



Corporate Governance

Basic Concept on Corporate Governance

In line with Orico's basic principles of aiming to be a company that "contributes to the realization of prosperous lives and dreams for customers by being recognized by society as having a genuine reason for existing and providing the best financial services and products that meet customers' payment and settlement needs," we aim to achieve sustainable growth and enhance corporate value over the medium and long term. To this end, we believe in the importance of ensuring management transparency and fairness to stakeholders, as well as swift and decisive decision making. We are undertaking initiatives to enhance our corporate governance, taking our management environment into account.

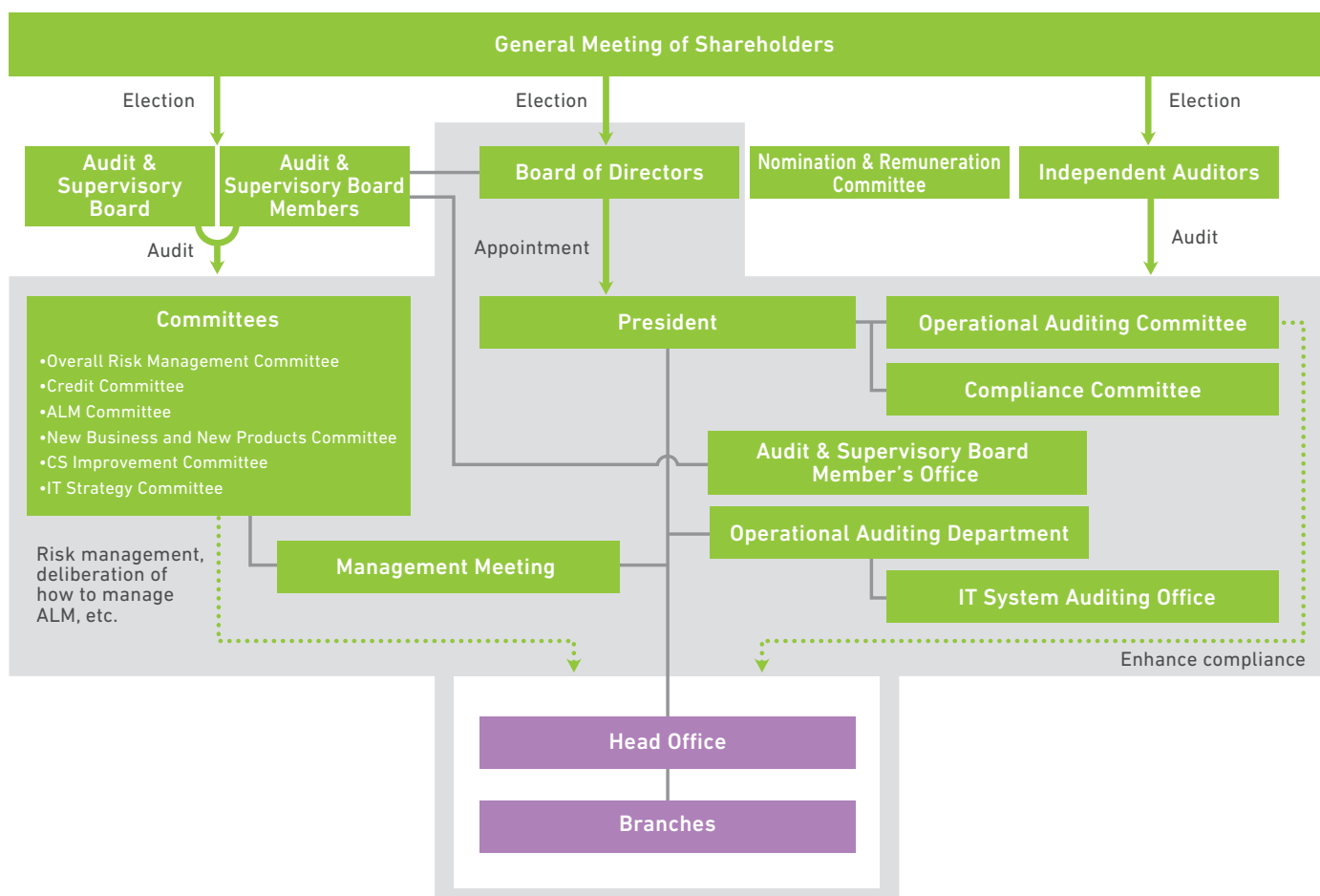
Basic Policy regarding Corporate Governance

1. The Company respects shareholders' rights and takes appropriate actions to create an environment in which shareholders can exercise their rights appropriately and to ensure equal treatment of shareholders.
2. The Company recognizes the importance of its social

responsibility and strives to cooperate appropriately with stakeholders other than shareholders.

3. The Company discloses financial and non-financial information appropriately as required by laws and regulations, and also actively provides information beyond that required by laws and regulations.
4. The Company's Board of Directors appropriately fulfills its roles and responsibilities toward the goal of achieving sustainable growth and enhancing corporate value over the medium and long term based on its fiduciary responsibility and accountability to shareholders.
5. The Company discloses information related to its business strategies, financial condition, business performance, etc. in a timely and appropriate manner, and also enhances investor relations activities to earn the trust and recognition of shareholders, investors, etc.

The following organizational chart shows the corporate governance structure and the organizations etc. for management decision making, business execution and supervisory functions.





Overview of the Corporate Governance Structure

Orico has adopted an audit & supervisory board system, and has the Board of Directors and the Audit & Supervisory Board, which are statutory bodies under the general meeting of shareholders, and has established a management meeting. In addition, to achieve swiftness and efficiency of business execution in response to the dramatically changing economic situation and diverse needs of customers and member merchants, Orico introduced an executive officer system in June 2002.

Board of Directors

The Board of Directors is comprised of thirteen directors, five of whom are outside directors. The board meets every month, in principle, to make decisions on matters established by laws and regulations and important items related to management, as well as to supervise the status of business execution. Outside directors express their views, as appropriate, from an objective standpoint and broad-based perspective, and offer advice and recommendations on ensuring the appropriateness of management decision making. Furthermore, outside audit & supervisory board members conduct audits from the perspective of monitoring management from outside the Company, and thereby function sufficiently.

Audit & Supervisory Board

The Audit & Supervisory Board is comprised of five audit & supervisory board members, three of whom are outside audit & supervisory board members. The board meets once a month, in principle, to conduct decision making of policies, plans and methods of auditing and other important matters related to auditing. Based on these decisions, each audit & supervisory board member audits the business execution of directors by attending important meetings, particularly the Board of Directors meeting, and investigating the status of business execution and management of property.

Management Meeting

The management meeting is comprised of the Chairman, the President, the Vice-President and other top managers of important organizations. In principle held once a week, the management

meeting performs preliminary deliberation on matters that require resolution by the Board of Directors, and deliberates and determines important matters concerning business execution and business operation based on the basic management policy that was decided by the Board of Directors.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been established as an advisory body to the Board of Directors. The committee must be comprised of at least three committee members, the majority of whom are independent outside directors, and must include the President.

Operational Auditing Committee

The Operational Auditing Committee has been established to enhance the internal audits by introducing the knowledge and professional and objective opinions related to the business execution in the audits.

Compliance Committee

The Compliance Committee has been established as a committee entrusted by the Board of Directors with the aim of ensuring that the Company and its group companies are compliant with laws and regulations and increasing corporate value as a company that contributes to society.

Remuneration for Directors and Audit & Supervisory Board Members

1. Total amount of remuneration, total amount of remuneration by type and the number of directors and audit & supervisory board members receiving remuneration by category

Category	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)					Number of directors and audit & supervisory board members receiving remuneration
		Fixed remuneration	Bonus	Stock-based remuneration	Stock options	Retirement benefits	
Directors (excluding outside directors)	310	262	24	22	—	—	12
Audit & supervisory board members (excluding outside audit & supervisory board members)	37	37	—	—	—	—	2
Outside directors and outside audit & supervisory board members	58	58	—	—	—	—	6

2. Total amount of consolidated remuneration per director or audit & supervisory board member

The total amount of consolidated remuneration per director and audit & supervisory board member is omitted. Please note that there is no director nor audit & supervisory board member receiving over ¥100 million of total consolidated remuneration.