

Corporate Governance Report

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Oracle Corporation Japan

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The following is an overview of corporate governance at Oracle Corporation Japan.

I. Basic Views, Capital Structure, Corporate Attributes and Other Basic Information Related to Corporate Governance

1. Basic Views

At Oracle Corporation Japan, we believe that the establishment of corporate governance is an important task for continuously improving our corporate value. We therefore strive to establish a corporate governance system that conforms to the legal system, etc. of Japan and that is based on the corporate governance policy of our parent company, Oracle Corporation, in order to fulfill our management responsibilities to all of our stakeholders.

We ensure that our employees are thoroughly informed of the Oracle Code of Ethics and Business Conduct, which is common to the Oracle Group companies all over the world and which we follow as the basic guidelines for our corporate activities.

[Reasons for Not Implementing the Principles of the Corporate Governance Code]

[Supplementary Principle 4.1.2: Formulation of mid-term business plan]

We disclose our forecast for a single fiscal year in the statement of financial results.

We aim to become the best partner to support customer innovation and business transformation by providing edge digital technologies including cloud solution as a technology company.

In information services industry which we belong to, the appropriate management decisions with rapidly and flexibility is one of the most important among in the technology innovation and diverse need of our clients.

Therefore we do not disclose any mid-term business plan.

In order to ensure our business strategies, financial conditions, and other information are understood correctly by our shareholders and investors, we clearly disclose issues to Business Reports and Annual securities report that we need to address and engage in dialogue about our financial outlook, etc., with investors by holding briefing sessions and meeting with them individually.

[Disclosure Based on Principles of Corporate Governance Code]

[Principle 1.4: Cross-Shareholdings]

We do not hold shares of other listed companies.

[Principle 1.7: Related Party Transactions]

Concerning our transactions with our affiliates, our Board of Directors, executive officers, and operating officers make management decisions as an independent corporate entity to maintain our independence. We disclose the contents of such transactions in an appropriate, timely manner through documents such as the statement of financial results, the business report, and the securities report.

To prevent actions against the interests of the Company and its shareholders, the Board of Directors of the Company has stipulated in the guidelines on the presentation of issues to the Board of Directors that a resolution of the board is required for directors' and executive officers' transactions with the Company and their transactions involving conflict of interests.

For details of our transactions with major shareholders and others, please refer to the documents concerning our transactions with our majority shareholders disclosed on our website (Japanese only).

<https://www.oracle.com/jp/a/ocom/docs/jp-investor-relations/20240823-shihai.pdf>

[Supplementary Principle 2.4.1: Ensuring Diversity]

[Culture Starts with You - Oracle and C&I]

Society is changing in complex, diverse, and dramatic ways: the workforce is shrinking due to declining birth rates and an aging population, individuals are diversifying their lifestyles, and working styles are changing due to the expansion of remote work after the COVID-19 pandemic. We support the creation of environments where all people have a fair chance to work on their own terms. Culture and Inclusion (C&I) is one of the most important management strategies which brings both the people who work for Oracle and the company itself can grow significantly, with embracing diversity and a variety of values, and with performing out the best in everyone. The guiding principles are also set forth in the Oracle Code, which serves as an ethical and moral compass for all of our employees.

We do not just respect differences – we welcome them. We believe that innovation starts with inclusion and to create the future we need people with diverse backgrounds, perspectives, and abilities. That's why we're committed to creating a workplace where all kinds of people can do their best work. It's when everyone's voice is heard and valued that we're inspired to go beyond what's been done before. We see it as our responsibility to society to create an environment in which people from all walks of life can do their best work, and to lead and spread initiatives that serve as models in society.

We do not have a dedicated department for C&I. This is due to Oracle's unique approach: "Culture starts with you." Oracle's desire is for people and organizations to be autonomous and self-driven. That's why our C&I activities are not only top-down, but also bottom-up and employee-driven. What we honor is the will and spirit of challenge of our employees.

Oracle has three Employee Resource Groups (ERGs) that operate based on employee willingness and spirit of challenge related to C&I. Oracle has "Oracle Pride Employee Network (OPEN)", designed to support all employees,

including those who are LBGTQ, to create a safe work environment internally and externally, “Oracle Diverse Ability Network (ODAN)”, a community that aims to support and help create a comfortable working environment for people with disabilities and their families and friends; and “Oracle Women’s Leadership (OWL)”, a program launched in 2011 to develop the next generation of women leaders and ERG's oldest organization. Each of these activities has become more active every year.

[Mid- to Long-Term Plan 2033]

In addition to past activities, as our mid- to long-term plan through 2033, we will organizationally promote the following initiatives in the areas of human resources recruitment, training, and promotion for “female employees,” “employees hired mid-career,” and “non-Japanese employees.”

Please refer to the attached material of our mid- to long-term plan.

[Recruitment, Training, and Promotion of Female Employees]

Currently, female make up 14.7% of our managers. We recognize that one of our challenges is to increase this percentage by providing an environment that enables women to play an active role. In the background of this challenge are the facts that the number of men is larger among job seekers in the information and telecommunications industry and that there are various unconscious biases, among other issues. To tackle this challenge, initiatives to develop an inclusive corporate culture in which each member autonomously acts based on an analysis of the present state and an acknowledgment of challenges are needed.

At Oracle Corporation Japan, we hold a company-wide event hosted by OWL to mark International Women’s Day every year. We have recently launched “Diversity Community” with the aim of improving the organizational gender balance and promoting C&I in each business section, under the leadership of section leaders. Our aim is to eliminate gender inequality and discrimination and support women in achieving further growth and significant steps forward.

We set a goal of increasing the female ratio in management to 30% by fiscal year 2033. The ratio of women employees has increased steadily every year.

Moreover, it is also important to encourage women to become managers and leaders, to proactively provide an environment where women can also work and play an active role. To achieve these goals, we will create a training program for female managers and also develop a training program to foster next-generation female managers and leaders who transcend the boundaries of job specifications and positions.

[Recruitment, Training, and Promotion of Employees Hired Mid-Career]

We enhance recruitment throughout the year, while continuing to hire new graduates to secure the best graduates and maintain a career hiring mix by recruiting younger people. Currently, 84.1% of our employees and 84% of our managers were hired mid-career. After a position is accepted, we develop onboarding success measures to create a workplace where the person can quickly adapt to the Company’s internal rules, systems, etc., take on an active role and feel welcome in the Company. These measures include training before job assignment for newly hired college graduates, employee orientation for mid-career recruits, and sessions for newly hired managers. With a declining birth rate and an aging population resulting in a smaller working population, recruiting talented people, regardless of age, is one of our most important tasks. Since 2006, we have had a system in place to continue hiring older employees, and since 2013,

we have operated an employment system that allows employees to continue working until the age of 65 if they wish to. Moreover, in June 2019, we amended our rules to raise the retirement age itself to 65 and are working to enhance the system. And in April 2021, we revised the continuous employment system to allow employees to work until age 70 even after reaching the standard retirement age of 65. These rules on continued employment for older employees are designed to promote workforce diversity by allowing healthy, motivated, and capable employees to continue working even after reaching the age of retirement.

[Recruitment, Training, and Promotion of Non-Japanese Employees]

Currently, 6.3% of our employees are foreign nationals. We are also a Japanese subsidiary of Oracle Corporation which means that our business is linked to international organizations. Active mutual communication with these global individuals is an indispensable factor in the development of our business policies. We will continue to strengthen the English communication skills of our senior executives and leaders to accelerate the development of our management policies and we will further promote the recruitment of professional bilingual personnel from the labor market.

[Principle 2-6: Roles of Corporate Pension Funds as Asset Owners]

To assist stable asset building by employees, we have introduced a defined contribution corporate pension plan (401k) and we hold asset utilization seminar to our employees.

[Principle 3.1: Information Disclosure]

(i) Business principles, etc., business strategies, and business plans

Company practices a basic philosophy of creating new IT value and contributing to customer success and the development of society. The role of IT has been evolving from tools for operational efficiency and cost cutting, to business infrastructure that transforms corporate processes and business models.

The basic policy of the Company as a technology company is to help enhance the competitiveness and improve the performance of customers and provide for the greater convenience and development of society by delivering the most-advanced digital technologies such as cloud solutions.

The Mission Statement

The Company is aiming for further business growth by supporting our customer's cloud migration of their core systems and active data utilization. Its mission is to help people see data in new ways, discover insights, unlock endless possibilities. We have confidence that continuing to evolve ourselves and navigating the evolution of our customers will be a step toward guiding the world in the right direction, and ultimately will contribute to society and humankind.

Our Strength

The Company is aiming for further business growth by supporting our customers' cloud migration of their core systems and active data utilization with deepen customer-trust, which is based on "Be a TRUSTED TECHNOLOGY ADVISOR". We have practiced DX (Digital Transformation) to the Cloud by own technology which brought business success to ourselves. By accelerating to deploy and implement our technology to the customers, we support their Data-driven DX. The Company has the comprehensive product portfolio which consists of platform, applications,

hardware which can be deployed on cloud environment and on-premise environment. Especially our software license products have been widely adopted in the field of mission critical systems, which have demanded high security, availability and high performance for many years. The Oracle Cloud, which is the core of the Company's business, has been developed based on the similar system architecture and technologies as these software licenses, and the Company enjoys a strength in enabling coordination and bidirectional migration between on-premises systems built with the software licenses products and the Oracle Cloud.

Key Initiatives

Through the data-driven approaches, we will further accelerate the provision of not only cloud-based services to maximize the value of information but various types of services to support the use of such cloud services. In consequence, we will contribute to Japanese society. Based on our thinking that it is essential to gaze at the modernization of legacy systems and future technological evolution in the Japanese market, we will develop into an entity that will innovate customers' businesses by making effective use of technologies. During FY24, we made intensive efforts in two initiatives to contribute to Japanese society. One is to provide the Japan focused cloud, and the other is to promote AI for customers. For the next FY25, we will further advance the strategies in these two initiatives. In addition to extensive and integrated cloud services, we will offer AI for enterprises with top level security, performance and efficiency. To answer needs for data sovereignty, which are set to grow in the future, we will accelerate business expansion and strategic collaboration with partners in Japan with an eye on sovereign cloud and sovereign AI requirements.

1) Provision of the Japan-focused cloud

1. By providing the cloud dedicated to customers in Japan, we will help Japanese companies modernize their mission-critical systems.
2. By supporting the digitalization of local governments in all over Japan nationwide through the utilization of Oracle Cloud Infrastructure (OCI) which is certified as the Government Cloud, we will contribute to the government cloud initiative that the Japanese government is promoting.
3. By always offering optimal solutions for the reform of IT cost structures while also providing a range of solutions such as the hybrid cloud featuring on-premises and the cloud, as well as multi-cloud solutions, we will support customers in introducing cloud-based mission-critical systems.
4. By providing cloud-native SaaS, we support the transformation of customers' life cycle cost structures, the enjoyment of continuously evolving AI technology, and the ability to respond to change.
5. To implement the above measures, we will further strengthen collaboration with partners.

2) Promotion of AI for customers

1. In the area of SaaS, we will provide Oracle Fusion Cloud Applications and NetSuite with built-in generated AI and pre-trained models. In addition to the availability of holistically optimized AI with a single data model, customers will be able to enjoy the value of the latest AI technology through quarterly version upgrades.

2. In PaaS, we started to provide Oracle Database 23ai in cloud versions at first. It is a next-generation database with a focus on generative AI services that can be constructed as customer-specific models with the secure use of customer data, while additionally focusing on AI and developer productivity.
3. In IaaS, OCI provides an environment that enables the creation of large-scale AI models at high speed and low cost. OCI can provide an environment that can demonstrate the performance of the highest-performing GPUs. The entire cloud data center can be designed like a supercomputer, minimizing the time and cost required to train large-scale language models.

In addition, we will contribute to customers' businesses by strengthening industry models through cross-functional collaboration and providing optimal Oracle solutions to customers in a range of industries.

*On-premises: A form of IT system developed and operated as the company's possession.

*Cloud services: Providing software and hardware resources which are used for IT system infrastructure at companies and other organizations as services under agreements for certain periods through the networks such as Internets.

*GPU: Graphics Processing Unit. An image processing unit that performs the computational processing necessary to depict images. With its high parallel computing capacity, it can instantly process huge amounts of data, making it suitable for big data processing, AI development, and other applications.

(ii) Basic views and guidelines on corporate governance

For our basic views on corporate governance, please refer to "1.1 Basic Views" of this report.

(iii) Policies and procedures in determining the remuneration of the directors and executive officers

For details, please refer to "Amount of Remuneration or Disclosure of the Policy for the Calculation of Remuneration" under [Remuneration of Directors and Executive Officers].

(iv) Policies and procedures in the appointment of executive officers and the nomination of candidates for directors

Oracle Corporation Japan is a company with a nomination committee, etc. Our Nomination Committee has the authority to determine the agendas for general shareholders' meetings concerning the appointment and dismissal of directors and the basic policies, rules, procedures, and other matters that are needed for appointing and dismissing directors.

The Nomination Committee determines the proposed structure of the Board of Directors for the following fiscal year, the requirements, etc. concerning the independence and neutrality of outside directors, and the candidates for directors.

(v) Explanations with respect to individual appointments and nominations based on (iv)

For reasons for the appointment of candidates for outside directors as determined by the Nomination Committee, please see the reference materials of the Notice of Annual Meeting of Shareholders and "[Matters related to outside directors]" in the section "1. Matters Related to Organizational Structure and Operations, etc." in the chapter "II.

Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision” of this report.

Our Board of Directors has the authority to determine the candidates for executive officers and Representative Executive Officer proposes the candidates for executive officers with the reasons to the Board of Directors to determine.

Candidates for directors are listed on our official website and describe the Notice of Annual Shareholders’ Meeting.

Please visit <https://www.oracle.com/jp/a/pr/docs/spokespeople-boardmember.pdf>

[Supplementary Principle 3.1.3: Sustainability Initiatives]

The Company belongs to a group of companies at the center of which lies the US-based Oracle Corporation, which is effectively its parent company. With regard to sustainability, it is necessary to pursue initiatives to solve issues at a global scale, and the Company has adopted the basic policy of implementing such initiatives while taking into account the policies of the Oracle Group, which includes its effective parent company Oracle Corporation. The Company’s approach to sustainability and sustainability initiatives are as follows.

(1) Sustainability-Related Governance

In the Sustainability Working Group, which comprises members including executive officers and operating officers from related internal departments, the Company identifies risks and opportunities, conducts management and formulates policies, etc. with respect to sustainability. In addition, the results of these activities that constitute important matters are referred to the Board of Directors for decision making. The Board of Directors also undertakes supervision of the Sustainability Working Group by way of receiving regular reports regarding the progress of set metrics and targets, and other necessary matters.

Each executive officer takes the necessary action based on the determinations made by the Board of Directors.

(2) Sustainability-Related Strategy

The Company understands that bold and urgent actions are needed to ensure the health of the planet. We pledge to build a sustainable future through our business activities, and aim to provide support so that our employees can also act in the interests of a sustainable future.

The Company’s Board of Directors has set the following items as part of the Company’s materiality, taking into account materiality in the Oracle Group and considerations undertaken by the Sustainability Working Group.

Providing a workplace that is diverse, inclusive and safe

Integrating sustainable business thinking

Regarding the above aspects of materiality, the Company sets specific metrics and targets and undertakes corresponding activities as described in (4). More information about materiality in the Oracle Group can be found at <https://www.oracle.com/social-impact/data-hub/>

Specific initiatives and results for the current fiscal year are as follows. The metrics and targets we have established for each initiative are described in (4) Metrics and targets.

(a) Providing a workplace that is diverse, inclusive and safe

1. Percentage of female employees and percentage of female managers

On the point of fostering a diverse and inclusive workplace environment, the Company has set improving the percentage of female managers as one of the first metrics to pursue. As a numerical target, the Company has set the government target for the percentage of female managers (30%). To this end, the Company analyzes the ratio of male to female employees across the Company over time, and implements initiatives aimed at achieving the target value.

As an initiative undertaken to achieve the target, the Talent Review Board, a meeting body responsible for selecting employees for promotion to managerial positions, takes into account the percentage of female managers in each operating department when promoting employees. The primary role of the Talent Review Board is to make comprehensive determinations based on the performance and abilities of each candidate, while also taking into account the percentage of female managers. Therefore, at this point the number of female managers and their percentage are not included in metrics and targets.

Moreover, as part of activities promoting the success of female employees, the Company pursues Oracle Women's Leadership (OWL) activities under the global Employee Resource Group (ERG), and awareness raising activities such as inviting outside speakers to give talks on International Women's Day have become established as annual events. In particular, in the previous fiscal year there was a focus on initiatives to cultivate female managers in the form of the OWL Japan Leadership Program. The program has focused on fostering the development of female leaders and also made efforts to raise awareness of the need for female employees in leadership positions, such as making managerial recommendations to the Company through the training of applicable employees. In the fiscal year under review, there were no significant changes to the ratio of male and female employees due to a decrease in the number of employees hired, with both the percentage of female employees and percentage of female managers experiencing only slight year-on-year increases. However, going forward, the Company intends to continue to pursue the initiatives described above to meet its targets.

Note that the primary focus of the ERG is on voluntary participation by employees, and since it has been determined that mandatory participation through numerical targets would not be appropriate at this stage, no metrics or targets have been set.

2. Percentage of mid-career employees

From the perspective of maintaining a balanced workforce structure by securing talented new graduates and recruiting younger employees, the Company continues to hire new graduates while actively recruiting other employees year-round.

Japan faces a declining workforce due to the ongoing trends of declining birth rates and an aging population, and one important challenge is the recruitment of talented human resources irrespective of age year-round.

As an analysis of the current situation, 84.1% of employees and 84.2% of managers are mid-career employees. In part because to date the Company has focused on recruitment year-round, the future numerical target is to maintain the current status in terms of the percentage of mid-career employees.

Open positions for which the Company is seeking applicants across all operating divisions are continually viewable

on the Company's website, and a process enabling human resources to apply for these positions has been introduced.

Additionally, as one of the measures to recruit a more diverse range of human resources, from June 2019 the mandatory retirement age was raised to 65, and the Company has proactively recruited talented human resources that can be immediately put to work from the labor market, focusing on securing a workforce capable of driving business in more powerful terms in the rapidly changing IT industry.

In the fiscal year under review, the hiring of mid-career employees was largely flat compared with the previous fiscal year as a continuation of the Company's target to maintain the current status.

3. Percentage of employees with non-Japanese citizenship

In part due to the Company being the Japanese arm of the US-based Oracle Corporation, business operations are internationally integrated within the organization. Engaging in reciprocal communication with these globally minded human resources is an essential element to implementing business policies.

Given these circumstances, the Company has also set certain metrics regarding the percentage of employees with non-Japanese citizenship among its hires. In terms of specific metrics, the Company has analyzed the percentage of employees with non-Japanese citizenship and set a target that will gradually increase the percentage to an extent that does not cause extreme changes to the composition of the workforce.

More specifically, the Company has set the goal of increasing the percentage of employees with non-Japanese citizenship to 8.0% by the fiscal year ending May 31, 2033, and has also set an interim goal of rising the percentage to 6.0% by the fiscal year ending May 31, 2026.

In the fiscal year ended May 31, 2024, the Company hired 22 employees with non-Japanese citizenship, bringing the percentage up to 6.3%. This exceeds the interim target and represents solid progress toward the FY2033 goal.

Going forward, the Company will continue to promote the recruitment of professional bilingual human resources from the labor market, and in conjunction with these efforts speed up the rollout of management policies by enhancing the English-based communicational skills of top management and leaders. Through these and other efforts the Company is working to foster a diverse and inclusive corporate culture from the perspective of hiring, developing and utilizing globally minded human resources.

4. Percentage of male employees taking childcare leave

In response to the dwindling birthrate and aging population in Japan, government-led initiatives have focused on the promotion of measures to support people raising children, and a major theme among those efforts is male participation in child rearing.

Matching the government target, the Company has set the goal of raising the percentage of eligible male employees taking childcare leave to 85.0% by the fiscal year ending May 31, 2033. Analyzing the current situation, the percentage of eligible male employees taking childcare leave was 19.0% in the fiscal year ended May 31, 2023, a significant deviation from the target value.

To address this, in the fiscal year under review the Company revised its internal regulations and made improvements expanding maternity leave to include paternity leave, enabling male employees to take paid leave within eight weeks of their spouse giving birth. As a result, in conjunction with use of the postpartum paternity leave system launched in

2022 due to changes in legislation, the percentage of eligible male employees taking childcare leave in the fiscal year under review improved dramatically to 75.0%.

The Company also conducts surveys of male employees who used childcare leave to gather feedback with the aim of creating a workplace environment that makes it easy for men and women alike to use childcare leave. In addition, during the fiscal year ending May 31, 2025 the Company will consider introducing a new leave system that covers the entire childcare leave period from before and after childbirth. The Company will work to enhance the systems and programs in place to achieve its targets for both male and female employees, and strive to provide a workplace that is diverse, inclusive and safe.

(b) Integrating sustainable business thinking

With respect to this materiality, we are working to reduce CO2 emissions at our head office building. Specific initiatives aimed at meeting this reduction target include the installation of LED lighting for common areas and exclusive Company areas of the building, optimization of the server room installed in the Company-exclusive area, the replacement of various equipment and systems in common areas, and the introduction of energy-efficient equipment through upgrades. In addition, in the results for FY2023 the Company made reductions of 25.7% of the baseline total emissions (22,248 tons) for the third planning period, a higher level than the 23.0% mandatory target imposed by the Tokyo metropolitan government. (Note1)

(Note1) The figures are estimates as of the end of the fiscal year under review. Figures submitted to the Tokyo metropolitan government following third-party verification will be progressively published to the website of the Tokyo Metropolitan Government Bureau of Environment from April 2025.

(3) Sustainability-Related Risk Management

The Company identifies sustainability-related risks and opportunities within the Sustainability Working Group through the provision of information and discussions based on business activities from each department. In the future the Company will continue to manage these risks and opportunities, revising and evaluating them through the same process, and formulating and reassessing measures as needed.

(4) Metrics and targets

The Company analyzes its current situation with respect to the materiality aspects it has set, considers specific countermeasures in light of the analysis findings, and proactively implements initiatives to meet those targets on a continuous basis.

(a) Providing a workplace that is diverse, inclusive and safe

The Company has set the following five metrics with respect to the provision of a workplace that is diverse, inclusive and safe. Note that in the following table, for the purpose of calculating ratios in accordance with actual conditions, the percentage of mid-career employees and the percentage of employees with non-Japanese citizenship includes employees on leave (including dispatched workers) and does not include contracted employees.

In addition, the definition of “manager” corresponds to an employee whose Global Career Level is “M” (Manager), and does not include the number of people designated “IC” (Individual Contributor), who do not have subordinates.

	Current fiscal year (FY24)	Target (FY33)
Percentage of female managers	14.7%	30.0%
Percentage of female employees	25.0%	35.0%
Percentage of mid-career employees	84.1%	Maintain the current status
Percentage of employees with non-Japanese citizenship	6.3%	8.0%
Percentage of male employees taking childcare leave	75.0%	85.0%

(b) Integrating sustainable business thinking

In terms of integrating sustainable business thinking, for the reduction of CO2 emissions from the Company's head office building, in FY2024 the company set a 25.3% reduction compared with baseline total emissions for the third planning period (FY2024), which is 27,810 tons, as a KPI. This exceeds the mandatory reduction rate of 23.0% set by the Tokyo metropolitan government. (Note2)

(Note2) In implementing future activities on climate change, target values may fluctuate due to baseline emission settings being revised or calculations being refined.

[Supplementary Principle 4.1.1: Overview of the Scope of Matters Delegated to Executive Officers]

Oracle Corporation Japan is a company with a nomination committee, etc. and our Board of Directors delegates decisions on business execution to the executive officers, considerably but to the extent permitted under applicable laws, thereby ensuring that the company is managed more vigorously and dedicates itself to the supervision of management. The Board of Directors makes decisions on important matters specified in laws and regulations, the Articles of Incorporation, and the Board of Directors' rules, such as basic management policies and the appointment of executive officers. Matters to be resolved by the Board of Directors and those to be reported thereto are set forth specifically in our rules on Regulations for Board of Directors and Administrative Rules for Submission of Matters to Board of Directors.

[Principle 4.8: Views on Independent Outside Directors]

We have appointed three independent outside directors who fulfill the requirements for independent directors set forth in the Securities Listing Regulations of the Tokyo Stock Exchange.

[Principle 4.9: Independence Standards for Independent Outside Directors]

We have judged that the candidates for our independent outside directors nominated by the Nomination Committee do not fall under any one of the persons specified in section III.5. (3)-2 of the Guidelines Concerning Listing Examination, etc. of the Tokyo Stock Exchange, have a sufficient level of independence, are supervised in a fair manner without being biased toward the interests of particular stakeholders, and will not cause a conflict of interest with general shareholders.

[Supplementary Principle 4.11.1: Ensuring the Effectiveness of the Board of Directors and the Board of Auditors]

Our Board of Directors comprises diverse directors who differ in terms of specialized knowledge, experience, and other backgrounds. We make it a rule to ensure that the number of members of the Board of Directors will enable its functions to be exercised most effectively and efficiently.

Currently, four of our nine directors are outside directors and three out of the outside directors meet TSE's independent standards. They are business managers and a professor. Moreover, five of our nine directors are non-Japanese, including two women.

Our Nomination Committee has judged that our directors are capable of fulfilling their duties as directors in an appropriate manner concerning decisions regarding important management matters of the company, the supervision of our business execution, and other areas, based on their experience and knowledge in the respective fields.

The competencies (skills, experience and expertise) possessed by the company's directors are listed in a table (Skills Matrix). Please refer to the attached [Skills Matrix] schematic.

* Please note that this table only lists the areas in which the directors are expected to be particularly active, and does not represent all of their knowledge.

[Supplementary Principle 4.11.2: Concurrent Positions Held by Directors]

With regard to concurrent positions held by our directors, the Board of Directors and the Nomination Committee confirm that such positions will not affect the implementation of their duties as directors of Oracle Corporation Japan, and in the case of outside directors, that such positions will not affect their independence or neutrality as outside directors.

Major concurrent positions held by our directors are disclosed in the reference materials of the Notice of Annual Meeting of Shareholders, the securities report, and other materials.

[Supplementary Principle 4.11.3: Summary of the Results of Evaluation of the Board's Effectiveness]

As of fiscal year ended May 31, 2016, the Board of Directors of the Company introduced and implemented an analysis and evaluation of the effectiveness of the Board of Directors for the purpose of accurately understanding its current state, improving its overall functional capabilities and ensuring that it operates with a high degree of effectiveness.

(i) Analysis and evaluation methods

- Targeting all members of the Board of Directors, a five-grade self-evaluation questionnaire was conducted on an anonymous basis (a total of 18 questions regarding 4 items, namely roles of the Board of Directors, relationship with executive officers, directors' competence, operation of the Board of Directors and operation of each committee)
- Evaluation analysis was conducted based on the aggregated results, free-form comments.
- Based on results of the evaluation analysis, the Board of Directors held constructive discussions on the evaluation of the Board's effectiveness and shared current areas for improvement and future response.

(ii) Outline of results of the evaluation of the Board's effectiveness

Our Board of Directors comprises directors from diverse backgrounds and conducts appropriate supervision of the management team from an independent and objective perspective. The Board members include outside directors and engage in constructive discussions on management issues.

As a result of the above, it was assessed that the Board's effectiveness is secured. In light of the discussions on reinforcing functional capabilities of the Board of Directors in the future, the members are determined to enhance the effectiveness of the Board of Directors and to make continuous efforts for improvements.

[Supplementary Principle 4.14.2: Policies on Training of Directors, etc.]

We recommend that each of our directors participate in external seminars on laws and regulations, compliance, the IT industry, business management, and other aspects, and build a human network with external people. Where necessary, we provide them with the knowledge needed to fulfill their roles and responsibilities, including knowledge on the statuses of the company's businesses, and give them opportunities to update this knowledge.

After appointment at the Annual Meeting of Shareholders, we have provided our all directors including outside directors with training.

[Principle 5.1: Policy for Constructive Dialogue with Shareholders]

To secure the consistency and uniformity of our information disclosure, we appoint our Representative Corporate Executive Officer as the information disclosure manager and hold the Investor Relations division in charge of disclosing information. With regard to requests for meetings with our President, CFO, Investor Relations division, and Public Relations division, we discuss how to respond to them in consideration of the purposes of the meetings, the importance of the contents of the meetings, the attributes of the persons requesting the meetings, and other aspects.

Our Investor Relations division cooperates with related internal divisions regarding daily operations, discloses information about our management and financial status to our shareholders and investors in a proactive, fair, equitable, and timely manner, and promotes IR activities that contribute to further improving our corporate value.

In addition to holding meetings with individuals, our CFO participate in all of the quarterly financial results briefings, where they have direct dialogue with investors and analysts.

[Measures for Achieving Management that is Conscious of Cost of Capital and Stock Price (under consideration)]

The Company recognizes the importance of management that is conscious of cost of capital and stock price, and is considering providing broader disclosure that would include analysis and evaluation of profitability and market assessments, as well as improvement plans and specific targets for these.

2. Capital Structure

Ratio of Shares Held by Foreigners	30% or higher
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[Major Shareholders]

Name or Designation	Number of Shares Held	Shareholding Ratio (%)
ORACLE JAPAN HOLDING, INC. (Standing proxy SMBC NIKKO SECURITIES INC.)	94,967,000	74.02
The Master Trust Bank of Japan, Ltd. (Trust account)	4,993,100	3.89
SMBC NIKKO SECURITIES INC.	2,132,394	1.66
Custody Bank of Japan, Ltd. (Trust account)	1,515,769	1.18
STATE STREET BANK AND TRUST COMPANY 505223	1,426,969	1.11
STATE STREET BANK AND TRUST COMPANY 505001	1,322,585	1.03
STATE STREET BANK WEST CLIENT - TREATY 505234	1,031,135	0.80
STATE STREET BANK AND TRUST COMPANY 505103	679,796	0.53
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	626,000	0.48
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25	618,940	0.48

Controlling Shareholders (excluding parent company)	N/A
Parent Company	Oracle Corporation (listed overseas) Code: N/A

Supplementary Information: N/A

3. Corporate Attributes

Stock Exchange Listings and Market Classification	Standard Market, Tokyo Stock Exchange
Fiscal Year-end	May
Industry	Information and Telecommunications
Number of Employees as of Previous Fiscal Year-End (Consolidated)	1,000 or more
(Consolidated) Revenues in Previous Fiscal Year	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries at Previous Fiscal Year-end	Less than 10

4. Policy for Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholder

Controlling shareholder: ORACLE JAPAN HOLDING, INC.

The Company belongs to a corporate group centered on Oracle Corporation (NYSE: ORCL), which is the substantive parent company of the Company.

The corporate group undertakes worldwide sales of software, including relational database management software, middleware, and applications; and hardware, including servers, storage devices, and network devices. Its products are used for building and operating IT environments, such as cloud computing environments. In addition, the Company provides products such as cloud services that are offered over the Internet and through other networks, and a variety of services to support the introduction and use of these products.

The Company has concluded sales agency agreements with Oracle International Corporation, which owns and manages the intellectual property rights of Oracle Corporation, the parent company of the Company, and sales license agreements with Oracle Information Systems Japan G.K., a subsidiary of Oracle Corporation, which owns the right to license and the right to sell cloud services and products that have been acquired by Oracle Corporation in Japan. Based on these agreements, the Company receives supplies of products for the Japanese market from Oracle Corporation and pays a certain percentage of the sales proceeds from the products including cloud services and the acquired products to Oracle International Corporation and Oracle Information Systems Japan G.K., respectively, in consideration thereof.

In addition, as the principal operations of the Company are selling products developed by Oracle Corporation and providing related services incidental to these products in the Japanese market, the Company does not conduct research and development activities on its own.

With respect to independence from the parent company, the final decisions on our business operations are made by the Board of Directors, and each director makes decisions by giving consideration to how to maximize the profits for the Company and all shareholders.

When the company conduct the important transactions between the company's controlling shareholder etc., besides the usual board resolution, the company will require majority vote in the resolution made by directors who does not have concurrent positions etc. in the substantial parent company, only.

5. Other Exceptional Circumstances that May Have a Material Impact on Corporate Governance

As part of the business strategy of our company or as part of a global business strategy of our parent company, there are possibilities that we may conduct mergers and acquisitions in the future. Accordingly, there are possibilities that companies or businesses thus acquired may not be integrated with our business in an effective and efficient way, that relationships with important customers, suppliers or other relevant parties of an acquired company may not be maintained, or that asset acquisition may be damaged to incur losses. Should such a situation be incurred, it may impact the business performance, financial state, or other aspect of our company.

II. Overview of Business Management Organization and Other Corporate Governance Systems Related to Managerial Decision-Making, Business Execution, and Management Supervision

1. Items Related to Organizational Structure and Operations, etc.

Form of Organization	Company with a Nomination Committee, etc.
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[Directors]

Number of Directors Stipulated in Articles of Incorporation	10
Term of Office for Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	Outside Director
Number of Directors	9

[Outside Directors]

Number of Outside Directors	4
Number of Outside Directors Designated as Independent Directors	3

Relationship with the Company (1)

Name	Attributes	Relationship with the Company(*)											
		a	b	c	d	e	f	g	h	i	j	k	
Yoshiaki Fujimori	Person who used to work for another company												○
John L. Hall	Person who used to work for another company		△			△		△					
Takeshi Natsuno	Person who used to work for another company												○
Yukiko Kuroda (Name on the family register : Yukiko Matsumoto)	Person who used to work for another company												○

* Categories for "Relationship with the Company"

* "○" when the director currently 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 currently falls or has recently fallen under the category; "▲" when a close relative of the director fell under the category in the past

a: A person performing an executive role at the Company or its subsidiary

b: A person performing an executive role at or who is a non-executive director of the Company's parent

c: A person performing an executive role at an affiliate who is another subsidiary of the Company's parent

- d: A person (or its person performing an executive role) whose major customers include the Company
- e: A person (or its person performing an executive role) who is a major customer of the Company
- f: A consultant, accountant or lawyer who receives a large amount of monetary compensation or other property (other than remuneration as an outside director) from the Company
- g: A major shareholder (or its person performing an executive role, which applies if the said major shareholder is a juridical person) of the Company
- h: A person performing an executive role at a customer of the Company (other than those to which item d, e or f applies) (this item applies only to the outside director himself/herself)
- i: A person performing an executive role at an entity who has an outside director or corporate auditor from the Company (this item applies only to the outside director himself/herself)
- j: A person performing an executive role at an entity to which the Company makes donations (this item applies only to the outside director himself/herself)
- k: Others

Relationship with the Company (2)

Name	Committee he/she belongs to			Independent Director	Supplementary Information Related to the Criteria	Reason for Appointment as Outside Director
	Nomination Committee	Compensation Committee	Audit Committee			
Yoshiaki Fujimori			○	○	<p>Mr. Fujimori has been our director since August 2018 and has served concurrently as an advisor of LIXIL GROUP CORPORATION, outside director of Takeda Pharmaceutical Company Limited and Boston Scientific Corporation, and as a Supreme Advisor of CVC Asia Pacific Ltd.</p> <p>We have registered Mr. Fujimori with the Tokyo Stock Exchange as an independent director as set forth in the Securities</p>	<p>Mr. Fujimori has advanced insights based on his rich experiences in a globally operating company as well as having had various important roles in one of the world leading global corporations. Also, we expect he has been showing strong presence in the Company's Board of Directors by proactively expressing his opinions, contributing to secure sound management of the Company.</p>

				Listing Regulations of the Tokyo Stock Exchange.	<p>[Reason for Appointment as Independent Director]</p> <p>We have judged that Mr. Fujimori does not fall under any one of the persons specified in section III.5. (3)-2 of the Guidelines Concerning Listing Examination, etc. of the Tokyo Stock Exchange, has a sufficient level of independence, is supervised in a fair manner without being biased toward the interests of particular stakeholders, and will not cause a conflict of interest with general shareholders. Accordingly, we appointed him as an independent director in August 2018.</p>
John L. Hall	○	○	○	Mr. Hall had been Senior Vice President of Oracle Corporation, which is the parent company, since September 1997 and started to serve concurrently as our director in August 2003. He resigned from Oracle Corporation in June 2015.	Mr. Hall provides helpful advice about our management from an expert perspective as a specialist in our business field and in our products and services.
Takeshi Natsuno	○		○	<p>Mr. Natsuno has been our director since August 2016 and has served concurrently as a Professor of Graduate School of Media and Governance, Keio University since May 2008, as an outside director or director of SEGA SAMMY HOLDINGS INC., transcosmos inc., NTT Resonant Incorporated, DWANGO Co., Ltd., DLE Inc., Gree, Inc., USEN-NEXT HOLDINGS Co., Ltd., etc.</p> <p>We have registered Mr. Natsuno with the Tokyo Stock Exchange as an independent director as set forth in the Securities Listing Regulations of the Tokyo Stock Exchange.</p>	<p>Mr. Natsuno has wide range of insight and experience in management of many kinds of companies with variable industries.</p> <p>[Reason for Appointment as Independent Director]</p> <p>We have judged that Mr. Natsuno does not fall under any one of the persons specified in section III.5. (3)-2 of the Guidelines Concerning Listing Examination, etc. of the Tokyo Stock Exchange, has a sufficient level of independence, is supervised in a fair manner without being biased toward the interests of particular stakeholders, and will not cause a conflict of interest with general shareholders. Accordingly, we</p>

					appointed him as an independent director in August 2016.
Yukiko Kuroda	○		○	<p>Ms. Kuroda has been our director since August 2022 and has served concurrently as a director & founder of People Focus Consulting since April 2012, as an outside director of Marubeni Corporation, Mitsui Chemicals, Inc., Seven Bank, Ltd., Terumo Corporation, and Ohbayashi Corporation.,etc.</p> <p>We have registered Ms. Kuroda with the Tokyo Stock Exchange as an independent director as set forth in the Securities Listing Regulations of the Tokyo Stock Exchange.</p>	<p>Ms. Kuroda has advanced insights based on her rich experiences in a globally operating company and developing global human resources, as well as having had various important roles in one of the world leading global corporations. Also, we expect she has been showing strong presence in the Company's Board of Directors by proactively expressing her opinions, contributing to secure sound management of the Company.</p> <p>[Reason for Appointment as Independent Director]</p> <p>We have judged that Ms. Kuroda does not fall under any one of the persons specified in section III.5. (3)-2 of the Guidelines Concerning Listing Examination, etc. of the Tokyo Stock Exchange, has a sufficient level of independence, is supervised in a fair manner without being biased toward the interests of particular stakeholders, and will not cause a conflict of interest with general shareholders. Accordingly, we appointed her as an independent director in August 2022.</p>

[Committees]

Committee Composition and Attributes of the Chairperson of Each Committee

	Number of Committee Members	Number of Full-Time Committee Members	Number of Internal Directors	Number of Outside Directors	Chairperson
Nomination Committee	3	0	1	2	Outside Director
Compensation Committee	3	0	1	2	Outside Director
Audit Committee	3	0	1	2	Outside Director

[Executive Officers]

Number of Executive Officers	4
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Concurrent Positions

Name	Authority to Represent Company	Concurrent Positions Held as a Director			Concurrent Positions Held as an Employee
			Member of Nomination Committee	Member of Compensation Committee	
Toshimitsu Misawa	No	Yes	x	x	No
S. Krishna Kumar	No	Yes	x	x	No
Hiroko Utsumi (Name on the family register : Hiroko Naka)	Yes	No	x	x	No
Rika Nakajima	Yes	No	x	x	No

[Audit Structure]

Whether the Audit Committee is assisted by directors/employees	Yes
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Matters Relating to the Independence of the Above Directors and Employees from Executive Officers

We have established an Administrative Office that assists the Audit Committee in the implementation of its duties. Concerning the appointment, transfers, and evaluations of employees working in the Administrative Office to the Audit Committee, opinions shall be sought from the Audit Committee in advance, and executive officers shall respect these opinions.

Cooperation between the Audit Committee, Independent Auditors, and Internal Audit Division

The internal audit department audits the business process of each department in accordance with the Oracle Group Internal Audit Charter to discover or prevent frauds, and correct the business process as required. The department reviews and evaluates the legality, suitability, and efficiency of operations from a fair and objective perspective and ensure effectiveness of the internal audit by requiring the audited department of corrective action plans to respond to issues found by the audit. The internal audit department reports the audit results to both the Audit Committee and Representative Corporate Executive Officers. Based on these audit results, it provides advice and suggestions on improvements and rationalization, and checks the actions taken as required. Audit Committee members not only receive prior briefing of annual plans related to the internal audit to be implemented by the department and are able to seek revisions, but also receive updates on the implementation state of internal audit, and if deemed necessary, it is also able to seek additional audits and drawing up of business improvement measures.

[Independent Directors]

Number of Independent Directors	3
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Other Matters Related to Independent Directors

All outside directors who fulfill the requirements for independent directors are designated as independent directors.

[Incentives]

Implementation of Initiatives to offer Incentives to Directors and Executive Officers	Introduction of performance-linked compensation plan and others
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Supplementary Information

At its meeting held on October 24, 2014, the Compensation Committee resolved to introduce the Board Incentive Plan (BIP) Trust (hereinafter the "BIP Trust") as a new incentive plan to change the compensation plan to one that would more strongly motivate our directors and executive officers to execute their duties.

The Company will first establish a trust by contributing funds to acquire the Company's shares, with the directors and executive officers who have met certain requirements as beneficiaries, among those who have elected to use the BIP Trust. The trust will acquire a certain number of the Company's shares that are expected to be delivered to the relevant directors and executive officers from the stock market during the predetermined acquisition period based on the pre-established Regulations for Share Regulations for Shares Distribution of the Company. Then, the trust will deliver the number of the Company's shares to the directors and executive officers as compensation every year according to the business performance, etc. of the Company during the trust period pursuant to the provisions of the Regulations for Share Regulations for Shares Distribution.

Persons to whom share warrants are allocated may choose between the share warrant plan and the stock compensation plan. The conversion ratio of the number of shares delivered in the BIP Trust to the number of shares granted by share warrants at the time of selecting the share warrant plan and the stock compensation plan is 4:1.

The number of the Company's shares owned by the BIP Trust as of the end of the fiscal year under review (May 31, 2024) is 11,828.

The following are the BIP granted during the fiscal year ended May 31, 2024 as compensation for their duties of our directors and Corporate Executive Officers. The Company has decided to unify stock option plan into BIP Trust for share incentive plan from FY2020 and the Company will abolish to grant new stock option.

Toshimitsu Misawa : 10,910 shares

Hiroko Utsumi : 1,410 shares

Rika Nakajima : 1,410 shares

Persons to Whom Stock Options are Granted

[Remuneration of Directors and Executive Officers]

Status of Disclosure (of Remuneration of Individual Directors)	The remuneration of a part of individual directors is disclosed.
Status of Disclosure (of Remuneration of Individual Executive Officers)	The remuneration of individual executive officers is not disclosed.

Supplementary Information

The total amount of remuneration, etc. paid to directors and executive officers, the total amount of remuneration, etc. paid to outside directors and the amount of remuneration paid to each of the directors who are paid ¥100 million or more for remuneration, etc. are disclosed in the securities report.

Whether there are any policies for the amount of remuneration or calculation of the amount thereof	Yes
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Amount of Remuneration or Disclosure of the Policy for the Calculation of Remuneration

In determining and changing the officer compensation policy, etc., the Compensation Committee (comprised of non-executive directors only) discusses the payment details, payment method, and payment timing in reference to the compensation policies of the Oracle Corporation Group as to i. Compensation of directors who concurrently serve as sales executive officers and sales executive officers, ii. Compensation of directors who concurrently serve as non-sales executive officers and non-sales executive officers, and iii. Non-executive directors and outside directors. The Compensation Committee consists of non-executive directors only, and the compensation of directors and executive officers is determined after comprehensive discussions at a Compensation Committee meeting. Transparency and objectivity are thus ensured.

[Policies in determining the remuneration, etc. of the directors and executive officers]

The compensation of directors and executive officers is comprised of three elements: fixed remuneration, performance-based bonus, and share incentive plan. These are determined based on the following policies. The compensation of outside directors is the basic compensation portion that is determined through the same process because the main duty of the outside directors is to oversee the business management.

(a). Fixed remuneration

The level of compensation is based on roles and duties in view of the payment level of compensation in comparison with companies in the same industry.

(b) Performance-based bonus

Depending on the responsible roles, the indicators relating to the performance-linked bonus portion are respectively determined on an individual basis within the Company. As for compensation for executive officers responsible for sales, the items (sales/profits, etc.) on which the Company should focus for the term are set as the main indicators and paid in accordance with the level of target achievement set at the beginning of the term. A system for clearly reflecting the responsibilities and results as a business manager is applied by linking closely with the Company's business results based on multiple indicators including the level of achievement of the operating income target and the sales growth of the Company's products/services.

Whether to pay compensation to executive officers who are not responsible for sales is determined mainly in reference to the policies of the Oracle Corporation Group.

(c) Share incentive plan

The Company has adopted the Board Incentive Plan (BIP) Trust as an incentive plan to strongly motivate the execution of duties by executive officers to ensure that the interests of directors who concurrently serve as executive officers and executive officers are consistent with shareholders' profits resulting from higher share prices and in hope that they make continuous contributions.

[Support System for Outside Directors]

We have established an Administrative Office to the Board of Directors, which helps create materials that enable the full deliberation of agendas for Board of Directors meetings and provides prior explanations of the contents of the agendas. We have thus established a system that helps outside directors to understand the agendas and ensures that legality and other points are checked appropriately.

2. Matters Concerning the Respective Decision-Making Functions for the Execution of Business, Audits, Supervision, Nominations, and Remuneration, etc. (Current Corporate Governance System)

Oracle Corporation Japan is a company with a nomination committee, etc. We have separated the functions for making management decisions and supervision from the business execution functions, with the aim of establishing a higher level of corporate governance.

Operated by four corporate executive officers and twenty-six operating officers. They review important tasks related to business such as business strategies, overall organization reforms, and financial matters. Aiming to support the prompt decision-making and flexible business operations of corporate executive officers, the Company installs an executive board comprised of the Corporate Executive Officer, President and important organization heads below Corporate Executive Officer, President as main members. In the aim to discuss and share information on sales and marketing strategies, working environment of employees, the Company also installs a conference body made up of Corporate Executive Officer, President and heads of cross-sectional departments of the whole company as the main members. Efforts are also made to secure business with high transparency by actively carrying out cross-organizational discussions, and information provision to the whole company. Furthermore, when carrying out corporate business or daily business operations, functions of conducting checks from outside are enhanced by receiving advice from lawyers and certified public accountants, etc. and by enhancing check functions from outside.

[Audit Committee]

The Audit Committee conducts the audits by following the audit policy and plan that it formulates for each fiscal year. In addition to participating in the meetings of the Board of Directors and other important meetings, it interviews the directors and others on the status of the implementation of their duties to check the legality and legitimacy. The Representative Executive Officer and Independent Auditor have meetings with the Chairman of the Audit Committee and other Audit Committee members as necessary to exchange opinions about issues to be addressed by the Company, the status of the improvement of the auditing environment by the Audit Committee, important issues regarding audits, and other matters. We therefore have a system under which the Representative Executive Officer, Independent Auditor, and members of the Audit Committee deepen their mutual understanding. Mr. John L. Hall, who is an outside director, chairs the committee, which consists of three members including two outside directors.

[Nomination Committee]

The Nomination Committee determines the contents of the agenda regarding the appointment and dismissal of directors to be submitted to the general meeting of shareholders. The committee consists of directors selected through resolutions of directors. It has three members, including two outside directors. It is chaired by Mr. John L. Hall, who is an outside director.

The personnel affairs division serves as the Administrative Office of this committee, and the Corporate Executive Officer in charge assists the Administrative Office.

[Compensation Committee]

The Compensation Committee determines the policies on the remuneration, etc. of directors and executive officers and the individual contents of the remuneration, etc. received by directors and executive officers. The committee consists of

directors selected through resolutions of directors. It has three members, including two outside directors. It is chaired by Mr. John L. Hall, who is an outside director.

The personnel affairs division serves as the Administrative Office of this committee, and the Corporate Executive Officer in charge assists the Administrative Office.

[Independent Auditor]

Our Independent Auditor is Ernst & Young ShinNihon LLC, which conducts an accounting audit each fiscal year and quarterly reviews under the audit contract. There is no special relationship between the Independent Auditor and the Company.

[Special Committee]

In the case where less than one-third of the Company's Board of Directors consists of independent outside directors, a special committee will be established as an advisory body to the Board of Directors for the purpose of strengthening the supervisory function of the Board of Directors and protecting the interests of minority shareholders, etc.

As of the date of submission of this report, this committee has not been established because the number of independent outside directors is more than one-third of the total number of directors.

3. Reasons for Adopting the Current Corporate Governance System

We introduced an operating officer system in August 2000 and separated the Board of Directors as an organization for making management decisions and supervising business operations from the business execution function of the operating officers, thereby ensuring transparency of management. At the same time, we have been striving to establish a system that permits us to respond flexibly to changes in the environment. In August 2008, we began to operate as a company with committees (which was renamed “company with a nomination committee, etc.” as a result of the amendment of the Companies Act on May 1, 2015) with the aim of further strengthening our system, which has already been improved through the measures we have taken, and establishing a higher level of corporate governance.

III. Status of Implementation of Measures Related to Shareholders and Other Stakeholders

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

Supplementary Information

Early Notification for General Meetings of Shareholders	We sent the latest convocation notice on three days earlier than the statutory deadline, furthermore posted it on our website two days earlier.
Scheduling General Meetings of Shareholders to Avoid Peak Days	Our fiscal year-end is May 31, and the most recent annual meeting of shareholders was held on August 23, 2024.
Exercise of Voting Rights by Electronic Means	Voting rights can be exercised via the internet by accessing a designated website for exercising voting rights, which is operated by Mitsubishi UFJ Trust and Banking Corporation, by using PCs, smartphones, or mobile phones.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	<p>Since the 37th annual meeting of shareholders, we have been holding the meeting without a specified physical venue in a so-called virtual-only shareholders meeting format.</p> <p>This is the purpose for facilitate the participation of a broader range of shareholders, including shareholders in remote regions, thereby promoting active discussion and increasing the efficiency of the meeting, while reducing risks such as COVID-19 and other diseases and damage due to major natural disasters.</p>
Providing Notices of Convocation (Summary) in English	We provide convocation notices and relevant materials in English via TDnet, a system for timely disclosure operated by the Tokyo Stock Exchange. We also post convocation notices in English on our website.
Other	We post convocation notices on our website.

2. Investor Relations (IR) Activities

Supplementary Information

Establishment and Announcement of Disclosure Policy	We have posted our disclosure policy on our website.
Holding Regular Briefings for Analysts and Institutional Investors	<p>On the day of the announcement of our quarterly financial results, we hold a briefing for institutional investors and security analysts, at which presentations are given by our Chief Financial Officer (CFO).</p> <p>In addition, our CFO undertakes an “IR tour” once or twice a year to give presentations to domestic or overseas institutional investors. However, during the fiscal year ended May 2024, overseas IR tours were not conducted.</p>
Posting IR Materials on the Company Website	On our website, we post information for investors including statements of financial results, supplementary information, other financial information, materials disclosed on a timely basis other than financial information, securities reports, quarterly reports,

	convocation notices, notices of resolutions, shareholders' newsletters, and electronic public notices.
Establishment of a Division (Person) in Charge of IR	We have established an Investor Relations division dedicated to IR matters.

3. Measures to Ensure Due Respect for the Stakeholders' Standpoints

Supplementary Information

Establishing Internal Regulations, etc. to Ensure Due Respect for Stakeholders' Standpoints	<p>We believe that the establishment of corporate governance is an important task for continuously improving our corporate value. We therefore strive to establish a corporate governance system that conforms to the legal system, etc. of Japan and that is based on the corporate governance policy of our parent company, Oracle Corporation, in order to fulfill our management responsibilities to all of our stakeholders.</p> <p>We ensure that our employees are thoroughly informed of the Oracle Code of Ethics and Business Conduct, which is common to the Oracle Group companies all over the world and which we follow as the basic guidelines for our corporate activities.</p> <p>For details, please refer to the Oracle Code of Ethics and Business Conduct. https://www.oracle.com/webfolder/assets/ebook/employee-code-of-conduct-and-ethics/pdf/JP.pdf</p>
Environmental Conservation Initiatives and CSR Activities, etc.	<p>We have been contributing to the improvement of the economy, society, and the environment, both directly and indirectly, based on our desire to provide values that are higher than expected by our stakeholders, promote innovations toward the future, and share emotions through information technologies, while riding on the strength of being a global company.</p> <p>With the aim of creating products that are usable for all users, we are proactive in participating in standardization organizations related to accessibility, and continue striving to develop products with superior accessibility.</p> <p>We also began to reflect the concept of open standards in our products around the year 2000, based on our belief that open standards enable technological innovations and encourage fair competition.</p> <p>Further, we promote environmentally friendly businesses on a daily basis by recycling and reusing resources and reducing waste, for example. We also help individual employees to raise their awareness of social contribution by encouraging them to participate in volunteering. We will contribute to our stakeholders by continuing our main business of providing information technologies.</p> <p>For details, please refer to the Social Impact Report page of our website. https://www.oracle.com/jp/social-impact/</p>

<p>Establishing Policy, etc. Concerning Disclosure of Information to Stakeholders</p>	<p>As we carry out IR activities, we disclose information based on the following policy, provide information via printed documents, the website, and other means, and respond to interviews and inquiries.</p> <p>(1) Fair, prompt disclosure of information</p> <p>We disclose information in accordance with the relevant laws and regulations, including the Financial Instruments and Exchange Act (hereinafter, the “Laws and Regulations”) and the rules on the timely disclosure, etc. of information by companies that issue listed securities stipulated by the Tokyo Stock Exchange (hereinafter, the “Disclosure Rules”). We disclose information about events that fall under material facts specified by the Laws and Regulations or Disclosure Rules as soon as possible.</p> <p>We also disclose information about events that do not fall under material facts specified by the Laws and Regulations or Disclosure Rules if we judge that the disclosure of such information is necessary or useful for ensuring that our corporate activities or strategies are understood by investors.</p> <p>We disclose information via TDnet, a system for timely disclosure operated by the Tokyo Stock Exchange, news releases for press clubs and similar, and on our website, so that the information is provided fairly and promptly to all of our stakeholders, including our shareholders and investors.</p> <p>Further, we hold press conferences or briefings for analysts depending on the content of the announcement. Such content is also posted promptly on our website. We provide information about our corporate activities directly to our shareholders via newsletters that we issue periodically.</p> <p>(2) Undisclosed material facts</p> <p>Information that we disclose via printed materials, websites, responses to telephone inquiries, interviews, conferences, and other means is limited to information about facts about the Company that have already been announced or made known to the public, or about the general business environment, etc. We never refer to undisclosed material facts.</p> <p>(3) Quiet period</p> <p>We specify a certain period before and after the announcement of our financial results as the “quiet period” to prevent information that may influence our share price from being leaked while we are preparing for the announcement of financial results. During this period, we refrain from responding to or participating in individual interviews or meetings or responding to inquiries about our performance forecast, etc.</p> <p>However, we disclose information as required, even during a quiet period, where the content of such information is expected to differ significantly from the performance forecast that we have already announced.</p>
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IV. Matters Related to the Internal Control System, etc.

1. Basic Policy and Development and Operation Status Related to Internal Control System

1. Basic Policy

We practice a basic philosophy of creating new IT value and contributing to customer success and the development of society. The role of IT has been evolving from tools for operational efficiency and cost cutting, to business infrastructure that transforms corporate processes and business models.

The basic policy of the Company as a technology company is to help enhance the competitiveness and improve the performance of customers and provide for the greater convenience and development of society by delivering the most-advanced digital technologies such as cloud solutions.

2. Development and Operation Status of Internal Control System

(1) The system concerning the retention and management of information pertaining to the execution of duties of executive officers

Establish regulations on the management of such documents as the minutes of a meeting of shareholders, minutes of a meeting of the Board of Directors, minutes of any other important meeting concerning management, and keep a record of any important decisions made. Such regulations may not be established or amended without the approval of the Board of Directors. Documents that will be managed under such regulations will be retained so as to facilitate easy searching and browsing as required.

(2) The regulations and other systems concerning the control of risk of loss

With respect to the risks pertaining to compliance, disaster, and information security, the division in charge of each risk will establish regulations/guidelines and provide related education. If a new risk arises, an executive officer will be promptly appointed in charge of said risk.

(3) The system for securing the efficient execution of duties of executive officers

(a) Hold meetings to assist execution by the Representative Executive Officer, as well as to discuss and decide matters pertaining to decisions of the board of directors.

(b) Establish regulations on the clarification of responsibilities and authorities of executive officers and employees, thereby establishing the environment in which the Company's businesses can be efficiently executed within their responsibilities and authorities.

(4) The system for securing compliance of the execution of duties by employees with applicable laws and regulations, and the Articles of Incorporation

(a) Establish a basic policy on compliance by applying the corporate code of ethics of the Oracle Group.

(b) Establish a system through which any illegal misconduct by an employee will be reported by using the Oracle Group's internal reporting channel for compliance.

(c) For the purposes of building, maintaining, and improving the internal control system, each division in charge will establish and implement internal regulations, and conduct training on applicable laws and regulations as well as internal regulations, etc.

(d) Appoint a person in charge of compliance, thereby establishing the compliance system at the Company.

(e) Set up an audit division, which, in accordance with the regulations on internal audits, will audit the business process of each division, and discover or prevent any fraud, and correct the business process as required.

(5) The system for securing the properness of business in the business group consisting of the Company and its parent and subsidiaries

(a) Establish a corporate code of ethics for the Oracle Group.

(b) Establish a system through which any violation of laws and regulations can be reported by using the internal reporting channel for compliance. Establish a system through which any wrongful acts of executive officers and operating officers appointed by the Board of Directors can be reported to the Audit Committee, in addition to Company's Internal Reporting Channel for Compliance (Oracle Help Line).

(c) The Company will accept regular audits by the internal audit division of the parent, and will receive reports on the audit results.

(d) The Company conducts internal audits on its subsidiaries and reports the results to the Board of Directors and the Audit Committee.

(6) The matters pertaining to the placement of employees to assist with the responsibilities of the Audit Committee
Set up an Administrative Office to assist with the responsibilities of the Audit Committee.

(7) The matters pertaining to the independence of employees from executive officers under the foregoing item

When employees are placed to assist with the responsibilities of the Audit Committee, the Audit Committee must be consulted regarding the appointment, transfer, and appraisal, etc. of such employees, and the executive officers must respect it.

(8) The matters pertaining to securing the effectiveness of the instructions given by the Audit Committee to an employee

An Assistant who assists with the affairs of the Administrative Office and Audit Committee Members shall follow the instructions of the Audit Committee.

(9) The system for the executive officers and employees to report to the Audit Committee, and the other system pertaining to reporting to the Audit Committee

Executive officers and employees must promptly report on matters pertaining to business execution whenever requested to do so by Audit Committee Member. The Audit Committee will have the opportunity to hold, if necessary, hearings with the executive officers and employees.

(10) The system for ensuring that a person who has made a report set forth in the preceding item shall not be treated disadvantageously because he/she made the said report

Prohibit any disadvantageous treatment of a person who has made a report to the Audit Committee because he/she made the said report.

(11) Procedures to prepay or reimburse the expenses with respect to the execution of the Audit Committee Members' duties and other matters concerning the policy pertaining to the disposition of the expenses or debt with respect to the execution of said duties

If the Audit Committee Members make a request for the expenses that are necessary for the execution of their duties, such request shall be treated pursuant to the Article 404, paragraph (4) of the Companies Act. Also, the Audit Committee Members may, as necessary, appoint one or more external advisors at the Company's expense without obtaining the prior approval of the Board of the Directors Meeting or executive officers.

(12) Other systems for ensuring effective audits by the Audit Committee

(a) The annual plan for internal audits implemented by the internal audit division will be explained beforehand to the Audit Committee, who may request amendment thereto. The Audit Committee may also occasionally receive reports on the implementation of an internal audit and, if necessary, request the implementation of an additional audit and measures to improve business.

(b) The Representative Executive Officer and Independent Auditor will arbitrarily meet with the Audit Committee Members, and exchange views on issues that the Company should address, progress on establishing the environment for an audit of the Audit Committee, and material issues relating to audits, so that the Representative Executive Officer, Independent Auditor, and the Audit Committee Members can increase common awareness.

(c) The Audit Committee Members may attend important meetings concerning management, and may access the minutes and/or materials of the meetings on an as-needed basis, for the purpose of auditing the execution of the duties by the executive officers and employees.

3. The Operation Status of “The Systems to Ensure Properness of the Company’s Businesses”

We making all executives and employees aware of the Oracle Group's Code of Business Ethics as well as conducting ongoing and regular training to ensure that the rules are in place.

Also, the internal audit department audits the Company and reports regularly to the Audit Committee and the Board of Directors on the results of the audit.

In addition, a whistle-blowing contact has been established being work to the prevention of fraudulent acts and to detect them at an early stage. If any fraudulent acts etc. are revealed through this contact points, we report to the Board of Directors and Audit Committee, and we have been working to build and operate an appropriate internal control system by taking measures and recurrence prevention measures.

2. Basic Policy and Efforts to Eliminate Anti-Social Forces

1. Basic Policy for Eliminating Anti-Social Forces

It is stipulated in the Oracle Code of Ethics and Business Conduct (Oracle Code), which are followed by all the Oracle Group companies around the world, and in our own rules on compliance that we shall maintain a firm attitude against, and have no relationship with, anti-social forces that pose a threat to social order and safety.

2. Efforts to Eliminate Anti-Social Forces

We clearly state our action guidelines in the rules previously mentioned in “1. Basic Policy for Eliminating Anti-Social Forces.” In addition, we work with related departments to ensure thorough awareness, and thoroughly raise employees’ awareness through training and education.

V. Others

1. Adoption of Takeover Defense Strategies

Takeover Defense Strategies Have Been Adopted:	No
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Supplementary Information

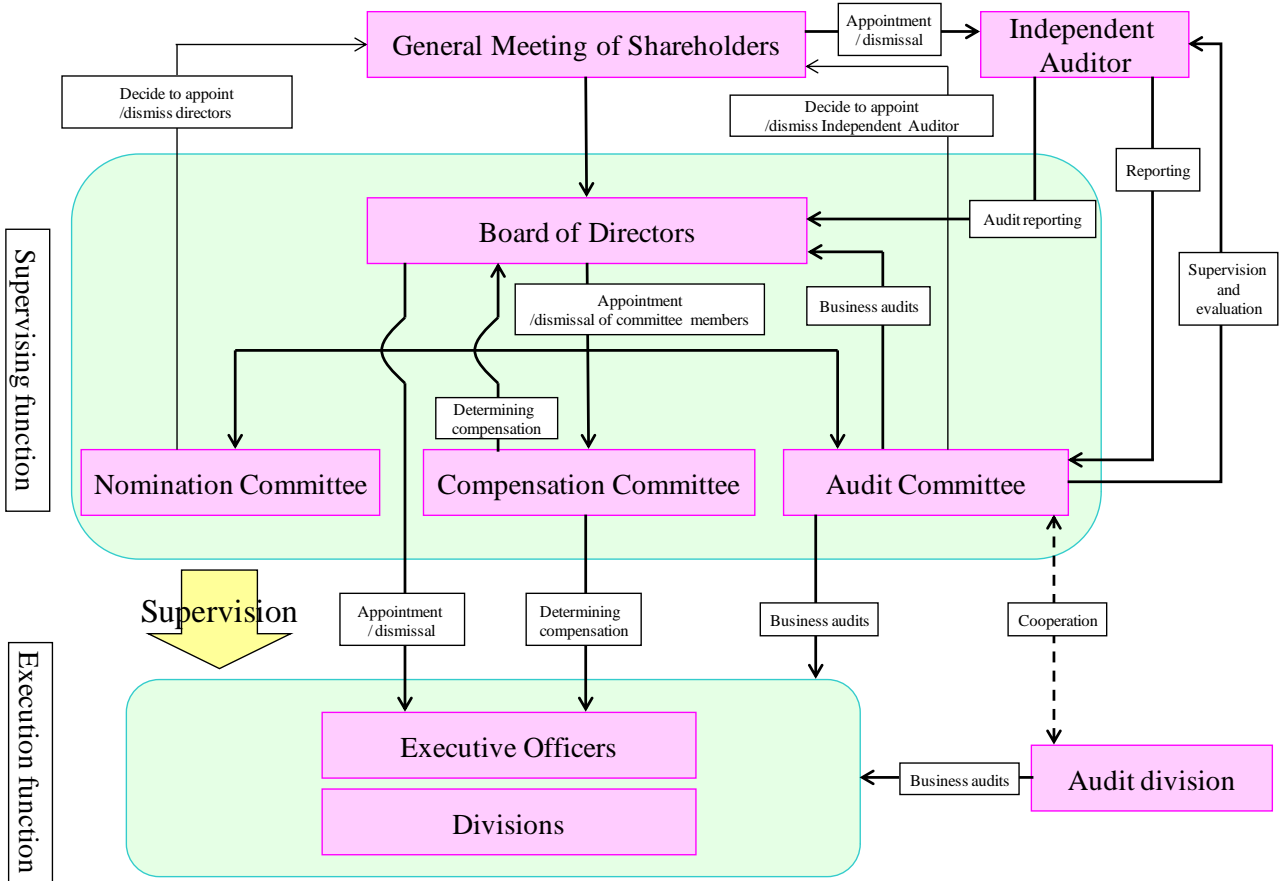
N/A

2. Other Information Regarding the Corporate Governance System, etc.

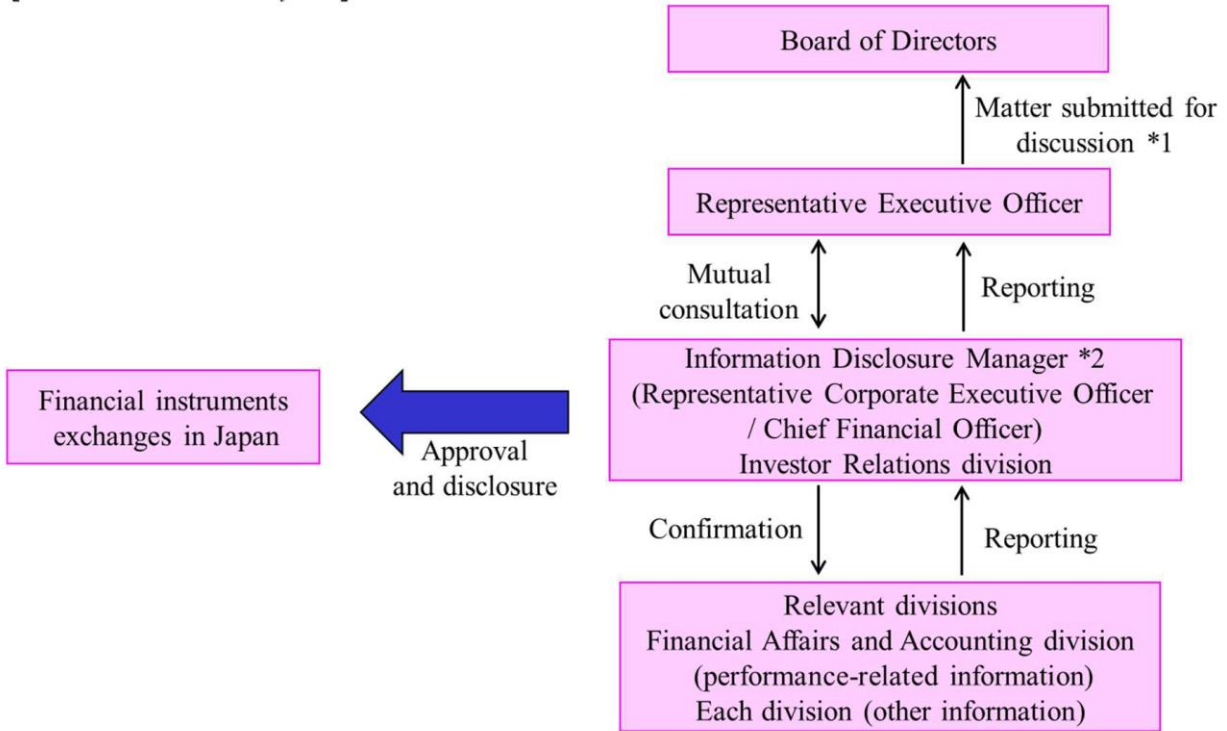
We adhere to the Financial Instruments and Exchange Act, other relevant laws and regulations, the rules of Tokyo Stock Exchange, and other similar regulations. We have also established internal rules for disclosing corporate information appropriately and in a timely manner (Rules Concerning Management of Important Information and the Prevention of Insider Trading) in our efforts to further enhance our internal system.

Please refer to the diagram included with this report that shows our “Information Disclosure System”.

[Corporate Governance System]



[Information Disclosure System]



*1 Information to be disclosed that requires a resolution of the Board of Directors is submitted for discussions.

*2 The Information Disclosure Manager manages important information in an integrated manner and determines the content of the information to be disclosed, when and how to disclose it, and other matters through mutual consultation with the corresponding people before approving of the disclosure.

[Skills Matrix]

	Global Management	Experience in industry	Technology	Data Security and Risk Management	Finance	Legal/ Compliance/ Corporate Governance	Executive Leadership, Talent Development and D&I
Toshimitsu Misawa	○	○	○	○			○
S. Krishna Kumar	○	○			○		○
Garrett Ilg	○	○	○	○			○
Vincent S. Grelli	○	○			○		○
Kimberly Woolley	○	○				○	○
Yoshiaki Fujimori	○						○
John L. Hall	○	○	○				○
Takeshi Natsuno	○		○				○
Yukiko Kuroda	○						○