

To whom it may concern:

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Notice Regarding the Formulation of the New Medium-Term Management Plan

At the board of directors meeting held on May 13, 2025, the Company resolved to formulate a new five-year 'Medium-Term Management Plan,' with the final fiscal year ending in March 2030.

Regarding the business environment surrounding the Company, the future outlook remains uncertain due to the current trend of rising interest rates and the impact of U.S. policy management on the economies of various countries. Looking ahead over the next five years, we are at a major turning point, with a declining birthrate, an aging population, a return to a world with interest rates, progress in digitization and cashless transactions, and an accelerating shift from ownership to usage. In particular, the rapid development of generative AI and other technologies is expected to bring about game-changing developments, including the emergence of infrastructure and services that are currently unimaginable. In response to these changes, we have formulated a new medium-term management plan to meet the diversifying needs of our customers.

Based on our basic policy of solving social issues and enhancing corporate value, we have redefined our "vision for the society we aim to achieve in 10 years" and have set the final year of the new medium-term management plan as the year in which we will "establish a unique financial model for Orico." This means "to establish a competitive business foundation that is synonymous with Orico, based on the resolution of materiality (high-priority issues)". Orico will refine its strengths in credit screening, collections, and operations through the power of technology, and by shifting to a business model that truly focuses on the customer, Orico aims to become "an advanced company that creates new financial scenes through credit screening X technology".

The duration of the new medium-term management plan is set for five years. In the first three years, we aim to complete structural reforms promptly, redirecting the resources generated towards growth areas and solidifying the foundation of our businesses with competitive advantages by leveraging the results of the previous medium-term management plan, including installment payment, business-to-business settlement. In the last two years, we will accelerate market share expansion and revenue acquisition, with the goal of achieving a PBR of over 1.0 by the final year of the plan.

To achieve this, we have formulated four business strategies, four management foundation strategies, and management objectives. The details are as follows:

[Strategic Overview]

[Business strategies]

1. To complete business structural reforms
2. To strengthen engagement with customers by providing new experiential value
3. To grant credit for and support productivity improvement of SMEs, etc.
4. To cultivate circular economy market

[Management foundation strategies]

Focusing on enhancing the essential management foundations necessary for promoting business strategies

1. To thoroughly expand digital technology and AI utilization
2. To upgrade corporate governance, risk management, and ALM
3. To further evolve human capital management and human resources strategy, and to reform work styles
4. To change culture to become a “leading company that creates new financial scenes”

[Management objectives]

In order to achieve a PBR of over 1.0, the Company has established the following financial management objectives.

	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2030
Ordinary profit	Over 25.0 billion yen	Over 50.0 billion yen
ROE	7.5% or higher	12.0% or higher
Ratio of general expenses to operating revenues	Below 60.0%	Below 55.0%

[Capital Policy]

The basic capital policy of the Company is “to achieve an optimal balance between financial soundness, growth investment, and shareholder returns,” and regarding basic policy on returning profits to shareholders, the Company has decided that shareholder returns shall be “implemented primarily through dividends,” and that its dividend policy is to be “based on a progressive dividend approach, with a target consolidated dividend payout ratio of 30% to 40.”

Through the steady execution of this new medium-term management plan, we will strive to address social issues and enhance corporate value.

End of Notice

DISCLAIMER

This English translation is only for reference purpose. When there are any discrepancies between the original Japanese version and the English translation version, the original Japanese version always prevails.

Environmental Assumptions (Opportunities) and Our Strengths

- Providing highly convenient services by introducing AI credit analysis that leverages the credit know-how accumulated over years
- Expanding our network ecosystem including major operators, enabling us to scale up our business

Environmental Assumptions (Opportunities)

Expansion of Individual Payment Needs

- Higher prices → Increasing demand for installment payments
- Progress in cashless operations
- Increase in EC transactions due to decrease in brick-and-mortar stores
- Increase in single-person households
- Financial access needs for freelancers, foreign residents, and the elderly
- A Rapid response to the diversifying needs of customers is the key to growth

Responding to issues faced by SMEs

- Transition to cashless settlement by digitization of bills and checks
- Worsening shortage of leaders due to population decline
- The digital corporate settlement market is a growing market

Response to the Circular Economy

- Transition from ownership to usage
- Electrification and Automation of mobility
- Increase in pre-owned and vacant homes

Our Strengths

Intellectual Capital: Credit, Collection, and Operations

- Services incorporating an AI credit review model for quick screening
- Expertise in collection counseling and credit management
- Massive and accurate administrative capabilities (for automation)

Social Capital: Our Network Ecosystem to Scale Our Business Strategy

(As of the end of FY2024)

Number of domestic
auto loans:
1.67 million

Credit card shopping
Number of members:
10.75 million

Franchised stores:
910,000

Financial
institutions under a
strong partnering:
553

Auto leasing for individuals
Number of vehicles owned:
187,000

Rent settlement
guarantee
Number of users:
1.46 million

Accounts receivable
settlement guarantee
Number of user
companies:
270,000

Business-related
Card members:
240,000

The overseas auto loan
Number of users:
100,000



OBL



OAL



OIFI



OPF



OCL

Business partners

(Partners considered)



Orico Group

Business partners and
franchisees

Creation of Values

Vision

Leading company creating new financial scenes with "Credit X Technology"

Our Strengths

Intellectual Capital

Social Capital

Human Capital

Financial Capital

Sustainability

Medium-Term Management Plan (Fiscal Year 2025 to 2029)

Our goal in 5 years

Establish a unique financial model for Orico

Continuously Chosen by Our Customers

Starting with resolution of Important Issues (Materiality), establishing Business Foundation synonymous with Orico

Refining our strengths in credit screening through the power of technology, and shifting to a business model that truly focuses on the customer

Business
Strategies

Management Foundation
Strategies

Purpose

その夢の、一歩先へ
Open the Future with You

Envisioned Society

The sustainable society where everyone can achieve a rich and fulfilling life

Outcome

Creation of Social Value

Delivering Value to Our Customers through Installment Payment Service

Contributing to the Growth of Business Opportunities for SMEs

Enhancing Corporate Value

In next five years (FY 2029)

Ordinary Profit:
Over 50 billion yen

ROE: **12% or higher**

Roadmap and Strategic Framework of the Medium-Term Management Plan

- Setting a 'Five-Year Target' and Formulating a 'Strategic Framework' to Achieve Our Envisioned Society

Creating Social Value and Business Growth

(First Three Years) FY2025 - 2027

Solidify the foundation of our businesses with competitive advantages

Complete structural reforms promptly Redirect resources generated towards growth areas

Business strategies

Complete business structural reforms

Consumer Strategies

Strengthen engagement with customers by providing new experiential value

Corporate Strategy

Grant credit for and support productivity improvement of SMEs, etc.

Cultivate circular economy market

(Final Two Years) FY2028 - 2029

Accelerate the expansion of market share and revenue acquisition in areas of competitive advantage

Five-Year Target

Establish a unique financial model for Orico

Management foundation strategy

Thoroughly expand digital technology and AI utilization

Upgrade corporate governance, risk management, and ALM

Further evolve human capital management and human resources strategy, and to reform work styles

Change culture to become a “leading company that creates new financial scenes”

FY 2027

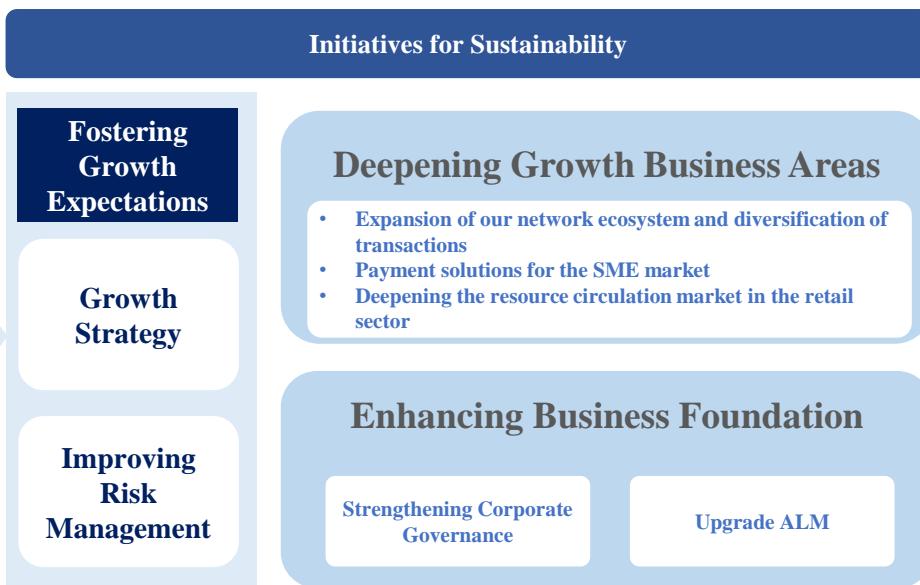
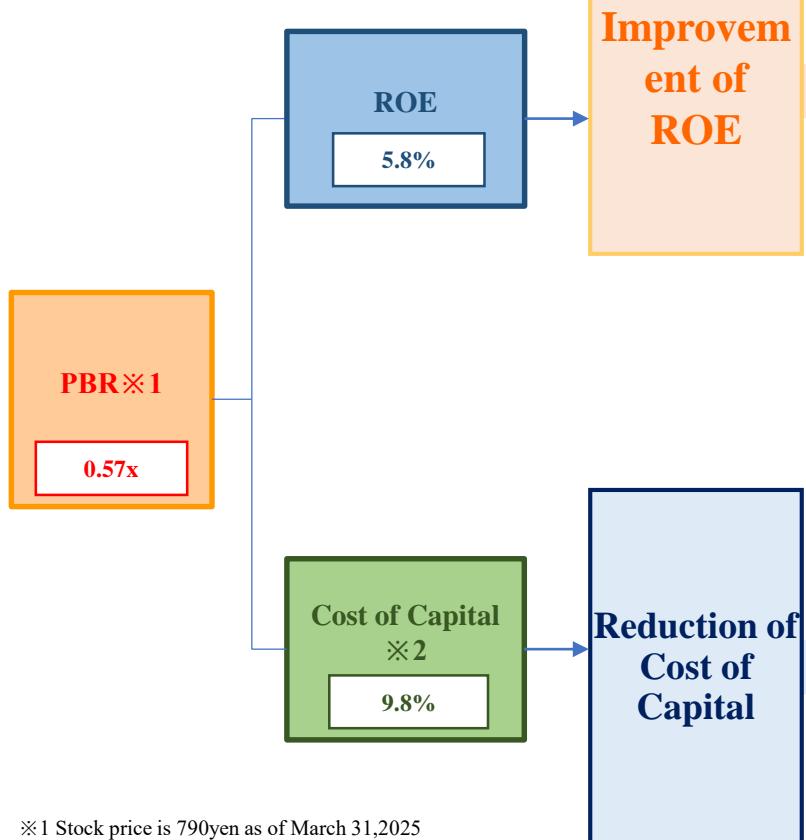
FY2029

Initiatives to Achieve a PBR of Over 1.0x

- Aiming to improve ROE and reduce cost of capital by disciplined financial management and fostering growth-expectations, with PBR improvement as a top management priority

Main strategy outline

<FY2024>
◆Currently, "ROE < Cost of Capital," and PBR is below 1.0x



Improving PBR

※1 Stock price is 790yen as of March 31,2025

※2 Broadly defined Cost-of-capital = CAPM - Expected growth rate

(Reciprocal of expected PER of 10.2 multiple)

5.0%

(4.8%)

Revenue Roadmap

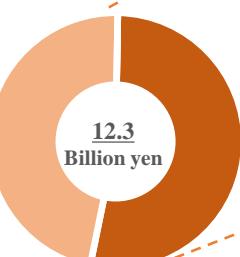
- Aiming to achieve a PBR of over 1.0x by achieving our management objectives.

Management Objectives

	FY2027	FY2029
Ordinary profit	Over 25.0 billion yen	Over 50.0 billion yen
ROE	7.5% or higher	12% or higher
Ratio of general expenses to operating revenues	Below 60%	Below 55%

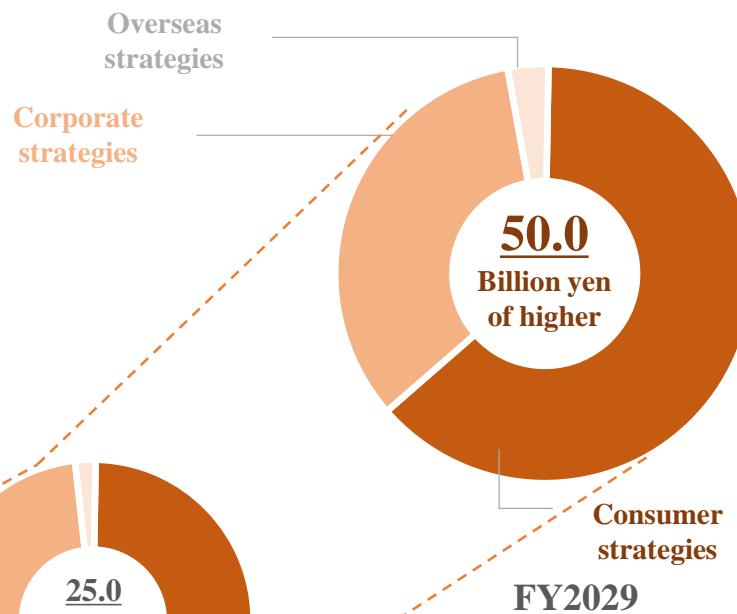
Ordinary profit ※

Business strategies	Main businesses and products
Consumer strategies	Installment Credit, Rent settlement guarantee
	Credit cards and cash loans
Corporate Strategies	Accounts receivable settlement guarantee, business credit cards
	Bank loan guarantee
Overseas strategies	The overseas auto loan



FY2024

ROE 5.8%

Ratio of General expenses
to Operating revenue 62.9%※ Breakdown of management accounting by
each departments

FY2029

25.0
Billion yen
or higherOverseas
strategiesCorporate
strategiesConsumer
strategies