

Last Update: April 1, 2025

Orient Corporation

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<https://www.orico.co.jp/en/company/>

The corporate governance of Orient Corporation (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

■ Corporate Philosophy and Orico's Sustainability Statement

As the common Corporate Philosophy across the Group, the Company sets the “Purpose” as its significance and mission and the “Value” as principles and values for daily decision-making criteria. Based on the Corporate Philosophy, the Company also adopts the “Orico's Sustainability Statement” which clarifies a basic attitude to engage with society and stakeholders.

[Purpose]

Open the Future with You

[Value]

Embrace Integrity

Establish Trust

Envision the Future

Enjoy Challenges

[Orico's Sustainability Statement]

We, Orico, are committed to our corporate purpose: "Open the future with you". This represents our determination to be a partner, taking a genuine care and leading with enthusiasm, staying close to the present and the future status of each one of our stakeholders.

Our goal is to create a sustainable society in which everyone can realize a fulfilling life. We seek to solve various social challenges through the power of innovation and pass on a legacy of such a society to future generations.

To this end, as a trusted partner, we pursue both social value and corporate value by contributing to society through all of our corporate activities.

Based on the above, the Company operates businesses with placing the sustainability at the core of its management and strives to achieve a balance between creating social value and enhancing corporate value through its business. Moreover, the Company identifies key issues (materialities) to be prioritized for realizing 10-year visions for society and of the Company, and is committed to “strengthening governance” as one of the issues.

■ Basic Views on Corporate Governance

As the future visions, the Company adopts “an innovative, leading company that contributes to solving various social issues through offering customer-centric financial services” and “a financially strong and profitable company that is more than ever recognized by its stakeholders for its significance in society.” To realize these, the Company thinks it important to ensure transparency in management and fairness towards stakeholders and make prompt and decisive decisions. The Company is committed to enhancing corporate governance based on its business environment.

■ Basic Policies on Corporate Governance

1. We are committed to respecting the rights of our shareholders and creating an environment where shareholders can exercise those rights appropriately and equality of shareholders is maintained.
2. We recognize the importance of social responsibility and strive for appropriate collaboration with stakeholders other than shareholders.
3. We will continue to disclose financial and non-financial information in compliance with legal requirements and actively provide additional information beyond the requirements of regulation.
4. Our Board of Directors will appropriately fulfill its roles and responsibilities for the sustainable growth of the company and the medium to long-term enhancement of corporate value, based on its fiduciary responsibility and accountability to shareholders.
5. We will disclose information regarding our management strategy and financial and performance status in a timely and appropriate manner, which will enhance our investor relations (IR) activities and earn the trust and recognition of shareholders and investors.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company has implemented all the principles stated in the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code [Updated]

■ Principle 1.4 (Cross-Shareholdings)

The Company has established the following “Policy on Shares of Other Listed Companies Held as Cross-Shareholdings and Criteria for Exercise of Voting Rights.”

< Policy on Shares of Companies Held as Cross-Shareholdings >

The Company has established the following policy on shares of companies held as cross-shareholdings from the perspective of maintaining and enhancing corporate governance: it will comprehensively examine whether the purpose of holding shares is appropriate and whether the income generated from these holdings is commensurate with the capital costs. The Company will limit its holdings to cases where it can determine that they contribute to the enhancement of its corporate value.

This policy applies equally to domestic and overseas stocks, as well as to listed and unlisted stocks.

- In addition to the above, listed shares held for the purpose of gaining profits from fluctuations in their value or dividends are classified as investment shares for pure investment purposes; however, the Company generally does not hold these shares.
- Based on the above, the Company will conduct regular monitoring and verification of the companies whose cross-shareholdings we hold, reporting the verification results to the Board of Directors at least once a year to enhance the effectiveness of the Board's supervisory function. Additionally, if the verification results indicate that the holdings do not contribute to the

enhancement of our corporate value, we will generally proceed with their sale. Furthermore, considering that it is difficult to dispose of unlisted shares on the same basis as listed shares, the Company will make efforts to reduce these holdings diligently.

<Criteria for Exercise of Voting Rights>

The Company aims to build and strengthen transactional and collaborative relationships with its investees through dialogue, while comprehensively assessing the enhancement of corporate value for both the Company and the investees. It will exercise voting rights in a timely and appropriate manner for all target investees.

■ Principle 1.7 (Related Party Transactions)

The Company has developed the following structure in order to ensure that when the Company engages in transactions with parties such as Directors, Executive Officers and major shareholders, the transactions do not harm the interests of the Company or the common interests of shareholders.

Note: The Company is an equity method associate of both Mizuho Financial Group, Inc., in which Mizuho Financial Group, Inc. holds approximately 49%. The Company receives a total of approximately 49% investment from Mizuho Financial Group, Inc., its shareholder company, which includes approximately 48.7% investment from Mizuho Bank, Ltd.

This Report indicates overall Mizuho Financial Group, Inc., including Mizuho Bank, Ltd. as “MHFG”. This Report describes MHFG as a major shareholder.

〔Our company's structure to ensure proper transactions between relevant stakeholders〕

- The Company has established the "Basic Policy on Internal Control System" and the “Operating Rules of the Compliance Committee” by a resolution of the Board of Directors, and positions compliance such as development of legal compliance structure as one of the most important key issues in management. The Company is also working on strengthening the effectiveness of complying with compliance as the entire Company Group. For example, the status of initiatives on compliance is reported timely, appropriately and regularly to the Compliance Committee, the President and Director and Board of Directors.
- When the Company engages in competitive transactions and conflict-of-interest transactions as specified by laws and regulations between the Company and Directors and Executive Officers, the “Board of Directors Regulations” set out by a resolution of the Board of Directors determine that the transactions are subject to approval by the Board of the Directors and transaction results are reported promptly to the Board of Directors and the Audit and Supervisory Committee. Additionally, from a viewpoint of placing greater emphasis on ensuring independence from major shareholders and protecting the common interests of shareholders including minority shareholders, the Company has established the Conflict of Interest Management Committee as an advisory body to the Board of Directors, of which the majority of committee members are Independent External Directors, and deliberates on material transactions with MHFG which is the Company’s major shareholder with a shareholding of over 40%.
- To confirm appropriate implementation of the operation above, the Company conducts an annual investigation on transactions with parties such as Directors, Executive Officers and major shareholders. The Company reports material facts to the Conflict of Interest Management Committee and the Board of Directors as necessary based on the “Corporate Governance Policies” set

out by a resolution of the Board of Directors. The Company appropriately discloses information in accordance with laws and regulations and other rules.

· In the Audit and Supervisory Committee, the Company monitors and verifies any facts of violations involving Directors and Executive Officers, based on the “Audit and Supervisory Committee’s Audit Standards” set out by a resolution of the committee.

The Company discloses the details of important transactions with MHFG which is the Company’s major shareholder with a shareholding of over 40% in the Annual Securities Reports of the Company. The Company confirms that the transactions do not harm the interests of the Company or the common interests of shareholders and reports regularly to the Board of Directors.

There are no other related party transactions to be disclosed.

■ Supplementary Principle 2.4.1 (Ensuring Diversity in Core Human Resources in Companies)

<Views on Ensuring Diversity>

Amidst the declining birth rate, aging population and shrinking population in Japan, the Company has been committed to promoting diversity and raising awareness on diversity. For example, the Company secures necessary talent for business growth, promotes women's empowerment, employs individuals with disabilities, supports LGBTQ+ individuals and other sexual minorities, and provides career support for the senior workforce. To continue these initiatives while adapting to rapid environmental changes, the Company will actively hire and develop talent with diverse values, perspectives, expertise and other qualities without being limited to factor-based criteria such as gender and nationality, place emphasis on mutually accepting and improving each other, and ensure sustainable corporate growth.

<Voluntary and Measurable Goals and Their Status>

The Company builds an environment where employees can continue to develop their careers independently, grow and perform actively. Additionally, to promote women's empowerment, the Company conducts initiatives on developing women leaders such as level-specific training programs, management training, and development programs for candidates in senior positions (general manager level) for women employees. The Company will further strengthen initiatives such as training towards eliminating unconscious biases that hinder active performance of diverse employees.

○Female Managerial Representation※

	Current (as of April 2024)	Target (Until March 2025)	Target (Until March 2027)
Senior manager-level and above	27.6%	28%	30%
General Manager-level	11.6%	12%	12%

Note: * The Company achieved its originally planned targets for the ratio of female managers one year ahead of schedule. As a result, the Company has revised its targets for the ratio of female managers at the senior manager level and above by +1% and for the ratio of female managers in positions comparable to general manager level and above by +3%, respectively, by March 2025. The Company also plans to revise these targets by March 2027 in the future.

The Company discloses the content of initiatives on promotion of women's empowerment on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/efforts/inclusion-diversity/woman.html>

The Company does not have specific targets for experienced personnel and foreign nationals. However, since April 2022, the Company has strengthened hiring of experienced personnel. In fiscal years 2022 and 2023, the Company employed about 70 and about 100 experienced personnel and other external talent, respectively. As overseas business expands, the Company is strengthening the hiring and development of foreign nationals across the Group including overseas local subsidiaries. In the local subsidiaries, over 90% of managerial positions are already held by local hires. The Company will continue to work towards enabling experienced personnel and foreign nationals to perform actively as core human resources.

<Human Resource Development Policies and Implementation Status Towards Ensuring Diversity>

The Company has established the Human Resources Management Policy as basic views on human resources strategies. The Company holds out the policy of prioritizing individuality and fostering diversity, and is committed to supporting independent career development of each and every employee. Specifically, the Company has increased measures such as permitting external trainees and external side jobs to innovation companies, start-ups and other entities and introducing an internal job posting system since fiscal year 2022. The Company has offered employees opportunities to engage with their own careers through training, interviews and other means since fiscal year 2023. As a result, 226 employees utilized these opportunities until the end of fiscal year 2023, enabling the Company to achieve the three-year target for giving a total of 200 employees new experience a year ahead of schedule. The Company also offers various opportunities so that each employee can strive for their personal growth such as developing Digital Transformation (DX) talent and enhancing self-learning programs. More than 3,200 employees have completed the DX Promotion Talent Junior Program while about 1,300 employees have completed the DX Promotion Talent Intermediate Program. The employees who aim for upper levels are working on the Advanced Program.

Additionally, to establish a mutually beneficial relationship where the Company and employees can grow together (Win-Win relationship), the Company conducts surveys regularly to understand the status of engagement and strives to enhance employee engagement sustainably.

The Company discloses the Human Resources Management Policy on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/efforts/human-resource/>

The Company discloses the status of implementing specific educational programs on the corporate website below:

<https://www.orico.co.jp/company/recruit/graduates/career/> (in Japanese language only)

<Internal Environment Development Policies and Implementation Status Towards Ensuring Diversity>

The Company has established the “Inclusion and Diversity Basic Policy”, under the recognition that accepting and leveraging the diverse thoughts, perspectives and values of each and every employee will improve employee engagement, increase competitiveness of the Company and ultimately enhance corporate value.

Based on the Basic Policy, the Company has established the “Inclusion and Diversity Promotion Office”, an organization dedicated to planning and promoting inclusion and diversity. The Company also formulates an “Annual Action Plan” for promoting inclusion and diversity to accelerate initiatives in this area.

The Company discloses the “Inclusion and Diversity Basic Policy” and the content of initiatives on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/efforts/inclusion-diversity/policy.html>

■ Principle 2.6 (Roles of Corporate Pension Funds as Asset Owners)

The Company has been operating a defined benefit corporate pension system and a defined contribution pension system for regular employees' retirement benefits. However, as of October 1, 2024, the Company has discontinued the defined benefit corporate pension system and transitioned to the defined contribution pension system. Therefore, the corporate pension that falls under this principle will become the defined benefit corporate pension assets for certain employees and retirees.

In terms of asset management, the Company assigns personnel with expertise and experience in the field of human resources and strive to develop them through training and participation in seminars. In terms of operation, the Company conducts sound pension asset management in accordance with the basic policy on investment, monitor the entrusted investment institutions, and evaluate the investment performance. Additionally, the Company appropriately manages conflicts of interest that may arise between the beneficiaries of the corporate pension and the Company through an asset management committee comprised of personnel from the finance and accounting departments, among others.

Regarding the asset formation of employees under the defined contribution pension system, the Company regularly holds asset formation seminars that include explanations of the defined contribution pension. The Company also review investment products as needed, taking into account the social environment and the investment situation of employees.

■ Principle 3.1 (Full Disclosure)

- (1) The objectives of the Company (such as the Corporate Philosophy) are disclosed in I.1. “Basic Views ” in this Report and on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/principle/>

The medium-term management plan of the Company is disclosed on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/plan/>

The basic views and basic policies on corporate governance are as stated in I.1. “Basic Views” in this Report.

- (2) Board policies and procedures in determining compensation of executive management and Directors

The board policies and procedures in determining compensation of executive management and Directors are as stated in II.1. [Director Remuneration] “Policy on Determining Remuneration Amounts and Calculation Methods” in this Report.

- (3) Board policies and procedures in appointing and dismissing executive management and nominating candidates for Directors (excluding those who are Audit and Supervisory Committee Members) and candidates for Directors who are Audit and Supervisory Committee Members

- (i) The basic policy on the Company’s Board of Directors is that the board consists of Directors who have knowledge, experience and qualifications for contributing to fulfilling board functions and that the board as a whole achieves balance of knowledge, experience and abilities, diversity and an appropriate board size at the same time, after taking into consideration factors such as the business scope, scale and management environment of the Company.

- (ii) In nominating candidates for Directors (excluding those who are Audit and Supervisory Committee Members), the requirements of candidates for Internal Directors are a high level of expertise in affairs of the Company and excellent abilities of management judgment and management execution. For candidates for External Directors, the requirements include abundant experience in corporate management or expertise such as retail finance, economy, corporate management, legal affairs and finance/accounting and any other in-depth insight of events surrounding corporate management.
 - (iii) For candidates for Directors who are Audit and Supervisory Committee Members, the requirements include knowledge and experience required to audit business execution status from a fair and objective standpoint, such as business insight, finance/accounting, governance, risk management, legal affairs and compliance.
 - (iv) The Company states the skills set of the Board of Directors in a skills matrix and makes efforts to nominate balanced persons as candidates for Directors.
 - (v) Based on (ii) above, the Nomination and Remuneration Committee, of which the majority of committee members are Independent External Directors, deliberates on appointment of candidates for Directors (excluding those who are Audit and Supervisory Committee Members). After that, the Audit and Supervisory Committee conducts deliberations. Then, the President and Director makes a proposal to the Board of Directors and the Board of Directors decides the candidates.
 - (vi) Based on (iii) above, the Nomination and Remuneration Committee, of which the majority of committee members are Independent External Directors, deliberates on appointment of candidates for Directors who are Audit and Supervisory Committee Members. After consent of the Audit and Supervisory Committee, the President and Director makes a proposal to the Board of Directors, and the Board of Directors decides the candidates.
 - (vii) In appointing executive management, the President and Director proposes to the Board of Directors personnel who will demonstrate leadership towards realizing management strategies or business strategies of the Company and group companies and perform excellent abilities in executing affairs. The Board of Directors decides the appointment.
 - (viii) In dismissing executive management, if there are events such as misconduct, violations of laws and regulations, the Articles of Incorporation and similar thereto, and any other circumstances that damage the corporate value of the Company or cause difficulty in performing duties, the Nomination and Remuneration Committee, of which the majority of committee members are Independent External Directors, conducts deliberations. Then, the Board of Directors decides the dismissal.
- (4) Explanations with respect to individual appointment and dismissal of executive management and nomination of director candidates at the time of their appointment/dismissal and nomination

The Reference Documents for the “Notice of the Annual General Meeting of Shareholders” state reasons for individual appointment of all director candidates regardless of candidates for Internal or External Directors.

This Report and the Annual Securities Reports disclose reasons for appointment of all current External Directors.

The Company discloses reasons for appointment of executive management on the corporate website. In the event of dismissal, the Company will disclose reasons for the dismissal on the corporate website.

The Company discloses the “Notices of the Annual General Meeting of Shareholders” , the Annual Securities Reports, and reasons for appointment of executive management on the corporate website below:

Notices of the General Meeting of Shareholders

<https://www.orico.co.jp/en/company/ir/stock/meeting/>

Annual Securities Reports

<https://www.orico.co.jp/company/ir/library/securitiesreport/> (in Japanese language only)

Reasons for appointment of executive management

<https://www.orico.co.jp/company/corporate/about/officer/01.html> (in Japanese language only)

■ Supplementary Principle 3.1.3 (Initiatives on Sustainability and Others)

<Initiatives on Sustainability>

Towards achieving sustainable corporate growth and enhancing corporate value over the medium to long term, the Company has established the “Orico's Sustainability Statement” by a resolution of the Board of Directors.

Based on the “Orico's Sustainability Statement”, the Company deliberates on and reports important matters concerning sustainability in the Sustainability Committee such as identifying the materialities to be solved and then setting specific action items and KPIs. The Company also reports the status of initiatives on sustainability regularly to the Board of Directors.

The Company discloses the detailed initiatives on sustainability on the corporate website below:

<https://www.orico.co.jp/en/company/sustainability/>

<Initiatives on Human Capital>

The Company regards initiatives on human capital as one of key management issues. The Company positions initiatives covering the following both sides as the “Human Capital Management” ; investments in employees that include education and learning support for enhancing their skills, expertise and productivity and nurturing creativity, and environment development and structure creation that allow employees to show their abilities maximally and facilitate innovation as an organization and a team.

Based on the concept, as strengthening of a management foundation that supports growth, the Company adopts the “Human Resources Strategy” , aligns it to management strategies, and works on creating a diverse workforce and creating a HR foundation for the new era in the medium-term management plan.

Based on the concept that health of employees is an element essential to promoting the “Human Resources Strategy” , the Company has established the “Health Management Basic Policy”. The Company is promoting a work and life balance and reforming work styles, and actively taking initiatives on enhancing health literacy and keeping and increasing mental and physical health. Through these, the Company will increase employees who are better motivated to learn and grow. The Company will maximize employee engagement by creating an organization that creates high value and improve productivity.

The Company discloses the “Health Management Basic Policy” and the content of initiatives on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/efforts/healthmanagement/>

<Initiatives on Environmental Consideration>

With the aim of becoming an innovative, leading company that contributes to resolving various social issues including environment-related issues, the Company has established the “Environmental Basic Policy” and discloses it on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/environment/>

Additionally, based on importance of climate-related financial information disclosures, the Company represents the

endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Company has promoted initiatives in the TCFD recommended climate-change disclosure areas of “Governance”, “Strategy”, “Risk Management” and “Metrics and Targets”. Group companies are also strengthening initiatives on climate change.

The Company discloses initiatives on climate change on the corporate website below:

<https://www.orico.co.jp/en/company/sustainability/esginfo/03/>

<Initiatives on Intellectual Properties>

In addition to creating intellectual properties rights such as patent rights in new products or service through collaboration with other industries and leading-edge companies, the Company is also striving to create new business models by utilizing technologies, know-how and others that the Company has accumulated until now, such as customer bases, screening models and collection know-how that are important intangible assets of the Company.

■Supplement Principle 4.1.1 (Overview of Scope of Delegation from the Board of Directors to the Management)

Based on the provisions of the Articles of Incorporation, the Company’s Board of Directors delegates part of decisions on important business execution (excluding matters stipulated in each item of Article 399-13, paragraph (5) of the Companies Act) to the President and Director. This makes decisions on management more prompt and enables the Board of Directors to focus on priority deliberation matters and better discuss matters such as formulating management policies and management strategies.

The Company places emphasis on strategy formulation and supervision functions of the Board of Directors, and delegates the authority for business execution to the President and Director as much as possible. Additionally, in order for the President and Director to make appropriate decisions, the Company has established advisory bodies to the President and Director such as the "Executive Management Meeting", the "Operational Auditing Committee", the "Sustainability Committee", the "Comprehensive Risk Management Committee" and the "Compliance Committee" to build structure where the President and Director makes appropriate decisions.

The President and Director has the structure for prompt decision-making by delegating decision-making to Heads of Divisions, Heads of Groups and General Managers in accordance with degrees of importance.

■Principle 4.9 (Independence Standards and Qualifications for Independent External Directors)

The independence standards for Independent External Directors of the Company are as stated in II.1. [Matters Concerning Independent Directors] “Other Matters Concerning Independent Directors.”

■Supplementary Principle 4.10.1 (Use of Optional Approach)

As advisory bodies to the Board of Directors, the Company has established the Nomination and Remuneration Committee and the Conflict of Interest Management Committee. For information such as composition and roles of the Nomination and Remuneration Committee and the Conflict of Interest Management Committee, please refer to supplementary explanations later in “[Voluntary Established Committee(s)]” of 1. (Organizational Composition and Operation) of II. (Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight).

■ Supplementary Principle 4.11.1 (Diversity of the Board of Directors)

The basic policy on the Company's Board of Directors is that the board consists of Directors who have diverse knowledge and experience including External Directors and that the board achieves such diversity and an appropriate board size at the same time. The policies and procedures concerning appointment of Directors are stated in Principle 3.1.4. In line with this basic policy, the Company appoints five Independent External Directors, one of whom has management experience in other companies. The Company discloses the so-called skills matrix which lists knowledge, experience, abilities and other information of Directors on the corporate website:

<https://www.orico.co.jp/en/company/corporate/about/officer/skillmatrix/>

■ Supplementary Principle 4.11.2 (Concurrent Positions of Directors at Other Corporations)

The Company discloses the Directors who have concurrent positions at other corporations in a business report attached to the Notice of the Annual General Meeting of Shareholders and the Annual Securities Report in each fiscal year. The Company discloses business reports and Annual Securities Reports (as of each submission date) on the corporate website below:

Notices of the Annual General Meeting of Shareholders

<https://www.orico.co.jp/en/company/ir/stock/meeting/>

Annual Securities Reports

<https://www.orico.co.jp/company/ir/library/securitiesreport/> (in Japanese language only)

■ Supplementary Principle 4.11.3 (Evaluations of the Board of Directors)

To ensure the Board of Directors, the core of corporate governance, fulfills roles and responsibilities appropriately, the Company evaluates and analyzes the board effectiveness annually with the support of third-party external professionals, makes improvement based on the results, and thereby works on enhancing the board effectiveness further.

1. Evaluations of Board Effectiveness in the Fiscal Year Ending March 31, 2024

(1) Implementation process

- (i) Subjects: all (13) Directors
- (ii) Implementation method
 - (a) The company conducted questionnaires for all Directors on ensuring the board's appropriate fulfilling roles and responsibilities
 - (b) Third-party external professionals conducted personal interviews with a subject based on the content of the questionnaires
 - (c) Third-party external professionals summarized results and then analyzed
 - (d) Based on the analysis results by third-party external professionals, the board secretariat formulated the draft of the analysis results and evaluations and then made reporting to the Board of Directors. The Board of Directors made discussions.
- (iii) Overview of Questions in Questionnaires and Interviews
 - Composition of the Board of Directors

- Roles and responsibilities of the Board of Directors
- Operational status of the Board of Directors
- Status of addressing issues in the last year's evaluations
- Matters to be improved, among others.

(2) Evaluation Results and Initiatives

(i) Details of initiatives

- [Strategy formulation] Better discussions on important themes

The Company created annual reporting schedules for important themes*, made reporting to the Board of Directors, and thereby attempted to better discussed the themes

(Note) Main important themes: structural reforms in installment credit business, formulation of business models and checks of progress status in new businesses, strategy formulation and progress checks in corporate settlement, impact and as such, of rising interest rates on each division, future outlook associated with environmental changes, status of response to credit risks by international businesses, strengthening human capital, cyber security, and so on

- [Environmental development] Enhancement of effectiveness of monitoring

The Board of Directors strengthened governance structure of the Group on the axis of strengthening self-controls of group companies, reviewing business management structure, and strengthening involvement in risks of group companies by departments in charge of risks

- [Supervision] Further enhancement of effectiveness of governance structure

The Board of Directors established various basic policies (on areas such as customer-oriented, human rights, information disclosure controls and environment) and followed the PDCA cycle on the execution side

(ii) Evaluation results

The management foundation such as business portfolio operation, risk management and governance has been strengthened steadily. However, each management plan had not been achieved. The Board of Directors finds it necessary to conduct better strategy discussions and supervision, with formulation of a new medium-term management plan in mind.

2. Major Views on Board Operation in the Fiscal Year Ending March 31, 2025

Based on matters such as the board operational status and the board effectiveness evaluations in the previous fiscal year, the Company's Board of Directors primarily thinks about the board operation in the Fiscal Year Ending March 31, 2025 as follows. To achieve sustainable corporate growth and enhance corporate value over the medium to long term continuously, the Board of Directors is committed to appropriately fulfilling roles and responsibilities such as the board's formulating strategies and fulfilling supervision functions.

Viewpoint of strategies

- Formulation of a new medium-term management plan

- Promotion of sustainability management
- Sophistication of human resources strategy

Viewpoint of supervision

- Penetration of new Corporate Philosophy
- Sophistication of corporate governance (including group companies)
- Appropriate operation of risk management and compliance
- Promotion of business structural reforms

■ Supplementary Principle 4.14.2 (Training Policy for Directors)

With the aim of enabling the Company's Directors to fulfill their roles and responsibilities more appropriately, the Company has established the following policies on providing opportunities such as necessary information and training that are suitable to a Director who is from another company or the Company:

- When an External Director takes office, the Company explains the business, finance, organizations and other matters of the Company and necessary information such as matters concerning corporate governance and regulations related to directors and other officers. After taking office, the Company provides opportunities for explanations if necessary.
 - When a person from the Company takes office as a Director, the Company ensures the person to receive expert training, seminars and other opportunities concerning roles, responsibilities and other matters of Directors. After taking office, the Company provides opportunities such as training if necessary.
1. Details of Main Initiatives in the Fiscal Year Ending March 31, 2024
 - In the current medium-term management plan, the core of the management has been "sustainability" that aims to achieve social value and corporate value at the same time. The Company provided all Internal Directors with the opportunity to take the Sustainability/CSR Management Certification Examination.
 - With the aim of cultivating knowledge of digital to evolutionarily break out of the conventional credit sales model, the Company provided all Internal Directors with the opportunity to attend the internal training "DX Promotion Talent Development Program".

2. Details of Main Initiatives in the Fiscal Year Ending March 31, 2025

In addition to conventional initiatives such as providing opportunities to attend training and seminars and providing information through participation of External Directors in various meetings, the Company will take measures for External Directors such as site visits and information exchange meetings with employees, and enhance explanations to new Directors about operations of each division and group.

■ Principle 5.1 (Constructive Dialogue with Shareholders)

The Company has established the "Basic Policies on Corporate Governance" , appoints the Head of Finance Group as a responsible supervisor, discloses information on management strategies, status of finance and operating results and other matters timely and appropriately, and also enhances IR activities. Through these, the Company aims to earn trust and recognition from shareholders, investors and other stakeholders.

The Company has established the “Information Disclosure Basic Policy” by a resolution of the Board of Directors. The policy summarizes information such as basic views on information disclosure including IR activities in order to encourage constructive dialogue with shareholders and a framework for controlling information disclosure. The Company discloses the policy on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/governance/disclosure.html>

The Company controls insider information appropriately in accordance with internal regulations.

For the details of matters such as IR activities, please refer to 2. (Status of IR-related Activities) of III. (Implementation of Measures for Shareholders and Other Stakeholders) in this Report.

<Status and Other Matters for Dialogue with Shareholders>

The Company discloses the specific status, content and other information for dialogue with shareholders on the corporate website below:

<https://www.orico.co.jp/en/company/ir/activities/>

[Measures Towards Managing with Awareness of Capital Cost and Share Price] [disclosure in English is available]

The Company finds it important to allocate managerial resources with full awareness of capital cost and return on capital in order to meet expectations of investors and other stakeholders, achieve sustainable growth and enhance corporate value over the medium to long term. The Board of Directors also discusses and considers this issue regularly.

The Company states and discloses the views and status of initiatives towards managing with awareness of capital cost and share price in the Financial Results Briefing Materials for the Second Quarter of the Fiscal Year Ending March 31, 2024 and in the Integrated Report 2024.

<https://www.orico.co.jp/en/company/ir/>

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Mizuho Bank, Ltd.	83,640,319	48.66
ITOCHU Corporation	28,404,992	16.52
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,454,500	4.91
Custody Bank of Japan, Ltd. (Trust Account)	5,745,400	3.34
Chuo-Nittochi Co., Ltd.	1,917,500	1.11
Tokyo Century Corporation	1,536,250	0.89
MSIP CLIENT SECURITIES	1,067,518	0.62
STATE STREET BANK AND TRUST COMPANY 505223	1,053,987	0.61
STATE STREET BANK AND TRUST COMPANY 505001	1,037,121	0.60
SBI SECURITIES Co., Ltd.	978,140	0.56

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

None

Name of Parent Company, if applicable

None

Supplementary Explanation

- The information on [Status of Major Shareholders] is as of September 30, 2024.
- As of February 2, 2024, the large shareholding report available for public inspection states that the Bank's Share Acquisition Organization owns the following shares as of January 31, 2024. However, since we cannot confirm the actual number of shares owned as of September 30, 2024, the "Status of Major Shareholders" section is based on our shareholder registry. The contents of that large shareholding report are as follows.

Major shareholder	Bank's Share Acquisition Organization
Address	2-28-1 Shinkawa, Chuo-ku, Tokyo
Number of shares held	Ordinary shares: 7,513,400 shares
Percentage of shares held	4.37%
- As of June 5, 2024, the large shareholding report available for public inspection states that three companies, which are co-owners of Mizuho Bank, own the following shares as of May 29, 2024. However, since we cannot confirm the actual number of shares owned as of September 30, 2024, the "Status of Major Shareholders" section is based on our shareholder registry. The contents of that large shareholding report are as follows.

<u>Co-owner</u>	<u>Address</u>	<u>Number of shares held</u>	<u>Percentage of shares held</u>
<u>Mizuho Trust & Banking Co., Ltd.</u>	<u>1-3-3 Marunouchi, Chiyoda-ku, Tokyo</u>	<u>Ordinary shares:</u> <u>734,910 shares</u>	<u>0.43%</u>
<u>Asset Management One Co., Ltd.</u>	<u>1-8-2 Marunouchi, Chiyoda-ku, Tokyo</u>	<u>Ordinary shares:</u> <u>1,313,700 shares</u>	<u>0.76%</u>
<u>Mizuho Research & Technologies, Ltd.</u>	<u>2-3 Kanda Nishikicho, Chiyoda-ku, Tokyo</u>	<u>Ordinary shares:</u> <u>380,000 shares</u>	<u>0.22%</u>

4. As of November 15, 2024, as a result of ITOCHU Corporation selling a portion of our ordinary shares, the number of shares owned and their percentage are as follows.

	<u>Number of Shares Owned</u>	<u>Percentage (%)</u>
<u>Before the sale</u>	<u>28,404,992</u>	<u>16.52</u>
<u>After the sale</u>	<u>25,004,992</u>	<u>14.54</u>

Note: Calculated based on the total number of issued shares (excluding treasury stock) as of September 30, 2024.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Other Financing Business
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

None

5. Other Special Circumstances which may have a Material Impact on Corporate Governance **[Updated]**

<Governance Structure with Major Shareholders in Consideration of Protection of Minority Shareholders and as such>

The Company is an equity method associate of Mizuho Financial Group, Inc., which holds approximately 49%. The Company receives a total of approximately 49% investment from Mizuho Financial Group, Inc., its shareholder company, which includes approximately 48.7% investment from Mizuho Bank, Ltd. This Report indicates overall Mizuho Financial Group, Inc., including Mizuho Bank, Ltd., as “MHFG” and describes MHFG as a major shareholder.

The Company actively works together and collaborates with major shareholders, while conducting sales activities with the support of fund raising centered around Mizuho Bank, Ltd., the main bank of the Company.

- (1) Views and Policy on Group Management in Major Shareholders and as such.
 - As business partners, a major shareholder and the Company make efforts to expand each own business. Based on matters such as protection of the Company’s minority shareholders, each major shareholder respects independence of the Company and pays attention to preventing conflicts of interest such as maintaining appropriate transaction conditions.
- (2) Views and Measures and Other Issues on Ensuring Independence from Major Shareholders which is Necessary from a Viewpoint of Protection of Minority Shareholders
 - In the process of the Company’s decision-making on matters such as management plans, there is no involvement by major shareholders such as mandatory prior approval. Independence is ensured adequately.
 - The Company makes efforts to ensure appropriate conditions of transactions with major shareholders in order not to harm the interests of the Company and minority shareholders. To confirm appropriate implementation of this operation above, the Company conducts an annual investigation on transactions with parties such as major shareholders. The Company reports material facts to the Board of Directors based on the “Corporate Governance Policies” set out by a resolution of the Board of

Directors. The Company appropriately discloses information in accordance with laws and regulations and other rules.

- The Company has established the Conflict of Interest Management Committee as an advisory body to the Board of Directors, of which the majority of committee members are Independent External Directors. The Committee deliberates on material transactions with each company of MHFG, the major shareholder with 40% or more of the shareholding ratio. The Committee was held twice in fiscal year 2022. The Committee was not held in fiscal year 2023 and 2024 because of no applicable transactions.

(3) Agreements and Other Issues with Major Shareholders on Group Management

- To develop and enhance both the Company and MHFG, the Company and Mizuho Bank, Ltd. agree to comply with the MHFG management regulations on group management, and confirm the agreement in writing. Mizuho Bank, Ltd. respects independence of the Company. Business management by the bank is limited to truly required matters except for items such as statutory matters. The management method is reporting after decision making of the Company.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	17
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	12
Election of External Directors	Elected
Number of External Directors	5
Number of Independent Directors	5

External Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kazumi Nishino	Academic											
Shigeaki Honjo	From another company								△			
Yuuki Sakurai	From another company								○			
Gan Matsui	Lawyer											
Yuka Ogasawara	From another company											

*Categories for "Relationship with the Company"

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

External Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Kazumi Nishino		○	<p>[Important Concurrent Positions as a Business Executive at Other Corporations]</p> <ul style="list-style-type: none"> Professor of Graduate School of Hitotsubashi University <p>No special relationship exists between the Company and the corporation at which the Director holds the concurrent position.</p> <p>[Important Concurrent Positions as External Directors or Other Officers at Other Corporations]</p> <ul style="list-style-type: none"> External Director of Furukawa Co., Ltd. <p>No special relationship exists between the Company and the corporation at which the Director holds the concurrent position.</p>	<p>Kazumi Nishino has been engaged in education and research focusing on theories of management strategies and technology management as a Professor of Graduate School of Hitotsubashi University for many years. She has carried out numerous research and studies based on extensive case analysis, particularly in relation to new business creation, innovation and other fields. She has considerable insight relating to corporate management based on her practical research as a professor. Towards achieving sustainable corporate growth and enhancing corporate value over the medium to long term, the Company expects that she will be able to contribute to appropriate decision-making and management supervision of the Company's Board of Directors from an independent and fair standpoint. Therefore, the Company appoints her as an External Director.</p> <p>She meets the "Independence Standards for Independent External Directors" of the Company. No special interest exists between her and the Company. The Company judges that her designation as an independent director will have no potential conflicts of interest with general shareholders. Therefore, the Company designates her as an independent director (for the "Independence Standards for Independent External Directors," please refer to "[Matters Concerning Independent Directors] Other Matters Concerning Independent Directors").</p>

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Shigeaki Honjo		○	<p>[Important Concurrent Positions as a Business Executive at Other Corporations]</p> <p>None</p>	<p>Shigeaki Honjo was engaged in the consulting business related to system development at Fujitsu Limited. After that, he had been involved in corporate management as a president of a group company.</p> <p>He has managerial judgment abilities based on his extensive experience as a person responsible for business execution of a major system development vendor. Towards achieving sustainable corporate growth and enhancing corporate value over the medium to long term, the Company expects that he will be able to contribute to appropriate decision-making and management supervision of the Company's Board of Directors from a wide perspective. Therefore, the Company appoints him as an External Director.</p> <p>He meets the "Independence Standards for Independent External Directors" determined by the Company. No special interest exists between him and the Company. The Company judges that his designation as an independent director will have no potential conflicts of interest with general shareholders. Therefore, the Company designates him as an independent director (for the "Independence Standards for Independent External Directors," please refer to "[Matters Concerning Independent Directors] Other Matters Concerning Independent Directors").</p>

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yuuki Sakurai	○	○	<p>[Important Concurrent Positions as a Business Executive at Other Corporations]</p> <p>None</p>	<p>Yuuki Sakurai has served as a Director and a person responsible for business execution of the financial planning division at Fukoku Mutual Life Insurance Company and, in addition, was engaged in corporate management as a president of a group company.</p> <p>He has various insight and extensive corporate management experience in a major life insurance company. The Company expects that he will be able to contribute to sound management of the Company through conducting audits and giving useful advice in relation to lawfulness and appropriateness of the management in general. Therefore, the Company appoints him as an External Director.</p> <p>He meets the “Independence Standards for Independent External Directors” of the Company. The Company judges that his designation as an independent director will have no potential conflicts of interest with general shareholders. Therefore, the Company designates him as an independent director (for the “Independence Standards for Independent External Directors,” please refer to “[Matters Concerning Independent Directors] Other Matters Concerning Independent Directors”).</p>

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Gan Matsui	○	○	<p>[Important Concurrent Positions as a Business Executive at Other Corporations]</p> <ul style="list-style-type: none"> • Attorney at law of Yaesu Sogo Law Office <p>No special relationship exists between the Company and the corporation at which the Director holds the concurrent position.</p> <p>[Important Concurrent Positions as External Directors or Other Officers at Other Corporations]</p> <ul style="list-style-type: none"> • Outside Audit & Supervisory Board Member of Nagase & Co., Ltd. • Outside Audit & Supervisory Board Member of TOTETSU KOGYO CO.,LTD. • External Director who is an Audit and Supervisory Committee Member of GLOBERIDE, Inc. • External Director of Dentsu Group Inc. <p>No special relationship exists between the Company and the corporation at which the Director holds the concurrent position.</p>	<p>Gan Matsui experienced various important divisions as a public prosecutor in the Prosecutors Office such as the Superintending Prosecutor at the High District Public Prosecutors Office. After retiring from the prosecutor's office, he has played an important role as an attorney at law. He has extensive experience and in-depth insight in legal circles. The Company expects that he will be able to contribute to sound management of the Company through conducting audits and giving useful advice in relation to lawfulness and appropriateness of the management in general. Therefore, the Company appoints him as an External Director.</p> <p>He meets the "Independence Standards for Independent External Directors" determined by the Company. No special interest exists between him and the Company. The Company judges that his designation as an independent director will have no potential conflicts of interest with general shareholders. Therefore, the Company designates him as an independent director (for the "Independence Standards for Independent External Directors," please refer to "[Matters Concerning Independent Directors] Other Matters Concerning Independent Directors").</p>

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yuka Ogasawara	○	○	<p>[Important Concurrent Positions as a Business Executive at Other Corporations]</p> <ul style="list-style-type: none"> Director of Fujimura Research and Consulting Ltd. <p>[Important Concurrent Positions as External Directors or Other Officers at Other Corporations]</p> <ul style="list-style-type: none"> External Director of NISSIN FOODS HOLDINGS CO., LTD. External Director of RYODEN Corporation <p>No special relationship exists between the Company and the corporation at which the Director holds the concurrent position.</p>	<p>Yuka Ogasawara has involved in operations such as international finance operations, non-governmental activities, overseas assistance operations, and social impact investment in the three different sectors of government, private sectors and public interest in organizations such as government-affiliated financial institutions, foreign consulting firms, independent administrative institutions, and general incorporated foundations.</p> <p>She has a wealth of experience and diverse knowledge in management and consulting fields. The Company expects that she will be able to contribute to sound management of the Company through conducting audits and giving useful advice in relation to lawfulness and appropriateness of the management in general. Therefore, the Company appoints her as an External Director. She meets the “Independence Standards for Independent External Directors” of the Company. No special interest exists between her and the Company. The Company judges that her designation as an independent director will have no potential conflicts of interest with general shareholders. Therefore, the Company designates her as an independent director (for the “Independence Standards for Independent External</p>

				Directors”, please refer to “[Matters Concerning Independent Directors] Other Matters Concerning Independent Directors”).
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Supervisory Committee [Updated]

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Internal Directors	External Directors	Committee Chair
Supervisory Committee	4	1	1	3	Internal Director

Appointment of Directors and/or Staff to Support the Supervisory Committee

Not Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

To support duties of the Audit and Supervisory Committee and assist in smooth implementation of the duties, the Company has established the Audit and Supervisory Committee Office as an organization directly reported to the Audit and Supervisory Committee, and assigns dedicated staff. There are no Directors who support duties of the Audit and Supervisory Committee.

The dedicated staff are neither instructed nor directed by any person other than Directors who are Audit and Supervisory Committee Members. The dedicated staff conduct support operations concerning audit and other activities under instructions and directions of the Audit and Supervisory Committee.

The Company ensures the independence and effectiveness from execution divisions of the Audit and Supervisory Committee Office by obtaining prior consent of Audit and Supervisory Committee Members as specified by the Audit and Supervisory Committee with regard to matters such as human affairs of the staff.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

The Company enables the Audit and Supervisory Committee to receive reporting from the Internal Auditing Group on matters such as audit plans and audit results of the group, request investigations or provide instructions as necessary.

The Company enables Audit and Supervisory Committee Members to ensure collaboration with Auditors by means such as regular information exchange with them.

The status of collaboration among the Audit and Supervisory Committee, Auditors and internal audit divisions in fiscal year 2024 is as stated below.

The Audit and Supervisory Committee ensures collaboration between the committee and Auditors by means such as regular information exchange with them, identifies matters such as accounting-related issues, and confirms appropriate accounting processing. In fiscal year 2024, the Audit and Supervisory Committee held 15 regular meetings.

The Audit and Supervisory Committee ensures collaboration by means such as receiving operational reporting regularly from internal

audit divisions, and checks the status of business execution of Directors. In fiscal year 2024, the Audit and Supervisory Committee held 17 regular meetings.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Internal Directors	External Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Internal Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Internal Director

Supplementary Explanation **[Updated]**

The basic policy on the Company's Board of Directors is that the board consists of Directors who have diverse knowledge and experience and that the board achieves diversity and an appropriate board size at the same time.

Based on this policy, the Company has established the Nomination and Remuneration Committee as an advisory body to the Board of Directors to deliberate on matters concerning human affairs and compensation of directors and other officers as consulted by the Board of Directors. The committee members are appointed by a resolution of the Board of Directors. A majority of the committee members are Independent External Directors. Currently, the committee chair is an internal director, but it is planned that an independent outside director will be elected through mutual selection at the first Nomination and Remuneration Committee in fiscal year 2025. In fiscal year 2024, the Nomination and Remuneration Committee was held seven times. The average attendance ratio of the committee members was 100%.

Matters Concerning Independent Directors

Number of Independent Directors

5

Other Matters Concerning Independent Directors

Independence Standards for Independent External Directors

In the Company's judging that an External Director is independent, the requirement is that none of the following apply to the External Director:

1. A person who is not, either currently or for the last ten years, an executive director, executive (or *shikkoyaku*), executive officer, manager or any other staff of the Company or its parent company, fellow companies or subsidiaries (the "Business Executive") or the Business Executive of the parent company;
2. Of companies or other entities which are clients of the Company or its subsidiaries (the "Company Group"), a person who is,

currently and for the last three years, the Business Executive of the client of which an annual transaction amount in any of the most recent three business years exceeds 2% of consolidated net sales (*) of the Company or consolidated net sales of the client;
(*) Consolidated net sales: for the Company, it means consolidated operating revenue

3. Of financial institutions from which the Company Group borrows funds, a person who is the Business Executive of the financial institution of which the outstanding balance of borrowings at the most recent business year-end exceeds 2% of consolidated total assets or consolidated financing balance of the Company or 2% of consolidated total assets of the financial institution;
4. At the most recent business year-end of the Company, a person who is a shareholder holding 10% or more shares as a voting rights basis under its own or other name (if the shareholder is an organization such as a corporation and an association, the Business Executive or executive member or board member who belongs to the organization and any other person similar thereto);
5. In the cases where a person is a professional who obtains money and any other assets other than compensation of directors and other officers from the Company Group, such as a consultant, tax accountant, accountant, lawyer, judicial scrivener and patent attorney, if the person who obtains the assets is an individual, the person who receives 10 million yen or more as an annual average for the most recent three business years or if the person who obtains the assets is an organization such as a corporation and an association, the person who receives 10 million yen or more or 2% or more of consolidated gross sales of the organization as an annual average for the organization's most recent three business years, whichever is higher;
6. From the Company Group, a person who receives donations or similar thereto of which an annual average amount for the past three business years exceeds 10 million yen or 30% of an annual total costs of the person, whichever is higher (if the person who obtains the assets is an organization such as a corporation and an association, the person who belongs to the organization);
7. Any other person who is judged by the Company that there may be permanent and substantive conflicts of interest with general shareholders of the Company for reasons other than those considered in each item above; and,
8. A close relative (spouse or relative within the second-degree of kinship) of a person who falls under either (1) or (2) below (excluding staff who are not important)
 - (1) A person who falls under any of items 1. to 7. above; or
 - (2) A Business Executive of the Company Group and a Director who is not the Business Executive of the Company Group.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

To serve as a sound incentive for enhancing operating results and corporate value over the medium to long term, compensation of the Directors (excluding Non-Executive Directors, External Directors and Directors who are Audit and Supervisory Committee Members) and executive management consists of title-based fixed compensation and performance-linked compensation. The former is paid based on their roles and responsibilities. The latter fluctuates payment amounts based on factors such as corporate business results, and is composed of cash compensation and stock compensation.

Persons Eligible for Stock Options

None

Supplementary Explanation for Applicable Items

None

Director Remuneration

Status of Disclosure of Individual Director's Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items

With regard to the total amount of compensation, the Company discloses compensation per type in the Annual Securities Reports and business reports. The Company also discloses the total amount paid to External Directors and other officers.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Policy on Determining the Content of Individual Compensation per Director (Excluding Those Who Are Audit and Supervisory Committee Members; Hereinafter the Same Applies)

1. Basic policy

To serve as a sound incentive for enhancing operating results and corporate value over the medium to long term, compensation of Directors (excluding Non-Executive Directors and External Directors) consists of title-based fixed compensation and performance-linked compensation. The former is paid based on their roles and responsibilities. The latter fluctuates payment amounts based on factors such as corporate business results, and is composed of cash compensation and stock compensation. The compensation of Non-Executive Directors and External Director is composed of fixed compensation and non-performance-linked stock compensation, taking into consideration their job responsibility.

2. Policy on determining amounts of basic compensation (monetary compensation) per individual (including policy on determining periods or conditions for providing compensation and the like)

The basic compensation of Directors of the Company is a title-based fix amount of fixed compensation based on their roles and responsibilities. It is provided on a monthly basis during their tenure.

3. Policy on determining the content and amounts or numerical calculation methods of performance-linked compensation and non-monetary compensation (including policy on determining periods or conditions for providing compensation and as such)

The performance-linked compensation for the Company's Directors is composed of cash compensation and stock compensation. The non-performance-linked compensation is consisted of stock compensation only. The stock compensation is a stock reward system called the "Board Benefit Trust Restricted Stock (BBT-RS)." The BBT-RS uses money contributed by the Company as funding resources, acquires the shares of the Company through the trust, and provides these shares and money that is equivalent to an amount of cash converted by a market price through the trust.

The performance-linked compensation fluctuates based on operating results of the overall company and performance of an individual. Specifically, the compensation amount is determined by multiplying a title-based standard amount by a payment rate, which varies within the range from 0% to 150% based on evaluations of operating results of the overall company and performance of an individual. The performance-linked compensation is a title-based compensation amount. The Company uses ordinary consolidated ordinary profit and other factors as indicators concerning operating results of the overall company. The Company decides payment rates corresponding to the indicators by using factors such as plan-to-actual and year-on-year comparisons. The Company reviews these indicators appropriately by comprehensively taking into consideration management targets, stakeholder expectations and requests, economic conditions, social environment and other factors and receiving advice and recommendations from the Nomination and Remuneration Committee of which main members are Independent External Directors.

Of performance-linked compensation, the timing of receiving cash compensation is the month immediately following the period from July to the following June each year. In principle, the timing of receiving shares as stock compensation is a certain time each year.

In principle, the timing of receiving cash is the time when a Director retires. If a Director receives stock compensation during its term of office, the Company will execute a transfer restriction agreement before the delivery to restrict disposition by transfer and other means from retirement until a specified period determined by the Company. If there are any events such as significant violations such as breach of various related internal regulations of the Company and certain non-compliance acts during tenure, the Company may forfeit whole or part of the right to receive stock compensation by a decision of the Board of Directors.

The Company discloses actual results such as consolidated ordinary profit for the current business year in the Annual Securities Report on the corporate website below:

Annual Securities Reports <https://www.orico.co.jp/company/ir/library/securitiesreport/> (in Japanese language only)

4. Policy on determining ratios of amounts of monetary compensation, amounts of performance-linked compensation or other compensation or amounts of non-monetary or other compensation in compensation per Director

The rough ratio between fixed compensation and performance-linked compensation ranges from a 7:3 ratio to a 6:4 ratio depending on expectations of roles. Of the performance-linked compensation, the rough ratio between cash compensation and

stock compensation ranges from a 1:1 ratio to a 2:1 ratio. In determining ratios, the Company shall review these ratios appropriately by comprehensively taking into stakeholder expectations and requests, economic conditions, social environment and other factors and receiving advice and recommendations from the Nomination and Remuneration Committee of which main members are Independent External Directors.

5. Matters concerning decisions on the content of matters such as compensation per Director

The President and Director shall be delegated decisions on the content of matters such as compensation per individual based on a resolution of the Board of Directors within the range of the total compensation amount approved at the General Meeting of Shareholders. To ensure appropriate exercise of this authority by the President and Director, the President and Director shall make decisions in accordance with a compensation system that is formulated in advance based on the advice and recommendations of the Nomination and Remuneration Committee.

For compensation of executive management, the Company applies policies and systems similar to those of Directors (excluding External Directors). The Company decides compensation per individual through consultation between the President and Director and the Chairperson and Director in accordance with a compensation system that is formulated in advance based on the advice and recommendations of the Nomination and Remuneration Committee.

Support System for External Directors

With regard to information communications to External Directors, the Company provides important information on the Company timely and appropriately, and supports affairs of External Directors. For example, the Secretarial Office, the Corporate Planning Department and the Audit and Supervisory Committee Office explain in advance issues to be submitted or reported to the Board of Directors and any other important meetings.

To ensure independence from Directors other than the Directors who are Audit and Supervisory Committee Members, the Company assigns staff dedicated to the Audit and Supervisory Committee Office. The staff conduct support operations concerning audit and other activities under instructions and directions of all of the Directors who are Audit and Supervisory Committee Members including External Directors.

Status of Persons who have Retired as President and Representative Director and the like.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
-	-	-	-	-	-

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.)
After Retiring as Representative Director and President, etc.

0

Other Related Matters

- The Company may entrust Special Advisors to President to persons who experienced the President and Chairman or the President and Director of the Company after their retirement. The Company decides entrust or dismissal of Special Advisors to President at the Board of Directors after deliberations of the Nomination and Remuneration Committee of which main members are Independent External Directors. For Advisors to President, the Company changed the Articles of Incorporation by a resolution of the 56th Annual General Meeting of Shareholders on June 28, 2016 and abolished the system.
- Special Advisors to President utilize insight related to the management, businesses and related industries of the Company, give advice on consultation of management and other matters, and take external activities. Special Advisors to President neither belong to any organization of the Company nor have any authority to be involved in managerial decision-making.
- The Company pays an amount that is appropriate to duties as compensation of Special Advisors to President.
- The term of a Special Advisor to President is one year. The Company may entrust a Special Advisor to President to the same person again by a decision of the Board of Directors, but will not do so if the person will serve for four years or more or reach 70th birthday.
- The Company has established the Advisor to President Regulations for an Advisor to President system including Special Advisors to President. The Company decides revisions or abolishment of the Advisor to President Regulations at the Board of Directors after deliberations of the Nomination and Remuneration Committee.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]

(1) Corporate Governance Structure

A. Board of Directors

The Company's Board of Directors consists of 12 members in total, including eight Directors (excluding those who are Audit and Supervisory Committee Members) and four Directors who are the Audit and Supervisory Committee Members. The Company discloses the so-called skills matrix which lists knowledge, experience, abilities and other information of Directors while increasing the ratio of Independent External Directors to more than one-third of the Board of Directors, ensuring multi-faceted consideration and the objectivity and transparency of decision-making at the board.

Based on the provisions of the Articles of Incorporation, the Board of Directors delegates part of decisions on important business

execution (excluding matters stipulated in each item of Article 399-13, paragraph (5) of the Companies Act) to the President and Director. This makes decisions on management more prompt and enables the Board of Directors to focus on priority deliberation matters and better discuss matters such as formulating management policies and management strategies.

In fiscal year 2024, the Company's Board of Directors held 15 board meetings through monthly regular meetings and extraordinary meetings as necessary. The board members discussed primary consideration matters such as a progress of the medium-term management plan, strengthening of corporate governance, initiatives on sustainability, and the status of operating internal controls systems including compliance and risk management. The average attendance ratio of Directors was 98%.

(Nomination and Remuneration Committee)

The Company's Nomination and Remuneration Committee serves as an advisory body to the Board of Directors. The Committee consists of three members in total including one Internal Director and two Independent External Directors. The Committee deliberates on matters concerning human affairs and compensation of directors and other officers as consulted by the Board of Directors.

In fiscal year 2024, the committee was held seven times with 100% attendance ratio of the committee members.

The details of activities are as stated in "[Voluntary Established Committee(s)] [Director Compensation] of 1. Organizational Composition and Operation of II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight."

(Conflict of Interest Management Committee)

The Company's Conflict of Interest Management Committee serves as an advisory body to the Board of Directors. The Committee consists of three members in total including one Internal Director and two Independent External Directors. The Committee deliberates on material transactions with each company of MHFG, the major shareholder with 40% or more of the shareholding ratio. The Committee was held twice in fiscal year 2022. The Committee was not held in fiscal year 2023 and 2024 because of no applicable transactions.

B. Audit and Supervisory Committee

The Company's Audit and Supervisory Committee consists of four Directors who are Audit and Supervisory Committee Members (including one full-time Audit and Supervisory Committee Member). The majority of three members are External Directors. The Company has established a dedicated organization (Audit and Supervisory Committee Office) for supporting audit and other activities of the Audit and Supervisory Committee. The Audit and Supervisory Committee has developed the structure where the Committee collaborates with the Internal Auditing Group and conducts appropriate audits.

C. Business Execution Structure

The Company places emphasis on strategy formulation and supervision functions of the Board of Directors, and delegates the authority for business execution to the President and Director as much as possible. Additionally, in order for the President and Director to make appropriate decisions, the Company has established advisory bodies to the President and Director such as the "Executive Management Meeting", the "Operational Auditing Committee", the "Sustainability Committee", the "Comprehensive Risk Management Committee" and the "Compliance Committee" to build structure where the President and Director makes appropriate

decisions.

(Executive Management Meeting)

The Executive Management Meeting is established for the purpose of preliminarily deliberating on matters to be submitted to the Board of Directors and deliberating on important matters for business execution and operational management based on basic management policies decided by the Board of Directors. The Meeting is currently chaired by the President and Director (Makoto Umemiya) and composed of members such as all Heads of Divisions and Groups.

(Operational Auditing Committee)

The Operational Auditing Committee is established for the purpose of enhancing internal audits by deliberating on important matters concerning internal audits. The Committee is currently chaired by the President and Director (Makoto Umemiya) and composed of four committee members in total. The Committee reports the status of internal audit activities regularly to the Board of Directors.

(Sustainability Committee)

The Sustainability Committee is established for the purpose of deliberating on important matters concerning sustainability. The Committee is currently chaired by the President and Director (Makoto Umemiya) and composed of 20 committee members in total. The Committee reports the status of initiatives on sustainability regularly to the Board of Directors.

(Comprehensive Risk Management Committee)

The Comprehensive Risk Management Committee is established for the purpose of identifying and managing various types of risks comprehensively. The Committee is currently chaired by a Managing Executive Officer (Toshifumi Murata) and composed of 18 committee members in total. The Committee reports the status of risk management regularly to the Board of Directors and the Executive Management Meeting.

(Compliance Committee)

The Compliance Committee is established for the purpose of penetrating compliance at the Company and subsidiaries and other relating parties and enhancing corporate value as a company that contributes to society. The Committee is currently chaired by a Managing Executive Officer (Toshifumi Murata) and composed of 18 committee members in total. The Committee reports the status of initiatives on compliance regularly to the Board of Directors and the Executive Management Meeting.

(ALM Committee)

The Asset and Liability Management (ALM) Committee is established for the purpose of controlling market risks and fund liquidity risks properly. The Committee is currently chaired by a Managing Executive Officer (Toshifumi Murata) and composed of six committee members in total. The Committee reports the status of committee activities regularly to the Executive Management Meeting.

(Credit Committee)

The Credit Committee is established for the purpose of deliberating on important matters concerning strengthening proper credit management and member merchants management. The Committee is currently chaired by a Managing Executive Officer (Daisuke

Horiuchi) and composed of nine committee members in total. The Committee reports the status of committee activities regularly to the Executive Management Meeting.

(New Business and New Products Committee)

The New Business and New Products Committee is established for the purpose of evaluating and examining matters such as strategic potential, profitability and risks related to important new businesses and new products. The Committee is currently chaired by a Managing Executive Officer (Shinya Uda) and composed of 10 committee members in total. The Committee reports the status of committee activities regularly to the Executive Management Meeting.

(IT Strategy Committee)

The IT Strategy Committee is established for the purpose of deliberating on important IT strategies, IT investment plans and IT investment projects. The Committee is currently chaired by a Managing Executive Officer (Shoji Yakabe) and composed of 13 committee members in total. The Committee reports the status of committee activities regularly to the Executive Management Meeting.

(Human Rights Promotion Committee)

The Human Rights Promotion Committee is established for the purpose of deliberating on important matters concerning human rights. The Committee is currently chaired by a Senior Managing Executive Officer (Hideyuki Matsuoka) and composed of 18 committee members in total. The Committee reports the status of committee activities regularly to the Board of Directors and the Executive Management Meeting.

D. Other Matters concerning Corporate Governance

a. Number of Directors

The Articles of Incorporation specify that the Company shall have no more than ten Directors (excluding those who are Audit and Supervisory Committee Members) and have no more than seven Directors who are Audit and Supervisory Committee Members, respectively.

b. Acquisition of Treasury Shares

The Articles of Incorporation specify that by a resolution of the Board of Directors, the Company may acquire treasury shares through market transactions and other means under Article 165-2, paragraph (2) of the Companies Act, as stipulated in paragraph (1) of the same Article.

This is to allow for flexible acquisition of treasury shares.

c. Interim Dividend

The Articles of Incorporation specify that by a resolution of the Board of Directors, the Company may pay an interim dividend to the shareholders or registered share pledgees who are recorded in the final shareholder register on September 30 each year.

The purpose is to return profits to shareholders in an interim period by giving the Board of Directors the authority for an interim dividend of surplus.

d. Exemption from Liability of Directors

In order for Directors to fully perform their roles expected in performing their duties, the Company specifies the following in the

Articles of Incorporation:

- By a resolution of the Board of Directors and to the extent of laws and regulations, the Company may exempt Directors (including former Directors) from damages liability arising from any failure of duties, as stipulated in Article 426, paragraph (1) of the Companies Act; and
- The Company and Directors (excluding persons such as Executive Directors) may execute an agreement that limits an amount of damages to an amount specified in laws and regulations with regard to damages liability arising from any failure of duties, as stipulated in Article 427, paragraph (1) of the Companies Act.

Given the above and based on the Companies Act and the Articles of Incorporation, the Company and External Directors who are Non-Executive Directors execute an agreement that limits their damages liability arising from any failure of duties to an amount specified in laws and regulations if they perform duties in good faith and with no gross negligence.

e. Overview of Terms and Conditions of an Indemnification Agreement

The Company executes an indemnification agreement stipulated in Article 430-2, paragraph (1) of the Companies Act with Directors. The agreement provides that the Company shall indemnify Directors for the expenses stipulated in item (i) of the same Paragraph and the losses stipulated in item (ii) of the same Paragraph to the extent of laws and regulations.

f. Overview of Terms and Conditions of a Directors and Officers Liability Insurance Agreement

The Company executes a directors and officers liability insurance agreement stipulated in Article 430-3, paragraph (1) of the Companies Act with insurance companies. The agreement covers damage and other costs to be borne by the insured as legal damages liability in the event of claims made against the insured during a policy period.

g. Special Resolutions

With regard to requirements of special resolutions at the General Meetings of Shareholders as stipulated in Article 309, paragraph (2) of the Companies Act, the Articles of Incorporation specify that a special resolution shall require the attendance of shareholders with one-third or more of voting rights of shareholders entitled to vote and a majority of two-thirds or more of their voting rights.

The purpose is to manage the General Meetings of Shareholders smoothly by easing a quorum of special resolutions in the meetings.

(2) Accounting Audit Structure

The Company uses Ernst & Young ShinNihon LLC. as an Auditor based on the Companies Act and for accounting audits based on the Financial Instruments and Exchange Act. No special interest exists among the audit firm, its executive members engaged in auditing the Company and the Company. The audit firm has already taken measures voluntarily in order for executive members not to be involved in accounting audits of the Company beyond a certain period of time. The information on the continuous audit period of the audit firm, names of certified public accountants who executed operations, and composition of assistants concerning audit operations in the fiscal year ending March 31, 2023 are as stated below.

- Continuous audit period
In and from 2006
- Name of certified public accountants who executed operations
Designated limited liability partners and executive members: Yoko Kubo, Takashi Hasegawa
- Composition of assistants concerning accounting audit operations
Certified public accountants: 12

Others: 26

Note: Others include persons who passed certified public accountant examinations and persons in charge of system audits.

3. Reasons for Adoption of Current Corporate Governance System

The Company adopts the company with an audit and supervisory committee for the purposes of strengthening strategy formulation and supervision functions of the Board of Directors and executing business more flexibly.

To ensure multi-faceted consideration and the objectivity and transparency of decision-making at the Board of Directors, the Company appoints five External Directors (including five Independent External Directors). The Company thinks that as Non-Executive Directors, External Directors can strengthen strategy formulation and supervision functions of the Board of Directors and audit functions of the Audit and Supervisory Committee from an objective standpoint.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company makes efforts to send the Notice of the General Meeting of Shareholders before a statutory date. Based on laws and regulations, the Company makes disclosure on TDnet and the corporate website as an electronic provision measure before sending the notice (more than three weeks before the date of the Annual General Meeting of Shareholders).
Electronic Exercise of Voting Rights	The Company enables exercise of voting rights on personal computers and smartphones.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company adopts an electric voting platform operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company prepares an English version of the Notice (summary) of the General Meeting of Shareholders and posts it on the corporate website.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company has established the “Information Disclosure Basic Policy” by a resolution of the Board of Directors which summarizes matters such as the Company’s basic views on information disclosure and a framework for controlling information disclosure, and posts the policy on the corporate website.	
Regular Investor Briefings held for Individual Investors	The President and Representative Director provides briefings after announcing financial results (for each half period).	Held
Online Disclosure of IR Information	The Company posts materials such as the Financial Highlights, materials for Financial Briefing Sessions, the Annual Securities Reports, quarterly report and the Integrated Reports. The Company posts the scene (videos and transcripts) of analyst sessions conducted after announcing financial results on the corporate website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Department in charge: Investor Relations Office of the Finance Department	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The Company has established the basic views and basic policies on corporate governance. As the future visions, the Company adopts “an innovative, leading company that contributes to solving various social issues through offering customer-centric financial services” and “a financially strong and profitable company that is more than ever recognized by its stakeholders for its significance in society”. The Company also determines the commitment to enhancing corporate governance such as ensuring transparency in management and fairness towards stakeholders.</p>
Implementation of Environmental Preservation Activities and CSR Activities and the like.	<p><Initiatives on Sustainability Management></p> <p>Towards achieving sustainable corporate growth and enhancing corporate value over the medium to long term, the Company has established the “Orico’s Sustainability Statement” by a resolution of the Board of Directors.</p> <p>Based on the “Orico’s Sustainability Statement”, the Company deliberates on and reports important matters concerning sustainability in the Sustainability Committee such as identifying the materialities to be solved and then setting specific action items and KPIs. The Company also reports the status of initiatives on sustainability regularly to the Board of Directors.</p> <p>The Company discloses the details of initiatives on sustainability on the corporate website and other means.</p> <p>https://www.orico.co.jp/en/company/sustainability/management/</p> <p><Human Resources Strategy (Human Capital Management and Diversity)></p> <p>The Company adopts the “Human Resources Strategy” as strengthening of a management foundation that supports growth in the medium-term management plan, and sets the following key implementation matters in order to realize “maximizing employee engagement”.</p> <p>1. Creating a Diverse Workforce</p> <p>With the aim of fostering diverse human resources and better leveraging characteristics of individuals, the Company enhances career support that motivates employees to grow and develop their strengths. The Company also takes other actions. For example, the Company accelerates promotion of talent with diverse backgrounds and individuality such as women and foreign nationals into leadership positions, and promotes hiring, development and active performance of specialists who will become a core in new business</p>

creation and other activities.

2. Creating a HR Foundation for the New Era

The Company reassesses conventional human resources systems and schemes fundamentally. With the aim of becoming an organization that will attract employees, the Company takes actions. For example, the Company transforms a HR system that had been built on seniority and job functions into a new HR platform based on work and missions, reassesses evaluation criteria to align with the “desired talent profile” and introduces a multi-faceted evaluation method to enhance objectivity, and fosters core human resources that will lead the next generation through developing their competencies and giving them challenging assignments.

In executing the Human Resources Strategy, Company has established a "Human Resources Vision" and, as a dual effort to realize this vision, a "Desired Talent Profile" and a "Human Resources Management Policy" that encourages and supports reform of mindset and conduct as part of the Company's commitment. When considering these principles, the Company aimed to evolve Orico's corporate identity in a developmental and future-oriented manner, taking into account values that should be retained and restored as the Company seeks to create value through innovation and improvement among employees, while taking into consideration the manner to conduct itself with an emphasis on social norms.

The Company discloses the “Human Resources Vision”, the “desired talent profile” and the “Human Resources Management Policy” on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/efforts/human-resource/>

The Company has established the “Inclusion and Diversity Basic Policy”, under the recognition that accepting and leveraging the diverse thoughts, perspectives and values of each and every employee will improve employee engagement, increase competitiveness of the Company and ultimately enhance corporate value.

Based on this basic policy, the Company formulates an action plan and is implementing various initiatives. For example, the Company conducts training towards reforming awareness of all employees including the top management, provides a training program to promote women into directors and other officers and general managers of divisions, offices and branches, builds networks among personnel employed as experienced personnel, and offers opportunities

to interact with external communities.

The Company discloses the “Inclusion and Diversity Basic Policy” on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/efforts/inclusion-diversity/policy.html>

The status of initiatives on the Human Resources Strategy and inclusion and diversity is reported regularly to the Board of Directors and the President and Director.

<Customer-oriented Initiatives>

The Company has established the “Customer-oriented Basic Policy” for customers, the most important stakeholders, in order to listen their voices sincerely and value their perspectives in addition to protecting them.

The Company discloses its customer engagement including the “Customer-oriented Basic Policy” on the corporate website below.

<https://www.orico.co.jp/en/company/sustainability/esginfo/11/>

The Company reports the status of initiatives on customers regularly to the Board of Directors and the President and Director.

<Environmental Consideration and Initiatives on Climate Change>

With the aim of becoming an innovative, leading company that contributes to resolving various social issues including environment-related issues, the Company has established the “Environmental Basic Policy” and discloses it on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/environment/>

Based on importance of climate-related financial information disclosures, the Company represents the endorsement of the recommendations of the TCFD. The Company discloses the climate change-related risks and opportunities in the TCFD recommended disclosure areas of “Governance”, “Strategy”, “Risk Management” and “Metrics and Targets” on the corporate website below:

<https://www.orico.co.jp/en/company/sustainability/esginfo/03/>

In fiscal year 2023, the Company submitted a response to the “Climate Change Questionnaire 2023” to CDP, one of the world’s leading ESG rating organizations for corporate greenhouse gas emissions reduction and climate

change strategies. In the first response, the Company was rated Score B, which was the third-highest of the eight scoring levels.

As part of initiatives on sustainability, the status of initiatives on environmental consideration and climate change is reported regularly to the Board of Directors and the President and Director.

<Initiatives for Respecting Human Rights >

As respect for human rights is increasingly becoming important over the future, the Company regards initiatives on human rights as a foundation of its sustainability, and has established the “Human Rights Basic Policy” in accordance with the “Guiding Principles on Business and Human Rights” of the United Nations. The Company discloses the policy on the corporate website below:

<https://www.orico.co.jp/en/company/corporate/humanrights/>

The Company has kept every person informed about elimination of discrimination and harassment. The Company has also established the “Human Rights Promotion Committee” which is chaired by the Head of Human Resources and General Affairs Group, conducts actions such as human rights due diligence, and develops internal structure at the management level. The status of initiatives on human rights is reported regularly to the Board of Directors and the President and Director.

<Initiatives on Contributing to Sustainable Community Development>

Towards “contributing to sustainable community development”, one of the material issues in promoting sustainability, the Company aims to become a partner that is beneficial to all stakeholders of local communities such as local governments and citizens more than ever before.

The main initiatives in fiscal year 2023 are as stated below.

1. Initiatives with Local Governments

The Company executed a comprehensive partnership agreement with Funabashi City (Chiba Prefecture) for the purpose of solving various local issues. Through businesses, the Company will work on solving local issues with Funabashi City and other local governments.

<Initiatives on Development of Next Generation>

Towards “creating new customer experience value through the use of financial expertise”, one of the material issues, the Company strives to contribute to

	<p>building society where every person can acquire correct financial knowledge and use financial services free from anxiety.</p> <p>The main initiatives in fiscal year 2023 are as stated below.</p> <p>1. Initiatives in High Schools</p> <p>Based on importance of financial education due to the lowering of the legal age of adulthood, the Company has allied with ARROWS Inc. to provide high schools nationwide with materials for a financial education program and support high school students in financial education.</p> <p>2. Initiatives in Universities</p> <p>The Company conducts social collaborative programs (extracurricular courses) with Hosei University and provides students with opportunities for thinking about solving social issues in a Project Based Learning (PBL) class format.</p>
<p>Formulation of Policies, etc. on Provision of Information to Stakeholders</p>	<p>The Company has established the following in the company's approach and the Basic Policy on Corporate Governance:</p> <ul style="list-style-type: none"> • The Company appropriately makes financial and non-financial information disclosure based on laws and regulations, and also actively provides information beyond that required by laws and regulations • Given its fiduciary responsibility and accountability to shareholders, the Company's Board of Directors appropriately fulfills roles and responsibilities towards achieving sustainable corporate growth and enhancing corporate value over the medium to long term. • The Company discloses information on management strategies, status of finance and operating results and other matters timely and appropriately and also enhances IR activities, and through these, aims to earn trust and recognition of shareholders, investors and other stakeholders. <p>In the "Information Disclosure Basic Policy", the Company positions continuous, fair, timely and appropriate disclosure of information as one of the most important managerial key issues in order for customers, clients, shareholders and investors to accurately recognize and judge the actual status of the Company.</p> <p>Integrated Reports https://www.orico.co.jp/en/company/ir/integrated-report/</p> <p>Annual Securities Reports https://www.orico.co.jp/company/ir/library/securitiesreport/ (in Japanese language only)</p>

Financial results summaries

<https://www.orico.co.jp/en/company/ir/library/earnings/>

Financial results explanatory materials

<https://www.orico.co.jp/en/company/ir/library/briefing/>

IR data collection

<https://www.orico.co.jp/company/ir/library/data/>

(in Japanese language only)

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development **Updated**

The Company has developed structure to ensure that execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and any other structure required to ensure appropriateness of operations (internal control systems) as follows.

1. Structure to ensure that execution of duties by directors and staff complies with laws and regulations and the Articles of Incorporation
 - (1) To clarify the basic attitude to corporate ethics and compliance with laws and regulations, the Company establishes the “Corporate Philosophy” and “Orico’s Sustainability Statement”. The Company also establishes “The Orico Group Code” which is a code of conduct on compliance for all directors and other officers and all employees (the “executives and employees”) of the Company and subsidiaries and other relating parties.
 - (2) To proceed penetration of compliance in the Company and subsidiaries and other relating parties, the Company establishes the “Compliance Committee” to take actions such as deliberations on important matters on compliance.
 - (3) The Company establishes an internal whistle-blowing system and builds structure for monitoring acts such as illegal acts and misconduct in the Company and subsidiaries and other relating parties.
 - (4) To ensure conformity with the Act on the Protection of Personal Information and related guidelines and other rules, the Company establishes the “Information Security Basic Policy” and the “Personal Information Protection Policy” and builds appropriate personal information control structure.
 - (5) To sever all relationships with anti-social forces that threaten the order and safety of civil society, the Company establishes the “Basic Policy Against Anti-Social Forces” and builds appropriate management structure such as establishing dedicated departments.
 - (6) To prevent money laundering, terrorist financing, and proliferation financing, the Company determines the “Basic Policy for Preventing Money Laundering, Terrorist Financing, and Proliferation Financing” and builds appropriate management structure such as establishing dedicated departments.
 - (7) To ensure appropriateness of financial reports, the Company establishes the “Our Approach to Corporate Governance”, the “Basic Policy on Corporate Governance” and the “Information Disclosure Basic Policy” and builds structure that discloses financial and non-financial information appropriately.
 - (8) To conduct internal audits against the Company and subsidiaries and other relating parties from an independent standpoint, the Company determines the “Policy on Internal Audits” and the “Internal Audit Regulations” and establishes the Internal Auditing Group. The Company also intends to enhance internal audits by establishing the “Operational Auditing Committee” to deliberate on important matters concerning internal audits against the Company and subsidiaries and other relating parties.

2. Structure to store and control information concerning execution of duties by directors

Based on internal regulations and other rules, the Company records materials such as the minutes of the Board of Directors, the Executive Management Meeting, the Compliance Committee, the Operational Auditing Committee and any other committees, requests for approval and agreements in documents or electromagnetic media, and stores these for predetermined periods. Directors shall be able to view these documents and media at any time.

3. Internal regulations and any other structure to manage loss risks
 - (1) To identify and manage more diverse risks of the Company and subsidiaries and other relating parties appropriately, the Company establishes the “Basic Policy on Risk Management” and the company will establish the Comprehensive Risk Management Committee and other bodies to build a company-wide risk management system.
 - (2) To take actions and continue businesses in the event of emergency, the Company establishes the “Business Continuity Management Basic Policy” and builds structure that minimizes impact and recovers operations promptly and efficiently.
4. Structure to ensure efficient execution of duties by directors
 - (1) The Company formulates a medium-term management plan on a consolidated basis. In order to make the medium-term management plan specific, the Company formulates a management plan per business year.
 - (2) Except for matters such as those required by laws and regulations and important managerial matters, the Company delegates decision-making on business execution to the President and Director as much as possible, and builds structure where the Board of Directors supervises the status of business execution highly effectively from an independent objective standpoint.
 - (3) The Company establishes the “Executive Management Meeting” as an advisory body to the President and Director for deliberations on important matters such as business execution and builds structure where the President and Director makes appropriate decisions.
 - (4) The Company establishes the “Board of Directors Regulations”, the “Segregation Regulations” and the “Job Authority Regulations” for efficient business execution and compliance with procedures.
5. Structure to ensure appropriateness of operations in corporate group of the Company and subsidiaries and other relating parties
 - (1) Structure to report matters concerning execution of duties by directors and staff of subsidiaries and other relating parties
 - a. The Company manages subsidiaries and other relating parties efficiently and effectively by establishing a dedicated department in charge of their overall business administration, determining a department in charge of operations that has close operational relationships, and collaborating with both departments. Additionally, the Company establishes matters such as criteria for business plan management, risk management, compliance and other management in the “Group Managerial Management Regulations”. Of these matters, the Company requires approval by or reporting to the Company for managerial important matters. The Company also provides subsidiaries and other relating parties with necessary management and guidance. Through these measures, the Company builds structure to ensure appropriateness of operations in the corporate group.
 - b. The Company shall require subsidiaries and other relating parties to build structure where they consult with or report managerial important matters to the Company based on the “Group Business Administration Regulations” of the Company.
 - (2) Internal regulations and any other structure to manage loss risks in subsidiaries and other relating parties
 - a. The Company shall also require subsidiaries and other relating parties to build risk management structure depending on their sizes, business categories and degrees of importance of various types of risks, based on the management structure of the Company.
 - (3) Structure to ensure efficient execution of duties by directors and staff of subsidiaries and other relating parties
 - a. The Company shall also require subsidiaries and other relating parties to develop job authorities of Directors and staff depending on their sizes and business categories, based on the management structure of the Company.

- (4) Structure to ensure that execution of duties by directors and staff of subsidiaries and other relating parties complies with laws and regulations the Articles of Incorporation
 - a. The Company shall also require subsidiaries and other relating parties to ensure that execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation depending on their sizes and business categories, based on the structure of the Company.
- 6. Matters concerning staff to support duties of the Audit and Supervisory Committee, matters concerning independence of the staff from Directors (excluding those who are Audit and Supervisory Committee Members), and matters concerning effectiveness of instructions to staff of the Audit and Supervisory Committee
 - (1) To support duties of the Audit and Supervisory, the Company shall establish the Audit and Supervisory Committee Office which is an organization directly reported to the Audit and Supervisory Committee and composed of dedicated staff.
 - (2) With regard to matters such as human affairs of the staff, the Company shall obtain prior consent of Audit and Supervisory Committee Members as specified by the Audit and Supervisory Committee. In relation to duties of the Audit and Supervisory Committee, the staff shall be neither instructed nor directed by any person other than Directors who are Audit and Supervisory Committee Members. The staff shall follow instructions and directions of the Audit and Supervisory Committee.
- 7. Structure to make reporting from Directors (excluding those who are Audit and Supervisory Committee Members) and staff and other relating personnel to the Audit and Supervisory Committee, structure concerning other reporting to the Audit and Supervisory Committee, and any other structure to ensure effective audits by the Audit and Supervisory Committee
 - (1) Directors and staff and other relating personnel of the Company and its subsidiaries and other relating parties shall report promptly to the Audit and Supervisory Committee matters required by laws and regulations and internal regulations and other matters requested as necessary in performing duties of the Audit and Supervisory Committee.
 - (2) The Company shall not adversely treat Directors and staff and other relating personnel who made reporting to the Audit and Supervisory Committee because of the reporting.
 - (3) The Company builds structure where the Audit and Supervisory Committee can receive reports from the Internal Auditing Group on matters such as audit plans and audit results of the group, and request investigations or provide instructions as necessary.
 - (4) The Company builds structure where the Audit and Supervisory Committee Members can attend important meetings such as the Executive Management Meeting to check the current situations of the Company and, if deemed necessary, express their opinions. To enhance audits in the corporate group, the Company shall require subsidiaries and other relating parties to build structure where Audit and Supervisory Committee Members of the Company can exchange information regularly with Corporate Auditors and other personnel of subsidiaries and other relating parties.
 - (5) The Company builds structure where the Audit and Supervisory Committee Members can exchange information on the current situations, issues and other matters of the Company regularly with the Chairman and Director and the President and Director. The Company builds structure where Audit and Supervisory Committee Members can ensure collaboration through means such as regular information exchange with Auditors.
 - (6) The Company shall bear costs arising from execution of duties by Audit and Supervisory Committee Members, unless these costs are found to be unnecessary for execution of duties by the Audit and Supervisory Committee. The Company shall assure

the Audit and Supervisory Committee of opportunities for receiving advice as necessary from experts such as specialized lawyers and certified public accountants.

Note: The term “subsidiaries and other relating parties” means consolidated subsidiaries of the Company and equity method affiliates designated by the Company.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

1. Basic Policy Against Anti-Social Forces

To sever all relationships (including transactions) with organized crime groups and other anti-social forces that threaten the order and safety of civil society, the Company has established the following basic policy.

- (1) To sever all relationships with anti-social forces that threaten the order and safety of society and hinder sound development of society and economies, the Company fosters and thoroughly nurtures awareness of the executives and employees on severing relationships with anti-social forces. All executives and employees are committed to an uncompromising stance.
- (2) The Company copes with anti-social forces as an entire organization from the top management. The Company also ensures safety of the executives and employees who cope with anti-social forces.
- (3) To prevent damage by anti-social forces, the Company copes with anti-social forces organizationally and appropriately by collaborating with external specialized institutions such as polices, the National Center for Removal of Criminal Organizations and lawyers.
- (4) The Company will never accept unreasonable demands from anti-social forces and will take legal actions from both civil and criminal aspects.
- (5) The Company will never finance anti-social forces or accept backdoor deals.

2. Status of Development Towards Elimination of Anti-social Forces

- (1) To cope with anti-social forces, the Company establishes “The Orico Group Code” as a code of conduct for the Company and its subsidiaries and other relating parties based on the “Basic Policy Against Anti-Social Forces.” As specific actions, the Company formulates the “Manual for Coping with Anti-Social Forces” and keeps all executives and employees informed.
- (2) The Company is taking proactive activities for eliminating anti-social forces such as joining the Tokubouren, an association for preventing special violence within the districts of the Metropolitan Police Department, and participating in its workshops and other opportunities.
- (3) The Company has established responsible departments and methods for actions to be taken in the event of crisis by anti-social forces, and builds structure where the Company also collaborates with external specialized organizations and takes appropriate measures.
- (4) The Company conducts deliberations and reporting on severing relationships with anti-social forces in the “Compliance Committee”. As a department dedicated to coping with anti-social forces, the Company has established the “Compliance Office” within the Compliance Administration Department.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

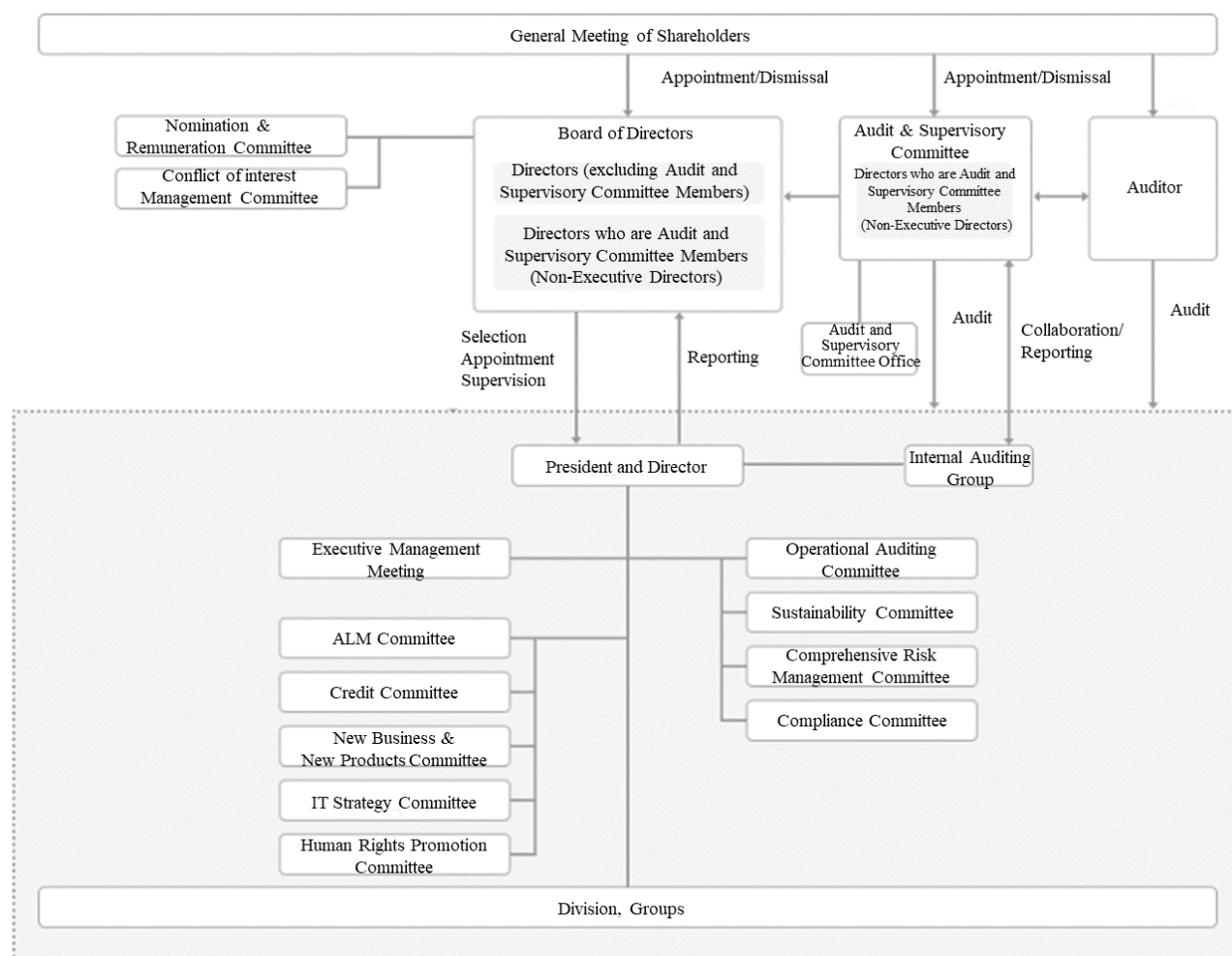
Not Adopted

Supplementary Explanation for Applicable Items

None

2. Other Matters Concerning the Corporate Governance System

[Corporate Governance Structure]



[Operational Performance of Principal Committees and Congressional Bodies]

	Ratio of Independent External Directors in each body (*1)	Top: number of meetings Bottom: average attendance ratio				
		FY2019	FY2020	FY2021	FY2022	FY2023
Board of Directors	38%	13 (99%)	13 (96%)	13 (98%)	16 (98%)	16 (99%)
Nomination and Remuneration Committee (*2)	67%	3 (100%)	7 (100%)	6 (100%)	5 (100%)	6 (100%)
Conflict of Interest Management Committee	67%	-	-	-	2 (100%)	There is no such case and it will not be held.
Audit & Supervisory Committee	75%	-	-	-	14 (99%)	24 (98%)
Board of Auditors	-	16 (97%)	17 (96%)	17 (98%)	3 (93%)	- ※2

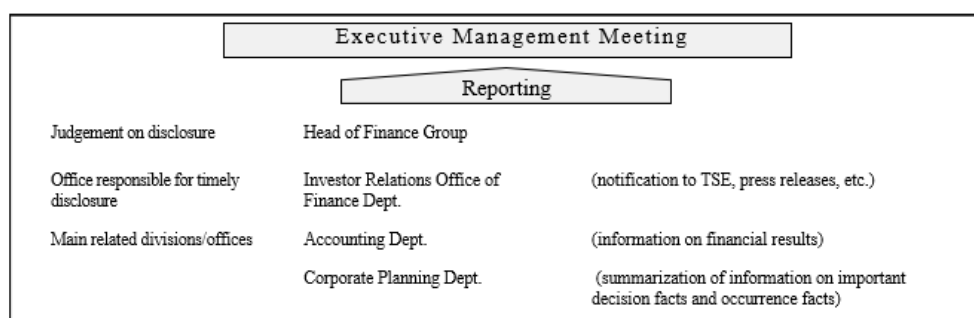
(*1) As of June 30, 2024

(*2) Abolished in June 2022 with the transition to a company with Audit & Supervisory Committee.

[Overview of Timely Disclosure Structure]

As one of the basic policies on corporate governance, the Company discloses information on management strategies, status of finance and operating results and other matters timely and appropriately, and also enhances IR activities. Through these, the Company aims to earn trust and recognition from shareholders, investors and other stakeholders.

The Company has designated the Investor Relations Office of the Finance Department as an office responsible for timely disclosure and IR activities. The Investor Relations Office of the Finance Department considers necessity or unnecessity of timely disclosure jointly with the Accounting Department which is in charge of information on financial results and the Corporate Planning Department to which information on important decision facts and occurrence facts are summarized. If disclosure is required, the Office makes efforts to conduct prompt, accurate and fair information disclosure.



END