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Orico

May 15, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Orient Corporation
Listing: Tokyo Stock Exchange
Securities code: 8585
URL: https://www.orico.co.jp/
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Scheduled date of annual general meeting of shareholders: June 24, 2026
Scheduled date to commence dividend payments: June 25, 2026
Scheduled date to file annual securities report: June 17, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	247,631	1.0	14,444	17.0	14,444	17.0	12,889	(7.6)
March 31, 2025	245,270	7.1	12,344	(23.4)	12,344	(23.4)	13,943	10.9

Note: Comprehensive income For the fiscal year ended March 31, 2026 ¥17,955 million [125.6%]
For the fiscal year ended March 31, 2025 ¥7,959 million [(56.1)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to operating revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	75.30	75.30	5.3	0.5	5.8
March 31, 2025	81.45	81.45	5.8	0.4	5.0

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026 ¥562 million
For the fiscal year ended March 31, 2025 ¥847 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	2,844,481	257,188	8.8	1,463.12
March 31, 2025	2,881,698	246,559	8.3	1,397.90

Reference: Equity
As of March 31, 2026 ¥250,465 million
As of March 31, 2025 ¥239,328 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	22,123	(21,164)	(68,039)	154,579
March 31, 2025	2,619	(13,305)	(252,030)	216,805

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	0.00	–	40.00	40.00	6,874	49.3	2.9
Fiscal year ended March 31, 2026	–	0.00	–	40.00	40.00	6,874	53.3	2.8
Fiscal year ending March 31, 2027 (Forecast)	–	0.00	–	40.00	40.00		52.9	

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	260,000	5.0	15,000	3.8	15,000	3.8	13,000	0.9	75.95

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of issued shares (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	171,888,020 shares
As of March 31, 2025	171,882,620 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	702,156 shares
As of March 31, 2025	677,100 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	171,173,072 shares
Fiscal year ended March 31, 2025	171,190,177 shares

Note: The number of treasury shares includes the Company's shares held by the Board Benefit Trust (BBT-RS) and the Employee Stock Ownership Plan (J-ESOP-RS).

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution concerning forward-looking statements)

Forecasts of the financial results and other forward-looking statements included in this report are based on information available to the Company as of the release date of this report. Actual financial results may differ from these forecasts due to various factors in the future.

(Availability of supplementary material on financial results)

The supplementary materials on financial results will be posted to the Company's website promptly after the financial results announcement.

(Availability of contents of financial results presentation meeting)

The Company plans to hold a financial results briefing for institutional investors and analysts on Wednesday, May 20, 2026.

The presentation materials for the briefing, which will be distributed at the meeting, are scheduled to be posted on the Company's website prior to the event on the same day. The content of the presentation (video and transcript) will be promptly posted on the Company's website following the meeting.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year Under Review

(i) Overview of Financial Results

During the fiscal year ended March 31, 2026, the Japanese economy showed a moderate recovery trend due to improvements in the employment and income environment and effects of various economic policies. On the other hand, in addition to downward pressure on personal consumption caused by continued price hikes, there are concerns about the economic impact of rising market interest rates, and the economic outlook remains uncertain. Furthermore, the future of economic policies both domestically and internationally is also uncertain, given factors including developments in geopolitical risks such as the situation in the Middle East, fluctuations in financial and capital markets, and trends surrounding U.S. trade policy. We recognize the need to continue closely monitoring the impact these factors may have on economies of various countries and financial markets.

Under these circumstances, the Group has redefined our “10-year vision as well as our envisioned society in 10 years” based on our basic policy of solving social issues and enhancing corporate value, and has launched a five-year medium-term management plan which aims to “establish a unique financial model of Orico” as the goal for the final year.

With the fiscal year ended March 31, 2026 being an important period as the first year of the medium-term management plan, we have focused on structural reforms, redirecting resources toward growth areas, and solidifying the foundation of our businesses with competitive advantages.

Operating results in the fiscal year under review were as follows.

Operating revenue increased by ¥2.3 billion year on year to ¥247.6 billion due to the growth in the settlement and guarantee business and bank loan guarantee business.

For details by business segment, please refer to “(ii) Status of Major Businesses.”

Operating expenses increased by ¥0.2 billion year on year to ¥233.1 billion, due to an increase in financial expenses from the impact of rising interest rates, despite a decrease in bad debt-related expenses in the overseas business.

As a result of these factors, ordinary profit increased ¥2.1 billion year on year to ¥14.4 billion. Profit attributable to owners of parent decreased by ¥1.0 billion year on year to ¥12.8 billion.

(ii) Status of Major Businesses

Operating revenues increased 0.6% year on year to ¥233.1 billion, and the breakdown is as follows:

(Reference) Breakdown of operating revenues by business

(Billions of yen, rounded down to one decimal place)

Business	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Year-on-year changes (%)
Settlement and guarantee	25.0	26.0	3.9
Overseas	14.9	12.4	(16.3)
Credit cards and cash loans	69.9	71.6	2.3
[Of which: credit card shopping]	[53.5]	[56.4]	[5.4]
Installment credit	78.2	77.0	(1.6)
Bank loan guarantee	35.0	37.6	7.4
Other	8.4	8.3	(0.6)
Total	231.6	233.1	0.6

■Settlement and Guarantee Business

In the settlement and guarantee business, the transaction volume of rent settlement guarantees increased year on year, supported by firm demand against the backdrop of an increase in the number of single-person households and rising rental orientation due to soaring housing prices, as well as enhanced convenience through electronic applications and strengthened sales forces in the Tokyo metropolitan area.

In the accounts receivable settlement guarantees, the transaction volume increased year on year due to a growth in transaction volume for existing member merchants, and also a steady rise in the number of new business partners, resulting from our strengthened cooperation with Mizuho Bank, Ltd.

As a result, operating revenues in the settlement and guarantee business increased 3.9% year on year to ¥26.0 billion.

■Overseas Business

In the overseas business, the transaction volume of the three overseas subsidiaries in total decreased year on year as a result of tightening our credit standards to control bad debt-related expenses. In addition, bad debt-related expenses are on a downward trend, thanks to the success of measures such as tightening our credit standards and strengthening our collection system. We will continue to focus on accumulating high-quality loans, while also striving for stable growth by thoroughly reinforcing our governance system.

As a result, operating revenues in the overseas business decreased 16.3% year on year to ¥12.4 billion.

■Credit Cards and Cash Loans Business

In the credit cards and cash loans business, the transaction volume for credit card shopping increased year on year due to strong growth in usage at large partners. Loan balances decreased year on year mainly due to a decline in new transaction volume.

As a result, operating revenues in the credit card shopping increased 5.4% year on year to ¥56.4 billion, and operating revenues from cash loans decreased 7.8% year on year to ¥15.1 billion. Total operating revenues in the credit cards and cash loans business increased 2.3% year on year to ¥71.6 billion.

■Installment Credit Business

In the installment credit business, the transaction volumes for auto loans and shopping credit decreased year on year, mainly due to the passing rising market interest rates on to prices.

As a result, operating revenues in the installment credit business decreased 1.6% year on year to ¥77.0 billion.

■Bank Loan Guarantee Business

In the bank loan guarantee business, we are committed to providing financial products and services according to regional challenges. As a result, the balance of guarantees increased compared to the end of the previous fiscal year, marking a turnaround on the back of steady growth in the transaction volume of loan on deeds.

As a result, operating revenues in the bank loan guarantee business increased 7.4% year on year to ¥37.6 billion.

(iii) Outlook for the Next Fiscal Year

Due to changes in the financial environment, rising geopolitical risks, and an increase in cyberattacks, the business environment surrounding the Group remains uncertain. Furthermore, against the backdrop of a declining working-age population in Japan, improving productivity has become essential for sustainable growth. In particular, the use of AI and digital technologies, including generative AI is becoming increasingly important in terms of improving operational efficiency, creating added value, and strengthening competitiveness ,and we therefore recognize the importance to further deepen structural reforms and drive them forward with a sense of urgency, leveraging the use of AI and digital technologies.
Specifically, we will fundamentally reevaluate our existing business processes and structures from the customer’s perspective, while by making full use of AI and digital technologies, we aim to improve

productivity and create new customer experiences. Furthermore, we will strategically reallocate the human resources freed up by our digital transformation efforts to growth areas and shift them toward higher-value-added tasks, thereby strengthening the competitiveness of the entire Group and enhancing our corporate value on a sustainable basis.

Against this backdrop, the consolidated financial forecast for the next fiscal year is as follows. Operating revenue is expected to increase mainly due to growth in the credit cards and cash loans business, settlement and guarantee business, and bank loan guarantee business.

We expect an increase in operating expenses due to factors such as an increase in financial expenses due to rising interest rates.

As a result of the above, the Group projects operating revenue of ¥260.0 billion (up ¥12.3 billion year on year), ordinary profit of ¥15.0 billion (up ¥0.5 billion), and profit attributable to owners of parent of ¥13.0 billion (up ¥0.1 billion).

(2) Summary of Financial Position for the Fiscal Year Under Review

Regarding the status of assets, total assets decreased by ¥37.2 billion from ¥2,881.6 billion at the end of the previous fiscal year to ¥2,844.4 billion. This decrease was mainly due to a decrease in cash and deposits resulting from the repayment of interest-bearing debt.

Regarding the status of liabilities, total liabilities decreased by ¥47.8 billion from ¥2,635.1 billion at the end of the previous fiscal year to ¥2,587.2 billion. This decrease was mainly due to a decrease in interest-bearing debt.

Regarding net assets, total net assets increased by ¥10.6 billion from ¥246.5 billion at the end of the previous fiscal year to ¥257.1 billion. This increase was mainly due to an increase in retained earnings resulting from the accumulation of profit attributable to owners of parent.

The status of cash flows and its factors are as follows:

Cash Flows from Operating Activities

Net cash provided by operating activities for the fiscal year under review amounted to ¥22.1 billion, an increase of ¥19.5 billion from the previous fiscal year.

This was mainly due to an increase in deposits received.

Cash Flows from Investing Activities

Net cash used in investing activities for the fiscal year under review amounted to ¥21.1 billion, an increase of ¥7.8 billion from the previous fiscal year.

This was mainly due to the acquisition of intangible assets (software).

Cash Flows from Financing Activities

Net cash used in financing activities for the fiscal year under review amounted to ¥68.0 billion, a decrease of ¥183.9 billion from the previous fiscal year.

This was mainly due to the repayment of interest-bearing debt.

As a result, cash and cash equivalents as of the end of the fiscal year under review were ¥154.5 billion, a decrease of ¥62.2 billion compared to the end of the previous fiscal year.

(3) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Under Review and the Next Fiscal Year

The Company has established a basic policy of its capital policy 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." Its dividend policy is based on a progressive dividend approach, with a target consolidated dividend payout ratio of 30% to 40%.

Based on this shareholder return policy, the Company declared a year-end dividend of ¥40 per share for the fiscal year under review, as forecasted at the beginning of the fiscal year.

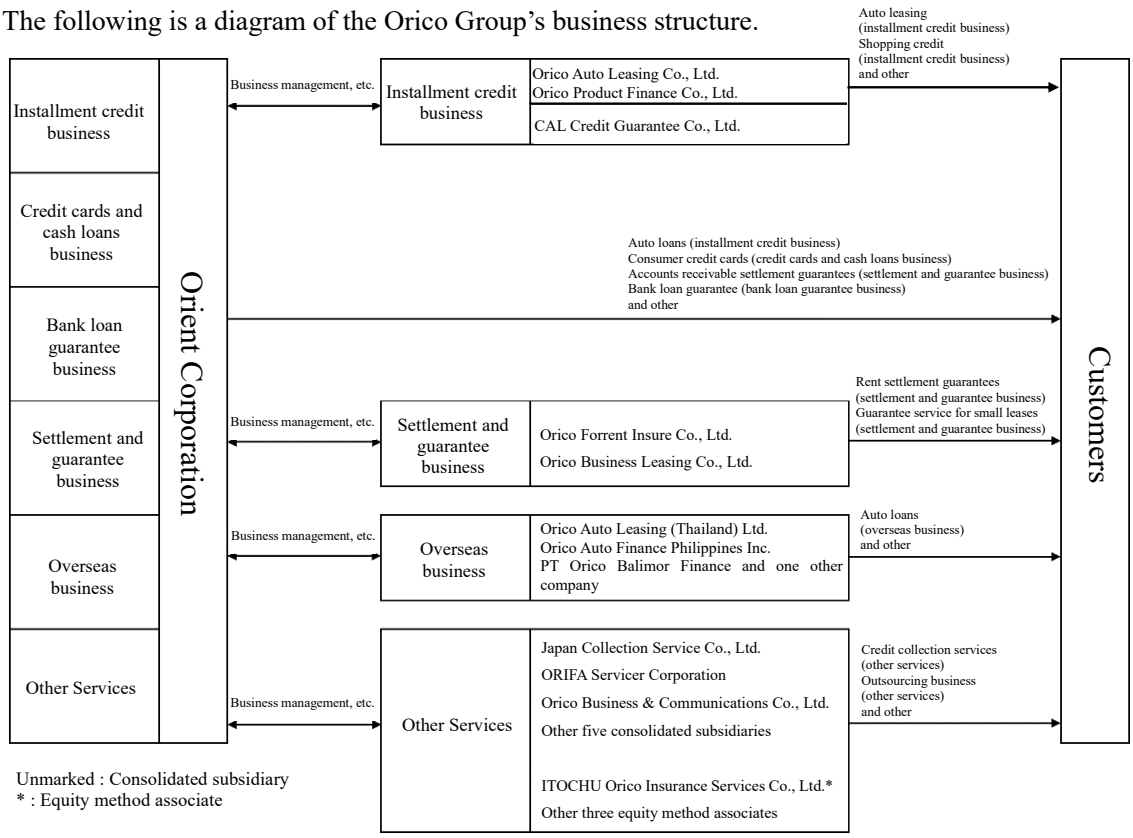
The Company plans to pay a year-end dividend of ¥40 per share for the next fiscal year.

2. Status of the Corporate Group

The Orico Group as a corporate group consists of the Company and its 22 affiliated companies (18 consolidated subsidiaries and four equity method associates).

The Orico Group's main businesses include the settlement and guarantee business, overseas business, credit cards and cash loans business, installment credit business, and bank loan guarantee business, and the Group also provides a wide range of other services to meet customer needs, including credit management and collection services.

The following is a diagram of the Orico Group's business structure.



3. Basic Approach to the Selection of Accounting Standards

Since most of the Group's stakeholders are domestic shareholders, creditors and business partners, the Company has adopted Japanese GAAP for accounting standards.

With regard to the application of International Financial Reporting Standards (IFRS), in light of the changing business environment surrounding the Company and the fact that our overseas subsidiaries have already applied IFRS, we are conducting gap analyses between IFRS and Japanese GAAP, as well as assessing the impact of its adoption. Based on the results of these analyses and current domestic and international circumstances, we will evaluate the feasibility and timing of the application.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	216,805	154,579
Notes and accounts receivable - trade	588	481
Accounts receivable - installment	1,373,091	1,315,119
Beneficiary certificates retained for receivable securitization	715,677	791,334
Lease receivables and investments in leases	288,081	284,384
Short-term loans receivable	55	312
Other	125,544	130,888
Allowance for doubtful accounts	(135,216)	(134,747)
Total current assets	2,584,626	2,542,352
Non-current assets		
Property, plant and equipment		
Buildings and structures	54,620	55,080
Accumulated depreciation	(35,689)	(34,967)
Buildings and structures, net	18,930	20,113
Machinery, equipment and vehicles	273	272
Accumulated depreciation	(130)	(165)
Machinery, equipment and vehicles, net	143	106
Land	60,127	57,720
Leased assets	1,678	1,531
Accumulated depreciation	(947)	(927)
Leased assets, net	731	603
Construction in progress	1,651	697
Other	11,089	11,430
Accumulated depreciation	(5,755)	(6,004)
Other, net	5,333	5,425
Total property, plant and equipment	86,917	84,666
Intangible assets		
Goodwill	4,247	3,521
Other	83,837	80,252
Total intangible assets	88,085	83,773
Investments and other assets		
Investment securities	21,921	26,761
Long-term loans receivable	10,601	8,205
Long-term loans receivable from employees	9	7
Retirement benefit asset	23,681	32,505
Deferred tax assets	33,359	33,473
Other	31,802	32,072
Total investments and other assets	121,376	133,027
Total non-current assets	296,379	301,468
Deferred assets		
Bond issuance costs	691	660
Total deferred assets	691	660
Total assets	2,881,698	2,844,481

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	168,282	161,882
Short-term borrowings	193,396	172,142
Current portion of bonds payable	40,000	35,000
Current portion of long-term borrowings	400,720	383,677
Current portion of long-term debt for receivable securitization	19,351	16,249
Commercial papers	310,700	316,600
Lease liabilities	368	320
Income taxes payable	4,095	2,492
Deposits received	201,715	227,040
Provision for bonuses	4,247	5,030
Provision for bonuses for directors (and other officers)	164	169
Provision for share awards	97	182
Provision for point program	1,635	1,623
Provision for loss on guarantees	2,809	3,105
Deferred installment income	68,049	61,005
Other	30,029	30,964
Total current liabilities	1,445,661	1,417,487
Non-current liabilities		
Bonds payable	210,000	215,000
Long-term borrowings	863,482	868,143
Long-term debt for receivable securitization	94,334	66,825
Lease liabilities	517	410
Provision for retirement benefits for directors (and other officers)	32	42
Provision for share awards	69	117
Provision for point program	3,407	3,387
Provision for loss on interest repayment	9,569	6,346
Retirement benefit liability	880	958
Other	7,184	8,573
Total non-current liabilities	1,189,477	1,169,805
Total liabilities	2,635,138	2,587,293
Net assets		
Shareholders' equity		
Share capital	150,075	150,079
Capital surplus	932	741
Retained earnings	79,912	85,406
Treasury shares	(794)	(789)
Total shareholders' equity	230,126	235,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	469	1,488
Deferred gains or losses on hedges	(553)	(479)
Foreign currency translation adjustment	1,083	462
Remeasurements of defined benefit plans	8,202	13,556
Total accumulated other comprehensive income	9,201	15,027
Share acquisition rights	7	–
Non-controlling interests	7,223	6,722
Total net assets	246,559	257,188
Total liabilities and net assets	2,881,698	2,844,481

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenue		
Operating revenues	231,645	233,116
Financial revenue		
Interest and dividend income	368	434
Other financial revenue	852	812
Total financial revenue	1,220	1,247
Other operating revenue	12,404	13,268
Total operating revenue	245,270	247,631
Operating expenses		
Selling, general and administrative expenses	207,030	203,069
Financial expenses		
Interest expenses	20,417	24,068
Other financial expenses	916	1,045
Total financial expenses	21,333	25,113
Other operating expenses	4,562	5,003
Total operating expenses	232,926	233,186
Operating profit	12,344	14,444
Ordinary profit	12,344	14,444
Extraordinary income		
Gain on sale of property, plant and equipment	–	105
Gain on sale of investment securities	1,644	–
Gain on revision of retirement benefit plan	9,434	–
Gain on return of assets from retirement benefits trust	705	–
Total extraordinary income	11,785	105
Extraordinary losses		
Loss on sale of property, plant and equipment	–	39
Loss on retirement of property, plant and equipment	13	37
Loss on retirement of software	155	29
Loss on sale of investment securities	1	–
Restructuring cost	166	–
Loss on valuation of investment securities	666	272
Total extraordinary losses	1,004	380
Profit before income taxes	23,124	14,170
Income taxes - current	5,309	4,207
Income taxes - deferred	4,322	(2,273)
Total income taxes	9,631	1,934
Profit	13,493	12,236
Loss attributable to non-controlling interests	(450)	(652)
Profit attributable to owners of parent	13,943	12,889

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	13,493	12,236
Other comprehensive income		
Valuation difference on available-for-sale securities	(706)	1,017
Deferred gains or losses on hedges	(391)	52
Foreign currency translation adjustment	102	(702)
Remeasurements of defined benefit plans, net of tax	(4,538)	5,350
Share of other comprehensive income of entities accounted for using equity method	(0)	2
Total other comprehensive income	(5,533)	5,719
Comprehensive income	7,959	17,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,293	18,715
Comprehensive income attributable to non-controlling interests	(333)	(760)

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	150,075	932	72,843	(498)	223,353
Changes during period					
Issuance of new shares - exercise of share acquisition rights	0	0			0
Dividends of surplus			(6,874)		(6,874)
Profit attributable to owners of parent			13,943		13,943
Purchase of treasury shares				(615)	(615)
Disposal of treasury shares		(0)		318	318
Transfer from retained earnings to capital surplus		0	(0)		–
Net changes in items other than shareholders' equity					
Total changes during period	0	0	7,069	(296)	6,773
Balance at end of period	150,075	932	79,912	(794)	230,126

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income			
Balance at beginning of period	1,175	(179)	1,110	12,745	14,851	8	7,469	245,683
Changes during period								
Issuance of new shares - exercise of share acquisition rights								0
Dividends of surplus								(6,874)
Profit attributable to owners of parent								13,943
Purchase of treasury shares								(615)
Disposal of treasury shares								318
Transfer from retained earnings to capital surplus								–
Net changes in items other than shareholders' equity	(706)	(374)	(27)	(4,542)	(5,650)	(0)	(246)	(5,897)
Total changes during period	(706)	(374)	(27)	(4,542)	(5,650)	(0)	(246)	875
Balance at end of period	469	(553)	1,083	8,202	9,201	7	7,223	246,559

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	150,075	932	79,912	(794)	230,126
Changes during period					
Issuance of new shares - exercise of share acquisition rights	3	3			7
Dividends of surplus			(6,874)		(6,874)
Profit attributable to owners of parent			12,889		12,889
Purchase of treasury shares				(107)	(107)
Disposal of treasury shares		(0)		111	111
Transfer from retained earnings to capital surplus		0	(0)		–
Change in ownership interest of parent due to transactions with non-controlling interests		(195)			(195)
Increase (decrease) due to change in fiscal year end of consolidated subsidiaries			(520)		(520)
Net changes in items other than shareholders' equity					
Total changes during period	3	(191)	5,493	4	5,310
Balance at end of period	150,079	741	85,406	(789)	235,437

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income			
Balance at beginning of period	469	(553)	1,083	8,202	9,201	7	7,223	246,559
Changes during period								
Issuance of new shares - exercise of share acquisition rights								7
Dividends of surplus								(6,874)
Profit attributable to owners of parent								12,889
Purchase of treasury shares								(107)
Disposal of treasury shares								111
Transfer from retained earnings to capital surplus								–
Change in ownership interest of parent due to transactions with non-controlling interests								(195)
Increase (decrease) due to change in fiscal year end of consolidated subsidiaries								(520)
Net changes in items other than shareholders' equity	1,019	74	(620)	5,353	5,826	(7)	(500)	5,317
Total changes during period	1,019	74	(620)	5,353	5,826	(7)	(500)	10,628
Balance at end of period	1,488	(479)	462	13,556	15,027	–	6,722	257,188

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	23,124	14,170
Depreciation	20,518	20,022
Loss on sales and retirement of property, plant and equipment and intangible assets	175	108
Loss (gain) on sale of property, plant and equipment and intangible assets	(0)	(105)
Increase (decrease) in allowance for doubtful accounts	904	(1,122)
Increase (decrease) in provision for loss on guarantees	11	295
Increase (decrease) in provision for bonuses	(78)	714
Increase (decrease) in provision for bonuses for directors (and other officers)	35	1
Increase (decrease) in provision for share awards	69	245
Increase (decrease) in retirement benefit liability	(1,258)	(532)
Increase (decrease) in provision for loss on interest repayment	(3,190)	(3,222)
Interest and dividend income	(368)	(434)
Interest expenses	20,417	24,068
Gain on return of assets from retirement benefits trust	(705)	–
Gain on revision of retirement benefit plan	(9,434)	–
Decrease (increase) in trade receivables	(2,322)	(29,597)
Decrease (increase) in inventories	57	1,082
Increase (decrease) in trade payables	(19,349)	(5,500)
Increase (decrease) in deferred installment income	(4,370)	(5,776)
Decrease (increase) in other assets	5,381	9,414
Increase (decrease) in other liabilities	(6,378)	25,193
Other, net	394	2,127
Subtotal	23,631	51,154
Interest and dividends received	717	836
Interest paid	(20,371)	(24,032)
Return of assets from retirement benefits trust	2,318	–
Income taxes paid	(3,677)	(5,835)
Net cash provided by (used in) operating activities	2,619	22,123
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(14,821)	(17,173)
Proceeds from sale of property, plant and equipment and intangible assets	345	726
Purchase of investment securities	(1,047)	(3,646)
Purchase of shares of associates	(283)	–
Proceeds from sale of investment securities	5,859	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,563)	–
Proceeds from settlement of contingent acquisition consideration	463	–
Long-term loan advances	(1,800)	–
Proceeds from collection of long-term loans receivable	2,820	2,139
Purchase of long-term prepaid expenses	(1,632)	(1,327)
Other, net	(1,647)	(1,883)
Net cash provided by (used in) investing activities	(13,305)	(21,164)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(321,372)	(25,585)
Net increase (decrease) in commercial papers	(56,800)	5,900
Proceeds from long-term borrowings	416,254	400,827
Repayments of long-term borrowings	(399,079)	(412,681)
Proceeds from issuance of bonds	54,720	39,785
Redemption of bonds	(40,000)	(40,000)
Proceeds from long-term debt receivable securitization	243,545	–
Repayments of long-term debt receivable securitization	(141,349)	(28,279)
Purchase of treasury shares	(615)	(107)
Dividends paid	(6,883)	(6,871)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(571)
Other, net	(452)	(455)
Net cash provided by (used in) financing activities	(252,030)	(68,039)
Effect of exchange rate change on cash and cash equivalents	161	371
Net increase (decrease) in cash and cash equivalents	(262,555)	(66,707)
Cash and cash equivalents at beginning of period	479,360	216,805
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries	–	4,481
Cash and cash equivalents at end of period	216,805	154,579

Notes

(Notes on Premise of Going Concern)

Not applicable.

(Changes in Basis of Preparation of Consolidated Financial Statements)

(Change in Fiscal Year of Consolidated Subsidiary)

Previously, for Orico Product Finance Co., Ltd., a consolidated subsidiary whose fiscal year-end date was the last day of February, we used the financial statements as of that date and made necessary adjustments for significant transactions that occurred between its respective fiscal year-end date and that for consolidation. However, starting from the current fiscal year, we have changed the fiscal year-end date of the subsidiary to the last day of March.

As a result of this change, the current fiscal year covers the 12-month period from April 1, 2025 to March 31, 2026. The profit and loss of the subsidiary for the period from March 1, 2025 to March 31, 2025 is adjusted as increase or decrease in retained earnings.

(Changes in Accounting Estimates)

(Change in the Method of Recognizing Allowance for Doubtful Accounts)

Orico Product Finance Co., Ltd. (hereinafter "OPF"), a consolidated subsidiary of the Company, has shifted its policy to maximize collections by extending collection periods. This shift was prompted by its acquisition as a consolidated subsidiary and involves transferring to OPF the collection expertise and related knowledge we have cultivated over many years, as well as developing and strengthening its collection system.

Under this policy, we have been working to improve OPF's credit management and to develop and strengthen its collection system, and we have confirmed that this has led to improvements in collection performance and other metrics that serve as the basis for calculating OPF's allowance for doubtful accounts. In addition, as part of our efforts to develop and strengthen OPF's collection system, we previously collected delinquent receivables that had been outstanding for more than 12 months through bulk sales; however, we have changed our policy to continue collection services through OPF, and now collect receivables that have been outstanding for more than 24 months through bulk sales.

Furthermore, we plan to provide a collection guarantee for the installment receivables held by OPF and to handle collection services in the event of delinquency or similar issues; as a result, OPF's future collection system is expected to be virtually integrated with ours.

In light of this, for calculating the estimated loss amount for OPF, we have decided to adopt a method consistent with the current state of collection services. As a result, the allowance for doubtful accounts for the current fiscal year decreased by ¥2,018 million compared to that calculated by the previous method. In addition, operating profit, ordinary profit, and profit before income taxes for the current fiscal year each increased by ¥2,018 million.

(Changes in Presentation)

(Consolidated Balance Sheet)

"Provision for share awards for directors (and other officers)," which were presented under "current liabilities" and "non-current liabilities" in the previous fiscal year, have been renamed "provision for share awards" in each item from the current fiscal year because the Company has newly introduced the Employee Stock Ownership Plan "J-ESOP-RS" as a new compensation plan for some of its employees. To reflect this change in presentation, we have made a change in the accounting titles in the consolidated financial statements for the previous fiscal year.

As a result, we have reclassified "provision for share awards for directors (and other officers)" of ¥97 million presented under "current liabilities," and "provision for share awards for directors (and other officers)" of ¥69 million presented under "non-current liabilities" in the consolidated balance sheets for the previous fiscal year, as "provision for share awards."

(Consolidated Statement of Cash Flows)

"Increase (decrease) in provision for share awards for directors (and other officers)," which was presented under "cash flows from operating activities" in the previous fiscal year, is now presented as "increase (decrease) in provision for share awards" because, as described in the changes in the presentation of the consolidated balance sheet, the account title "provision for share awards for directors (and other officers)" has been renamed "provision for share awards" in the consolidated balance sheet from the current fiscal year. To reflect this change in presentation, we have made a change in the line item in the consolidated statement of cash flows for the previous fiscal year.

As a result, we have reclassified "increase (decrease) in provision for share awards for directors (and other officers)" of ¥69 million presented under "cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year, as "increase (decrease) in provision for share awards."

(Notes to Consolidated Balance Sheet)

Contingent liabilities

1) Operating guarantee obligations

(Unit: Millions of yen)

	(Previous fiscal year)	(Current fiscal year)
Guarantee of loans, etc. to customers by affiliated financial institutions	2,247,452	2,344,085

2) The Company guarantees the following obligations for loans extended by financial institutions to other companies.

(Unit: Millions of yen)

	(Previous fiscal year)	(Current fiscal year)
PT Honest Financial Technologies	1,872	3,375

(Notes to Consolidated Statement of Income)

Breakdown of operating revenues

(Unit: Millions of yen)

	(Previous fiscal year)	(Current fiscal year)
Settlement and guarantee	25,041	26,007
Overseas	14,924	12,495
Credit cards and cash loans	69,984	71,612
Installment credit	78,233	77,002
Bank loan guarantee	35,021	37,610
Other	8,441	8,386
Total	231,645	233,116

* Revenues from each business include the following revenues from the securitization of accounts receivable - installment, etc.

(Unit: Millions of yen)

	(Previous fiscal year)	(Current fiscal year)
Settlement and guarantee	862	787
Credit cards and cash loans	27,760	30,336
Installment credit	46,805	44,567
Other	(8)	(2)
Total	75,420	75,689

(Segment Information)

1. Overview of reportable segments

   The reportable segments of the Company are components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors to assess their business performance and make decisions about resources allocation.

   The Group consists of the five reportable segments of "settlement and guarantee," "overseas," "credit cards and cash loans," "installment credit," and "bank loan guarantee."

   The brief overview of the businesses is as follows:

   (1) Settlement and guarantee: Rent settlement guarantee and accounts receivable, guarantee service for small leases, and collection agent service

   (2) Overseas: Auto loans

   (3) Credit cards and cash loans: Credit card shopping, cash advances, and consumer loans service

   (4) Installment credit: Auto loans, auto leasing and shopping credit

   (5) Bank loan guarantee: Guarantee service for personal loans provided by affiliated financial institutions

2. Calculation method for the amounts of sales, profit, assets, liabilities and other items for each reportable segment

   Accounting methods for reported business segments are consistent with the accounting policies adopted for the preparation of the consolidated financial statements. Inter-segment sales or transfers are based on the prevailing market prices.

3. Information on the amounts of sales, profit or loss, assets, liabilities and other items for each reportable segment and disaggregation of revenue

(Unit: Millions of yen)

	Reportable segments						Other (Note 1)	Total
	Settlement and guarantee	Overseas	Credit cards and cash loans	Installment credit	Bank loan guarantee	Total		
Operating revenue								
Revenues from contracts with customers	5,842	–	43,217	7,568	165	56,794	3,234	60,028
Other revenues	20,164	12,495	28,395	69,433	37,445	167,935	5,152	173,088
Operating revenue from external customers	26,007	12,495	71,612	77,002	37,610	224,729	8,386	233,116
Inter-segment sales or transfers	0	–	–	4	–	4	8,359	8,363
Total	26,008	12,495	71,612	77,006	37,610	224,734	16,745	241,480
Segment profit (loss)	11,669	(2,192)	60,014	38,773	20,888	129,152	2,989	132,142
Segment assets (Note 2)	152,460	124,572	604,617	4,077,243	1,510,011	6,468,905	79,933	6,548,839

Notes: 1. "Other" represents business segments that are not included in the reportable segments and includes a servicer business.

2. Segment assets include the balance of receivables that have been securitized and guarantee obligations that are not recorded in the consolidated balance sheet.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements, and the main details of such difference

(Matters concerning difference adjustment)

(Unit: Millions of yen)

Operating revenue	Amount
Total reportable segments	224,734
Other business segments	16,745
Corporate revenues	14,515
Inter-segment eliminations	(8,363)
Operating revenue on the consolidated financial statements	247,631

(Unit: Millions of yen)

Profit	Amount
Total reportable segments	129,152
Other business segments	2,989
Corporate expenses (Note)	(110,782)
Other	(6,915)
Operating profit on the consolidated financial statements	14,444

Note: Corporate expenses represent mainly selling, general and administrative expenses excluding provision of allowance for doubtful accounts and provision for loss on guarantees.

(Unit: Millions of yen)

Assets	Amount
Total reportable segments	6,468,905
Other business segments	79,933
Corporate assets	1,101,102
Securitized accounts receivable - installment	(2,455,890)
Guarantee obligations not recorded in the consolidated balance sheet	(2,346,897)
Other	(2,672)
Total assets on the consolidated financial statements	2,844,481

(Notes on Per Share Information)

Net assets per share	¥1,463.12
Basic earnings per share	¥75.30
Diluted earnings per share	¥75.30

Notes: 1. The bases for calculating basic earnings per share and diluted earnings per share are as follows:

Basic earnings per share

Profit attributable to owners of parent	¥12,889 million
Profit attributable to owners of parent related to common stock	¥12,889 million
Average number of outstanding shares of common stock during the period	171,173 thousand shares

Diluted earnings per share

Profit adjustment attributable to owners of parent	–
Increase in shares of common stock	1 thousand shares
(Of which: share acquisition rights)	1 thousand shares

Summary of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects

Not applicable.

2. The number of the Company's shares owned by Custody Bank of Japan, Ltd. (Trust Account E) in the Company's Board Benefit Trust (BBT-RS) and Board Benefit Trust (J-ESOP-RS) was included in the number of treasury shares that was deducted from the total number of outstanding shares for calculating net assets per share. The number of such treasury shares deducted was 677 thousand shares at the end of the current fiscal year. For calculating basic earnings per share and diluted earnings per share, the number of such shares was included in the number of treasury shares that was deducted in calculating the average number of shares during the period. The average number of such treasury shares deducted was 689 thousand shares during the current fiscal year.