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Masaaki Kono, President

New Medium-Term management policy
We will achieve steady growth by implementing six basic strategies underpinned by our basic policy of "Innovation for the Next Orico."

Fiscal year ended March 31, 2019

The Company's operating revenues increased by ¥8.9 billion year on year to ¥233.3 billion, driven by performance of credit card shopping as well as settlement and guarantee business. Meanwhile, ordinary profit decreased by ¥8.1 billion year on year to ¥21.9 billion amid rising general expenses largely due to increasing IT system-related costs associated with having started up the new shared core system in August 2018. Profit increased by ¥0.8 billion year on year to ¥28.8 billion, largely as a result of having additionally posted deferred tax assets during the interim period.

Innovation for Next Orico
Full-scale launch of
the new medium-term management policy

In the fiscal year ended March 31, 2019, we evolved various initiatives aimed at realizing new growth models and strove to achieve sustainable growth in the scope of business and earnings, under our basic policy of "evolving and disseminating the spirit of 'challenge to change.'" Meanwhile, the business environment surrounding the Company has been marked by substantial change particularly involving the introduction of negative interest rates and dramatically accelerating moves to increase the ratio of cashless settlements. In October 2018, we announced our new three-year medium-term management policy to start in the fiscal year ending March 31, 2020, to respond appropriately to such changes in our business environment and pursue sustainable growth.

In the new medium-term management policy, we set "Innovation for the Next Orico" as our basic policy, designating the credit cards and cash loans business, and the settlement and guarantee business, as "growth businesses," while designating the installment credit business and the bank loan guarantee business as "core businesses." We intend to follow approaches based on six basic strategies to rebuild a strong earnings structure and create new business models. Meanwhile, the release of our new shared core system caused depreciation expenses and other IT system-related costs, leading to an increase in general expenses. However, we are striving to optimize costs by leveraging the features of the new system to work more efficiently and radically overhaul work processes, and using the business resources thus generated to invest in businesses that promise future growth. Through such measures, we are endeavoring to boost our earning power.

Having been moving steadily forward in making our basic strategies a reality based on this approach, we announced three quantitative targets in May 2019 with respect to achieving "Ordinary profit of ¥35.0 billion or more," "Ratio of general expenses to operating revenues less than 60%," and "ROE 10% or higher" as our management goals for the fiscal year ending March 31, 2022, the final year of our new

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medium-term management policy.

We aim to create an "Orico for the new era" by accelerating the pace of our company-wide efforts in continuing our endeavors for various innovation, in order to achieve the management goals.

Management targets (consolidated) for the final year	Fiscal year ending March 31, 2022
Ordinary profit	¥35.0 billion or more
Ratio of general expenses to operating revenues	Less than 60%
ROE (return on equity)	10% or higher

Returning profits to shareholders

The Company maintains an appropriate level of shareholders' equity and pays stable and continuous dividends by building a strong management base. The Company also considers the redemption of preferred stock as one of its management challenges.

As a specific measure, with respect to our common stock we intend to target a 20% payout ratio for dividends on common stock on a consolidated basis when paying dividends during the new medium-term management policy period.

In addition, as for First Series Class I Preferred Stock, we intend to continue ensuring an appropriate level of shareholders' equity as we aim to complete the redemption in the fiscal year ending March 31, 2022, the final year of the new medium-term management policy.

Year-end dividends for the fiscal year under review amounted to ¥2 per share of common stock and ¥28.76 per share of First Series Class I Preferred Stock, as set forth in the Company's Articles of Incorporation.

Meanwhile, we plan to pay year-end dividends for the fiscal year ending March 31, 2020, of ¥3 per share of common stock and of the dividend amount set forth in the Company's Articles of Incorporation with respect to the First Series Class I Preferred Stock.

I thank our shareholders for your understanding and further support for the Group's business going forward.

June 2019

Masaaki Kono
President