Grha 137 Building, 7th Floor
Jl. Pangeran Jayakarta No.137. Jakarta, 10730 Indonesia

Equity-method Affiliates

ITOCHU Orico Insurance Services Co., Ltd.

Description of Business

Insurance distribution business
(property and casualty insurance agency, life insurance solicitation, consulting, and other administrative outsourcing)

Address: 2-5-1 Kita-Aoyama, Minato-ku, Tokyo 107-0061, Japan
TEL: +81-3-3497-8200 FAX: +81-3-3497-8199

ORICO AUTO LEASING CO., LTD.

Description of Business

Auto lease business for personal/non-fleet market
(KOALA CLUB agency expansion)

Address: 2-27-5 Taito, Nittochi Okachimachi Building, Taito-ku, Tokyo 110-0016, Japan
TEL: +81-3-6865-5515 FAX: +81-3-5816-5712

ORICO BUSINESS LEASING CO., LTD.

Description of Business

Leasing business in partnership with goods sales companies (vendor leasing)

Address: 2-27-5 Taito, Nittochi Okachimachi Building, Taito-ku, Tokyo 110-0016, Japan
TEL: +81-3-5846-3951 FAX: +81-3-5846-3955

JCM Co., Ltd.

Description of Business

Business activities aimed at automobile dealers (including automobile distribution-related activities, sales of automobiles/ maintenance management systems, registration proxy services, and exclusive distributor for used car information magazine "Car Sensor")

Address: 3-13 Kanda Nishikicho, Takebashi Yasuda Building, Chiyoda-ku, Tokyo 101-0054, Japan
TEL: +81-3-3219-1155 FAX: +81-3-3219-1320

Domestic Group Companies

14 Companies

Overseas Group Companies

3 Companies

Orient Corporation

5-2-1 Kojimachi, Chiyoda-ku, Tokyo 102-8503, Japan
https://orico.jp/en/corp