

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



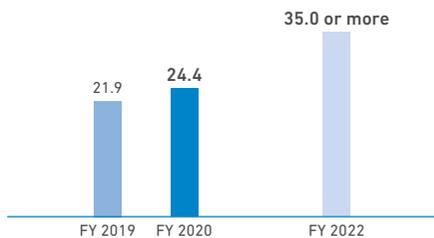
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Progress Status of Medium-Term Management Policy

Progress status of management targets

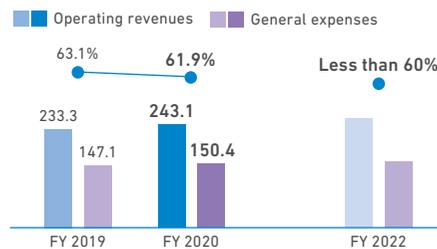
Ordinary profit

(Billions of yen)

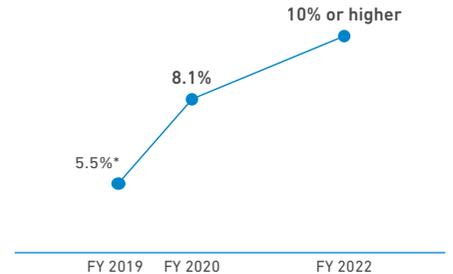


Ratio of general expenses to operating revenues

(Billions of yen)



ROE



First Series Class I Preferred Stock

Remaining balance of ¥35.0 billion, subsequent to partial redemption amounting to ¥15.0 billion carried out in November 2019

Basic Strategy 1 Implementation of digital innovation

We have invested in a total of seven companies using the Orico Digital Fund whose purpose is to accelerate efforts seeking collaboration and co-creation with companies from other industries and start-up companies that have advanced technologies.

Promotion of growth strategies by using cutting-edge digital technologies

Promotion of collaboration with companies from other industries that have access to major e-commerce service providers and other proprietary economic domains

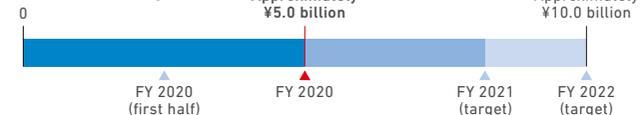


Improve the Company's corporate value by investing in and collaborating with companies that have cutting-edge technologies through use of the Orico Digital Fund

Basic Strategy 2 Implementation of process innovation

The progress we have achieved in streamlining operations using the Internet, AI tools and robotic process automation (RPA) have contributed approximately ¥5.0 billion to profits generated during the fiscal year under review.

Contribution to profit



Basic Strategy 3 Business expansion in Asia

We have been expanding our business foundation in Thailand by establishing additional sales offices. We have also been making steady progress in expanding our business foundations in Asia, and have recently decided to enter the Philippines and Indonesia.

Change in billings in Thailand

(Billions of yen)



Basic Strategy 4 Expansion of synergies within the Orico Group

In the rent guarantee business, we have started to integrate management of Orico and Orico Forrent Insure Co., Ltd. We have been making steady progress in efforts being taken to increase revenues of the Group by strengthening consolidated management.

Expansion of the Orico Group's revenues

Expansion of synergies within the Group
Strengthen consolidated management

Expansion of business fields
Enhance collaboration with Mizuho
Promote alliance

Basic Strategy 5 Enhancement of consulting sales

We are achieving results from initiatives that involve developing region-specific measures, suggesting product options aligned with customer needs, and engaging in sales of consulting services for financial institutions. We will persist with efforts for strengthening structures that provide stable earnings and expanding business fields by swiftly responding to business opportunities using an exhaustive "market-in" approach.

Providing multifaceted settlement and financial services by taking a "market-in" approach



Basic Strategy 6 Enhancement of sustainability initiatives

Outside entities have given us high marks on various fronts with respect to progress we have made in carrying out initiatives under our respective key themes regarding sustainability. We are also taking steps to make the notion of sustainability more pervasive within the Company by educating our employees while also forging ahead with efforts geared to causing such initiatives to become more firmly established.

Realize a sustainable society and enhance our corporate value

