

(Translation purposes only)

Securities Report

(Report based on Financial Instruments and Exchange Act Article 24-1)

Business year from June 1, 2016
(32nd business term) to May 31, 2017

Oracle Corporation Japan

(E05027)

(Translation purposes only)

32nd business term (from June 1, 2016 to May 31, 2017)

Securities Report

1. The original text of the Practical Guidance is prepared in the Japanese language, and this translation is to be used solely as reference material to aid in the understanding of the Practical Guidance. For all purposes of interpreting and applying the Practical Guidance, users should consult the original Japanese texts available on the following website;
http://www.oracle.co.jp/corp/IR/doc/201708/FY17_yuho_JP_web.pdf
2. In addition to an auditing report that has been attached to the Securities Report, this document also includes an internal control report and confirmation document at the end of the report.

Oracle Corporation Japan

(Translation purposes only)

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Independent Auditor's Report and Internal Control Audit Report

Confirmation Document

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【Title Page】

【Submitted document】	Securities Report
【Text used as grounds for document】	Article 24-1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 24, 2017
【Business year】	32 nd (beginning June 1, 2016 and ending May 31, 2017)
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Tadahiro Kaneko, Representative Executive Officer, Chief Legal Officer
【Current location of head office】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Phone】	813(6834)6666
【Name of administrative contact】	Shigeru Nosaka, Executive Officer, Deputy President and CFO
【Location of nearest contact】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Phone】	813(6834)6666
【Name of administrative contact】	Shigeru Nosaka, Executive Officer, Deputy President and CFO
【Location subjected to inspection】	Tokyo Stock Exchange, Inc. (2-1 Kabuto-cho, Nihombashi, Chuo-ku, Tokyo)

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Part 1 【Information About the Company】

I 【Company Overview】

1. 【Movements in Key Economic Indicators, etc.】

Status of submitting company

Term	28 th	29 th	30 th	31 st	32 nd
Closing month/year	May 2013	May 2014	May 2015	May 2016	May 2017
Revenue (million yen)	153,148	154,972	161,051	170,203	173,190
Ordinary income (million yen)	42,902	44,314	47,286	50,273	52,502
Net income (million yen)	26,494	27,171	30,246	33,568	36,360
Return on investment with application of equity method (million yen)	-	-	-	-	-
Capital stock (million yen)	22,304	22,506	22,743	23,209	23,755
Total numbers of shares outstanding (shares)	127,098,571	127,202,871	127,308,971	127,511,971	127,728,671
Net assets (million yen)	77,473	94,401	113,826	136,227	105,783
Total assets (million yen)	136,810	154,002	188,847	223,402	198,731
Net assets per share (yen)	601.77	734.20	887.28	1,062.14	824.79
Dividends per share (amount of interim dividends per share)	84 (-)	86 (-)	95 (-)	525 (-)	114 (-)
Net income per share (yen)	208.47	213.75	237.78	263.64	285.11
Net income per share (diluted) (yen)	208.38	213.63	237.51	263.14	284.55
Ratio of shareholders' equity (%)	55.9	60.6	59.8	60.6	52.9
Return on equity (%)	39.0	32.0	29.3	27.0	30.2
Price earnings ratio (times)	19.14	21.47	22.58	22.34	22.87
Dividend payout ratio (%)	40.3	40.2	40.0	199.1	40.0
Cash flows from operating activities (million yen)	35,555	29,019	48,412	44,267	43,087
Cash flows from investing activities (million yen)	-26,032	-587	3,088	-69,506	16,122
Cash flows from financing activities (million yen)	-9,553	-10,359	-10,843	-11,311	-66,829
Cash and cash equivalents at the end of period (million yen)	23,463	41,536	82,194	45,644	38,025
Number of employees (number of persons)	2,497	2,468	2,406	2,500	2,422

(Note)

- 1 Our company does not compile consolidated financial statements; thus it does not mention movements in consolidated business benchmarks, etc.
- 2 Sales amounts do not include consumption tax, etc.
- 3 Return on investment in the event of the use of an equity method is not indicated as the company has no affiliated companies.
- 4 Dividends per share in the 31st period (to May 2016) include special dividends of 420 yen.

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5 The number of treasury shares which become the basis for calculating 'net assets per share', 'net income per share' and 'net income per share (diluted)' include company shares owned by our BIP trust and ESOP trust, the number of shares for which are as follows:

		30 th	31 st	32 nd
	Number of shares at end of fiscal year (stocks)	13,200	8,826	38,165
	Average number of shares during interim period (stocks)	5,678	10,294	19,173
	Number of shares at end of fiscal year (stocks)	40,800	28,320	106,382
	Average number of shares during interim period (stocks)	17,550	32,686	55,175
	Number of treasury shares at end of fiscal year (stocks)	54,000	37,146	144,547

(Translation purposes only)

2. 【History】

Month/year	Item
Oct. 1985	Oracle Corporation Japan (capital stock: 1 million yen) established in Shinjuku, Tokyo for the purpose of selling relational database management system “Oracle” and other software products and providing various services to support these software products.
Oct. 1990	Start of full-fledged business activities
Jun. 1992	West Japan office established in Nishi-ku, Osaka (current Kansai office)
Jul. 1993	Chubu office established in Naka-ku, Nagoya (current Tokai Office)
Jun. 1994	Head office relocated to Chiyoda-ku, Tokyo
Jun. 1994	Seibu office established in Chuo-ku, Fukuoka (current Kyushu office)
Aug. 1996	Hokkaido office established in Chuo-ku, Sapporo
Feb. 1997	Chubu Hokuriku sales office established in Kanazawa, Ishikawa prefecture (current Hokuriku office)
Jun. 1997	Merger with superficially existing company Oracle Corporation Japan (former name: ORACLE Acquisition K.K.) to change par value of shares from 50,000 yen to 50 yen per share (note)
Feb. 1999	Listed with the Japan Securities Dealers Association as over the counter stocks (capital: 12,164,660,000 yen)
Apr. 2000	Stocks listed in First Section of Tokyo Stock Exchange (capital: 22,127,910,000 yen)
May. 2000	Tohoku office set up in Aoba-ku, Sendai
Jul. 2000	Training Campus Osaka set up in Kita-ku, Osaka
Aug. 2000	Okinawa office (current Okinawa office) set up in Naha, Okinawa
Oct. 2000	Training Campus Shibuya set up in Shibuya-ku, Tokyo (current Training Campus Akasaka)
Jan. 2005	West Japan Hiroshima sales office (current Chugoku-Shikoku office) set up in Hiroshima, Hiroshima Prefecture
Jun. 2006	Strengthened collaboration structure with sister company Oracle Information Systems (Japan) K.K. (reorganized as a godo gaisha (type of Japanese business organization modeled after American limited liability company on March 23, 2012; currently Oracle Information Systems (Japan) G.K.; hereinunder “OIS”); contact point for the handling of products added through acquisition of Oracle Corporation and related services, etc. centralized at the company.
Jul. 2008	Head office building “Oracle Aoyama Center” completed
Sep. 2008	Head office relocated to Minato-ku, Tokyo
Jun. 2010	Newly hardware systems division was created to start offering sales and related services, etc. for servers, storage products, etc.
Jun. 2013	Office opened at Akasaka Center Building in Moto-Akasaka, Minato-ku, Tokyo

(Note) In order to change the par value amount for shares for Oracle Corporation Japan (established October 15, 1985, par value of shares: 50,000 yen), our company (trade name prior to merger: ORACLE Acquisition K.K., established Feb. 27, 1982, par value of share: 50 yen) absorbed and acquired Oracle Corporation with a deadline set at June 1, 1997, succeeded all of its income, debts, rights and obligations, and changed the trade name to Oracle Corporation Japan as of the same day; however, prior to the merger the company had been in a suspended state and all sales activities of the merged company had been succeeded. Thus, the existing company in substance has been the merged company Oracle Corporation Japan and unless specific mention is made, the information indicated will be on the existing company before the merger. The number of periods for each business year have been inherited from those of the company in actual existence.

(Translation purposes only)

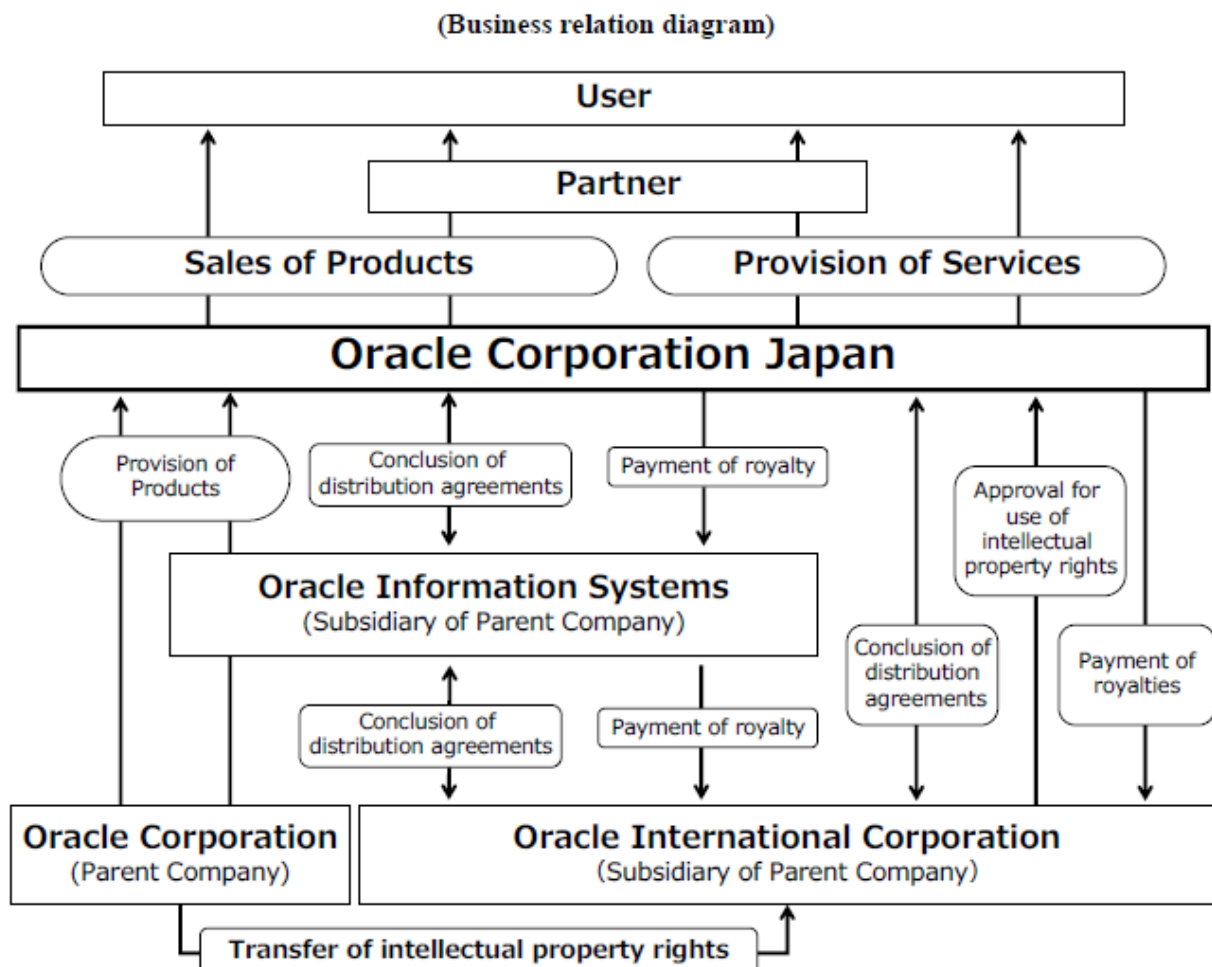
3. 【Details of Business】

The Company belongs to a corporate group centered on Oracle Corporation, 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 mutual 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 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 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.



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Descriptions of each business and sales distribution ratios are as follows:

Name of segment	Description of business	Sales distribution ratio (%) (note)		
		30 th period (starting June 1, 2014 ending May 31, 2015)	31 st period (starting June 1, 2015 ending May 31, 2016)	32 nd period (starting June 1, 2016 ending May 31, 2017)
New software licenses & Cloud (SaaS/PaaS/IaaS)				
New software licenses	Providing licenses for business application software, including database management software, middleware products, and ERP, which are used for IT system infrastructure at companies and other organizations.	28.3	27.8	25.1
Cloud (SaaS/PaaS/IaaS)	Providing software and Hardware 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.	2.0	2.7	5.3
New software licenses & Cloud (SaaS/PaaS/IaaS) total		30.3	30.5	30.3
Software license updates & product support	Providing updated versions of software products, patches (modified programs), and technical support through the Internet and by phone, including My Oracle Support	45.6	45.9	47.8
Software license updates & product support total		45.6	45.9	47.8
Software & Cloud total		75.9	76.4	78.1
Hardware systems				
Hardware systems products	Sales of servers, storage, engineered systems and network devices, and provides operating systems and related software.	7.2	7.0	5.4
Hardware systems support	Providing technical support for hardware products, maintenance and repair services and updated versions of related software including operating systems.	6.3	6.1	5.9
Hardware systems total		13.5	13.1	11.3
Services	Providing Consulting Services, which help users implement our products, Advanced Support Customer Services, high-value added services such as preventive maintenance services, and Education Services, which consist of training of engineers and users and certification of technical qualifications	10.6	10.5	10.6
Total		100.0	100.0	100.0

(Note) Sales distribution ratios have been rounded off.

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4. 【Status of Associated Companies】

Associated companies are as follows:

Name	Address	Capital	Description of key business	Ownership ratio of voting rights (%)	Related details
(parent company) Oracle Corporation (note) 1	California, USA	27,065 Million USD	Development and sales of software and hardware, cloud services, and related services	74.5 (74.5) (Note) 3	Our company sells and offers software and hardware products and cloud services developed by the parent company and related services in Japan. Number of directors accepted: One
Three other companies (note) 2	-	-	-	-	-

(Note) 1 The parent of our company in practical terms and a company that continues to disclose information on the New York Stock Exchange.

2 Details on these matters are as indicated in “VII 【Reference Information on Submitting Company】 1. Information on Parent Companies, etc. at Submitting Company.

3 Percentages for ownership ratios for voting rights indicate direct ownership ratios included in the total.

5. 【Status of Employees】

(1) Status of submitting company

As of May 31, 2017

Number of employees	Average age	Average number of years of employment	Average annual remuneration (yen)
2,422	41.7	8.3	10,271,261

Name of segment	Number of employees
New software licenses & Cloud (SaaS/PaaS/IaaS)	1,103
Software license updates & product support	273
Hardware systems	231
Services	640
All companies (common)	175
Total	2,422

(Note) 1 The number of employees indicated above include dispatched workers from other companies (387 workers) and employees on contract (2 employees). Dispatched workers and contracted employees are not included in the average age, average years of employment, or average yearly remuneration.

2 Average annual remuneration includes bonuses and taxable remuneration.

(2) Status of labor unions

While a labor union is not in place, the relationship between workers and management is smooth.

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II 【Status of Business】

1. 【Overview of Performance, etc.】

(1) Performance

During the fiscal year under review, which began on June 1, 2016 and ended on May 31, 2017 (hereinafter “this year”), the Japanese economy improved moderately, reflecting firm consumer spending on the back of the improved employment and income situation.

However, uncertainty over the economic outlook increased given changes in financial markets, including exchange rates and interest rates, following the Brexit referendum, the instability of U.S. policy management, and an increase in geopolitical risks.

Japanese society faces a decline in the working population due to the aging of society and falling birth rate, the revitalization of regional economy, and the progress of globalization. It is important to deal with these issues by leveraging digital technology to increase the productivity of society, communities, companies, and individuals.

In the fiscal year ending May 31, 2017, the Company has entered the third year of its quest stated in VISION 2020 to become the number one cloud company by 2020. The Company views this year as the last year for solidifying the foundation for achieving accelerated growth in its cloud business. The Company ran its businesses in line with its key concept of Digital Aid by POCO (The Power of Cloud by Oracle) and its management policies, which consist of expanding SaaS / PaaS / IaaS business, strengthening enterprise sales activities, expanding Hardware Systems segment, and contributing to the growth of regional business.

Especially in the cloud business, an area of focus, inquiries about the ERP/EPM cloud in the medium-sized enterprise market and in the fields of distribution and services and about “Oracle Cloud Platform” including “Oracle Database Cloud Service” and “Oracle Cloud Machine”, increased as a result of sales and marketing activities. Sales in the cloud (SaaS/PaaS/IaaS) grew 99.4 % year on year, which indicates that the business performed favorably.

The Company posted revenue of 173,190 million yen (up 1.8 % year on year), operating income of 52,524 million yen (rising 4.6 %), ordinary income of 52,502 million yen (gaining 4.4 %) and net income of 36,360 million yen (increasing 8.3 %). Revenue attained hit record highs seven years and operating income, ordinary income and net income did six years in a row.

(Note 1) SaaS: Stands for “Software as a Service,” and refers to services that offer financial accounting, salary/personnel management, and other functions of software that are provided via the Internet.

(Note 2) PaaS: Stands for “Platform as a Service,” and refers to services that offer database management software for the construction and operation of the IT systems and middle layer software that ensure the smooth linkage between different software that are provided via the Internet.

(Note 3) IaaS: Stands for “Infrastructure as a Service,” and refers to services that offer infrastructure that are provided via the Internet for the construction and operation of IT systems, such as server machines, storage devices, and other hardware and networks,

The status of sales by segment is as follows:

[New software licenses and cloud (SaaS/PaaS/IaaS)]

Revenue in the New software licenses and cloud (SaaS/PaaS/IaaS) segment was 52,545 million yen, up 1.2 % from the corresponding period of the previous fiscal year. Revenue in the New software licenses was 43,386 million yen (fell 8.3 % year on year), and revenue in the Cloud (SaaS/PaaS/IaaS) was 9,159 million yen (rising 99.4 % year on year).

This segment consists of the New software licenses that sells new licenses for database management software, a range of middleware, and ERP and other business applications, etc. and Cloud (SaaS/PaaS/IaaS) provides services to access to select Oracle software applications, software platforms and resources of hardware via the Internet.

< Cloud (SaaS/PaaS/IaaS)>

• Sales & Marketing

The Company used its own cloud solutions to strengthen its sales force, speeding up the purchasing process. To promote sales of cloud products and services further in the Mid-Market fields, the Company launched its sales business unit “Oracle Digital”. The Company is moving ahead with sales reforms, accelerating the expansion of its cloud products and services by promoting customers’ cloud experience using leading-edge digital tools, including social media, online demonstrations and TV conferences.

(Translation purposes only)

As for partner alliances, The Company has established partnerships with companies in Japan to combine the products and services that exploit the strengths of these partners with the Oracle Cloud Platform and implement the Oracle Cloud Managed Service Provider (MSP) program offering a total service from system development to operation management. The alliances helps to resolve a lack of the skilled employees and resources who are capable of supporting cloud-based system development, operation, and management that is needed to migrate to cloud computing.

In marketing activities, the Company held Oracle CloudDays in Tokyo, Fukuoka, Nagoya, Osaka and Sapporo to present its cloud solutions and the latest trends such as IoT (Internet of Things) and big data, together with user case studies.

Additionally, in May 2017, the Company held Oracle Code Tokyo, an event for cloud developers, for the first time in Japan. The Company will continue to support developer communities by providing information on the latest technologies that are used effectively for cloud-native application development such as microservices, API, containers, machine learning, and chatbots(*) that use the DevOps approach.

(*) Chatbot: An automatic conversation program based on texts and voices that uses artificial intelligence primarily for mobile devices such as smartphones.

• Product Services

In SaaS, demand is growing for global indirect purchases and integrated accounting aimed at strengthening competitiveness. The Company expanded its ERP and EPM Cloud as a result of promoting proposal activities leveraging its cutting-edge expertise in global process integration.

In PaaS/IaaS, there were increasing inquiries about the Company's PaaS products that facilitate links among devices and systems for IoT solutions in the manufacturing industry and inquiries about the Oracle Cloud at Customer, which provides Oracle's public IaaS and PaaS from customers' data centers that have a cloud environment installed by the Company.

In October 2016, the Company announced a three-company collaboration with NTT DATA Corporation and NTT DATA INTELLILINK Corporation in the hybrid cloud field utilizing the Oracle Cloud at Customer. The Company will speed up development and improve cost productivity by integrating its products in an integrated development environment within the NTT DATA Group, and help create new value through hybrid collaboration between the existing mission-critical system and mobile technology, the IoT, and big data.

In February 2017, the Company announced a strategic alliance with NEC Corporation (hereinafter "NEC") in the cloud business. The Company will install the Oracle Cloud at Customer at NEC's data center and will comprehensively facilitate customers' use of cloud services by providing Oracle's public cloud from an advanced security environment and NEC's maintenance service.

Further, in March 2017, the Company installed Oracle's public cloud service environment in Fujitsu's data center for the first time in Japan and began selling Oracle HCM Cloud, an Oracle Cloud Platform service that includes Oracle Database Cloud.

The Company will continue to promote acquisitions of new users by expanding cloud products and services and strengthening alliances with partners.

< New software licenses >

For many years, our New Software Licenses products have been widely used in mission critical areas that require advanced security, high availability, and high-speed processing.

Oracle Cloud, on which we are currently focusing as the next growth segment, has been developed based on the same architecture and technology as this New Software Licenses segment. This allows collaboration and bidirectional migration between on-premises (*) systems and Oracle Cloud, which is one of our strengths.

Because of this strength, Oracle Exadata, our engineered system, and our security products were chosen by our partner companies in the first quarter of the fiscal year under review for the cloud service platforms they provide. In the fourth quarter, we received multiple large orders from customers in the financial service, manufacturing, and communication service industries, who were working to increase their competitiveness and improve customer contact points using IT systems as a strategy.

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

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[Software license updates & product support]

Revenue in the Software license updates & product support segment was 82,727 million yen, increasing 5.8 % from the corresponding period of the previous fiscal year.

This segment updates software for customers using the Company's software licenses and provides technical support.

The Company continued to highlight the quality of support offerings through "My Oracle Support", which provides personalized, proactive and preventative support experience. Meanwhile, it stepped up collaboration with partners and took steps to increase support attach rate to new products and maintain and boost the support contract renewal rate.

[Hardware Systems]

Revenue in the Hardware systems segment was 19,551 million yen, down 12.1 % from the corresponding period of the previous fiscal year.

Revenue in the Hardware systems product division was 9,375 million yen (fell 21.4 % year on year) and Revenue in the Hardware systems support division was 10,176 million yen (decreasing 1.4 % year on year).

This segment consists of the Hardware systems product division which sells servers, storage, engineered systems and network devices, and provides operating systems and related software, and the Hardware systems support division which provides technical support for hardware products, maintenance and repair services and updated versions of related software including operating systems.

The Hardware systems product division was affected by a reactionary downturn following the large deal won in the same period of the previous fiscal year.

[Services]

Revenue in the Services segment was 18,365 million yen, gaining 2.9 % from the corresponding period of the previous fiscal year.

This segment consists of Consulting Services, which support the introduction of products of the Company; Advanced Customer Support Services, which provide a preventive maintenance service and a comprehensive operation management service for customers' IT environments; and Education services, which provide training for engineers and users, and also encompasses a technology qualification business.

In Consulting Services, projects made steady progress, and preventive maintenance service provided as part of the Advanced Customer Support Services continued to generate brisk revenue for Oracle Exadata Database Machine.

In Education services, demand for Java training for cloud application development has been growing.

< Revenue breakdown by business segments >

Item	FY2016		FY2017		
	Amount	Comp.	Amount	Comp.	Variance
	Million Yen	%	Million Yen	%	%
New software licenses	47,334	27.8	43,386	25.1	-8.3
Cloud (SaaS/PaaS/IaaS)	4,594	2.7	9,159	5.3	99.4
New software licenses & Cloud (SaaS/PaaS/IaaS)	51,929	30.5	52,545	30.3	1.2
Software license updates & product support	78,170	45.9	82,727	47.8	5.8
Software & Cloud	130,099	76.4	135,273	78.1	4.0
Hardware systems products	11,930	7.0	9,375	5.4	-21.4
Hardware systems support	10,317	6.1	10,176	5.9	-1.4
Hardware systems	22,247	13.1	19,551	11.3	-12.1
Services	17,856	10.5	18,365	10.6	2.9
Total	170,203	100.0	173,190	100.0	1.8

(Note) Amount is rounded down. Composition ratio and year-to-year comparison (Variance) are rounded off.

(Translation purposes only)

(2) Cash Flow

The status of our cash flow for this period is as follows:

(Cash flows from operating activities)

Cash generated from operating activities was 43,087 million yen (decreasing 1,179 million yen year on year). The inflow is attributable to the posting of income before income taxes of 52,672 million yen, an increase in advances received of 6,067 million yen. The outflows are attributable to the payment of 17,273 million yen in income taxes.

(Cash flows from investment activities)

Cash generated from investment activities was 16,122 million yen (previous year 69,506 million yen used). The outflows include the payments of short-term loans receivable (90,300 million yen) to Oracle America, Inc., a subsidiary of Oracle Corporation (parent company of the Company) for the fiscal year under review. The inflows include the collection of loans receivable (100,000 million yen) from Oracle America, Inc. and a net decrease in time deposits (9,000 million yen).

(Cash flows from financial activities)

Cash used for financial activities was 66,829 million yen (increasing 55,517 million yen year on year). The outflow was primarily appropriated to the payment of dividends.

In total, cash and equivalents decreased 7,618 million yen from the end of the previous term, to 38,025 million yen.

2. 【Status of Production, Orders, and Sales】

(1) Production Results

Our production results by segment for this business year are as follows:

Segment	Amount (million yen)	Comparison to previous period (%)
New software licenses and Cloud (SaaS/PaaS/IaaS)	24,491	5.7
Software license updates & product Support	37,256	5.3
Hardware systems	15,866	-11.6
Services	10,890	2.8
Total	88,504	1.6

(Note) 1 Amounts are based on sales costs.

2 The above figures do not include consumption tax or other taxes.

(2) Status of Orders

Our chief business is the sales of products developed by Oracle Corporation and supply of related services. As such, amounts which correspond to the concept of the production of individual orders have no importance and have been omitted.

(Translation purposes only)

(3) Status of Sales

Segment	Sales (million yen)	Comparison to previous period (%)
New software licenses and Cloud (SaaS/PaaS/IaaS)		
New software licenses	43,386	-8.3
Cloud (SaaS/PaaS/IaaS)	9,159	99.4
New software licenses and Cloud (SaaS/PaaS/IaaS) total	52,545	1.2
Software license updates & product support		
Software license updates & product support total	82,727	5.8
Hardware Systems		
Hardware system products	9,375	-21.4
Hardware systems support	10,176	-1.4
Hardware Systems total	19,551	-12.1
Services		
Services total	18,365	2.9
Total	173,190	1.8

(Note) 1 Ratios versus sales performance and corresponding sales performance at chief parties with whom we do business are as follows:

Parties with whom we conduct business	Previous business year		Current business year	
	Sales (million yen)	Ratio (%)	Sales (million yen)	Ratio (%)
NEC Corporation	20,796	12.2	18,390	10.6
Fujitsu Limited	19,163	11.3	-	-

2 The above amounts do not include consumption tax or other taxes.

(Translation purposes only)

3. 【Business Policies, Business Environment, Issues to be Dealt with, etc.】

(1) Our basic business policies

The 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.

(2) Targeted business indices

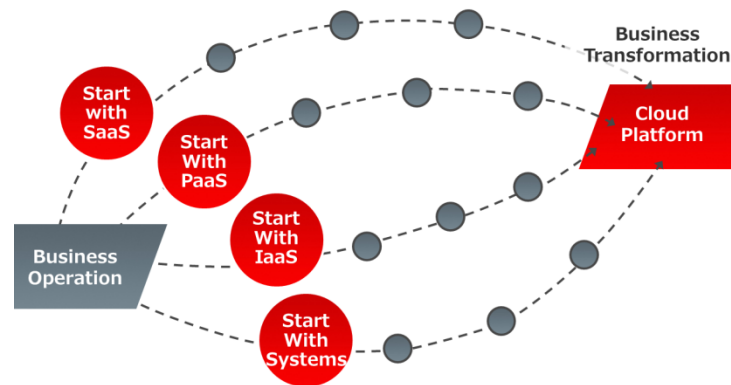
The Company aims to improve corporate value and return profits to shareholders by driving revenue, operating income and EPS.

(3) The Company's medium- and long-term management strategies and issues to be addressed

The Company is positioning the acceleration of our Cloud Business expansion as the most important management challenge. The Company strongly drives our initiatives by taking advantage of our strengths as below.

1. Promotion of Journey to the Cloud

We are promoting the use of the Cloud service by our corporate customers through four approaches.



(i) SaaS

- Creation of large projects based on ERP/EPM Cloud and HCM Cloud
- Development of a market of small and medium-sized companies by strengthening the sales organization “Oracle Digital” and actively using digital marketing
- Promotion of the short-term SaaS introduction method through Oracle Consulting Service

(ii) PaaS/IaaS

- Enhancement of proposals combined with PaaS/IaaS and On-premise products for improving customer's system utilization
- Focus on the IaaS business including the at Customer model
- Promotion of partner programs “Oracle Cloud Managed Service Provider (MSP) Program” to accelerate customers' shift to cloud services

(iii) Hardware Systems

- Support for customers' migration to cloud services using Engineered Systems
- Enhancement of partner alliance structure

2. Enhancement of enterprise marketing

- Promotion of the Oracle Cloud Insight program that supports customers' business transformations through the introduction and use of IT and cloud computing.
- Creation of large global projects through collaboration with Global Oracle

(Translation purposes only)

4. 【Business Risks】

The following are some of the risks that have the potential of impacting the business performance, financial state, and other aspects of our company. Please note that the mention of items in this section concerning the future have been assessed by our company as of the date that this Securities Report is being submitted.

(1) Relationship with Oracle Corporation

Oracle Corporation is the parent company of our company in practical terms and we belong to the corporate group that is focused around it. The future development of our business may be impacted by its cloud business, other business strategies, or other such matters.

(i) Reliance on Oracle Corporation's Products and Technology

As we supply products and services from Oracle Corporation to the Japanese market, we are reliant on its products and technology. Thus, in the event that the launch of its new products or services or updated products or the integration of products acquired by the company should be delayed, a major flaw or defect exists, or the policy, etc. for supplying products, services, etc. has been changed, there is a possibility that the business performance, financial status, or other aspect of our company will be impacted.

(ii) Possibility of Changes in Rates of Royalty Fees or Scope of Application

Our company has an agreement with Oracle International Corporation, which maintains and administers intellectual property rights for our parent company Oracle Corporation, and a reciprocal sales agreement with Oracle Information Systems Japan, a subsidiary of Oracle Corporation. Based on these agreements, Oracle Corporation supplies our company with products for the Japanese market for which we pay Oracle International Corporation a certain percentage of sales for the pertinent products as royalty fees, as well as to Oracle Information Systems Japan for some products. Royalty rates and the scope of application are decided based on reasonable standards which are agreed upon by Oracle Corporation and the group companies that handle Oracle products. Changes in royalty rates or the scope of application due to changes in products or services supplied by Oracle Corporation, transfer pricing taxation or other factors have the potential to impact our business performance, financial status, and other such aspects.

Based on an agreement between Japanese and U.S. tax authorities pertaining to transfer pricing the royalty rates payable to Oracle International Corporation were increased as of the Fiscal Year ended May 31, 2011 period.

(iii) Relationship with Shared Service Center

Our company uses the shared service center which integrates and standardizes administration and management duties for the Oracle Group for the entire globe. Accounting work such as payments, the collection of accounts receivable, and payroll calculations and tasks for updating orders and contracts for support have been transferred to the center and in the event that the processing capacity of the center is exceeded or unforeseen events or other such events occur and the center becomes unable to offer appropriate services, the business performance of our company, its financial state, or other such aspect may be impacted.

(iv) System Failures due to Natural Disasters, etc.

We promote Global Single Instance (GSI), which improves work efficiency through system optimization and the unification of work procedures for the entire Oracle Group with a focus on Oracle Corporation. Accordingly, we share various internal systems such as computer servers, email, purchasing and procurement, etc. for saving text with Oracle Group companies. In the event that a failure or other incident should occur with the shared system due to earthquakes or other natural disasters both within and outside Japan, trouble would occur in our company's business activities and our business performance and future business deployment may possibly be impacted. In anticipation of such situations we have in place unique disaster response measures, a recovery plan, and data backup structure; periodically review the details, and have developed a Business Continuity Management Program that is common worldwide for the Oracle Group.

(2) Reliance on Specific Sales Segments

Our company has a high ratio comprising software and cloud sales (new software licenses, software license updates & product support, cloud (SaaS/PaaS/IaaS)) and a notable characteristic is that the contribution rate on earnings is high. A fall in sales in these areas may possibly impact our business performance, financial state, and other aspects of our company.

(Translation purposes only)

(3) Reliance on Indirect Sales (Partner Models)

Products and services are chiefly sold at our company through collaborations with partner companies such as hardware manufacturers, system integrators, and independent software developers. Our customers are varied across a broad spectrum of industry types and forms including the manufacturing industry, distribution, finance, communications, services, government and public offices, and education and their size is also diverse, from large companies to small-scale business operators. In order to answer to these broad customer needs in a fine-tuned manner, we focus on indirect sales through our partner companies, and sales from indirect sales comprise a large proportion of our results during this period. Thus, there is great significance for the future of our company to maintain stable, trusting relationships with our partner companies. The business performance, financial state or other aspect of our company could be impacted if, for example, our relationship with a certain partner company were to worsen, a competitor formed a strategic alliance with our partner company, or the financial state of a partner company became worse.

(4) Project Management

When a customer introduces our products, our company may on occasion supply a plan for their introduction, a plan for their system design, or offer customer support for the operation of their system, etc. While we make efforts to bolster project management for product quality and development periods and try to ensure comprehensive control over profitability, additional costs and penalties may be incurred due to delayed delivery if the customer departs from the initial plan and the progress of the project is delayed if they change their specifications, more work is incurred than initially estimated, etc., which could impact the business performance, financial state, or other aspect of our company.

(5) Execution of Cloud and Other Businesses

With regard to cloud (SaaS/PaaS/IaaS) services, we offer our customers software and system platform services from our data centers (including data centers of the Oracle Group). As for Managed Cloud Services, which is contained in cloud (SaaS/PaaS/IaaS), we offer the administration and operation of customer information systems at data centers of our parent company, partner companies, or our customers. These are the tasks to manage and operate information systems and important information which are associated with the core work of our customers and the business performance, financial state, or other aspect of our company may potentially be impacted by a claim for damage, etc. from the customer in the event of a suspension in a customer information system or important information leaks, etc. due to equipment failure, flawed responses in the event of a disaster, or errors made by staff associated with management and operations and delays are incurred or opportunities are lost for the customer's business activities.

(6) Potential for Intensified Competition

As competition is fierce and rapid advancements may be made in technological innovation in the information services industry in which we conduct business, the business performance, financial state, or other aspect of our company may potentially be impacted by movements within the industry or at competitor companies. For example, increased pressure to lower prices due to intensified competition, including new market entrants, launches of competitive new products by competitors, or strategic alliances between competitors may potentially impact the business performance, financial state, or other aspect of our company.

(7) Risks Involving Financial Instruments

As for the management and operation of funds, we follow the rules for the management and operation of funds set by our company (which conform to the global policy established by Oracle Corporation) and secure high levels of safety and appropriate fluidity, limiting our activities to investments in securities with high ratings and depositing our funds only at financial institutions that have achieved high ratings. As for investment securities, we periodically maintain a grasp of current market prices and the financial state of the issuers in an effort to reduce risks. However, there are still possibilities of impact on the business performance, financial state, or other aspect of our company in the event that the financial institution should collapse or a bond default, fall below value, or other such event should be incurred.

As to accounts receivable and other trade receivables, we oversee due dates for each transaction and manage balances in accordance with our credit management regulations (in line with the global policy established by Oracle Corporation) and regularly check credit statuses in an effort to reduce risks. However, there are possibilities of losses being incurred in the event that the financial situation for our transaction partners should worsen. Our policy is to refrain from trading derivatives.

(Translation purposes only)

(8) Future Acquisitions and Mergers

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.

(9) Management of Information

Our company is in possession of a large amount of personal information and confidential information pertaining to the execution of our business. We have in place comprehensive internal regulations and employee training and other control measures in place; however, the possibility of leaks cannot be ruled out completely and such a situation could impact our social credibility and also affect our business performance, financial state or other aspects of our company due to unexpected costs to be covered for response measures, compensation for damages, etc.

(10) Legal and Other Restrictions

Various laws and regulations are applied to the execution of our business. While we are fully prepared with an internal structure, employee training, etc. in order to follow such laws and regulations, etc., in the event that a lawsuit or legal procedures are taken against our company, there is a possibility that large amounts of litigation costs or compensation for damages may be incurred. Such a situation may possibly impact affect our business performance, financial state or other aspects of our company.

(11) Human Resources

It is the belief of our company that for the continuation, development, and growth of business, one of the most important business challenges is the hiring, development, and maintenance of human resources equipped with high levels of expertise (in sales, technology, and other areas). The information services industry in which we conduct business continues to compete over human resources and there tends to be a shortage of human resources. For that reason, the inability to adequately hire, develop, and maintain appropriate resources may possibly impact affect our business performance, financial state or other aspects of our company.

5. 【Important Agreements for Business, etc.】

(1) Agreement with subsidiary of parent company

(i) Agency Agreement with Oracle International Corporation

Name of agreement	Agreement for sales agent services
Date of agreement	March 1, 2002 (note)
Period under agreement	Took effect as of March 1, 2002 and will continue indefinitely in principle unless significant changes are incurred in Oracle Corporation's right to exercise control over our company.
Agreement signed with:	Oracle International Corporation (California, USA)
Description of agreement	(i) Oracle International Corporation appoints our company as a general agent for Oracle products in the Japanese market. (ii) Oracle International Corporation grants the items below to our company: (a) The right to promote sales, advertise, and license Oracle products to end users within Japan. (b) The right to appoint secondary agencies within Japan and grant said secondary agencies licenses for the use of Oracle products. (c) The right to modify program source codes to adapt Oracle products to the Japanese market. (d) The right to use trademarks for which Oracle International Corporation has the rights for the purpose of promoting sales, advertising, and licensing Oracle products in the Japanese market. (iii) Our company will pay a certain ratio of sales from our contracted parties to Oracle International Corporation as royalties. (note)

(Note) Based on an agreement pertaining to transfer pricing between the tax authorities of Japan and the United States, an agreement on changes in royalty rates was signed on May 9, 2011.

(Translation purposes only)

(ii) - (a) Agency Agreement with Oracle Information Systems Japan G.K. (software)

Name of agreement	Agreement for sales agent services (Oracle partner agreement)
Date of agreement	August 13, 2007
Period under agreement	Took effect as of June 1, 2007 and to continue to be in effect unless one of the parties under the agreement requests an annulment 30 days in advance.
Agreement signed with:	Oracle Information Systems Japan G.K. (Minato-ku, Tokyo)
Description of agreement	(i) To sell products from companies acquired by the parent company, offer technical support, etc. to end users within Japan and to sales agents. (ii) To pay a certain ratio of sales from contracted parties as royalties.

(Note) Our company and Oracle Information Systems Japan G.K. are under a reciprocal sales agent agreement.

(ii) - (b) Agency Agreement with Oracle Information Systems Japan G.K. (hardware)

Name of agreement	Agreement for sales agent services (Oracle partner agreement)
Date of agreement	June 7, 2011
Period under agreement	Took effect as of June 1, 2010 and to continue to be in effect unless one of the parties under the agreement requests an annulment 90 days in advance.
Agreement signed with:	Oracle Information Systems Japan G.K. (Minato-ku, Tokyo)
Description of agreement	(i) Oracle Information Systems Japan G.K. appoints our company as its agent in Japan for the sale of hardware system products and related services. (ii) Our company is to make purchases related to hardware system products and related services from Oracle Information Systems Japan G.K. at certain amounts.

(2) Agency Agreement with Partners

Oracle partner agreement

Our company has signed sales agency agreements with sales agents (partners), our partners sell products from our company to end users, and we have granted them the right to offer technical support to end users (excluding cloud services). Main items are as indicated below:

Partner	Applicable products	Date of agreement	Period under agreement
	Software		
	Hardware		
	Cloud services		
	Primary maintenance services and SI support services for engineered system products		
	Software		
	Hardware		
	Cloud services		
	Primary maintenance services and SI support services for engineered system products		

(Translation purposes only)

6. 【R&D Activities】

Our company does not conduct its own research and development activities as its key business is the sale of products developed by Oracle Corporation in the domestic market and the offer of related services.

While product research and development is conducted with Oracle Corporation as the integral body, through close cooperation with Oracle Corporation and our company participating from the preliminary stages of the development of new products, product development is underway to match the Japanese market.

7. 【Analysis of Financial Status, Results of Operation, Cash Flow Status】

Notations under this item related to the future are items which have been assessed by our company as of the date of submission of this Securities Report.

(1) Important accounting policies and quotations

The various financial sheets, etc. of our company have been compiled based on accounting standards which are generally recognized as fair and reasonable in our country. The compilation of these financial sheets, etc. require assets and debts as of the final day of the period and hypotheses and estimates within the accounting period which could impact revenue and costs. While an estimate may have been considered reasonable based on past situations and experiences, they may vary from actual results due to changes in hypotheses or criteria.

(2) Analysis of Business Performance

(i) Sales

Stood at 173,190 million yen (up 1.8% compared to the previous period).

For the status of sales during this period, please see “II Status of Business 1. Overview of Performance, etc. (1) Performance.

(ii) Operating profit and ordinary income

Operating profit stood at 52,524 million yen (up 4.6% from the same period a year earlier).

While profits fell for the segment for New software licenses and Cloud (SaaS/PaaS/IaaS) due to decreased revenue for new licenses, operating profit generally increased for the company on steady performance, etc. by the highly profitable business for Software license updates & product support segment.

As for sales costs, while the cost of goods purchased decreased in hardware systems, for which revenue had been falling, consignment fees for consulting services and royalties on sales from updates & product support increased.

For sales, general, and administrative expenses and general management costs, decreases were seen in outsourcing costs and human resources costs.

As a result of appropriating non-operating profit and loss of 22 million yen (net), our ordinary income stood at 52,502 million yen (up 4.4% from the same period a year earlier).

(iii) Current net earnings

As a result of appropriating ‘extraordinary profits-gain on reversal of subscription rights to shares’ (169 million yen) as extraordinary income, our current net income stood at 36,360 million yen (up 8.3% from the previous period).

(3) Analysis of financial status

(i) The situations of the total assets, liabilities and net assets

The total assets of the Company at the end of the term stood at 198,731 million yen (decreasing 24,670 million yen from the end of the previous term). Current assets were 157,621 million yen (decreasing 25,897 million yen).

Liabilities were 92,948 million yen (increasing 5,773 million yen). Net assets totaled 105,783 million yen (decreasing 30,444 million yen). The decrease was primarily appropriated to the payment of a year-end dividend of 525 yen (a normal dividend of 105 yen and a special dividend of 420 yen) per share for the 31st business term. As a result, the ratio of shareholders’ equity was 52.9% (down 7.7 percentage points).

(ii) Cash flow

For the state of cash flow during this period, please see II Status of Business 1. Overview of Performance, etc. (2) Cash Flow.

(Translation purposes only)

III 【Status of Facilities/Equipment】

1. 【Overview of Capital Investment, etc.】

The total amount for facility investment during this period stands at 2,408 million yen. They primarily comprise purchases of computer equipment that accompany investments in the cloud business and the construction of welfare facilities (employee cafeteria(s)). The total amount for facility investment includes the payment of guarantee deposits. Also, as key facilities are shared by each segment, a list of facility investment by segment has been omitted.

2. 【Status of Key Facilities/Equipment】

Office	Description of facility	Book value (million yen)					Number of employees
		Building	Land (size in sq. meters)	Tools, equipment, and fixtures	Other	Total	
Head office (Minato-ku, Tokyo)	Facility for integrated operations Sales facility	11,278	26,057 (6,449)	644	5	37,986	1,329
Akasaka office (Minato-ku, Tokyo)	Sales facility	81	-	155	0	237	910

(Note) 1 The above amounts do not include consumption tax or other taxes.

2 The land size indicated is the total site area. The share of this site area owned by our company is 1,984,560/ 2,902,571 for a lot size of 4,410 square meters.

3 An office building is being rented for the Akasaka office; the rental fee for the subjected business year is 307 million yen.

4 Listings by segment have been omitted as key facilities are shared by each segment.

3. 【Plans for Development of New Facilities, Removals, etc.】

(1) New developments, etc. of important facilities

There are no pertaining items.

(2) Removal of Important Facilities/ Equipment

There are no plans for the removal, etc. of important facilities with the exception of removals, etc. for the updating of routine facilities.

(Translation purposes only)

IV 【Status of Submitting Company】

1. 【Status of stocks, etc.】

(1) 【Number of shares, etc.】

(i) 【Number of shares】

Type	Number of shares authorized to issue(stocks)
Common Stock	511,584,909
Total	511,584,909

(ii) 【Number of outstanding shares】

Type	Number of outstanding shares at end of fiscal year (shares) (May 31, 2017)	Number of outstanding shares on reporting date (shares) (Note) 1 (August 24, 2017)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	127,728,671	127,804,771	Tokyo Stock Exchange First Section	(Note) 2
Total	127,728,671	127,804,771	-	-

(Note) 1 “Number of outstanding shares on reporting date” does not include the number of shares issued by the exercise of share warrants from August 1, 2017 to the date of submission of this Securities Report.

2 The Company’s standard stock whose rights are not subject to any restrictions. Share unit is 100 shares.

(Translation purposes only)

(2) 【Status of share warrants, etc.】

Share warrants

Share warrants issued based on the Corporate Law are as follows.

(a) Issue of share warrants to employees based on the resolution of the August 29, 2007 General Meeting of Shareholders (resolution of October 12, 2007 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	951 share warrants	755 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	95,100 shares	75,500 shares
Payment amount when exercising share warrants (Note) 2	5,240 yen	Same as left
Exercise period of share warrants	From October 15, 2009 to August 29, 2017	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 6,725 yen Capitalization amount 3,363 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the October 12, 2007 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{1} \times \text{Ratio of stock split or reverse stock split}$$

5,240 yen was set as a result of comparing the average (5,104 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2007) prior to the month to which the date of issue (October 15, 2007) belongs, with the closing price (5,240 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after October 15, 2009.
- (ii) Recipients may exercise all of the allocated rights after October 15, 2011.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (5,240 yen) and fair evaluation unit price (1,485 yen) in the issue of share warrants.

(b) Issue of share warrants to employees based on the resolution of the August 22, 2008 General Meeting of Shareholders

(Translation purposes only)

(resolution of September 30, 2008 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	787 share warrants	673 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	78,700 shares	67,300 shares
Payment amount when exercising share warrants (Note) 2	4,787 yen	Same as left
Exercise period of share warrants	From October 15, 2010 to September 30, 2018	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 5,523 yen Capitalization amount 2,762 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 30, 2008 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue.

If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

4,787 yen was set as a result of comparing the closing price (4,110 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2008) of the average price prior to the month to which the date of issue (October 15, 2008) belongs, with the average price (4,787 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after October 15, 2010.
- (ii) Recipients may exercise all of the allocated rights after October 15, 2012.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (4,787 yen) and fair evaluation unit price (736 yen) in the issue of share warrants.

(Translation purposes only)

(c) Issue of share warrants to employees based on the resolution of the August 27, 2009 General Meeting of Shareholders
(resolution of September 25, 2009 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	591 share warrants	545 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	59,100 shares	54,500 shares
Payment amount when exercising share warrants (Note) 2	3,930 yen	Same as left
Exercise period of share warrants	From October 15, 2011 to September 25, 2019	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 4,579 yen Capitalization amount 2,290 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 25, 2009 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}}$$

3,930 yen was set as a result of comparing the average (3,812 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2009) prior to the month to which the date of issue (October 15, 2009) belongs, with the closing price (3,930 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after October 15, 2011.
- (ii) Recipients may exercise all of the allocated rights after October 15, 2013.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (3,930 yen) and fair evaluation unit price (649 yen) in the issue of share warrants.

(Translation purposes only)

(d) Issue of share warrants to employees based on the resolution of the August 26, 2010 General Meeting of Shareholders
(resolution of September 22, 2010 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	936 share warrants	867 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	93,600 shares	86,700 shares
Payment amount when exercising share warrants (Note) 2	4,338 yen	Same as left
Exercise period of share warrants	From October 15, 2012 to September 22, 2020	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 4,872 yen Capitalization amount 2,436 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 22, 2010 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}}$$

4,338 yen was set as a result of comparing the closing price (3,665 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2010) of the average price prior to the month to which the date of issue (October 15, 2010) belongs, with the average price (4,338 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

(i) Recipients may exercise half of the allocated rights after October 15, 2012.

(ii) Recipients may exercise all of the allocated rights after October 15, 2014.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (4,338 yen) and fair evaluation unit price (534 yen) in the issue of share warrants.

(Translation purposes only)

(e) Issue of share warrants to employees based on the resolution of the August 25, 2011 General Meeting of Shareholders
(resolution of September 13, 2011 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	634 share warrants	561 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	63,400 shares	56,100 shares
Payment amount when exercising share warrants (Note) 2	2,698 yen	Same as left
Exercise period of share warrants	From September 28, 2013 to September 13, 2021	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 3,222 yen Capitalization amount 1,611 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 13, 2011 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{1} \times \text{Ratio of stock split or reverse stock split}$$

2,698 yen was set as a result of comparing the average (2,489 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (August 2011) prior to the month to which the date of issue (September 28, 2011) belongs, with the closing price (2,698 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after September 28, 2013.
- (ii) Recipients may exercise all of the allocated rights after September 28, 2015.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (2,698 yen) and fair evaluation unit price (524 yen) in the issue of share warrants.

(Translation purposes only)

(f) Issue of share warrants to employees based on the resolution of the August 25, 2011 General Meeting of Shareholders
(resolution of June 26, 2012 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	50 share warrants	50 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	5,000 shares	5,000 shares
Payment amount when exercising share warrants (Note) 2	3,390 yen	Same as left
Exercise period of share warrants	From July 2, 2014 to September 13, 2021	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 4,038 yen Capitalization amount 2,019 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the June 26, 2012 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

3,390 yen was set as a result of comparing the average (2,994 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (June 2012) prior to the month to which the date of issue (July 2, 2012) belongs, with the closing price (3,390 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

(i) Recipients may exercise half of the allocated rights after July 2, 2014.

(ii) Recipients may exercise all of the allocated rights after July 2, 2016.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (3,390 yen) and fair evaluation unit price (648 yen) in the issue of share warrants.

(Translation purposes only)

(g) Issue of share warrants to employees based on the resolution of the August 24, 2012 General Meeting of Shareholders
(resolution of September 12, 2012 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	1,156 share warrants	1,059 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	115,600 shares	105,900 shares
Payment amount when exercising share warrants (Note) 2	4,025 yen	Same as left
Exercise period of share warrants	From September 28, 2014 to September 12, 2022	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 4,853 yen Capitalization amount 2,426 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 12, 2012 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}}$$

4,025 yen was set as a result of comparing the average (3,698 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (August 2012) prior to the month to which the date of issue (September 28 2012) belongs, with the closing price (4,025 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after September 28, 2014.
- (ii) Recipients may exercise all of the allocated rights after September 28, 2016.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (4,025 yen) and fair evaluation unit price (828 yen) in the issue of share warrants.

(Translation purposes only)

(h) Issue of share warrants to employees based on the resolution of the August 23, 2013 General Meeting of Shareholders (resolution of September 13, 2013 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	1,449 share warrants	1,355 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	144,900 shares	135,500 shares
Payment amount when exercising share warrants (Note) 2	3,942 yen	Same as left
Exercise period of share warrants	From September 30, 2015 to September 13, 2023	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 4,590 yen Capitalization amount 2,295 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 13, 2013 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}}$$

3,942 yen was set as a result of comparing the closing price (3,660 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (August 2013) of the average price prior to the month to which the date of issue (September 30, 2013) belongs, with the average price (3,942 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after September 30, 2015.
- (ii) Recipients may exercise all of the allocated rights after September 30, 2017.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (3,942 yen) and fair evaluation unit price (648 yen) in the issue of share warrants.

(Translation purposes only)

(i) Issue of share warrants to employees based on the resolution of the August 23, 2013 General Meeting of Shareholders
(resolution of October 30, 2013 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	25 share warrants	25 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	2,500 shares	2,500 shares
Payment amount when exercising share warrants (Note) 2	4,045 yen	Same as left
Exercise period of share warrants	From November 15, 2015 to September 13, 2023	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 4,869 yen Capitalization amount 2,435 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the October 30, 2013 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}}$$

4,045 yen was set as a result of comparing the average (3,671 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (October 2013) prior to the month to which the date of issue (November 15, 2013) belongs, with the closing price (4,045 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after November 15, 2015.
- (ii) Recipients may exercise all of the allocated rights after November 15, 2017.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (4,045 yen) and fair evaluation unit price (824 yen) in the issue of share warrants.

(Translation purposes only)

(j) Issue of share warrants to employees based on the resolution of the August 23, 2013 General Meeting of Shareholders
(resolution of March 26, 2014 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	296 share warrants	175 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	29,600 shares	17,500 shares
Payment amount when exercising share warrants (Note) 2	4,395 yen	Same as left
Exercise period of share warrants	From April 15, 2016 to September 13, 2023	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 5,299 yen Capitalization amount 2,650 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the March 26, 2014 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

4,395 yen was set as a result of comparing the average (4,182 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (March 2014) prior to the month to which the date of issue (April 15, 2014) belongs, with the closing price (4,395 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

(i) Recipients may exercise half of the allocated rights after April 15, 2016.

(ii) Recipients may exercise all of the allocated rights after April 15, 2018.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (4,395 yen) and fair evaluation unit price (904 yen) in the issue of share warrants.

(Translation purposes only)

(k) Issue of share warrants to employees based on the resolution of the August 21, 2014 General Meeting of Shareholders
(resolution of September 16, 2014 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	206 share warrants	198 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	20,600 shares	19,800 shares
Payment amount when exercising share warrants (Note) 2	4,280 yen	Same as left
Exercise period of share warrants	From September 30, 2016 to September 16, 2024	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 5,156 yen Capitalization amount 2,578 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 16, 2014 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}}$$

4,280 yen was set as a result of comparing the average (4,275 yen) of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (August 2014) prior to the month to which the date of issue (September 30, 2014) belongs, with the closing price (4,280 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after September 30, 2016.
- (ii) Recipients may exercise all of the allocated rights after September 30, 2018.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (4,280 yen) and fair evaluation unit price (876 yen) in the issue of share warrants.

(Translation purposes only)

(1) Issue of share warrants to employees based on the resolution of the August 21, 2014 General Meeting of Shareholders
(resolution of July 17, 2015 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	28 share warrants	28 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	2,800 shares	2,800 shares
Payment amount when exercising share warrants (Note) 2	5,335 yen	Same as left
Exercise period of share warrants	From July 31, 2017 to September 16, 2024	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 6,224 yen Capitalization amount 3,112 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the July 17, 2015 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

5,335 yen was set as a result of comparing the closing price (5,220 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (June 2015) of the average price prior to the month to which the date of issue (July 31, 2015) belongs, with the average price (5,335 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

(i) Recipients may exercise half of the allocated rights after July 31, 2017.

(ii) Recipients may exercise all of the allocated rights after July 31, 2019.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (5,335 yen) and fair evaluation unit price (889 yen) in the issue of share warrants.

(Translation purposes only)

(m) Issue of share warrants to employees based on the resolution of the August 21, 2015 General Meeting of Shareholders
(resolution of September 16, 2015 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	441 share warrants	421 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	44,100 shares	42,100 shares
Payment amount when exercising share warrants (Note) 2	5,200 yen	Same as left
Exercise period of share warrants	From September 30, 2017 to September 16, 2025	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 6,047 yen Capitalization amount 3,024 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 16, 2015 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

5,200 yen was set as a result of comparing the closing price (5,040 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (August 2015) of the average price prior to the month to which the date of issue (September 30, 2015) belongs, with the average price (5,200 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after September 30, 2017.
- (ii) Recipients may exercise all of the allocated rights after September 30, 2019.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (5,200 yen) and fair evaluation unit price (847 yen) in the issue of share warrants.

(Translation purposes only)

(n) Issue of share warrants to employees based on the resolution of the August 24, 2016 General Meeting of Shareholders
(resolution of September 21, 2016 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2017)	As of end of prior month of reporting date (July 31, 2017)
Number of share warrants (Note)1	301 share warrants	274 share warrants
Number of own share warrants included	-	-
Type of shares subject to share warrants	Common stock Share unit is 100 shares	Same as left
Number of shares subject to share warrants (Note) 1	30,100 shares	27,400 shares
Payment amount when exercising share warrants (Note) 2	5,962 yen	Same as left
Exercise period of share warrants	From October 5, 2018 to September 21, 2026	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 6,934 yen Capitalization amount 3,467 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

(Note) 1 The number of share warrants and number of shares subject to share warrants are share warrants issued based on the resolution of the September 21, 2016 Meeting of Board of Directors from which those whose rights have been lost are deducted.

2 The payment amount shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the date of issue belongs. However, if the amount is below the closing price on the date of issue (if there is no trading on that day, the closing price on the day immediately prior to the date of issue), it shall be the closing price on the date of issue. If the Company conducts a stock split or a reverse stock split after the date of issue, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

5,962 yen was set as a result of comparing the closing price (5,680 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2016) of the average price prior to the month to which the date of issue (October 5, 2016) belongs, with the average price (5,962 yen) on the date of issue.

3 (1) Those allocated the share warrants are required to be a director or an employee of Oracle Corporation Japan at the time of exercising the share warrants. However, as long as the requirements set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation are met, the recipient may continue to exercise his or her rights after they no longer hold the position of employee, director or Corporate Executive Officer.

(2) Those who are allocated share warrants may exercise a part of or all of the rights in accordance with the following classifications:

- (i) Recipients may exercise half of the allocated rights after October 5, 2018.
- (ii) Recipients may exercise all of the allocated rights after October 5, 2020.

(3) If the person allocated rights dies, the heir can exercise the rights.

4 Assignment of rights, attachment or other disposal methods are not allowed.

5 The issue price when shares are issued by the exercise of share warrants is the sum of the payment amount of share warrants (5,962 yen) and fair evaluation unit price (972 yen) in the issue of share warrants.

(Translation purposes only)

(3) 【Status of exercising certificates of bonds with share warrants with exercise price revision clause, etc.】

Not applicable.

(4) 【Details of rights plan】

Not applicable.

(5) 【Trends with number of outstanding shares, capital, etc.】

Date	Number of outstanding shares increase/decrease (shares)	Number of outstanding shares balance (shares)	Capital stock increase/decrease (million yen)	Capital stock balance (million yen)	Legal capital surplus Increase/decrease (million yen)	Legal capital surplus balance (million yen)
From June 1, 2012 to May 31, 2013 (Note)	1,100	127,098,571	2	22,304	2	5,654
From June 1, 2013 to May 31, 2014 (Note)	104,300	127,202,871	202	22,506	202	5,857
From June 1, 2014 to May 31, 2015 (Note)	106,100	127,308,971	236	22,743	236	6,094
From June 1, 2015 to May 31, 2016 (Note)	203,000	127,511,971	466	23,209	466	6,560
From June 1, 2016 to May 31, 2017 (Note)	216,700	127,728,671	545	23,755	545	7,106

(Note) Increase due to the exercise of share warrants.

(6) 【Status by owner】

As of May 31, 2017

Item	Status of stock (Share unit is 100 shares)								Status of share less than one unit (shares)
					Foreign corporations, etc.				
					Other than individuals	Individual			
No. of shareholders (people)	0	44	28	331	484	19	22,257	23,163	-
No. of shares held (Shares)	0	72,925	3,688	11,181	1,115,125	52	71,008	1,273,979	330,771
Percentage of shares held (%)	0.0	5.7	0.3	0.9	87.5	0.0	5.6	100.0	-

(Note) 1 The 9,975 shares of the treasury stock includes 99 units in “Individuals, etc.” and 75 shares in “Status of share less than one unit”.

2 Stocks in the name of Japan Securities Depository Center includes 20 units in “Other corporations” and 50 shares in “Status of share less than one unit”.

3 The Company’s stocks held by The Master Trust Bank of Japan as the trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust indicated include 381 units and 1,063 units respectively in “Financial institutions”.

(Translation purposes only)

(7) 【Status of major shareholders】

As of May 31, 2017

Name	Address	No. of shares held (1000 shares)	Percentage of shares held versus total number of outstanding shares
ORACLE JAPAN HOLDING,INC. Standing proxy SMBC NIKKO SECURITIES INC. Japan Trustee Services Bank, Ltd. (Trust account)	500 Oracle Parkway, Redwood Shores, California, U.S.A (1-5-55 Kiba, Koto-ku, Tokyo)	94,967	74.4
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	4,007	3.1
STATE STREET BANK AND TRUST COMPANY 505001	2-11-3 Hamamatsucho, Minato-ku, Tokyo	1,668	1.3
STATE STREET BANK WEST CLIENT - TREATY 505234	P.O.BOX351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,147	0.9
Ueda Yagi Tanshi Co., Ltd.	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,043	0.8
BBH FOR MATTHEWS JAPAN FUND	2-4-2 Koraibashi, Chuo-ku, Osaka-shi, Osaka	856	0.7
Trust & Custody Services Bank, Ltd.	4 EMBARCADERO CTR STE 550 SAN FRANCISCO CALIFORNIA 94111 (2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	849	0.7
RBC IST 15 PCT NON LENDING ACCOUNT - CLIENT ACCOUNT	1-8-12 Harumi, Chuo-ku, Tokyo	847	0.7
STATE STREET BANK AND TRUST COMPANY	7TH FLOOR, 155 WELLINGTON STREET WEST TORONTO, ONTARIO, CANADA, M5V 3L (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	573	0.4
	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1 Nihombashi, Chuo-ku, Tokyo)	459	0.4
Total		106,419	83.3

(Note) Of the above no. of shares owned, shares related to trust business are as follows.

Japan Trustee Services Bank, Ltd.	3,851, 000 shares
The Master Trust Bank of Japan, Ltd.	1,559,000 shares
Trust & Custody Services Bank, Ltd.	800,000 shares

(Translation purposes only)

(8) 【Status of voting rights】

(i) 【Number of outstanding shares】

As of May 31, 2017

Item	No. of shares(shares)	No. of voting rights (no.)	Details
Nonvoting stock	-	-	-
Stock with restricted voting right (Treasury stock, etc.)	-	-	-
Stock with restricted voting right (Others)	-	-	-
Stocks with full voting rights (Treasury stock, etc.)	(Own shares) Common stock 9,900	-	-
Stocks with full voting rights (Others)	Common stock 127,388,000	1,273,880	-
Share less than one unit	Common stock 330,771	-	-
Number of outstanding shares	127,728,671	-	-
Voting rights of shareholders	-	1,273,880	-

(Note) "Stocks with full voting rights (Others)" include 2,000 stocks in the name of Japan Securities Depository Center (20 stocks with voting rights), 38,100 company stocks held by the BIP Trust and 106,300 stocks held by the ESOP Trust.

(ii) 【Treasury stock, etc. 】

As of May 31, 2017

Name of owner	Addresses of owner	No. of shares held in own name(shares)	No. of shares held in another name (shares)	No. of shares held (shares)	Percentage of shares held versus total number of outstanding shares (%)
(Own shares) Oracle Corporation Japan	2-5-8 Kita-Aoyama, Minato-ku, Tokyo	9,900	-	9,900	0.0
Total	-	9,900	-	9,900	0.0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 38,100 stocks and 106,300 stocks held respectively by The Master Trust Bank of Japan (2-11-3, Hamamatsucho, Minato-ku, Tokyo) are not included in the above treasury stock, etc.

(Translation purposes only)

(9) 【Details of stock option system】

The Company adopts the stock option system. This system is based on the method issuing shared warrants in accordance with the regulations of Old Commercial Code Articles 280-20 and 280-21, and the method of issuing share warrants based on the regulations of Corporate Law Articles 236, 238, and 239.

Details of the system are as follows.

(i) Details decided at the general meeting of shareholders are as follows for the issue of share warrants under conditions that are especially beneficial to the Company's directors, executive officers, and employees based on the regulations of Corporate Law Articles 236, 238, and 239.

(a) based on the resolution of the August 29, 2007 General Meeting of Shareholders

Date of resolution	August 29, 2007
Category of those granted voting rights and number of persons	First issue (resolution of October 12, 2007 Meeting of Board of Directors) The Company's employees 1,055 employees Second issue (resolution of June 27, 2008 Meeting of Board of Directors) The Company's employees 1 employee
Type of stocks subject to share warrants	Common stock Share unit is 100 shares.
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 29, 2007 22nd General Meeting of Shareholders and the following Meeting of Board of Directors.

(Translation purposes only)

(b) based on the resolution of the August 22, 2008 General Meeting of Shareholders

Date of resolution	August 22, 2008
Category of those granted voting rights and number of persons	<p>First issue (resolution of September 30, 2008 Meeting of Board of Directors)</p> <p>The Company's employees 472 employees</p> <p>The Company's director (other than outside director) 3 persons</p> <p>The Company's outside director 2 persons</p> <p>Second issue (resolution of December 23, 2008 Meeting of Board of Directors)</p> <p>The Company's employees 1 employee</p>
Type of stocks subject to share warrants	<p>Common stock</p> <p>Share unit is 100 shares.</p>
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 22, 2008 23rd General Meeting of Shareholders and the following Meeting of Board of Directors.

(Translation purposes only)

(c) based on the resolution of the August 27, 2009 General Meeting of Shareholders

Date of resolution	August 27, 2009
Category of those granted voting rights and number of persons	<p>First issue (resolution of September 25, 2009 Meeting of Board of Directors)</p> <p>The Company's employees 492 employees The Company's outside director 2 persons The Company's executive officer 2 persons</p> <p>Second issue (resolution of June 30, 2010 Meeting of Board of Directors)</p> <p>The Company's employees 1 employee</p>
Type of stocks subject to share warrants	<p>Common stock</p> <p>Share unit is 100 shares.</p>
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 27, 2009 24th General Meeting of Shareholders and the following Meeting of Board of Directors.

(Translation purposes only)

(d) based on the resolution of the August 26, 2010 General Meeting of Shareholders

Date of resolution	August 26, 2010
Category of those granted voting rights and number of persons	First issue (resolution of September 22, 2010 Meeting of Board of Directors) The Company's employees 460 employees The Company's outside director 2 persons The Company's executive officer 2 persons
Type of stocks subject to share warrants	Common stock Share unit is 100 shares.
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 26, 2010 25th General Meeting of Shareholders and the following Meeting of Board of Directors.

(Translation purposes only)

(e) based on the resolution of the August 25, 2011 General Meeting of Shareholders

Date of resolution	August 25, 2011
Category of those granted voting rights and number of persons	<p>First issue (resolution of September 13, 2011 Meeting of Board of Directors)</p> <p>The Company's employees 255 employees The Company's outside director 2 persons The Company's executive officer 2 persons</p> <p>Second issue (resolution of June 26, 2012 Meeting of Board of Directors)</p> <p>The Company's employees 1 employee</p>
Type of stocks subject to share warrants	<p>Common stock</p> <p>Share unit is 100 shares.</p>
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 25, 2011 26th General Meeting of Shareholders and the following Meeting of Board of Directors.

(Translation purposes only)

(f) based on the resolution of the August 24, 2012 General Meeting of Shareholders

Date of resolution	August 24, 2012
Category of those granted voting rights and number of persons	First issue (resolution of September 12, 2012 Meeting of Board of Directors) The Company's employees 201 employees The Company's outside director 2 persons The Company's executive officer 2 persons
Type of stocks subject to share warrants	Common stock Share unit is 100 shares.
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 24, 2012 27th General Meeting of Shareholders and the following Meeting of Board of Directors.

(Translation purposes only)

(g) based on the resolution of the August 23, 2013 General Meeting of Shareholders

Date of resolution	August 23, 2013
Category of those granted voting rights and number of persons	<p>First issue (resolution of September 13, 2013 Meeting of Board of Directors)</p> <p>The Company's employees 202 employees</p> <p>The Company's director 2 persons</p> <p>The Company's executive officer 3 persons</p> <p>Second issue (resolution of October 30, 2013 Meeting of Board of Directors)</p> <p>The Company's employees 1 employee</p> <p>Third issue (resolution of March 26, 2014 Meeting of Board of Directors)</p> <p>The Company's executive officer 1 person</p>
Type of stocks subject to share warrants	<p>Common stock</p> <p>Share unit is 100 shares.</p>
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 23, 2013 28th General Meeting of Shareholders and the following Meeting of Board of Directors.

(Translation purposes only)

(h) based on the resolution of the August 21, 2014 General Meeting of Shareholders

Date of resolution	August 21, 2014
Category of those granted voting rights and number of persons	First issue (resolution of September 16, 2014 Meeting of Board of Directors) The Company's employees 268 employees The Company's director 2 persons The Company's outside director 2 persons Second issue (resolution of July 17, 2015 Meeting of Board of Directors) The Company's employees 1 employee
Type of stocks subject to share warrants	Common stock Share unit is 100 shares.
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) 1 Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 21, 2007 29th General Meeting of Shareholders and the following Meeting of Board of Directors

2 Based on the resolution of the Board of Directors and Compensation Committee meeting held on December 19, 2014, on October 24, 2014., the Company resolved to introduce the Board Incentive Plan (BIP) Trust ("BIP Trust") as an incentive plan for directors and executive officers, and Employee Stock Ownership Plan (ESOP) Trust ("ESOP Trust"), an incentive plan for its employees. Those granted share warrants are able to choose between the share warrants system and share compensation system.

(Translation purposes only)

(i) based on the resolution of the August 21, 2015 General Meeting of Shareholders

Date of resolution	August 21, 2015
Category of those granted voting rights and number of persons	First issue (resolution of September 16, 2015 Meeting of Board of Directors) The Company's employees 47 employees The Company's outside director 1 person
Type of stocks subject to share warrants	Common stock Share unit is 100 shares.
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) 1 Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 21, 2015 30th General Meeting of Shareholders and the following Meeting of Board of Directors.

2 Based on the resolution of the Board of Directors and Compensation Committee meeting held on December 19, 2014, on October 24, 2014, the Company resolved to introduce the Board Incentive Plan (BIP) Trust ("BIP Trust") as an incentive plan for directors and executive officers, and Employee Stock Ownership Plan (ESOP) Trust ("ESOP Trust"), an incentive plan for its employees. Those granted share warrants are able to choose between the share warrants system and share compensation system.

(Translation purposes only)

(j) based on the resolution of the August 24, 2016 General Meeting of Shareholders

Date of resolution	August 24, 2016
Category of those granted voting rights and number of persons	First issue (resolution of September 21, 2016 Meeting of Board of Directors) The Company's employees 24 employees
Type of stocks subject to share warrants	Common stock Share unit is 100 shares.
Number of shares	Indicated in "(2) Status of share warrants, etc."
Number of issued share warrants	As above
Payment amount when exercising share warrants	As above
Exercise period of share warrants	As above
Conditions for exercising share warrants	As above
Items related to assignment of share warrants	As above
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) 1 Other details set out in the share warrants allocation agreement executed between Oracle Corporation Japan and the recipient of allocation based on the resolutions made in the August 24, 2016 31st General Meeting of Shareholders and the following Meeting of Board of Directors.

2 Based on the resolution of the Board of Directors and Compensation Committee meeting held on December 19, 2014, on October 24, 2014, the Company resolved to introduce the Board Incentive Plan (BIP) Trust ("BIP Trust") as an incentive plan for directors and executive officers, and Employee Stock Ownership Plan (ESOP) Trust ("ESOP Trust"), an incentive plan for its employees. Those granted share warrants are able to choose between the share warrants system and share compensation system.

(Translation purposes only)

(k) based on the resolution of the August 23, 2017 General Meeting of Shareholders

Date of resolution	August 23, 2017
Category of those granted voting rights and number of persons	The Company's employees The Company's outside director The Company's executive officer
Type of stocks subject to share warrants	Common stock Share unit is 100 shares.
Number of shares	Up to 450,000 shares. (Note) 1
Number of issued share warrants	Up to 4,500 units. (Note) 2
Payment amount when exercising share warrants	(Note) 3
Exercise period of share warrants	From the period between the day on which 2 years have passed since the date of resolution of the Meeting of Board of Directors to decide the solicitation particulars of share warrants and the day on which 10 years have passed since this date of resolution
Conditions for exercising share warrants	(Note) 4
Items related to assignment of share warrants	Assignment of share warrants will require the approval of the Board of Directors.
Items related to substitute payment	-
Items related to distribution of share warrants following reorganization acts	-

(Note) 1 When the Company conducts a stock split or a reverse stock split, the number of shares shall be adjusted based on the formula below, and any fraction of less than one share arising from the adjustment shall be rounded off. However, this adjustment shall be made only for the number of shares subject to the share warrants that are not yet exercised at the time by the persons receiving the allotment.

Number of shares after adjustment = Number of shares before adjustment x Ratio of stock split or reverse stock split

Other than the above, when any unavoidable factor that requires the adjustment of the number of shares arises after the date of this resolution, the necessary adjustment shall be made to the number of shares to the extent reasonable.

2 The number of shares subject to one share warrant is 100 shares. However, if the number of shares indicated in (Note) 1 was adjusted, the same adjustment will be carried out.

3 The payment amount per share warrant shall be obtained by multiplying the payment amount per share which is determined as described below by the number of shares per share warrant.

The payment amount per share shall be the average of the closing price of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day (excluding days when there is no trading) in the month prior to the month to which the day when the share warrants are allotted (hereinafter the "allotment day") belongs. However, if the amount is below the closing price on the allotment day (if there is no trading on that day, the closing price on the day immediately prior to the allotment day), it shall be the closing price on the allotment day. If the Company conducts a stock split or a reverse stock split after the allotment day, the payment amount shall be adjusted based on the formula below, and any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\text{Payment amount after adjustment} = \frac{\text{Payment amount before adjustment}}{\text{Ratio of stock split or reverse stock split}} \times \frac{1}{\text{Ratio of stock split or reverse stock split}}$$

Payment amount after adjustment according to above adjustment shall be applied the next day of the reference date in case of share split, and the date of entry into force in case of reverse split. However, if the share split is subject to the approval of shareholders meeting's resolution regarding the proposal of reduction of retained earnings reserves and increases capital stock or legal surplus and reference date of share split is before the shareholders meeting date, the payment amount after adjustment shall be applied right after the approval of the shareholders' meeting, retroactively to the next day of the reference date.

Also, in case of above, the adjustment shall be made to the holders of share warrant who exercised their share warrant between the reference date of share split and by the end of the shareholders meeting (the issued or transferred shares by this execution referred to as "Exercise share amount before the approval"). The allotted share amount shall be adjusted

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based on the formula below, and any fraction of less than one share arising from the adjustment shall be rounded down.

$$\text{The number of newly issued shares} = \frac{(\text{Payment amount before adjustment} - \text{Payment amount after adjustment})}{\text{Payment amount after adjustment}} \times \text{Exercise share amount before the approval}$$

When issuing ordinary shares after the allotment day at a price below their market value (except for the exercise of share warrants stipulated in the Article 236, 238 and 240 of The Company Law) or when disposing of treasury shares, the payment amount shall be adjusted based on the formula below. Any fraction of less than one yen arising from the adjustment shall be rounded up.

$$\frac{\text{Number of shares outstanding} + \frac{\text{Number of newly issued shares} \times \text{Payment amount per share}}{\text{Market value per share}}}{\text{Number of shares outstanding} + \text{Number of newly issued shares}}$$

The “number of share outstanding” in the above formula shall be the number of shares obtained by subtracting the number of shares of treasury stock held by the Company from the total number of shares issued. When disposing of treasury stock, the “number of newly issued shares” shall be replaced by the “number of shares of treasury stock subject to disposal.”

Other than the above, when conducting a merger or a demerger, when conducting a free distribution of shares or when any unavoidable factor that requires the adjustment of the number of shares has occurred after the allotment day, the necessary adjustment may be made to the payment amount to the extent reasonable, taking the conditions for the merger and demerger, etc. into account.

- 4 (1) Persons who receive the allotment of share warrant need to be directors, executive officers and employees of the Company at the time of exercising the share warrants. However, only if certain requirements set out in the equity warrant allotment agreement (hereinafter referred to as the “allotment agreement”) concluded between the Company and a person who receives the allotment are met, shall a person be able to continue to exercise the share warrants ever after the person has relinquished his/her position as a directors, executive officers and employee of the Company.
- (2) Part or all of the share warrants allotted may be exercised based on the following categories.
 - (i) Once two years have elapsed following the allotment day of the share warrants, half of the rights allotted may be exercised.
 - (ii) Once four years have elapsed following the allotment day of the share warrants, all of the rights allotted may be exercised.
- 5 Other offering conditions and details of the share warrants shall be subject to the provisions of the allotment agreement concluded between the Company and those who receive the allotment based on a decision made by the corporate executive officer to whom a mandate is given by a resolution of this general meeting of shareholders and the Board of Directors or based on a resolution of the Board of Directors in the future. The number of persons per category of persons receiving allotment shall be prescribed based on the resolution of Board of Directors in the future.
- 6 Based on the resolution of the Board of Directors and Compensation Committee meeting held on December 19, 2014, on October 24, 2014, the Company resolved to introduce the Board Incentive Plan (BIP) Trust (“BIP Trust”) as an incentive plan for directors and executive officers, and Employee Stock Ownership Plan (ESOP) Trust (“ESOP Trust”), an incentive plan for its employees,
Those granted share warrants are able to choose between the share warrants system and share compensation system.

(Translation purposes only)

(10) **【Details of Employee Stock Ownership Plan】**

(ESOP Trust)

(i) Outline of this plan

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

(ii) Total amount of shares to be acquired by ESOP Trust

The ESOP Trust (The Master Trust Bank of Japan) acquired 40,800 shares, 195 million yen in the 30th business term, and 100,700 shares, 598 million yen in this fiscal year (31st business term). Plans for future acquisitions are undecided.

(iii) Scope in which beneficiary rights and other rights can be received under the ESOP Trust

Limited to the Company's employees who have met certain requirements.

(Translation purposes only)

2. 【Status of acquisition of self-owned stocks, etc.】

【Types of shares, etc.】

Purchase of common stocks in accordance with Corporate Law Article 155-7.

(1) 【Status of purchase based on resolution of General Meeting of Shareholders】

Not applicable.

(2) 【Status of purchase based on resolution of Meeting of Board of Directors】

Not applicable.

Does not include the Company's own stock purchased by the ESOP Trust account and BIP Trust account, following the introduction of the ESOP Trust and BIP Trust.

(3) 【Details of purchase based on resolutions of General Meeting of Shareholders and Meeting of Board of Directors】

Category	No. of shares(shares)	Total amount (yen)
Treasury stock purchased in current fiscal year	600	3,629,000
Treasury stock purchased in current term	100	742,000

(Note) 1 The treasury stocks purchased in the current term do not include those purchased by the share purchase demands of shares less than one unit between August 1, 2017 and the date of submission of this Securities Report.

2 The number of treasury stocks purchased does not include the number of shares purchased by the BIP Trust and ESOP Trust.

(4) 【Status of handling and ownership of purchased treasury stocks】

Category	Current fiscal year		Current term	
	Number of shares	Total disposal price (yen)	Number of shares	Total disposal price (yen)
Purchased treasury stocks for which subscribers will solicited	-	-	-	-
Purchased treasury stocks that were disposed by selling	-	-	-	-
Purchased treasury stocks transferred in relation with merger, share exchange, or company split	-	-	-	-
Others	-	-	-	-
Number of owned treasury stocks	9,975	-	10,075	-

(Note) 1 The number of shares and total disposal price of the current term do not include the shares that were disposed between August 1, 2017 and the date of submission of this Securities Report, and their price.

2 The number of owned treasury stocks in the current month does not include those purchased by the purchase of shares less than one unit between August 1, 2017 and the date of submission of this Securities Report.

3 The number of owned treasury stocks does not include that owned by the BIP Trust (38,165 shares at the end of the current fiscal year) and that owned by the ESOP Trust (106,382 shares at the end of the current fiscal year).

(Translation purposes only)

3. 【Policy on Dividends】

The Company recognizes that one of its most important business missions is to enhance corporate value and distribute profits to shareholders.

The basic policy for the distribution of surplus is to provide a return to shareholders through dividends, while ensuring management flexibility by comprehensively taking into account the balance between the cash required for the Company's business plan, business results, and cash flows.

For dividends for the fiscal year under review, an annual dividend of 114 yen per share was paid.

The Company prescribes the following in the Articles of Incorporation; “interim dividends can be paid with the November 30 of each year as the reference date based on the resolution of the Meeting of Board of Directors” and “surpluses can be distributed, etc. based on the resolution of the Meeting of Board of Directors in accordance with the provisions of Corporate Law Article 459-1”.

The distribution of surpluses related to this current term is as follows.

Date of resolution	Total amount of dividend (million yen)	Dividend per share (yen)
July 20, 2017 Meeting of Board of Directors	14,559	114

4. 【Stock Price Movements】

(1) 【Maximum/minimum stock prices by fiscal year in last five years】

Term	28 th	29 th	30 th	31 st	32 nd
Account closing month/year	May 2013	May 2014	May 2015	May 2016	May 2017
Maximum (yen)	4,595	4,770	5,650	6,480	6,910
Minimum (yen)	2,767	3,485	3,890	4,650	5,270

(Note) The maximum and minimum stock prices are those of the First Section of the Tokyo Stock Exchange.

(2) 【Maximum/minimum stock prices by month for last six months】

Month	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017
Maximum (yen)	6,050	6,360	6,690	6,650	6,640	6,910
Minimum (yen)	5,470	5,890	6,250	6,280	6,280	6,420

(Note) The maximum and minimum stock prices are those of the First Section of the Tokyo Stock Exchange.

(Translation purposes only)

5. 【Status of Directors】

Male directors 10 Female directors 1 (Female directors make up 9.1%)

(1) Status of directors

Director title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
				Jul. 1991 Joined Hewlett Packard Germany Aug. 1993 Joined Computer 2000 (TechData) Germany Apr. 1995 Joined Oracle Germany Dec. 1996 Owner and Managing Director OMEGA IT Solutions Germany Jan. 2000 Unit.Net Switzerland, VP Sales Nov. 2003 Joined Avaya Germany, Sales Director Nov. 2005 Avaya EMEA, Director Service Customer Operations Jan. 2007 Dell Germany, General Manager Global Segment Jan. 2009 Dell Area VP Global Segment, Central Europe Jun. 2010 Teleplan International Netherlands, Executive VP Sales Mar. 2011 Hewlett Packard Germany, General Manager PPS Apr. 2013 Hewlett Packard Switzerland, COO PPS Apr. 2014 Hewlett Packard United States, VP WW Channel Sales Feb. 2015 Joined Oracle Germany, VP Technology Sales Business Unit Jun. 2017 Chief Executive Officer of Oracle Corporation Japan Aug. 2017 Director, Chief Executive Officer of Oracle Corporation Japan (Current position)		
				Apr. 1982 Joined FORVAL CORPORATION Jun. 1989 Joined FORVAL AMERICA.INC, Director, General Manager Jun. 1993 Joined Inter-Tel Inc. Vice President, Asia Pacific Region Representative Director, President and Chief Executive Officer of Inter-Tel Japan, K.K. May. 2001 Joined EMC Japan K.K. Director, Telecom Media Entertainment Sales Division May. 2009 Joined Cisco Systems G.K. Operations Director, Commercial Operations of Mar. 2010 Joined Hewlett-Packard Japan, Ltd. Vice President & General Manager, Enterprise Servers, Storage & Networking Oct. 2013 Joined Oracle Corporation Senior Vice President, Head of Global Business Apr. 2014 Representative Executive Officer President and Chief Executive Officer of Oracle Corporation Japan Senior Vice President of Oracle Corporation (Current position) Aug. 2014 Director, Representative Executive Officer President and Chief Executive Officer of Oracle Corporation Japan Jun. 2017 Director, Chairperson of the Board of Oracle Corporation Japan (Current position)		

(Translation purposes only)

Director title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
				<p>Apr. 1976 Joined Marubeni Corporation</p> <p>Dec. 1989 Joined Apple Computer, Inc.</p> <p>Mar. 1996 Joined Allergan Inc.</p> <p>Nov. 1996 Joined Japan Communication Inc. Senior Executive Officer, Chief Financial Officer</p> <p>Apr. 2002 Joined Oracle Corporation Japan Vice President under direct control of CEO, Financial Affairs</p> <p>Aug. 2002 Director, Senior Executive Officer, Chief Financial Officer, Director of Finance Division</p> <p>Jun. 2004 Director, Executive Vice President, Chief Financial Officer, Finance/Infrastructure Development/Application IT, Director of Finance</p> <p>Nov. 2005 Retired from Company</p> <p>Oct. 2007 Executive Vice President, Chief Financial Officer, Finance, IT and General Affairs, Director of Finance of Oracle Corporation Japan</p> <p>Aug. 2008 Director, Senior Corporate Executive Officer Chief Financial Officer, Finance, Facility, IT, Internal Audit</p> <p>Jun. 2009 Director, Senior Corporate Executive Officer Chief Financial Officer, Administration</p> <p>Jun. 2011 Director, Executive Officer Deputy President, Chief Financial Officer (Current position)</p> <p>Jun. 2015 Outside Director, YAMAHA CORPORATION (Current position)</p>		
				<p>Jun. 1988 Joined Federal Reserve Bank of St. Louis</p> <p>May. 1994 Joined Anheuser-Busch Companies (Currently, Anheuser-Busch InBev)</p> <p>Apr. 1999 Director, Anheuser-Busch Japan (An Anheuser-Busch and Kirin Holdings Company Joint Venture)</p> <p>Jun. 2000 Vice President Foreign Exchange and Interest Rate Derivatives, U.S. Bancorp</p> <p>Nov. 2001 Director of Treasury, Oracle Corporation</p> <p>Jul. 2005 Senior Director of Treasury, Oracle Corporation</p> <p>Jun. 2008 Joined International Game Technology</p> <p>Sep. 2009 Senior Director of Treasury, Oracle Corporation</p> <p>Mar. 2010 Assistant Treasurer, Oracle Corporation</p> <p>Sep. 2012 Vice President and Assistant Treasurer, Oracle Corporation (Current position)</p> <p>Aug. 2016 Director of Oracle Corporation Japan (Current position)</p>		

(Translation purposes only)

Director title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
				<p>Oct. 1998 Associate at Sullivan & Cromwell</p> <p>Sep. 2000 Associate at law firms Gibson, Dunn & Crutcher</p> <p>Jan. 2008 Corporate Counsel for Franklin Templeton Investments</p> <p>May 2009 Senior Corporate Counsel of Oracle Corporation</p> <p>Oct. 2009 Managing Counsel and Assistant Secretary of Oracle Corporation</p> <p>July 2012 Director, Associate General Counsel of Williams-Sonoma, Inc.</p> <p>Oct. 2014 Member, Board of Trustees of Ripon College (Current position)</p> <p>Dec. 2014 Assistant General Counsel and Assistant Secretary of Oracle Corporation (Current position)</p> <p>Oct. 2015 Vice Chair of Audit Committee, Board of Trustees of Ripon College (Current position)</p> <p>Aug. 2017 Director of Oracle Corporation Japan (Current position)</p>		
				<p>May. 1996 Oracle India Private Limited</p> <p>Feb. 2014 Vice President Finance, Oracle Corporation Japan and GFIC (Current position)</p> <p>Aug. 2014 Corporate Executive Officer of Oracle Corporation Japan (Current position)</p> <p>Aug. 2017 Director of Oracle Corporation Japan (Current position)</p>		
				<p>Jan. 1977 Joined IBM Corporation</p> <p>Sep. 1992 Director of Open Systems Sales and Marketing of Unisys Corporation</p> <p>Oct. 1994 Corporate Global Alliance Manager of Oracle Corporation</p> <p>Jun. 1996 Vice President, Oracle Asia Pacific Alliances</p> <p>Mar. 1997 Managing Director, Oracle Thailand</p> <p>Sep. 1997 Senior Vice President, Oracle Worldwide Alliances</p> <p>Apr. 1999 Senior Vice President of Oracle University</p> <p>Aug. 2003 Director of Oracle Corporation Japan (Current position)</p> <p>Jun. 2015 Retired from Oracle Corporation</p>		

(Translation purposes only)

Director title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
				Nov. 1975 Joined Deloitte Haskins & Sells (DH&S), Tokyo Apr. 1982 Registered as a Certified Public Accountant of Japan Jun. 1984 Manager of DH&S, Singapore Feb. 1987 Manager of DH&S New York Aug. 1990 Partner, Tohmatsu & Co. Jun. 1997 Senior Partner, Tohmatsu & Co. Aug. 2006 Leader, Forensic & Dispute Service of Deloitte Tohmatsu FAS Co., Ltd. (Currently, DTFA) Oct. 2014 President, CPA Hitoshi Matsufuji Office (Current position) Mar. 2016 Supervisory Director, D&F Logistics Investment Company Jun. 2016 Outside Auditor, Nihon Tokushu Toryo Co., Ltd. (Current position) Aug. 2016 Director of Oracle Corporation Japan (Current position)		
				Apr. 1988 Joined TOKYO GAS Co., Ltd Jun. 1996 Director, Director, Executive Officer Deputy President of Hyper Net Sep. 1997 Joined NTT DOCOMO, INC. Jun. 2005 Operating Officer, Multi Media Service Director of NTT DOCOMO May. 2008 Professor of Graduate School of Media and Governance, Keio University (Current position) Jun. 2008 Outside Director of SEGA SAMMY HOLDINGS INC. (Current position) Outside Director of transcosmos inc. (Current position) Director of NTT Resonant Incorporated (Current position) Dec. 2008 Director of DWANGO Co., Ltd. (Current position) Jun. 2009 Outside Director of DLE Inc. (Current position) Sep. 2009 Outside Director of GREE, Inc. (Current position) Dec. 2010 Outside Director of U-NEXT Co., Ltd. (Current position) Jun. 2016 Outside Director of Astro SURI Holdings Inc. Aug. 2016 Director of Oracle Corporation Japan (Current position) Jun. 2017 Outside Director of Ubicom Holdings, Inc. (Current position) Outside Director of GENETEC CORPORATION (Current position) Outside Director of Cool Japan Fund Inc. (Current position)		
Total						6

(Note) 1 Directors John Hall, Hitoshi Matsufuji, Takeshi Natsuno are outside directors.

2 Term of office shall continue until the conclusion of the annual shareholders meeting for the last business year which ends within one year from the time of election.

(Translation purposes only)

(2) Status of directors

Director title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
				<p>Apr. 1986 Joined Kanematsu Goshō (Present Kanematsu Corporation)</p> <p>Jan. 1996 Joined NTT DOCOMO, INC. General Affairs, Dept. Legal Dept. Manager</p> <p>Jan. 1997 Legal Dept. General Manager of NTT DOCOMO</p> <p>Jan. 2001 Joined Motorola Japan Legal Dept. General Manager</p> <p>Jun. 2006 Joined Universal Music Legal Dept. Manager</p> <p>Oct. 2006 Joined Oracle Corporation Japan Chief Legal Officer</p> <p>Jun. 2007 Operating Officer of Oracle Corporation Japan Chief Legal Officer</p> <p>Aug. 2013 Representative Executive Corporate Officer of Oracle Corporation Japan</p> <p>Apr. 2014 Operating Officer of Oracle Corporation Japan Chief Legal Officer</p> <p>Apr. 2014 Oracle Information Systems (Japan) G.K. Chief Executive Officer (Current position)</p> <p>Jan. 2016 Corporate Executive Officer of Oracle Corporation Japan Chief Legal Officer</p> <p>Jun. 2017 Representative Corporate Executive Officer of Oracle Corporation Japan Chief Legal Officer (Current position)</p>		
Director	CEO	Frank Obermeier	(1)See Status of directors	Same as left	(Note)	-
Executive Officer	Executive Deputy President Chief Financial Officer	Shigeru Nosaka	(1) See Status of directors	Same as left	(Note)	3

(Translation purposes only)

Director title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
				Apr. 1982 Joined Yokogawa Hewlett Packard (Present Hewlett Packard Japan) Nov. 2002 Executive Officer of Hewlett Packard Manager of Enterprise Business Dept. 2 Nov. 2003 Executive Officer of Hewlett Packard Manager of Enterprise and Server Dept. Nov. 2004 Executive Officer of Hewlett Packard Manager of Technology Business Dept. Nov. 2005 Vice President of Hewlett Packard Nov. 2008 Head of Customer Support Services, Oracle Corporation Japan Dec. 2008 Senior Operating Officer of Oracle Corporation Japan Head of Customer Support Services Jun. 2009 Executive Operating Officer of Oracle Corporation Japan Head of Customer Support Services Jun. 2013 Dupty President, Operating Officer of Oracle Corporation Japan Manager of Customer Support Services Mar. 2016 Dupty President, Operating Officer of Oracle Corporation Japan Head of Cloud Technology Business Jun. 2016 Corporate Executive Officer, Deputy President of Oracle Corporation Japan Head of Cloud Technology Business (Current position)		
Executive Officer	-	S. Krishna Kumar	(1)See Status of directors	Same as left	(Note)	-
Total						4

(Note) Term of office shall continue until the conclusion of the first Meeting of Board of Directors held after the conclusion of the annual shareholders meeting for the last business year which ends within one year from the time of election.

(Translation purposes only)

6. 【Status and Other Items Pertaining to Corporate Governance】

(1) 【Status of corporate governance】

The following describes the corporate governance system of the Company as of the date of date of submission of this Securities Report.

(Basic concept related to corporate governance)

The Company sees the establishment of corporate governance as an important challenge in the continuous enhancement of corporate value. To fulfill our business responsibilities to all stakeholders, we will continue our efforts to build a corporate governance system based on the corporate governance policies of our parent company Oracle Corporation, while meeting the legal systems of Japan, etc.,

In addition, we are committed to the thorough dissemination and understanding of the global “Oracle Code of Ethics and Business Conduct” (Oracle Code in short) to all our employees, and adopt this code as the basic principle in the implementation of corporate activities.

(i) Status of business management organizations related to business decision-makings, execution, and supervision of the Company, and other corporate governance systems.

The Company installs a Nomination Committee, etc. The aim is to establish higher corporate governance by separating the business decision-making/supervision function and business execution function.

(1) Details of corporate organizations

(a) Board of Directors

The Board of Directors is comprised of nine directors (of whom three are outside directors), who carry out decision-making of basic business policies, establishment of internal control systems, segregation of duties of executive officers, other important business decisions, and monitoring of the execution of work by executive officers, etc.

(b) Audit Committee

The Audit Committee carries out the preparation of basic audit policies and implementation plans, preparation of audit reports, and decides the contents of agendas to be submitted to general meetings of shareholders regarding the appointment and revocation of accounting auditors, and matters ensuring that they are not reappointed. The committee is made up of an outside director who serves as the chairperson, one director, and two outside directors.

(c) Compensation Committee

The Compensation Committee draws up policies on remuneration received by directors and corporate executive officers, and decides the individual remuneration. The committee is made up of an outside director who serves as the chairperson, one director, and two outside directors.

(d) Nomination Committee

The Nomination Committee decides the contents of agendas to be submitted to general meetings of shareholders regarding the appointment and dismissal of directors, and matters ensuring non-reappointment. The committee is made up of an outside director who serves as the chairperson, one director, and two outside directors.

(e) Business execution organizations, etc.

Operated by four corporate executive officers and 28 employees. 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 executive officers, the Company installs an executive board comprised of the Corporate Executive Officer (CEO) and important organization heads below the CEO 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 Country Leadership Team meeting made up of CEO 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.

(Translation purposes only)

- (2) Status of establishment of internal control systems
- (a) System concerning the retention and management of information pertaining to the execution of duties of Corporate 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.
- (b) Regulations and other systems concerning the control of risk of loss
With respect to the risks pertaining to compliance, disaster, and information security, the department in charge of each risk will establish regulations/guidelines and provide related education. If a new risk arises, a Corporate Executive Officer will be promptly appointed in charge of said risk
- (c) System for securing efficient execution of duties of Corporate Executive Officers
- 1) Hold meetings to assist execution by the Chief Executive Officer, as well as to discuss and decide matters pertaining to decisions of the board of directors.
 - 2) Establish regulations on the clarification of responsibilities and authorities of Corporate Executive Officers and employees, thereby establishing the environment in which the Company's businesses can be efficiently executed within their responsibilities and authorities.
- (d) System for securing compliance of the execution of duties by employees with applicable laws and regulations, and Articles of Incorporation
- 1) Establish a basic policy on compliance by applying the corporate code of ethics of the Oracle Group.
 - 2) 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.
 - 3) For purposes of building, maintaining, and improving the internal control system, each department in charge will establish and implement internal regulations, and conduct training on applicable laws and regulations as well as internal regulations, etc.
 - 4) Appoint a person in charge of compliance, thereby establishing the compliance system at the Company.
 - 5) Set up an audit department, which, in accordance with the regulations on internal audits, will audit the business process of each department, and discover or prevent any fraud, and correct the business process as required.
- (e) System for securing the properness of business in the business group consisting of the Company and its parent and subsidiaries
- 1) Establish a corporate code of ethics for the Oracle Group.
 - 2) 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 Corporate Executive Officers and employee-status 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 Helpline).
 - 3) The Company will accept regular audits by the internal audit department of the parent, and will receive reports on the audit results.
 - 4) The Company conducts internal audit on its subsidiaries and reports the result to the Board of Directors and the Audit Committee.
- (f) Matters pertaining to the placement of employees to assist responsibilities of the Audit Committee
Set up an Administrative Office to assist responsibilities of the Audit Committee.
- (g) Matters pertaining to the independence of employees from Corporate Executive Officers under the foregoing item
When employees are placed to assist the responsibilities of the Audit Committee, the Audit Committee must be consulted regarding the appointment, transfer, and appraisal, etc. of such employees, and the Corporate Executive Officers must respect it.
- (h) Matters pertaining to securing the effectiveness of the instructions given by the Audit Committee to an employee
An Assistant who assists in the affairs of the Administrative Office and Audit Committee Members shall follow the instructions of the Audit Committee.
- (i) System for the Corporate Executive Officers and employees to report to the Audit Committee, and other systems pertaining to reporting to the Audit Committee
Corporate Executive Officers and employees must promptly report on matters pertaining to business execution whenever requested to do so by an Audit Committee Member. The Audit Committee will have the opportunity to hold, if necessary, hearings with the Corporate Executive Officers and employees.
- (j) System for securing that any person who has made a report set forth in the preceding item shall not be treated disadvantageously by reason of his/her making said report
Prohibit any disadvantageous treatment of a person who has made a report to the Audit Committee by reason of his/her making said report.

(Translation purposes only)

(k) 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 a prior approval of the Board of the Directors Meeting or Corporate Executive Officers.

(l) Other systems for securing effective audits by the Audit Committee

- 1) The annual plan for internal audits implemented by the internal audit department 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.
- 2) The Chief Executive Officer and accounting auditor(s) 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 Chief Executive Officer accounting auditors, and the Audit Committee Members can increase common awareness.
- 3) The Audit Committee Members may attend important meetings concerning management, and may access to the minutes and/or materials of the meetings on an as-needed basis, for the purpose of auditing execution of the duties by the Corporate Executive Officers and employees.

(3) Status of internal audit and audit by Audit Committee

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 reports the audit results. Based on this, it provides advice and suggestions on improvements and rationalization, and checks the actions taken as required. Auditors 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.

On the other hand, the Audit Committee participates in important meetings such as the Meeting of the Board of Directions in accordance with the annual audit policies set forth by the Committee to hear the status of business operations from directors, etc., and audit legality and suitability. The representative executive officers and independent auditor hold meetings with auditors as required to exchange opinions on tasks that need to be dealt with by the Company, status of the audit environment being developed by the Audit Committee, and important audit issues, etc., in the aim to deepen mutual awareness among the representative executive officers, independent auditors, and Audit Committee members.

Outside director and auditor Satoshi Ogishi is a qualified lawyer while outside director and auditor Hitoshi Matsufuji is a certified public accountant. Through their extensive experience as a lawyer and certified public accounts, they have in-depth knowledge on matters related to corporate law and accounting.

The independent auditor is Ernst & Young ShinNihon. Based on the Company's audit contract with them, the auditor conducts annual accounting audits and quarterly reviews. There is no special relationship involving interests between the independent auditor and the Company.

Name of certified public accountants conducting audit, their affiliate auditing company, and number of continuous years of carrying out auditing.

Names of public accountants, etc.		Auditing company belonging to
	Mitsunobu Yamaguchi	
	Masato Endo	

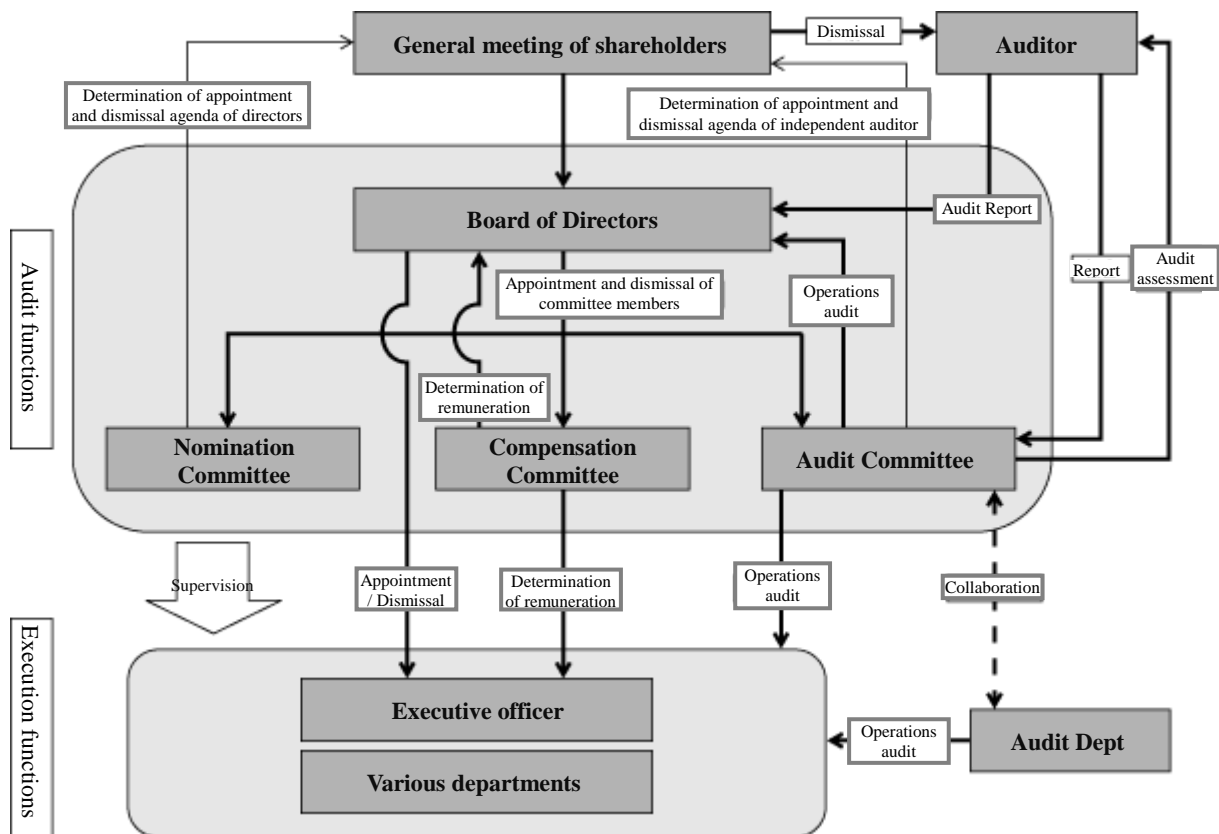
(Note) 1 As the number of continuous years of carrying out auditing is within 7 years for all, details are omitted.

2 For executive officers who are already independent, the auditing company takes measures to ensure that they are not involved in the Company's audit for over a period of time.

3 Those assisting with auditing work compose of 16 certified accountants and 18 others.

(Translation purposes only)

The following illustrates the corporate governance system of the Company.



(ii) Outline of human relations, capital relations, business relations, and other interests between the Company, company’s outside directors, and outside auditors

(a) Selection of outside auditors and views on independency

The company’s Nomination Committee prescribes the following “Basic items” and “Independency standards” referring to the “1. Director Qualifications” of the CORPORATE GOVERNANCE GUIDELINES (April 15, 2010) prescribed by ORACLE CORPORATION.

[Basic items]

1. The Nomination Committee bears the responsibility of conducting general evaluation and review of the personalities and skills required in new outside directors to be appointed and the overall structure of the Board of Directors.
2. In the evaluation, the individual skills, experience, and insights of candidates for outside directors (hereafter called candidates) comprising a suitable, outstanding, and effective Board of Directors to represent the interests of shareholders are reviewed. In the selection, importance is also given to the will and ability as a director to contribute sufficient time required, as well as individual and professional logic and grace of the candidates.
3. Candidates are selected by the Nomination Committee in accordance with the process and policies set forth in this standards.

[Independency standards]

1. In the selection of candidates, the Nomination Committee evaluates the independency, personality, and insight of candidates.
2. Should a candidate corresponding to any one of the following, it is taken that the candidate does not meet the independency required of directors. Here, “family” means the spouse, parent, child, or sibling of the candidates regardless of whether the relation is based on blood relations, relation by marriage, or cohabitation with the candidate.

(a) Candidate who at present is or who at any point in the past was a representative director, corporate executive officer, executive officer, manager, or other employee of the Company or its subsidiaries (Company Law Article 2-15-b). Candidate who is the representative director, corporate executive officer, executive officer, manager, or other employee of the parent company of the Company, or the director (excluding outside

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director) of sister companies (Company Law Article 2-15-c/d).

- (b) Candidate whose family member is at present or was at any point in the past three years employed by the Company or was an executive of the Company.
- (c) Candidate or family member who is at present or was at any point in the past three years involved as a partner of an independent auditor in the auditing of the Company.
- (d) Candidate or family member who at present or was at any point in the past three years a partner of the external auditor in charge of auditing the Company.

(b) Status of selection, functions, and roles of outside directors

Based on the above “(a)Selection of outside directors and views on independency”, the Company appoints three outside directors who strive to establish a more transparent business supervision system by receiving reports on the activities of the independent auditor and internal control departments from the Board of Directors and Audit Committee. The present 3-person system is recognized as sufficiently handling the functions and roles expected of the outside directors.

John L. Hall provided helpful advice about the Company’s management and made other necessary statements, from an expert perspective as a specialist in the business field and in the Company’s products and services.

Hitoshi Matsufuji provided helpful and appropriate advice about the Company’s management and made other necessary statements, as well as supervised business operations from an independent standpoint and expert perspective as a qualified certified public accountant through his extensive experience in corporate accounting, to strengthen the functions of the Board of Directors.

Takeshi Natsuno provided helpful and appropriate advice about the Company’s management and made other necessary statements, as well as supervised business operations from an independent standpoint and expert perspective as a business management through his extensive experience as a business executive involved extensively in the IT area, to strengthen the functions of the Board of Directors.

(c)Relation between outside director and the Company

There exists no interests in the capital, human, technology, and business relations, etc. between the Company which Hitoshi Matsufuji and Takeshi Natsuno represents or belongs to. Both parties are independent executives posing no risks of conflict of interests with general shareholders. They are registered with the Tokyo Stock Exchange as independent executives in accordance with the securities listing regulations of the Tokyo Stock Exchange.

(iii) Outline of contracts for limitation of liability

Based on the respective Company Law Article 427-1, the Company and the outside directors enter into an agreement limiting the liability prescribed in Article 423-1 of the law. Under this agreement, the limitation on liability for damages to be paid is the higher between the predetermined amount no less than 20 million yen and the minimum amount stipulated by the Law.

(iv) Amount of Payments of Directors and Executive Officers

(a) The amount of payments, etc. made to the Company’s directors and executive officers in relation to (a)Current term end (32nd business term) is as follows.

Classification	Number of persons	Amount of payments (Million yen)
Directors (including Outside Directors)	7 (5)	223 (34)
Executive Officers	2	84
Total	9 (5)	307 (34)

(Note) 1 An outside director’s term of office expired after the 31st Annual Shareholders’ meeting which was held on August 24, 2016.

2 The above table includes expenses on the granting of share warrants to five Directors (including three Outside Directors) totaling 13 million yen for Directors (of which, expenses on the granting of share warrants to three Outside Directors: 1 million yen) and 3 million yen for two Executive officers.

3 The payment amount above includes the expenses of the BIP Trust for directors and executive officers, which is a stock compensation plan that posts expenses for multiple years, posted in the fiscal year under review according to the period corresponding to the compensation introduced in the fiscal year under review. The amount of expenses posted in the fiscal year under review is 72 million yen for four directors (of which 2 million yen is for two outside directors) and 20 million yen for two Executive officer.

4 The company has no retirement allowance plan for directors.

(Translation purposes only)

- 5 The payment amount above includes a provision for one directors' bonuses for the fiscal year under review totaling 17 million yen and a provision for one executive officer totaling 5 million yen. A bonus of 12 million yen paid to one director and a bonus of 5 million yen paid to one executive officer in the fiscal year under review are also included.
- 6 The Executive Officers of the Company concurrently serve as Directors of the Company do not received payments as Executive Officers.

(b) Total of remuneration paid to each executive of the submitting company

Name	Total amount of payments, etc. (1 million yen)	Executive category	Amount by type of remuneration, etc. (million yen)		
			Basic remuneration	Basic remuneration	Basic remuneration
Hiroshige Sugihara	141	Director	44	29	66

(Note) 1 Only those whose total remuneration, etc. is over 100 million yen are indicated.

2 Stock compensation, etc. is the amount appropriated for share warrants, and BIP Trust current term end costs.

(c) Policies for determining remuneration of directors and executive officers

The remuneration package of Directors and Executive Officers consists of three elements; base salary, performance-based bonus, and share incentive plan, and each element is determined in accordance with the following policy.

(a) Base salary

A salary level commensurate with role and responsibility is determined with reference to the salary levels of other companies in the same industry.

(b) Performance-based bonus

Bonus is determined based on the Company's target management indicator in that particular fiscal year (sales, profits, etc.) and is paid according to the degree of attainment of targets set at the beginning of the fiscal year.

The Company adopted a system that ensures bonuses clearly reflect management responsibilities and results by closely linking them to corporate performance through the inclusion of growth i.e. as an indicator in addition to degree of attainment of the operating income target and revenue growth ratio of the Company's flagship products.

(c) Share incentive plan

The share incentive plans consist of the share warrants (stock option plan) and share incentive plan.

In addition to the present share warrants (stock option) system allotted within the scope divided at the general meeting of shareholders, the Company introduced the Board Incentive Plan (BIP) Trust as an incentive plan to change the compensation plan to one that will more strongly motivate the directors and executive officers of the Company to execute their duties.

(v) Status of shares held

(a) Number of securities held for purposes other than net investment out of investment stocks and total amount recorded on the Balance Sheet

Number of stocks 2 securities

Total amount appropriate on the Balance Sheet 36 million yen

(b) Securities (excluding non-listed stocks) held for purposes other than net investment, number of shares, amount recorded on the Balance Sheet, and purpose of holding

Specific investment stocks

Not applicable.

(c) Investment stocks held for purposes other than net investment

Not applicable.

(vi) Limit capacity of directors

The Articles of Incorporation prescribes that the number of directors of the Company is limited to 10 persons.

(vii) Requirements for appointment of directors

The Articles of Incorporation prescribes that the appointment requirements of directors include the participation of more than one third of shareholders with voting rights who are exercise their voting rights at the general meeting of shareholders, and appointment is carried out with the majority of their voting rights.

(Translation purposes only)

(viii) Organization determining distribution of surplus, etc.

Regarding the clauses prescribed on the distribution of surplus in the Company Law Article 459-1, the Articles of Incorporation prescribes that unless other provisions are set forth in laws and regulations, the distribution of surplus shall be decided by the Board of Directors and not according to the regulation of the general meeting of shareholders. By letting the Board of Directors assume rights over the distribution of surplus, the flexible execution of capital policies and dividend policies can be promoted.

(ix) Release of liability of Directors and Executive Officers

The Articles of Incorporation prescribes that based on the provisions of Company Law Article 426-1, the Company may base on the resolution of the Board of Directors exempt the Directors and Executive Officers (including those who were formerly Directors or Executive Officers) prescribed in Article 423-1 of the Law from liabilities to the extent permitted by laws and regulations. The aim is to enable the establishment of an environment for Directors and Executive Officers to demonstrate their capacities fully in the execution of their roles.

(x) Transactions causing conflict of interests between the Company and specific shareholders

Not applicable.

(Translation purposes only)

(2) **【Auditor fees, etc.】**

(i) **【Fees paid to certified public accountants, etc.】**

Previous term end		Current term end	
Payment based on audit attestation duties (million yen)	Payment based on non-audit services (million yen)	Payment based on audit attestation duties (million yen)	Payment based on non-audit services (million yen)
58	-	62	-

(ii) **【Other significant remuneration】**

Previous term end

Not applicable.

Current term end

Not applicable.

(iii) **【Non-audit services for submitting companies by certified public accountants, etc.】**

Previous term end

Not applicable.

Current term end

Not applicable.

(iv) **【Policies for determining audit fees】**

The Company does not prescribe specific provisions on policies for determining audit fees to certified public accountants.

The amount is decided by reviewing suitability based on audit services provided and number of days, etc., and upon acquiring the consent of the Audit Committee beforehand.

(Translation purposes only)

V 【Financial Status】

1 Method of preparing Financial Statements

The Company's Financial Statements are prepared based on the "Rules on Terminology, Format, and Preparation Method of Financial Statements" (1963 Ministry of Finance Ordinance 59).

2 Audit Certification

Based on the provisions in Article 193-2-1 of the Financial Instruments and Exchange Act, the Financial Statements of the Company between June 1, 2016 and May 31, 2017 are audited by Ernst and Young ShinNihon.

3 Consolidated financial statements

The Company does not prepare consolidated financial statements as we have no subsidiaries.

4 Specific efforts for ensuring appropriateness of Financial Statements, etc.

The Company carries out specific efforts to ensure the appropriateness of Financial Statements, etc. Specifically, we have joined the Financial Accounting Standards Foundation, attend seminars held by FASF, audit firms and etc. to appropriately comprehend the contents of accounting standards, etc.

We also prepared internal regulations and manuals as required.

(Translation purposes only)

1. **【Consolidated Financial Documents】**

(1) **【Consolidated Financial Statement】**

Not applicable.

(2) **【Others】**

Not applicable.

(Translation purposes only)

2. 【Financial Documents】

(1) 【Financial Statements】

(i) 【Balance Sheet】

(Unit: Million yen)

	Previous term end (as of May 31, 2016)	Current term end (as of May 31, 2017)
Assets		
Current assets		
Cash and deposits	59,644	43,025
Accounts receivable-trade	19,674	19,629
Prepaid expenses	64	241
Deferred tax assets	2,758	2,322
Short-term loans receivable	100,000	90,300
Other	1,380	2,104
Allowance for doubtful accounts	-2	-2
Total current assets	183,519	157,621
Noncurrent assets		
Property, plant and equipment		
Buildings	17,782	18,221
Accumulated depreciation	-6,058	-6,837
Buildings, net	11,724	11,384
Tools, furniture and fixtures	3,813	5,728
Accumulated depreciation	-2,653	-3,080
Tools, furniture and fixtures, net	1,160	2,648
Land	26,057	26,057
Construction in progress	143	—
Total property, plant and equipment	39,085	40,089
Intangible assets		
Software	5	6
Total intangible assets	5	6
Investments and other assets		
Investment securities	36	36
Deferred tax assets	202	247
Guarantee deposits	381	341
Bankruptcy and reorganization claim	0	0
Other	176	389
Allowance for doubtful accounts	-4	-0
Total investments and other assets	791	1,014
Total noncurrent assets	39,883	41,110
Total assets	223,402	198,731

(Translation purposes only)

(Unit: Million yen)

	Previous term end (as of May 31, 2016)	Current term end (as of May 31, 2017)
Liabilities		
Current liabilities		
Accounts payable-trade	10,514	12,028
Accounts payable-other	5,832	5,109
Income taxes payable	9,195	8,274
Advanced received	56,527	62,594
Deposits received	197	394
Provision for bonuses	2,001	2,035
Provision for director's bonuses	32	22
Provision for product warranties	340	203
Provision for stock benefits	105	215
Other	2,419	2,060
Total current liabilities	87,166	92,940
Noncurrent liabilities		
Other	7	7
Total noncurrent liabilities	7	7
Total liabilities	87,174	92,948
Net assets		
Shareholder's equity		
Capital stock	23,209	23,755
Capital surplus		
Legal capital surplus	6,560	7,106
Total capital surplus	6,560	7,106
Retained earnings		
Other retained earnings		
Retained earnings brought forward	105,836	75,258
Total retained earnings	105,836	75,258
Treasury stock	-221	-898
Total shareholder's equity	135,386	105,221
Subscription rights to shares	841	561
Total net assets	136,227	105,783
Total liabilities and net assets	223,402	198,731

(Translation purposes only)

(ii) [Statement of Income]

(Unit: Million yen)

	Previous term end (From June 1, 2015 to May 31, 2016)	Current term end (From June 1, 2016 to May 31, 2017)
Net sales		
New software licenses and Cloud (SaaS/PaaS/IaaS) net sales	51,929	52,545
Software license updates & product support net sales	78,170	82,727
Hardware systems net sales	22,247	19,551
Service net sales	17,856	18,365
Total net sales	170,203	173,190
Cost of sales		
New software licenses and Cloud (SaaS/PaaS/IaaS) cost of sales	23,165	24,491
Software license updates & product support cost of sales	35,379	37,256
Hardware systems cost of sales	17,939	15,866
Services cost of sales	10,593	10,890
Total cost of sales	87,077	88,504
Gross profit	83,126	84,685
Selling, general and administrative expenses		
Advertising expense	995	1,006
Business consignment expenses	5,595	4,795
Provision for directors' bonuses	32	22
Directors' compensations	119	157
Directors' bonuses	24	17
Salaries for employees	13,567	13,557
Provision for bonuses	1,815	1,279
Bonuses for employees	2,046	2,272
Stock-based compensation expense	77	54
Stock benefit expenses	147	260
Retirement benefit expenses	265	276
Welfare expenses	2,627	2,528
Rent	182	189
Depreciation expenses	932	982
Other	4,470	4,760
Total selling, general and administrative expenses	32,900	32,160
Operating income	50,225	52,524
Non-operating income		
Interest income	73	15
Other	13	10
Total non-operating income	86	25
Non-operating expenses		
Foreign exchange losses	18	30
Other	20	17
Total non-operating expenses	39	48
Ordinary income	50,273	52,502
Extraordinary income		
Gain on reversal of subscription rights to shares	40	169
Total extraordinary income	40	169
Income before income taxes	50,313	52,672
Income taxes-current	16,837	15,921
Income taxes-deferred	-93	389
Total income taxes	16,744	16,311
Net income	33,568	36,360

(Translation purposes only)

【Cost of Sales Statements】

A. New software licenses and Cloud (SaaS/PaaS/IaaS) cost of sales

		Previous term end (From June 1, 2015 to May 31, 2016)		Current term end (From June 1, 2016 to May 31, 2017)	
Category	Note No.	Amount (million yen)	Composit ion (%)	Amount (million yen)	Composit ion (%)
I Labor costs		250	1.1	246	1.0
II Material costs		111	0.5	92	0.4
III Outsourcing costs		1,337	5.7	2,551	10.4
IV Expenses		207	0.9	370	1.5
V Royalty fees		21,258	91.8	21,229	86.7
New software licenses and Cloud (SaaS/PaaS/IaaS) cost of sales		23,165	100.0	24,491	100.0

B. Software license updates & product support cost of sales

		Previous term end (From June 1, 2015 to May 31, 2016)		Current term end (From June 1, 2016 to May 31, 2017)	
Category	Note No.	Amount (million yen)	Composit ion (%)	Category	Note No.
I Labor costs		1,857	5.3	1,823	4.9
II Outsourcing costs		1,147	3.2	1,165	3.1
III Expenses	*	234	0.7	214	0.6
IV Royalty fees		32,140	90.8	34,053	91.4
Software license updates & product support cost of sales		35,379	100.0	37,256	100.0

(Note)* The main breakdown is as follows.

Item	Previous term end(million yen)	Current term end(million yen)
Depreciation expenses	35	37
Rent	77	64

(Translation purposes only)

C. Hardware systems cost of sales

		Previous term end (From June 1, 2015 to May 31, 2016)		Current term end (From June 1, 2016 to May 31, 2017)	
Category	Note No.	Amount (million yen)	Composit ion (%)	Amount (million yen)	Composit ion (%)
I Current term purchase		16,445	91.7	14,603	92.0
II Labor costs		1,316	7.3	1,089	6.9
III Expenses	*	177	1.0	173	1.1
Hardware systems cost of sales		17,939	100.0	15,866	100.0

(Note)* The main breakdown is as follows.

Item	Previous term end (million yen)	Current term end (million yen)
Rent	45	41

D. Services cost of sales

		Previous term end (From June 1, 2015 to May 31, 2016)		Current term end (From June 1, 2016 to May 31, 2017)	
Category	Note No.	Amount (million yen)	Composit ion (%)	Category	Note No.
I Labor costs		6,601	61.1	6,469	58.6
II Outsourcing costs		3,148	29.2	3,550	32.1
III Outsourcing costs	* 1	1,044	9.7	1,032	9.3
Current term total generated costs		10,794	100.0	11,052	100.0
Transfer to other accounts	* 2	201		162	
Services cost of sales		10,593		10,890	

(Note)*1 The main breakdown is as follows.

Item	Previous term end (million yen)	Current term end (million yen)
Rent	182	192
Travel and transportation costs	336	324
Depreciation expenses	94	111

*2 The main breakdown of the transfer to other accounts is as follows.

Item	Previous term end (million yen)	Current term end (million yen)
Outsourcing costs	197	162

(Translation purposes only)

(iii) 【Statement of changes in shareholders' equity】

Previous term end (From June 1, 2015 to May 31, 2016)

(Unit : Million yen)

	Shareholders' equity						
		Capital surplus		Retained earnings			
				Other retained earnings	Retained earnings brought forward		
Balance at the beginning of current period	22,743	6,094	6,094	84,361	84,361	-295	112,903
Changes of items during the period							
Issuance of new shares-exercise of share warrants	466	466	466				932
Dividends from surplus				-12,093	-12,093		-12,093
Net income				33,568	33,568		33,568
Purchase of treasury stock						-6	-6
Sale of treasury stock						80	80
Net changes of items other than shareholders' equity							
Total changes of items during the period	466	466	466	21,475	21,475	74	22,482
Balances at end of current period	23,209	6,560	6,560	105,836	105,836	-221	135,386

	Share warrants	Net assets
Balance at the beginning of current period	922	113,826
Changes of items during the period		
Issuance of new shares-exercise of share warrants		932
Dividends from surplus		-12,093
Net income		33,568
Purchase of treasury stock		-6
Sale of treasury stock		80
Net changes of items other than shareholders' equity	-81	-81
Total changes of items during the period	-81	22,401
Balances at end of current period	841	136,227

(Translation purposes only)

Current term end (From June 1, 2016 to May 31, 2017)

(Unit: Million yen)

	Shareholders' equity						
		Capital surplus		Retained earnings			
				Other retained earnings	Retained earnings brought forward		
Balance at the beginning of current period	23,209	6,560	6,560	105,836	105,836	-221	135,386
Changes of items during the period							
Issuance of new shares-exercise of share warrants	545	545	545				1,091
Dividends from surplus				-66,938	-66,938		-66,938
Net income				36,360	36,360		36,360
Purchase of treasury stock						-830	-830
Sale of treasury stock						153	153
Net changes of items other than shareholders' equity							
Total changes of items during the period	545	545	545	-30,578	-30,578	-677	-30,164
Balances at end of current period	23,755	7,106	7,106	75,258	75,258	-898	105,221

	Share warrants	Net assets
Balance at the beginning of current period	841	136,227
Changes of items during the period		
Issuance of new shares-exercise		1,091
Dividends from surplus		-66,938
Net income		36,360
Purchase of treasury stock		-830
Sale of treasury stock		153
Net changes of items other than shareholders' equity	-279	-279
Total changes of items during the period	-279	-30,444
Balances at end of current period	561	105,783

(Translation purposes only)

(iv) 【Statement of Cash Flows】

(Unit: Million yen)

	Previous term end (From June 1, 2015 to May 31, 2016)	Current term end (From June 1, 2016 to May 31, 2017)
Net cash provided by (used in) operating activities		
Income before income taxes	50,313	52,672
Depreciation expenses and amortization	1,220	1,383
Share-based compensation expenses	100	69
Increase(decrease) in provision for bonuses	249	33
Increase(decrease) in provision for director's bonuses	9	-9
Increase(decrease) in provision for product warranties	133	-136
Increase(decrease) in provision for stock benefits	61	110
Interest and dividend income	-75	-17
Loss (gain) on sales and retirement of noncurrent assets	20	17
Decrease (increase) in notes and accounts receivable-trade	-2,096	44
Decrease (increase) in accounts receivable-other	-44	-300
Decrease (increase) in other current assets	-326	-598
Increase (decrease) in notes and accounts payable-trade	505	1,514
Increase (decrease) in accounts payable-other	79	-578
Increase (decrease) in accrued consumption taxes	-2,242	-297
Increase (decrease) in advances received	13,853	6,067
Increase (decrease) in other current liabilities	-220	565
Other, net	-53	-196
Subtotal	61,488	60,345
Interest and dividends income received	75	14
Income taxes paid	-17,297	-17,273
Net cash provided by (used in) operating activities	44,267	43,087
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-506	-2,575
Purchase of intangible assets	-0	-4
Payments of short-term loans receivable	-100,000	-90,300
Collection of loans receivable	—	100,000
Payments into time deposits	-104,000	-34,000
Proceeds from withdrawal of time deposits	135,000	43,000
Payments for guarantee deposits	-5	-2
Proceeds from collection of guarantee deposits	6	5
Net cash provided by (used in) investing activities	-69,506	16,122
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	791	911
Purchase of treasury stock	-6	-830
Cash dividends paid	-12,095	-66,909
Net cash provided by (used in) financing activities	-11,311	-66,829
Net Increase/(Decrease) in cash and cash equivalents	-36,550	-7,618
Cash and cash equivalents at beginning of period	82,194	45,644
Cash and cash equivalents at end of period	* 45,644	* 38,025

(Translation purposes only)

[Notes to Financial Statements]
(Significant Accounting Policies)

1. Valuation standard and method applied to negotiable securities
Other securities
 - (i) Securities with fair market value: Market value method based on market prices as of the last day of the fiscal period.
(All valuation gains and losses are treated as a component of net assets, with the cost of securities sold calculated according to the moving-average method.
 - (ii) Securities without fair market value: Cost method based on moving-average method
Debt securities without fair market value: Amortized cost method

2. Valuation standard and method applied to inventories
Inventories owned for normal sales.
Valuation standards are based on the cost method (method of writing down the book value based on decrease in profitability)
Products and goods
Weighted average method by month

3. Depreciation method applied to fixed assets
 - (1) Tangible fixed assets
 - (i) Buildings: At straight-line method
 - (ii) Appliances and equipment
 - a. Computer hardware
Straight-line method
 - b. Others
Straight-line method
The useful life of major items are as follows:
 - (i) Buildings: 5 to 38 years
 - (ii) Appliances and equipment
 - a. Personal computers: 2 years
 - b. Computer servers: 3 years
 - c. Others: 5 to 15 years
 - (2) Intangible fixed assets: Straight-line method
Based on an in-house estimated available period (5 years) for software for in-house use.

 4. Accounting standard for allowances
 - (1) Allowance for doubtful accounts
To reserve for loss on doubtful accounts, general allowances are provided using a rate determined by past experience with bad debts. For specific claims such as claims suspected of being irrecoverable, allowances are provided according to the estimates of amounts considered uncollectible after reviewing the possibility of collection on an individual claim basis.
 - (2) Provision for bonuses
To provide for the payment of bonuses to employees, the estimated liabilities in the current period is recorded based on the estimated amount of bonus payment.
 - (3) Provision for directors' bonuses
To provide for the payment of bonuses to directors, the estimated liabilities in the current period is recorded based on the estimated amount of bonus payment.
 - (4) Provision for product warranties
To provide for the expenditure of after-sales service, warranty accrual is established based on estimated future cost of repair and replacement within the warranty period principally using historical experience of warranty claims.
 - (5) Provision for stock benefits
Provision for stock benefits is recorded based on the estimated amount of stock delivery obligations at the end of the fiscal year under review in order to prepare to provide the directors, executive officers and employees with the Company's shares based on the stock delivery regulations.

 5. Revenue recognition policy
As to consulting service revenue and part of software product revenue, the Company accounts for them on the percentage of completion basis.

 6. Scope of funds in statements of cash flow (cash and cash equivalents) consist of cash on hand and cash in trust, deposits and deposits in trust that can be withdrawn at any time, and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash, and bear only an insignificant risk of price fluctuation.

 7. Other important matters which provide basis for preparing financial statements,

(Translation purposes only)

(Additional information)

(Transactions related to BIP Trust)

The Company employs the BIP Trust as an incentive plan to strongly motivate the directors and executive officers of the Company to execute their duties. Accounting processes related to the concerned investment trust agreement conform to "Handling of transactions for distributing company shares through the trust to employees, etc." (Practical Issues Task Force No. 30 March 26, 2015).

(1) Outline of transactions

This system (share incentive system) is added to the system of share warrants (stock options) issued within the scope resolved in the annual meeting of shareholders. Share warrants are allotted via the resolutions of the Compensation Committee and Board of Directors Meeting for the Company's directors and executive officers. After that, the Company's directors and executive officers will be able to select the method of receiving their compensation from the following three methods (Note 1) every time share warrant rights are granted (Note 2).

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 share compensation plan is 4:1 (Note 2).

(i) All in share warrants

(ii) 50% in share warrants, and 50% by the distribution of the Company's shares by this system

(iii) All by the distribution of the Company's shares by this system

(Note) 1 Those who select (ii) or (iii) receive the Company's shares during the trust period from the next year onwards.

2 If the number of share warrants issued is four (equivalent to 400 shares), when this system is selected, a total of 100 of the Company's shares will be provided.

(2) Shares that remain in the trust

Shares that remain in the trust are reported as treasury stock in the net assets portion of the balance sheet. The book value and number of shares of the concerned treasury stock is 42 million yen, 8,826 shares at the end of the previous term, and 227 million yen, 38,165 shares at the end of the current term.

(Transactions related to ESOP Trust) The Company employs the ESOP Trust as an incentive plan aimed at the further promotion of business activities aimed at improving business and at the mid and long term enhancement of corporate values by enhancing employee awareness of the Company's performance and stock prices. Accounting processes related to the concerned investment trust agreement conform to "Handling of transactions for distributing company shares through trust to employees, etc." (Practical Issues Task Force No. 30 March 26, 2015).

(1) Outline of transactions

This ESOP Trust is added to the system of share warrants (stock options) issued within the scope resolved in the annual meeting of shareholders. The Company's shares allotted share warrants via the resolution of the Board of Directors Meeting for employees. After that, employees eligible for the share compensation will be able to select the method of receiving their compensation from the following three methods (Note 1) every time share warrant rights are granted (Note 2)

The conversion ratio of the number of shares delivered in the ESOP Trust to the number of shares granted by share warrants at the time of selecting the share warrant plan and the ESOP Trust is 4:1 (Note 2).

(i) All in share warrants

(ii) 50% in share warrants, and 50% by the distribution of the Company's shares by this system

(iii) All by the distribution of the Company's shares by this system

(Note) 1 Those who select (ii) or (iii) receive the Company's shares during the trust period from the next year onwards.

2 If the number of share warrants issued is four (equivalent to 400 shares), when this system is selected, a total of 100 of the Company's shares will be provided.

(2) Shares that remain in the trust

Shares that remain in the trust are reported as treasury stock in the net assets portion of the balance sheet. The book value and number of shares of the concerned treasury stock is 135 million yen, 28,320 shares at the end of the previous term, and 624 million yen, 106,382 shares at the end of the current term.

(Balance Sheet related)

Not applicable.

(Statement of Income related)

Not applicable.

(Translation purposes only)

(Related to the statement of changes in shareholders' equity)

Previous term (from June 1, 2015 to May 31, 2016)

1 Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2016 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2017 (Thousand shares)
Issued shares Common stock (Note)	127,308	203	-	127,511
Treasury stocks Common stock	62	1	16	46

(Note) 1. Increase of 203 thousand outstanding shares was due to exercise of share warrants.

2. The decrease in the number of shares of treasury stock (16 thousand shares) was due to delivering the Company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (4 thousand shares) and the Employee Stock Ownership Plan (ESOP) Trust (12 thousand shares).

3. The balance of treasury stocks includes 37 thousand treasury stocks owned by the BIP trust (8 thousand shares) and ESOP trust (28 thousand shares).

2 Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	-	-	-	-	-	841
Total		-	-	-	-	-	841

3 Dividend

(1) Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 17, 2015	Common stock	12,093	95	May 31, 2015	August 5, 2015

(Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 17, 2015 includes the 5 million yen dividend for the Company's stock held by Board Incentive Plan Trust (1 million yen) and Employee Stock Ownership Plan Trust (3 million yen).

(Translation purposes only)

(2) Dividend that effective date is in the next term though its reference date was in current term

Resolution	Type of share	Resource of dividend	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 22, 2016	Common stock	Earned surplus	66,938	525	May 31, 2016	August 8, 2016

(Note) 1 The above dividend includes special dividend of 420 yen per share.

2 Total amount of dividend which was resolved at the board of directors meeting which was held on July 22, 2016 includes the 19 million yen dividend for the Company's stock held by Board Incentive Plan Trust (4 million yen) and Employee Stock Ownership Plan Trust (14 million yen).

Current term (from June 1, 2016 to May 31, 2017)

1 Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2016 (Thousand shares)	Number of shares increased in the current term (Thousand shares)	Number of shares decreased in the current term (Thousand shares)	Number of shares as of May 31, 2017 (Thousand shares)
Issued shares Common stock (Note)	127,511	216	-	127,728
Treasury stocks Common stock	46	139	31	154

(Note) 1 Increase of 216 thousand outstanding shares was due to exercise of share warrants.

2 The increase in the number of shares of treasury stock (139 thousand) was due to purchasing the company's own stock for board of directors and employees through the Board Incentive Plan (BIP) Trust (38 thousand) and the Employee Stock Ownership Plan (ESOP) Trust (100 thousand). The decrease in treasury stock by 0 thousand shares represents shares purchased of odd lots

3 The decrease in the number of shares of treasury stock (31 thousand) was due to delivering the company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (9 thousand) and the Employee Stock Ownership Plan (ESOP) Trust (22 thousand).

4 The balance of treasury stocks includes 144 thousand treasury stocks owned by the BIP trust (38 thousand) and ESOP trust (106 thousand).

2 Stock acquisition right

Item	Breakdown of stock acquisition right	Type of shares converted by stock acquisition right	Number of shares converted by stock acquisition right (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Stock acquisition right as stock option	-	-	-	-	-	561
Total		-	-	-	-	-	561

3 Dividend

(1) Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 22, 2016	Common stock	66,938	525	May 31, 2016	August 8, 2016

(Note) 1 The above dividend includes special dividend of 420 yen per share.

2 Total amount of dividend which was resolved at the board of directors meeting which was held on July 22, 2016 includes the 19 million yen dividend for the Company's stock held by Board Incentive Plan Trust (4 million yen) and Employee Stock Ownership Plan Trust (14 million yen).

(Translation purposes only)

(2) Dividend that effective date is in the next term though its reference date was in current term

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Resolution
Board of director held on July 20, 2017	Common Stock	Earned surplus	14,559	114	May 31, 2017	August 7, 2017

(Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 20, 2017 includes the 16 million yen dividend for the Company's stock held by the trusts (Board Incentive Plan Trust (4 million yen) and Employee Stock Ownership Plan Trust (12 million yen)).

[Related to the statement of cash flows]

	Previous term end (From June 1, 2015 to May 31, 2016) (million yen)	Current term end (From June 1, 2016 to May 31, 2017) (million yen)
Cash and deposits	59,644	43,025
Time deposits of over 3 months	-14,000	-5,000
Cash and cash equivalents	45,644	38,025

(Lease transactions related)

Not applicable.

(Financial instruments)

1. Qualitative information on financial instruments

(1) Policies for using financial instruments

With respect to fund management, the Company ensures a very high level of safety and appropriate liquidity, being limited to investing in highly rated Yen-denominated securities and depositing funds at highly rated financial institutions under the Company's fund management regulations (which conform to the global policy of Oracle Corporation).

In addition, we will not conduct derivative transactions.

(2) Details of financial instruments used and the exposure to risk and how it arises

Notes receivable, accounts receivable-trade, and accounts receivable-other are exposed to the credit risks of counterparties. The Company seeks to mitigate these risks through due date control and balance management for each counterparty, while determining the credit standing of each counterparty regularly under the Company's credit management regulations (which conform to the global policy of Oracle Corporation).

Securities and investment securities are exposed to the market price fluctuation risk and credit risk. The Company seeks to mitigate these risks by limiting investments to investments in highly rated securities in yen and by regularly monitoring the market values of securities and the financial situations of the issuers.

Accounts payable-trade, which are trade payables, are settled in the short term.

(3) Supplementary information on fair values

The fair value of financial instruments is calculated based on quoted market price or, in cases where there is no market price, by making a reasonable estimation. Because the preconditions applied include fluctuation factors, estimations of fair value may vary.

(Translation purposes only)

2. Market value of financial instruments

Amounts recognized in the balance sheet, market values, and the differences between them on May 31, 2017 are as shown below. Moreover, items for which it is extremely difficult to determine market values are not included in the following table (see (Note2)).

Previous term end (as of May 31, 2016)

(Unit: Million yen)

	Book value	Market value	Difference
(1) Cash and deposits	59,644	59,644	-
(2) Accounts receivable-trade	19,674		
Allowance for doubtful accounts(*)	-2		
Net	19,671	19,671	-
(3) Short-term loans receivable	100,000	100,000	-
Total assets	179,316	179,316	-
(1) Accounts payable-trade	10,514	10,514	-
(2) Accounts payable-other	5,832	5,832	-
(3) Income taxes payable	9,195	9,195	-
Total liabilities	25,542	25,542	-

(*) Allowance for doubtful accounts recognized in accounts receivable-trade.

Current term end (as of May 31, 2017)

(Unit: Million yen)

	Book value	Market value	Difference
(1) Cash and deposits	43,025	43,025	-
(2) Accounts receivable-trade	19,629		
Allowance for doubtful accounts (*)	-2		
Net	19,626	19,626	-
(3) Short-term loans receivable	90,300	90,300	-
Total assets	152,952	152,952	-
(1) Accounts payable-trade	12,028	12,028	-
(2) Accounts payable-other	5,109	5,109	-
(3) Income taxes payable	8,274	8,274	-
Total liabilities	25,412	25,412	-

(*) Allowance for doubtful accounts recognized in accounts receivable-trade.

(Note) 1 Calculation of the market value of financial instruments

Assets

(1) Cash and deposits (2) Accounts receivable-trade (3) Short-term loans receivable

Because, the settlement periods of the above items are short and their market values are almost the same as their book values, the relevant book values are used.

Liabilities

(1) Accounts payable-trade (2) Accounts payable-other (3) Income taxes payable

Because the settlement periods of the above items are short and their market values are almost the same as their book

(Translation purposes only)

values, the relevant book values are used.

(Note) 2 Financial instruments for which it is extremely difficult to determine market value

(Unit : Million yen)

Category	May 31, 2016	May 31, 2017
Unlisted equity securities	36	36

Because it is recognized that this does not have market values and the fair market values are extremely difficult to determine, unlisted equity securities don't include in the schedule above.

(Note) 3 Redemption amount after settlement date of monetary claims

Previous term end (as of May 31, 2016)

	Within 1 year (million yen)	Over 1 year but within 5 years (million yen)	Over 5 years but within 10 years (million yen)	Over 10 years (million yen)
Cash and deposits	59,644	-	-	-
Accounts receivable-trade	19,674	-	-	-
Short-term loans receivable	100,000	-	-	-
Total	179,318	-	-	-

Current term end (as of May 31, 2017)

	Within 1 year (million yen)	Over 1 year but within 5 years (million yen)	Over 5 years but within 10 years (million yen)	Over 10 years (million yen)
Cash and deposits	43,025	-	-	-
Accounts receivable-trade	19,629	-	-	-
Short-term loans receivable	90,300	-	-	-
Total	152,955	-	-	-

(Securities)

1 Other securities

Previous term end (As of May 31, 2016)

Not applicable.

Current term end (As of May 31, 2017)

Not applicable.

2 Other securities sold during the fiscal year

Previous term end (From June 1, 2016 to May 31, 2017)

Not applicable.

Current term end (From June 1, 2016 to May 31, 2017)

Not applicable.

(Derivative transactions)

As the Company does not use derivative transactions at all, this is not applicable.

(Translation purposes only)

(Retirement benefits related)

Previous term end (From June 1, 2015 to May 31, 2016)

1 Outline of retirement benefits system used

The Company has been adopting the defined contribution pension system since January 2002 with the enforcement of the Defined Contribution Pension Law.

2 Defined contribution plans

The amount paid to the defined contribution plans is 409 million yen.

Current term end (From June 1, 2016 to May 31, 2017)

1 Outline of adopted retirement benefits system

The Company has been adopting the defined contribution pension system since January 2002 with the enforcement of the Defined Contribution Pension Law.

2 Defined contribution plans

The amount paid to the defined contribution plans is 424 million yen.

(Stock options related)

1 Expenses recorded and account name

	Previous term end (million yen)	Current term end (million yen)
Cost of sales	23	15
Selling, general and administrative expenses (Stock compensation expenses)	77	54

2 Amount reported as profits due to expiry from non-exercise of rights

	Previous term end (million yen)	Current term end (million yen)
Gain on reversal of subscription rights to shares	40	169

(Translation purposes only)

3 Stock option details, scale, and fluctuation status

(1) Stock option details

	2006 1 st stock option	2007 2 nd stock option
Category and number of granted persons	Company employees 1,135 persons	Company employees 984 persons
No. of stock options (Note)	Common stock 283,600 shares	Common stock 280,100 shares
Date granted	December 25, 2006	October 15, 2007
Rights allotment condition	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) Must be working continuously from the date of grant (December 25, 2006) to date of rights allotment (December 25, 2008).</p> <p>(2) Must be working continuously from the date of grant (December 25, 2006) to date of rights allotment (December 25, 2010).</p>	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) Must be working continuously from the date of grant (October 15, 2007) to date of rights allotment October 15, 2009).</p> <p>(2) Must be working continuously from the date of grant (October 15, 2007) to date of rights allotment October 15, 2011).</p>
Applicable working period	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) From December 25, 2006 to December 25, 2008</p> <p>(2) From December 25, 2006 to December 25, 2010</p>	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) From October 15, 2007 to October 15, 2009</p> <p>(2) From October 15, 2007 to October 15, 2009</p>
	<p>From December 25, 2008 To August 29, 2016</p> <p>1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised.</p> <p>Must be a director or employee of the Company to exercise share warrants.</p> <p>However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors and employees of the Company who have lost their positions.</p>	<p>From October 15, 2009 to August 29, 2017</p> <p>Same as left</p>

(Note) Indicated converted to number of shares.

(Translation purposes only)

	2008 1 st stock option	2008 2 nd stock option
Category and number of granted persons	Company director (Note) 1 5 persons Company employees 472 persons	Company employees 1 person
Number of stock options(Note)2	Common stock 311,600 shares	Common stock 5,000 shares
Date granted	October 15, 2008	January 15, 2009
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 15, 2008) to date of rights allotment (October 15, 2010). (2) Must be working continuously from the date of grant (October 15, 2008) to date of rights allotment (October 15, 2012).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (January 15, 2009) to date of rights allotment (January 15, 2011). (2) Must be working continuously from the date of grant (January 15, 2009) to date of rights allotment (January 15, 2013).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From October 15, 2008 to October 15, 2010 (2) From October 15, 2008 to October 15, 2012	As follows for every 1/2 of allotted rights. (1) From January 15, 2009 to January 15, 2011 (2) From January 15, 2009 to January 15, 2013
	From October 15, 2010 to September 30, 2018 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From January 15, 2011 to December 23, 2018 Same as left

(Note) 1 Includes three persons working concurrently as executive officers.

2 Indicated converted to number of shares.

(Translation purposes only)

	2009 1 st stock option	2010 1 st stock option
Category and number of granted persons	Company director (Note) 1 4 persons Company employees 478 persons	Company director (Note) 1 4 persons Company employees 460 persons
Number of stock options(Note)2	Common stock 306,300 shares	Common stock 306,200 shares
Date granted	October 15, 2009	October 15, 2010
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 15, 2009) to date of rights allotment (October 15, 2011). (2) Must be working continuously from the date of grant (October 15, 2009) to date of rights allotment (October 15, 2013).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 15, 2010) to date of rights allotment (October 15, 2012). (2) Must be working continuously from the date of grant (October 15, 2010) to date of rights allotment (October 15, 2014).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From October 15, 2009 to October 15, 2011 (2) From October 15, 2009 to October 15, 2013	As follows for every 1/2 of allotted rights. (1) From October 15, 2010 to October 15, 2012 (2) From October 15, 2010 to October 15, 2014
	From October 15, 2011 to September 25, 2019 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From October 15, 2012 to September 22, 2020 Same as left

(Note) 1 Includes two persons working concurrently as executive officers.

2 Indicated converted to number of shares.

(Translation purposes only)

	2011 1 st stock option	2011 2 nd stock option
Category and number of granted persons	Company director (Note) 1 4 persons Company employees 255 persons	Company employees 1 person
Number of stock options(Note)2	Common stock 313,700 shares	Common stock 5,000 shares
Date granted	September 28, 2011	July 2, 2012
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (September 28, 2011) to date of rights allotment (September 28, 2013). (2) Must be working continuously from the date of grant September 28, 2011) to date of rights allotment (September 28, 2015).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (July 2, 2012) to date of rights allotment (July 2, 2014). (2) Must be working continuously from the date of grant (July 2, 2012) to date of rights allotment (July 2, 2016).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From September 28, 2011 to September 28, 2013 (2) From September 28, 2011 to September 28, 2015	As follows for every 1/2 of allotted rights. (1) From July 2, 2012 to July 2, 2014 (2) From July 2, 2012 to July 2, 2016
	From September 28, 2013 to September 13, 2021 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From July 2, 2014 to September 13, 2021 Same as left

(Note) 1 Includes two persons working concurrently as executive officers.

2 Indicated converted to number of shares.

(Translation purposes only)

	2012 1 st stock option	2013 1 st stock option
Category and number of granted persons	Company director (Note) 1 4 persons Company employees 201 persons	Company director (Note) 1 4 persons Company executive officer 1 person Company employees 202 persons
Number of stock options(Note)2	Common stock 322,700 shares	Common stock 289,700 shares
Date granted	September 28, 2012	September 30, 2013
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (September 28, 2012) to date of rights allotment (September 28, 2014). (2) Must be working continuously from the date of grant (September 28, 2012) to date of rights allotment (September 28, 2016).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (September 30, 2013) to date of rights allotment (September 30, 2015). (2) Must be working continuously from the date of grant (September 30, 2013) to date of rights allotment (September 30, 2017).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From September 28, 2012 to September 28, 2014 (2) From September 28, 2012 to September 28, 2016	As follows for every 1/2 of allotted rights. (1) From September 30, 2013 to September 30, 2015 (2) From September 30, 2013 to September 30, 2017
	From September 28, 2014 to September 12, 2022 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From September 30, 2015 to September 13, 2023 Same as left

(Note) 1 Includes two persons working concurrently as executive officers.

2 Indicated converted to number of shares.

(Translation purposes only)

	2013 2 nd stock option	2013 3 rd stock option
Category and number of granted persons	Company employee 1 person	Company executive officer (Note) 1 1 person
Number of stock options(Note)2	Common stock 5,000 shares	Common stock 35,000 shares
Date granted	November 15, 2013	April 15, 2014
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (November 15, 2013) to date of rights allotment (November 15, 2015). (2) Must be working continuously from the date of grant (November 15, 2013) to date of rights allotment (November 15, 2017).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (April 15, 2014) to date of rights allotment (April 15, 2016). (2) Must be working continuously from the date of grant (April 15, 2014) to date of rights allotment (April 15, 2018).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From November 15, 2013 to November 15, 2015 (2) From November 15, 2013 to November 15, 2017	As follows for every 1/2 of allotted rights. (1) From April 15, 2014 to April 15, 2016 (2) From April 15, 2014 to April 15, 2018
	From November 15, 2015 to September 13, 2023 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From April 15, 2016 to September 13, 2023 Same as left

(Note) 1 Appointed concurrent position of director and executive officer at the 29th General Meeting of Shareholders held on August 21, 2004.

2 Indicated converted to number of shares.

(Translation purposes only)

	2014 1 st stock option	2014 2 nd stock option
Category and number of granted persons	Company director (Note) 1 4 persons Company employees 268 persons	Company employee 1 person
Number of stock options(Note)2	Common stock (Note) 3 315,800 shares	Common stock (Note) 4 2,800 shares
Date granted	September 30, 2014	July 31, 2015
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (September 30, 2014) to date of rights allotment (September 30, 2016). (2) Must be working continuously from the date of grant (September 30, 2014) to date of rights allotment (September 30, 2018).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (July 31, 2015) to date of rights allotment (July 31, 2017). (2) Must be working continuously from the date of grant (July 31, 2015) to date of rights allotment (July 31, 2019).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From September 30, 2014 to September 30, 2016 (2) From September 30, 2014 to September 30, 2018	As follows for every 1/2 of allotted rights. (1) From July 31, 2015 to July 31, 2017 (2) From July 31, 2015 to July 31, 2019
	From September 30, 2016 to September 16, 2024 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From July 31, 2017 to September 16, 2024 Same as left

(Note) 1 Includes two persons working concurrently as executive officers.

2 Indicated converted to number of shares.

3 Of the 315,800 stock options above during the 30th business term (ended May 31, 2015), 286,100 were relinquished, and BIP Trust and ESOP Trust were selected.

4 Of the 5,500 stocks allotted during the 31st business term (ended May 31, 2016), the ESOP Trust and 2,700 shares were selected. The conversion ratio of the number of shares delivered in the ESOP Trust to the number of shares granted by share warrants at the time of selecting the share warrant plan and the ESOP Trust is 4:1.

(Translation purposes only)

	2015 1 st stock option	2016 1 st stock option
Category and number of granted persons	Company directors 1 person Company employees 47 persons	Company employee 24 persons
Number of stock options (Note) 1	Common stock (Note) 2 52,900 shares	Common stock (Note) 3 30,900 shares
Date granted	September 30, 2015	October 5, 2016
Rights allotment condition	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (September 30, 2015) to date of rights allotment (September 30, 2017). (2) Must be working continuously from the date of grant (September 30, 2015) to date of rights allotment (September 30, 2019).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 5, 2016) to date of rights allotment (October 5, 2018). (2) Must be working continuously from the date of grant (October 5, 2016) to date of rights allotment (October 5, 2020).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From September 30, 2015 to September 30, 2017 (2) From September 30, 2015 to September 30, 2019	As follows for every 1/2 of allotted rights. (1) From October 5, 2016 to October 5, 2018 (2) From October 5, 2016 to October 5, 2020
	From September 30, 2017 to September 16, 2025 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From October 5, 2018 to September 21, 2026 Same as left

(Note) 1 Indicated converted to number of shares.

2 Of the 330,000 stocks allotted during the 31st business term (ended May 31, 2016), the BIP Trust, ESOP Trust and 277,100 shares were selected. The conversion ratio of the number of shares delivered in the BIP Trust and ESOP Trust to the number of shares granted by share warrants at the time of selecting the BIP Trust and ESOP Trust is 4:1.

3 Of the 350,000 stocks allotted at the end of the current term, the BIP Trust, ESOP Trust and 319,100 shares were selected. The conversion ratio of the number of shares delivered in the BIP Trust and ESOP Trust to the number of shares granted by share warrants at the time of selecting the share warrants system, BIP Trust, and ESOP Trust is 4:1.

(Translation purposes only)

(2) Stock options scale, and fluctuation status

The number of stock options existing in the current term is converted to number of shares.

(i) Number of stock options

	2006 1 st stock option	2007 2 nd stock option	2008 1 st stock option	2008 2 nd stock option
Before rights allotment (shares)				
End of previous term	-	-	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Allotment of rights	-	-	-	-
Undetermined remainder	-	-	-	-
After rights allotment (shares)				
End of previous term	102,500	121,700	108,100	400
Allotment of rights	-	-	-	-
Exercise of rights	12,400	22,900	28,100	400
Expired	90,100	3,700	1,300	-
Non-exercised remainder	-	95,100	78,700	-
	2009 1 st stock option	2010 1 st stock option	2011 1 st stock option	2011 2 nd stock option
Before rights allotment (shares)				
End of previous term	-	-	-	2,500
Granted	-	-	-	-
Expired	-	-	-	-
Allotment of rights	-	-	-	2,500
Undetermined remainder	-	-	-	-
After rights allotment (shares)				
End of previous term	95,500	116,400	89,000	2,500
Allotment of rights	-	-	-	2,500
Exercise of rights	36,100	21,000	23,600	-
Expired	300	1,800	2,000	-
Non-exercised remainder	59,100	93,600	63,400	5,000

(Translation purposes only)

	2012 1 st stock option	2013 1 st stock option	2013 2 nd stock option	2013 3 rd stock option
Before rights allotment (shares)				
End of previous term	92,900	95,100	2,500	17,500
Granted	-	-	-	-
Expired	3,200	8,100	-	-
Allotment of rights	89,700	-	-	-
Undetermined remainder	-	87,000	2,500	17,500
After rights allotment (shares)				
End of previous term	74,300	77,500	2,500	14,800
Allotment of rights	89,700	-	-	-
Exercise of rights	46,300	19,300	2,500	2,700
Expired	2,100	300	-	-
Non-exercised remainder	115,600	57,900	-	12,100
	2014 1 st stock option	2014 2 nd stock option	2015 1 st stock option	2016 1 st stock option
Before rights allotment (shares)				
End of previous term	23,800	2,800	50,800	-
Granted	-	-	-	30,900
Expired	1,700	-	6,700	800
Allotment of rights	12,600	-	-	-
Undetermined remainder	9,500	2,800	44,100	30,100
After rights allotment (shares)				
End of previous term	-	-	-	-
Allotment of rights	12,600	-	-	-
Exercise of rights	1,400	-	-	-
Expired	100	-	-	-
Non-exercised remainder	11,100	-	-	-

(Translation purposes only)

(2) Unit cost

		2006 1 st stock option	2007 2 nd stock option
Exercise price	(yen)	5,490	5,240
Ave. stock price in exercise	(yen)	6,133	6,266
Fair valuation unit price (Date of grant)	(yen)	1,732	1,485

		2008 1 st stock option	2008 2 nd stock option
Exercise price	(yen)	4,787	3,819
Ave. stock price in exercise	(yen)	6,090	6,540
Fair valuation unit price (Date of grant)	(yen)	736	650

		2009 1 st stock option	2010 1 st stock option
Exercise price	(yen)	3,930	4,338
Ave. stock price in exercise	(yen)	6,110	6,145
Fair valuation unit price (Date of grant)	(yen)	649	534

		2011 1 st stock option	2011 2 nd stock option
Exercise price	(yen)	2,698	3,390
Ave. stock price in exercise	(yen)	6,119	-
Fair valuation unit price (Date of grant)	(yen)	524	648

		2012 1 st stock option	2013 1 st stock option
Exercise price	(yen)	4,025	3,942
Ave. stock price in exercise	(yen)	6,136	6,171
Fair valuation unit price (Date of grant)	(yen)	828	648

		2013 2 nd stock option	2013 3 rd stock option
Exercise price	(yen)	4,045	4,395
Ave. stock price in exercise	(yen)	5,921	6,580
Fair valuation unit price (Date of grant)	(yen)	824	904

(Translation purposes only)

		2014 1 st stock option	2014 2 nd stock option
Exercise price	(yen)	4,280	5,335
Ave. stock price in exercise	(yen)	6,036	-
Fair valuation unit price (Date of grant)	(yen)	876	889

		2015 1 st stock option	2016 1 st stock option
Exercise price	(yen)	5,200	5,962
Ave. stock price in exercise	(yen)	-	-
Fair valuation unit price (Date of grant)	(yen)	847	972

4 Stock option fair valuation unit estimation method

The method of estimating the fair valuation unit for the 2016 first stock options granted at the current term end is as follows.

- (i) Used valuation method Black-Scholes method
- (ii) Main fundamental figures and estimation method

	2016 1 st stock options
Stock Volatility (Note) 1	25.8%
Expected remaining time (Note) 2	6.5 years
Expected dividend yielding (Note) 3	1.85%
Non-risk interest rated (Note) 4	-0.23%

(Note) 1 Calculated based on actual stock prices in the period in respect to the expected remaining period.

2 As reasonable estimation is difficult, estimated taking that rights will be exercised at the center point of the rights exercise period.

3 Based on the dividend payouts in the May 2016 term (excluding special dividends).

4 Interest of national bonds in the term in respect to the expected remaining period.

5 Method of estimating number of stock option rights allotted

Basically, as it is difficult to reasonable estimate the number expired in the future, a method which reflects only the number which have expired is used.

(Translation purposes only)

(Tax effect accounting related)

1 Main reasons for the generation of deferred tax assets and deferred tax liabilities

(Deferred tax assets)

(Unit: Million yen)

	Previous term end (as of May 31, 2016)	Current term end (as of May 31, 2017)
(1) Current assets		
Accounts payable-other	550	517
Enterprise tax payable	577	341
Advanced received	883	837
Provision for bonuses	561	468
Other	184	157
Total	2,758	2,322
(2) Noncurrent assets		
Depreciation expenses excess	137	173
Investment securities valuation loss	18	18
Other	45	56
Total	202	247

2 Due to the important difference between the effective statutory tax rate and burden rate of the corporate tax, etc. after tax effect accounting is imposed, the details of the main reasons for the difference are indicated.

As the difference in the previous term end and in current term end are below 5/100 of the effective statutory tax rate, it has been omitted here.

(Asset retirement obligations)

Omitted as not important.

(Real estate related such as rent)

Not applicable.

(Translation purposes only)

【Segment Information】

1. Overview of Reportable Segments

The reportable segments of the Company are segments for which separate financial statements are available and which the supreme decision-making body examines regularly to determine the distribution of management resources and to evaluate performance. Based on organizational structures and the characteristics of products and services, the Company has classified business segments into four reportable segments: New software licenses and Cloud (SaaS/PaaS/IaaS), Software license updates & product support, Hardware systems, and Services.

New software licenses and Cloud (SaaS/PaaS/IaaS) segment sells variety of licenses and software services via the Internet of database management software, middleware, and application software that are used in corporate activities.

The Software license updates & product support segment provides software license update rights and technical support.

The Hardware systems segment sells hardware including servers and storage products, and provides technical support for hardware products and the maintenance and repair of hardware.

The Services segment offers Consulting services, Advanced customer support services, and Education services.

2. Accounting methods used to calculate segment income (loss), segment assets and other items for reportable segments

Accounts for reportable segments are for the most part calculated in line with Significant Accounting Policies. Segment income (loss) for reportable segments is based on operating income (loss).

3. Segment income (loss), segment assets and other items for reportable segments

Previous term (from June 1, 2015 to May 31, 2016)

(Unit: Million Yen)

	Reportable operating segments						
	New software licenses and Cloud (SaaS/PaaS/IaaS)	Software license updates & product support	Hardware systems	Services	Total		
Sales							
External customers	51,929	78,170	22,247	17,856	170,203	-	170,203
Intersegment net sales or transfer	-	-	-	-	-	-	-
Total	51,929	78,170	22,247	17,856	170,203	-	170,203
Operating income (loss)	7,984	41,498	1,091	4,267	54,841	-4,615	50,225
Other item							
Depreciation (Note) 3	630	60	118	128	938	282	1,220

(Notes) 1 A segment profit adjustment of minus 4,615 million yen is a Company-wide expense, which primarily relates to administrative departments that do not belong to any reported segment.

2 Segment profits are adjusted in comparison with operating income in the statement of income.

3 Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.

4 Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

(Translation purposes only)

Current term (from June1, 2016 to May 31, 2017)

(Unit: Million Yen)

	Reportable operating segments						
	New software licenses and Cloud (SaaS/PaaS/IaaS)	Software license updates & product support	Hardware systems	Services	Total		
Sales							
External customers	52,545	82,727	19,551	18,365	173,190	-	173,190
Intersegment net sales or transfer	-	-	-	-	-	-	-
Total	52,545	82,727	19,551	18,365	173,190	-	173,190
Operating income (loss)	7,638	44,003	930	4,634	57,206	-4,681	52,524
Other item							
Depreciation (Note) 3	747	66	135	153	1,103	280	1,383

(Notes): 1 A segment profit adjustment of minus 4,681 million yen is a Company-wide expense, which primarily relates to administrative departments that do not belong to any reported segment.

2 Segment profits are adjusted in comparison with operating income in the statement of income.

3 Depreciation in Adjustment primarily relates to administrative departments that do not belong to any reportable segment.

4 Based on the decision of management, the supreme decision-making body does not allocate segment information on assets to reportable segments. Consequently, the Company does not disclose that information.

【Related information】

Previous term end (From June 1, 2015 to May 31, 2016)

1 Information by product and service

As the same information as segment information is disclosed, this has been omitted here.

2 Information by region

(1) Net sales

As net sales for outside customers in Japan exceed 90% of the net sales in the Statement of Income, this has been omitted here.

(2) Property, plant and equipment

As there are no properties, plants, and equipment located outside Japan, this has been omitted here.

3 Information by main customer

(Unit: Million yen)

Customer name	Net sales	Related segment name
NEC Corporation	20,796	New software licenses and Cloud (SaaS/PaaS/IaaS), Software license updates & product support, Hardware systems and Services
Fujitsu Limited	19,163	New software licenses and Cloud (SaaS/PaaS/IaaS), Software license updates & product support, Hardware systems and Services

(Translation purposes only)

Current term end(From June 1, 2016 to May 31, 2017)

1 Information by product and service

As the same information as segment information is disclosed, this has been omitted here.

2 Information by region

(1) Net sales

As net sales for outside customers in Japan exceed 90% of the net sales in the Statement of Income, this has been omitted here.

(2) Property, plant and equipment

As there are no properties, plants, and equipment located outside Japan, this has been omitted here.

3 Information by main customer

(Unit: Million yen)

Customer name	Net sales	Related segment name
NEC Corporation	18,390	New software licenses and Cloud (SaaS/PaaS/IaaS), Software license updates & product support, Hardware systems and Services

【Information on impairment loss of noncurrent assets for each reported segment】

Not applicable.

【Information on amortization of goodwill and undepreciated balance for each reported segment】

Not applicable.

【Information on gain on negative goodwill for each reported segment】

Not applicable.

(Equity in earnings, etc.)

Not applicable.

(Translation purposes only)

【Notes to transactions with related parties】

1 Transactions with related parties

(1) Companies with the same parent company as that submitting financial statements, etc. and subsidiaries of other related companies of companies submitting financial statements

Previous term end (From June 1, 2015 to May 31, 2016)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
							Payments of short-term loans receivable (Note) 1	100,000	Short-term loans receivable	100,000
								31,823	Accounts payable-trade	5,319
								19,335	Accounts payable-other	3,850
Subsidiary of parent company	Oracle International Corporation	U.S. California	0 000 US dollars	Possess/ manage intellectual assets	—	Conclusion of sales agency agreements	Payment of royalties (Note) 3	40,572	Accounts payable-trade	3,689

(Note) Terms and conditions of transactions and decision of terms and conditions of transactions

- 1 The interest rate on loans is determined rationally after the market interest rate is taken into account. Interest income from the corresponding transactions booked in this fiscal year is 0 million yen.
- 2 The settlement of funds for transactions among Group companies of Oracle Corporation (not including transactions with Oracle International Corporation) is processed through the account of Oracle America, Inc. The above transaction amounts in accounts payable and accounts payable-other are settlements, the majority of which are the payments of royalties (12,344 million yen recorded this fiscal year) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company, Minato-ku Tokyo) and the purchases of products and services (16,224 million yen recorded this fiscal year) relating to the Hardware Systems segment. In addition, royalties and prices for products and services purchased are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards.
- 3 Royalties are set at certain ratios of sales of Oracle products, with the ratios agreed between Oracle Corporation and Group companies that handle Oracle products, including our Company, using reasonable standards.

(Translation purposes only)

Current term end(From June 1, 2016 to May 31, 2017)

Attribute	Corporate name	Location	Capital stock or capital amount	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
							Payments of short-term loans receivable (Note) 1	90,300		
							Collection of Short-term loan receivable (Note) 1	100,000		
								30,904	Accounts payable-other	6,531
								17,446	Accounts payable-trade	3,283
Subsidiary of parent company	Oracle International Corporation	U.S. California	0 000 US dollars	Development/sales of software and hardware, and provision of related services	—	Conclusion of sales agency agreements	Payment of royalties (Note) 3	42,473	Short-term loans receivable	4,744

(Note) Terms and conditions of transactions and decision of terms and conditions of transactions

- 1 The interest rate on loans is determined rationally after the market interest rate is taken into account. Interest income 8 million yen has been booked in this fiscal year (accumulated interest income is 9 million yen).
- 2 The settlement of funds for transactions among Group companies of Oracle Corporation (not including transactions with Oracle International Corporation) is processed through the account of Oracle America, Inc. The above transaction amounts in accounts payable and accounts payable-other are settlements, the majority of which are the payments of royalties (12,532 million yen in FY17) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products and services (14,691 million yen in FY17) relating to the Hardware Systems segment. In addition, royalties and prices for products and services purchased are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards.
- 3 Royalties are set at certain ratios of sales of Oracle products, with the ratios agreed between Oracle Corporation and Group companies that handle Oracle products, including our Company, using reasonable standards.

(Translation purposes only)

(2) Officers and major shareholders of companies submitting financial statements (Limited to individuals)

Previous term end (From June 1, 2015 to May 31, 2016)

Related party	Name	Location	Capital stock or capital amount (million yen)	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Officer	Hiroshige Sugihara	-	-	The company's director	(being possessed) direct 0.00	-	Execution of right of stock option (Note) 2	11	-	-
Officer	Shigeru Nosaka	-	-	The company's director	(being possessed) direct 0.00	-	Execution of right of stock option (Note) 2	122	-	-
Officer	Shuhei Murakami	-	-	The company's director	(being possessed) direct 0.00	-	Execution of right of stock option (Note) 2	11	-	-
Officer	Tomomitsu Misawa (Note) 1	-	-	The company's executive officer	(being possessed) direct 0.00	-	Execution of right of stock option (Note) 2	102	-	-

(Note) 1 Mr. Tomomitsu Mitsuzawa retired as an executive on March 18, 2016. The above is related to his appointment term as of the end of the current term.

2 Exercise of rights at the end of the current term of stock options granted based on the resolution of the Company's general meeting of shareholders is indicated.

(Translation purposes only)

Current term end (From June 1, 2016 to May 31, 2017)

Related party	Name	Location	Capital stock or capital amount (million yen)	Business details or profession	Ratio of voting and other rights in possession (or being possessed) (%)	Relationship	Transactions	Transaction amount (million yen)	Item	Term-end balance (million yen)
Officer	Hiroshige Sugihara	-	-	The company's Director	(being possessed) direct 0.00	-	Execution of right of stock option (Note)	11	-	-
Officer	Shigeru Nosaka	-	-	The company's Director	(being possessed) direct 0.00	-	Execution of right of stock option (Note)	64	-	-
Officer	Hisayuki Ishizumi	-	-	The company's executive officer	(being possessed) direct 0.00	-	Execution of right of stock option (Note)	106	-	-
Officer	Tadahiro Kaneko	-	-	The company's executive officer	(being possessed) direct 0.00	-	Execution of right of stock option (Note)	12	-	-

(Note) Exercise of rights at the end of the current term of stock options granted based on the resolution of the Company's general meeting of shareholders is indicated.

2 Note on parent companies and important related companies

(1) Information on parent companies

The parent companies, etc. of Oracle Corporation Japan are Oracle Corporation, Oracle Systems Corporation, Oracle Global Holdings Inc, and Oracle Japan Holding Inc. Our actual parent company Oracle Corporation is a foreign listed company (New York Stock Exchange). Oracle Systems Corporation is a subsidiary of Oracle Corporation and parent company of Oracle Global Holdings Inc. Our direct parent company Oracle Japan Holding Inc. is a subsidiary of Oracle Global Holdings Inc.

Oracle Corporation continues to disclose financial reports of the above four companies including Oracle Corporation Japan.

(2) Condensed financial information of important related companies

Not applicable.

(Translation purposes only)

(Per Share Data)

(Unit: Yen)

Item	Previous term (From June 1, 2015 to May 31, 2016)	Current term (From June 1, 2016 to May 31, 2017)
Net assets per share	1,062.14	824.79
Net income per share	263.64	285.11
Net income per share (diluted)	263.14	284.55

(Note) The basis of calculation for net income per share and net income per share (diluted) is as shown below.

	Previous term end (From June 1, 2015 to May 31, 2016)	Current term end (From June 1, 2016 to May 31, 2017)
Net income per share		
Net income (millions of yen)	33,568	36,360
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	33,568	36,360
Average number of shares during the term (shares)	127,328,145	127,531,594
Net income per share (diluted)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (shares)	244,016	253,347
Details of shares not included in calculation of diluted net income per share due to non-dilative effect	Subscription right (Type: 3 Numbers: 1,561) Details are described in “Part 4 Status of Submitting Company, 1 Status of Stocks, etc. (2) Status of share warrants, etc.”	Subscription right (Type: 1 Numbers:301) Same as left

(Note) Posted as treasury stock included in shareholders' equity, the treasury shares which remain in the BIP trust and the ESOP trust are included in the treasury stock to be deducted in the calculation of the number of average shares outstanding during the term in order to calculate the net income per share and net income per share (diluted). The average number of treasury shares during the term deducted in the calculation of net income per share and net income per share (diluted) were, specifically, 10,294 treasury shares owned by the BIP trust and 32,686 treasury shares owned by the ESOP trust for last year, 19,173 treasury shares owned by the BIP trust and 55,175 treasury shares owned by the ESOP trust for this year.

The Company's stock held by Board Incentive Plan Trust and Employee Stock Ownership Plan Trust deducted in the calculation of net assets per share were, specifically, 8,826 treasury shares owned by the BIP trust and 28,320 treasury shares owned by the ESOP trust for last year, 38,165 treasury shares owned by the BIP trust and 106,382 treasury shares owned by the ESOP trust for this year.

【Notes to subsequent events】

Not Applicable

(Translation purposes only)

(v) 【Supplemental schedules】

【Statement of property, plant and equipment, etc.】

Types of asset	Balance at beginning of current term (million yen)	Increase (million yen)	Decrease (million yen)	Balance at end of current term (million yen)	Accumulated depreciation or accumulated depreciation at end of current term (million yen)	Depreciation at end of current term (million yen)	Difference (million yen)
Property, plant and equipment							
Buildings	17,782	445	6	18,221	6,837	784	11,384
Tools, furniture and fixtures	3,813	2,100	185	5,728	3,080	596	2,648
Land	26,057	-	-	26,057	-	-	26,057
Construction in progress	143	1,256	1,400	-	-	-	-
Property, plant and equipment total	47,797	3,802	1,592	50,008	9,918	1,380	40,089
Intangible assets							
Software	-	-	-	103	97	3	6
Intangible assets total	-	-	-	103	97	3	6

(Note) 1 The increase this term for Tools, furniture and fixtures was mainly due to the purchase of computer equipment following investments in cloud business, and new installation of welfare facilities (employee cafeteria), etc. which amounted to 1,712 million yen.

2 The increase this term for Construction in progress was mainly due those related to 1. above.

3 As the amount of intangible assets is less than 1% of the total amount for assets, “Balance at beginning of current term”, “Increase”, and “Decrease” were omitted.

【Statement of corporate bonds】

Not applicable.

【Statement of borrowings, etc.】

Not applicable.

【Statement of provisions】

Category	Balance at beginning of current term (million yen)	Increase (million yen)	Decrease (Target use) (million yen)	Decrease (Other) (million yen)	Balance at end of current term (million yen)
Allowance for doubtful accounts	7	2	4	2	2
Provision for bonuses	2,001	2,035	2,001	—	2,035
Provision for director’s bonuses	32	22	32	—	22
Provision for product warranties	340	203	340	—	203
Provision for stock benefits	105	215	105	—	215

(Note) The decrease (Other) for Allowance for doubtful accounts is due to the reversal of allowance as a result of reevaluation.

【Statement of asset retirement obligations】

Not applicable.

(Translation purposes only)

(2) 【Details of main assets and liabilities】

(i) Assets

1) Cash and deposits

Category	Amount (million yen)
Cash	—
Deposit	
Current deposits	91
Ordinary savings	37,820
Separate deposits	113
Term deposits	5,000
Total	43,025

2) Accounts receivable-trade

(a) Breakdown of other party

Other party	Amount (million yen)
FUJITSU LIMITED	2,134
Mazda Motor Corporation	1,956
NEC Corporation	1,804
Hitachi Systems, Ltd.	1,511
Other	12,222
Total	19,629

(b) Generation, collection, and frozen status of accounts receivable-trade

Balance at beginning of current term (million yen)	Amount generated in current term (million yen)	Amount collected in current term (million yen)	Balance at end of current term (million yen)	Collection rate (%)	Days Sales Outstanding (days)
(A)	(B)	(C)	(D)	$\frac{(C)}{(A) + (B)} \times 100$	$\frac{(A) + (D)}{2} \div \frac{(B)}{365}$
19,674	186,862	186,907	19,629	90.5	38.4

(Note) Consumption tax, etc. is included in Amount generated in current term.

3) Short-term loans receivable

Other party	Amount (million yen)
Oracle America, Inc.	90,300
Total	90,300

(Translation purposes only)

(ii) Liabilities

1) Accounts payable-trade

Other Party	Amount (million yen)
Oracle America, Inc.	6,531
Oracle International Corporation	4,744
Oracle Financial Services Software Pte. Ltd.	753
Total	12,028

2) Corporate tax, etc. payable

Category	Amount (million yen)
Corporate tax payable	6,182
Inhabitant tax payable	960
Enterprise tax payable	1,131
Total	8,274

3) Advanced received

Other party	Amount (million yen)
NEC Corporation	7,248
ITOCHU Techno-Solutions Corporation	6,267
NSSLC Service Corporation	4,317
FUJITSU LIMITED	4,157
K.K. Ashisuto	3,177
Other	37,426
Total	62,594

(3) 【Others】

Quarterly information, etc. in current fiscal year

(Cumulative period)	1 st quarter	2 nd quarter	3 rd quarter	Current term end
Revenue (million yen)	38,591	80,595	123,240	173,190
Income before income taxes (million yen)	11,313	24,005	37,458	52,672
Net Income (million yen)	7,795	16,543	25,813	36,360
Net income per share (yen)	61.15	129.72	202.42	285.11

(Accounting period)	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Net income per share (diluted) (yen)	61.15	68.57	72.70	82.69

(Translation purposes only)

VI 【Overview of Administrative Duties at Submitting Company】

Fiscal year	June 1 – May 31 (the following year)
Annual General Meeting	By the end of August
Reference date	May 31
Reference date for surplus distribution	November 30 May 31
Number of shares per unit	100 shares
Purchase of fractional shares	(Special account) 1-4-5 Marunouchi, Chiyoda-Ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation (Special account) 1-4-5 Marunouchi, Chiyoda-Ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Broker	-
Transaction fees	Free
Public notice method	Electronic notice. Published on Nikkei (Shihon Keizai Shimbun) in the event of accident or other unavoidable situations where electronic notice is not possible. Public notice URL http://www.oracle.com/jp/corporate/investor-relations/index.html
Shareholder benefits	N/A

(Note) Owners of fractional shares are not entitled to rights other than the following:

- (1) Rights listed in Paragraph 2 of Article 189 of the Companies Act and claim rights
- (2) Rights to receive and claim allocation of new shares or share option for subscription that correspond to fractional ownership

(Translation purposes only)

VII 【Reference Information on Submitting Company】

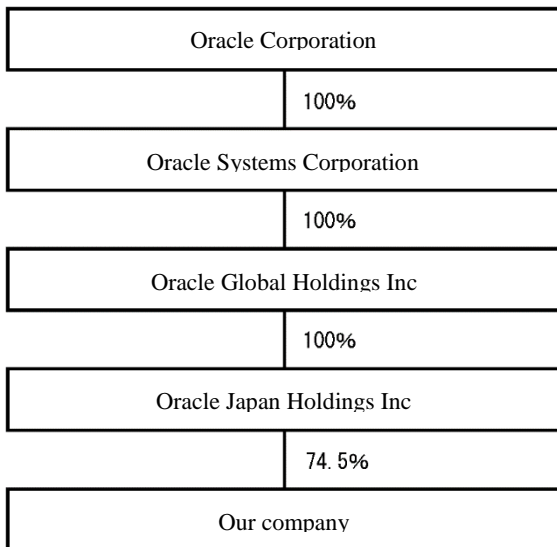
1. 【Information on Parent Companies, etc. at Submitting Company】

The four parent companies are "Oracle Corporation", "Oracle Systems Corporation", "Oracle Global Holdings Inc." and "Oracle Japan Holding Inc.". The effective parent company, "Oracle Corporation", is an overseas public company (listed on the New York Stock Exchange).

"Oracle Systems Corporation" is a subsidiary of "Oracle Corporation", and the parent company of "Oracle Global Holdings Inc.". Our direct parent company, "Oracle Japan Holding Inc.", is a subsidiary of "Oracle Global Holdings Inc."

"Oracle Corporation" provides continuous disclosure on the abovementioned four companies including our company. In addition, "Oracle Systems Corporation", "Oracle Global Holdings Inc." and "Oracle Japan Holding Inc." submit parent company status report.

(Parent and subsidiary companies diagram)



(Note) The voting right ownership percentage mentioned here includes indirect ownership.

(Translation purposes only)

2. 【Other Information for Reference】

The following documents have been submitted between the start date of the current fiscal year and the date of submission of the Securities Report.

- (1) Securities Report, its attached documents, certification of Securities Report
August 25, 2016 submitted to Kanto Local Finance Bureau
Fiscal year (31st) (From June 1, 2015 to May 31, 2016)
- (2) Internal control report
August 25, 2016 submitted to Kanto Local Finance Bureau
Fiscal year (31st) (From June 1, 2015 to May 31, 2016)
- (3) Quarterly reports, certifications of quarterly reports
32nd fiscal year 1st quarterly report (From June 1, 2016 to August 31, 2016) submitted to Kanto Local Finance Bureau on October 14, 2016
32nd fiscal year 2nd quarterly report (From September 1, 2016 to November 30, 2016) submitted to Kanto Local Finance Bureau on January 13, 2017
32nd fiscal year 3rd quarterly report (From December 1, 2016 to February 29, 2017) submitted to Kanto Local Finance Bureau on April 13, 2017
- (4) Extraordinary reports
On August 25, 2016 submitted to Kanto Local Finance Bureau
Extraordinary report based on Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Cabinet Office Ordinance Article 19, paragraph 2, item 9-2 regarding company disclosure (Resolution at shareholders meeting)
On October 14, 2016 submitted to Kanto Local Finance Bureau
Extraordinary report based on Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Cabinet Office Ordinance Article 19, paragraph 2, item 2-2 regarding company disclosure (Issuance of subscription rights as stock option)
On June 9, 2017 submitted to Kanto Local Finance Bureau
Extraordinary report based on Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Cabinet Office Ordinance Article 19, paragraph 2, item 9 (turnover of Representative Executive Officer)

(Translation purposes only)

Part 2 【Information on Guarantor Companies, etc. for Submitting Company】

Not applicable

(Translation purposes only)

Translation

Following is an English translation of the Independent Auditor's Report and Internal Control Audit Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

Independent Auditor's Report and Internal Control Audit Report

August 23, 2017

Oracle Corporation Japan
The board of Directors

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Mitsunobu Yamaguchi, Certified Public Accountant

Designated and Engagement Partner
Masato Endo, Certified Public Accountant

<Financial statements audit>

Pursuant to Article 193-2, paragraph 1 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying financial statements of Oracle Corporation Japan included in "Financial Information" for the 32nd fiscal year from June 1, 2016 to May 31, 2017, which comprise the balance sheet, the statements of income, changes in net assets and cash flows, the significant accounting policies, the other related notes, and the supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oracle Corporation Japan as at May 31, 2017, and its financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan. (Translation purposes only)

(Translation purposes only)

<Internal control audit>

Pursuant to Article 193-2, paragraph 2, of the Financial Instruments and Exchange Law of Japan, we also have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the financial statements as at May 31, 2017 of Oracle Corporation Japan (the "Management's Report").

Management's Responsibility for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan. Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility

Our responsibility is to express an opinion on the Management's Report based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management's Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about the result of management's assessment on internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including the materiality of effect on the reliability of financial reporting. An internal control audit also includes evaluating the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Management's Report referred to above, which represents that the internal control over financial reporting as at May 31, 2017 of Oracle Corporation Japan effective, present fairly, in all material respects, the result of management's assessment on internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

* 1 The above is a digital version of the original of the audit report, and the original is kept separately by the company.

2 XBRL data is unaudited.

3 The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

(Translation purposes only)

【Title page】

【Submitted document】	Securities Report
【Text used as grounds for document】	Article 24-1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 24, 2017
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Tadahiro Kaneko, Representative Executive Officer, Chief Legal Officer
【Name of administrative contact】	Shigeru Nosaka, Executive Officer, Deputy President and CFO
【Current location of head office】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Location subjected to inspection】	Tokyo Stock Exchange, Inc. (2-1 Kabuto-cho, Nihombashi, Chuo-ku, Tokyo)

(Translation purposes only)

1 【Regarding the basic framework of internal control related to financial reporting】

Tadahiro Kaneko, Representative Executive Officer, Chief Legal Office, and Shigeru Nosaka, Executive Officer, Deputy President and CFO, are responsible for the preparation and implementation of our firm's internal control related to financial reporting. Our company prepares and implements internal control related to financial reporting based on the internal control framework in the memorandum on "evaluation and auditing standards of internal control related to financial reporting and setting implementation criteria related to evaluation and auditing of internal control related to financial reporting", that was published by the Business Accounting Council.

In addition, internal control achieves its goal within a reasonable range through organically connecting and integrating various basic elements of the internal control system. Therefore, it may not be possible to completely avoid or discover fail entries in financial reporting through internal control.

2 【Regarding the scope, reference date and procedure of evaluation】

Evaluation of the internal control system related to financial reporting is conducted using fiscal year end May 31, 2017 as the reference date. Evaluation is based on evaluation standards of financial reporting related internal control systems that are commonly deemed as fair and reasonable.

The process evaluates the internal control system (the entire company's internal control system), which is critical to financial reporting. Based on results of the evaluation, business process is selected. Regarding the evolution of business process, based on analysis of selected business process, the effectiveness of the internal control system is evaluated based on identifying key points that are influential to the reliability of financial reporting are identified and evaluating the condition of preparation and implementation of key points of the internal control system.

The evaluation scope of the financial reporting internal control system is determined based on factors that are influential to the reliability of financial reporting. The importance of influence on the reliability of financial reporting is determined based on considerations for the importance of quantitative and qualitative influence. The scope of evaluation for internal control system related to business process is based on evaluation results of the entire company's internal control system.

Regarding the evaluation scope of internal control system related to business process, it is referred to as "Key business base". For selected Key business base, business process for accounting items related to sales and accounts receivables that have huge impact on corporate business objectives is evaluated. In addition, business process related to key accounting items of estimates and forecast that carry high probability of false entries or business transactions that have high risk and are deemed to have high impact on financial reporting are also evaluated.

3 【Evaluation results】

As a result of implementing the above evaluation procedures, it has been determined that internal control of the fiscal report as of May 31, 2017 is effective.

4 【Appendix】

Not applicable

5 【Appendix】

Not applicable

(Translation purposes only)

【Title page】

【Submitted document】	Certification
【Text used as grounds for document】	Article 24-1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 24, 2017
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Tadahiro Kaneko, Representative Executive Officer, Chief Legal Officer
【Name of administrative contact】	Shigeru Nosaka, Executive Officer, Deputy President and CFO
【Current location of head office】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
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(Translation purposes only)

1 【Regarding the adequacy of the Securities Report】

Tadahiro Kaneko, Representative executive officer, Chief Legal Officer and Shigeru Nosaka, Executive Officer, Deputy President and CFO of the company, confirmed the adequacy of the 32nd Securities Report based on Financial Instruments and Exchange Act (for the period from June 1, 2016 to May 31, 2017)

2 【Special mention】

Upon confirmation, there are no items needing of special mention.