

Strategic Highlights

Medium-Term Management Policy (from April 2019 to March 2022)

Our Aim

Contributing to the realization of prosperous lives and dreams for customers by having the genuine value of our existence be recognized by society and providing the best financial services and products that meet customers' payment and settlement needs

A company taking on challenges and continuing to grow while facilitating customers' dreams

1 Basic Policy

Innovation for Next Orico

Rebuild a strong earnings structure and create new business models with a view to forging an "Orico for the new era"

2 Management Targets

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

3 Basic Strategies

We designate 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.

- 1 Implement digital innovation**
 - Taking on the challenge of creating new business models through open innovation
 - Collaboration and co-creation with start-up companies drawing on the Orico Digital Fund, etc.
- 2 Implement process innovation**
 - Radically overhaul business processes leveraging the features of the new shared core system and various other functions
 - 1) Streamlining of operational frameworks that use artificial intelligence, robotic process automation and other advanced technologies
 - 2) Drastic productivity improvement by automating credit screening, etc.
 - 3) Promotion of a shift to paperless workflows
- 3 Extend business expansion in Asia**
 - Reinforcement of the Thai auto loan business by providing new products and extending the sales territory
 - Accelerated expansion into Southeast Asia and China by developing business that includes multi-finance encompassing auto loans
- 4 Increase synergies within the Orico Group**
 - Active promotion of alliances and M&A for the expansion of business fields
 - Strengthening consolidated management by enhancing functions of group companies and leveraging Orico's network of business channels
- 5 Enhance consulting sales**
 - Enhancement of the ability to address needs of member stores and customers by thoroughly taking a "market-in" approach
 - Establishment of a multifaceted approach to the consulting sales for providing settlement and financial services of the Orico Group
- 6 Enhance sustainability initiatives**
 - Enhancement of efforts taken under the five key themes listed below for addressing the issue of sustainability
 - 1) Provision of highly convenient financial products and services offering safety and security
 - 2) Contribution to development of sustainable communities
 - 3) Environmentally-conscious initiatives
 - 4) Human resource diversification and development, and working style reforms
 - 5) Enhancement of governance

4 Policies on Returning Profits to Shareholder

- 1) Dividends of common stock: Scheduled to carry out the redemption enlisting a dividend payout ratio beginning in the fiscal year ending March 31, 2020
- 2) First Series Class I Preferred Stock: Scheduled to complete the redemption in the fiscal year ending March 31, 2022, the final year of the strategy