

(Translation purposes only)

Securities Report

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

Business year from June 1, 2021
(37th business term) to May 31, 2022

Oracle Corporation Japan

(E05027)

37th business term (from June 1, 2021 to May 31, 2022)

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;
<https://www.oracle.com/jp/a/ocom/docs/jp-investor-relations/fy22-yuho-jp.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.

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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, 2022
【Business year】	37th (beginning June 1, 2021 and ending May 31, 2022)
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel
【Current location of head office】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Phone】	813(6834)6666
【Name of administrative contact】	Yushi Murano, Senior Director, Corporate Accounting
【Location of nearest contact】	2-5-8 Kita-Aoyama, Minato-ku, Tokyo
【Phone】	813(6834)6666
【Name of administrative contact】	Yushi Murano, Senior Director, Corporate Accounting
【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		33rd	34th	35th	36th	37th
Closing month/year		May 2018	May 2019	May 2020	May 2021	May 2022
Revenue	(million yen)	185,481	202,389	211,357	208,523	214,691
Ordinary income	(million yen)	55,978	62,284	68,857	70,904	73,543
Net income	(million yen)	38,751	43,360	47,686	49,175	51,182
Return on investment with application of equity method	(million yen)	-	-	-	-	-
Capital stock	(million yen)	24,480	24,679	24,884	25,033	25,067
Total numbers of shares outstanding	(shares)	128,019,371	128,098,771	128,184,271	128,240,971	128,256,471
Net assets	(million yen)	131,425	160,288	191,362	219,999	125,355
Total assets	(million yen)	236,509	269,518	294,139	333,999	236,868
Net assets per share	(yen)	1,025.38	1,251.45	1,493.01	1,717.30	977.41
Dividends per share	(yen)	121	136	149	1,146	160
(amount of interim dividends per share)	(yen)	(-)	(-)	(-)	(-)	(-)
Net income per share	(yen)	303.25	338.92	372.52	383.92	399.55
Net income per share (diluted)	(yen)	302.66	338.51	372.19	383.66	399.42
Ratio of shareholders' equity	(%)	55.5	59.4	65.0	65.8	52.9
Return on equity	(%)	32.8	29.8	27.1	23.9	29.7
Price earnings ratio	(times)	27.34	22.39	33.77	25.97	19.57
Dividend payout ratio	(%)	39.9	40.1	40.0	298.5	40.0
Cash flows from operating activities	(million yen)	50,881	45,453	42,309	65,148	53,091
Cash flows from investing activities	(million yen)	42,778	-82,178	-30,584	-50,118	99,835
Cash flows from financing activities	(million yen)	-13,357	-16,093	-17,097	-21,115	-146,832
Cash and cash equivalents at the end of period	(million yen)	118,326	65,505	60,091	53,964	60,142
Number of employees	(number of persons)	2,497	2,622	2,504	2,407	2,430
Total Shareholder Return	(%)	129.0	120.4	199.2	176.7	146.2
(Comparison: TOPIX incl. dividends)	(%)	(113.8)	(100.8)	(107.0)	(134.4)	(136.9)
Highest stock price	(yen)	10,640	9,690	13,510	14,170	11,230
Lowest stock price	(yen)	6,380	6,640	6,760	9,850	7,810

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(Note)

- 1 Our company does not compile consolidated financial statements; thus it does not mention movements in consolidated business benchmarks, etc.
- 2 Return on investment in the event of the use of an equity method is not indicated as the company has no affiliated companies.
- 3 Dividends per share for the 36th fiscal year (ended May 31, 2022) includes a special dividend of 992 yen.
- 4 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:

		33rd	34th	35th	36th	37th
Board Incentive Plan trust (BIP)	Number of shares at end of fiscal year (stocks)	22,542	20,043	10,983	3,356	3,356
	Average number of shares during interim period (stocks)	27,935	19,886	14,147	6,078	3,356
Employee stock ownership plan trust (ESOP)	Number of shares at end of fiscal year (stocks)	69,735	153,062	93,445	185,950	102,163
	Average number of shares during interim period (stocks)	83,308	92,397	115,827	111,929	133,267
Number of treasury shares at end of fiscal year (stocks)		92,277	184,430	116,303	201,781	118,544

- 5 The highest and lowest stock prices are those in the first section of the Tokyo Stock Exchange. As of April 4, 2022, the Company's shares has been transferred to the Tokyo Stock Exchange Standard Market.
- 6 The Company applies ASBJ Statement No. 29 Accounting Standard for Revenue Recognition (March 30, 2018) and ASBJ Guidance No. 30 Implementation Guidance on Accounting Standard for Revenue Recognition (March 30, 2018) from the 34th business term. The method of reflecting the cumulative effect amount in retained earnings at the beginning of the fiscal year has been adopted, and comparative information has not been restated.

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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 in Kita-ku, Osaka)
Jul. 1993	Chubu office established in Naka-ku, Nagoya (current Tokai Office in Nakamura-ku, Nagoya)
Jun. 1994	Head office relocated to Chiyoda-ku, Tokyo
Jun. 1994	Seibu office established in Chuo-ku, Fukuoka (current Kyushu office in Hakata-ku, Fukuoka)
Aug. 1996	Hokkaido office established in Chuo-ku, Sapporo (current Hokkaido office)
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	Listed in First Section of Tokyo Stock Exchange (capital: 22,127,910,000 yen)
May. 2000	Tohoku office set up in Aoba-ku, Sendai (current Tohoku office)
Aug. 2000	Okinawa office (current Okinawa office) set up in Naha, Okinawa
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 (current Akasaka office)
Apr. 2022	Selected “Standard Market” in new market segment of Tokyo Stock Exchange

(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.

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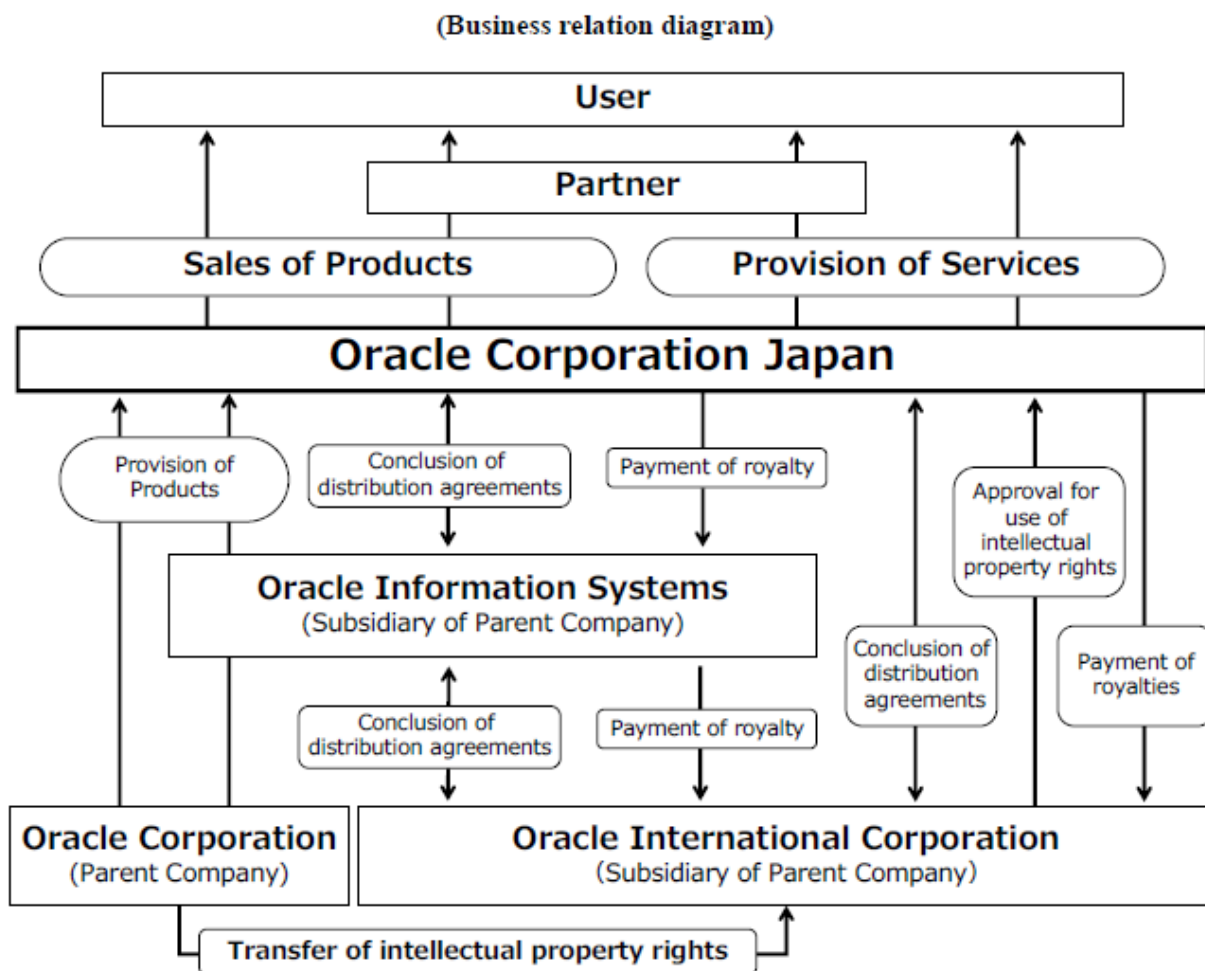
3. 【Details of Business】

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

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



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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)		
		35th period (starting June 1, 2019 ending May 31, 2020)	36th period (starting June 1, 2020 ending May 31, 2021)	37th period (starting June 1, 2021 ending May 31, 2022)
Cloud & Software				
Cloud Licenses & OnPremise Licenses	Providing software and Hardware resources which are used for IT system infrastructure at companies and other organizations as services under agreements for certain periods through the networks such as Internets.	26.0	22.6	20.9
Cloud Services & License Support	Cloud Services: Providing resources for business application software and hardware including database management software, middleware products, and ERP via Internets. License Support: Providing updated versions of software products, patches (modified programs), and technical support through the Internet and by phone, including My Oracle Support	55.6	59.0	61.8
Cloud & Licenses total		81.7	81.6	82.7
Hardware systems	Hardware Systems Products: Sales of servers, storage, engineered systems and network devices, and provides operating systems and related software. Hardware Systems Support: Providing technical support for hardware products, maintenance and repair services and updated versions of related software including operating systems.	8.2	8.2	7.2
Services	Providing Consulting Services, which help users implement our products and Advanced Support Customer Services, high-value added services such as preventive maintenance services	10.1	10.2	10.1
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	Texas, USA	26,808 Million USD	Development and sales of software and hardware, cloud services, and related services	74.2 (74.2) (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: Four (Note) 4
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 indirect ownership ratios included in the total.

4 The breakdown of acceptance of officers consists of three directors and one director working concurrently as executive officers.

5. 【Status of Employees】

(1) Status of submitting company

As of May 31, 2022

Number of employees	Average age	Average number of years of employment	Average annual remuneration (yen)
2,430	43.4	8.6	11,217,790

Name of segment	Number of employees
Cloud & Licenses	1,344
Hardware systems	116
Services	746
All companies (common)	224
Total	2,430

(Note) 1 The number of employees indicated above include dispatched workers from other companies (218 workers) and employees on contract (1 employee). 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 ESOP 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. 【Business Policies, Business Environment, Issues to be Dealt with, etc.】

Matters in the sentences related to future are decisions made by the Company as of the end of the current fiscal year.

(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.

Mission Statement

The Company is aiming for further business growth by supporting our customer's cloud migration of their core systems and active data utilization. Its mission is to help people see data in new ways, discover insights, unlock endless possibilities.

We have confidence that continuing to evolve ourselves and navigating the evolution of our customers will be a step toward guiding the world in the right direction, and ultimately will contribute to society and humankind.

Our Strength

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

The Company has the comprehensive product portfolio which consists of platform, applications, hardware which can be deployed on cloud environment and on-premise environment. Especially our software license products have been widely adopted in the field of mission critical systems, which have demanded high security, availability and high performance for many years. The Oracle Cloud, which the Company has focused on as a pillar of its new business, has been developed based on the same system architecture and technologies as these software licenses, and the Company enjoys a strength in enabling coordination and bidirectional migration between on-premises systems built with the software licenses products and the Oracle Cloud.

Key Initiatives

The Company is further accelerate to provide its Cloud services, which maximize the value of information by data-driven approaching and supporting services for customers to utilize our Cloud Services that we have been focusing on. License team and Cloud one proceed the deals and projects by cooperating with each other, hereby the Company drives its customers' Cloud Transformation.

Furthermore, we reinforce our industry model by collaborating cross-functionally, which contribute customers' business with deploying optimal Oracle Solutions in each industry.

The five measures which make "To Accelerate Cloud Transformation"

1) Mission Critical Systems Modernization

To support the transformation of cost structure, the minimization of business continuity risk, and the balance of the ability to

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adjust and respond to change.

2) End-to-End Business Process Digitalization

To support the reduction of back office load and the concentration of management resources on high-value-added businesses.

3) Resilient Social Infrastructure Realization

To support the realization of a robust and secure social infrastructure which is required for Economic Security.

4) Business and Social Sustainability Acceleration

To support the enhancement of corporate value in the mid-term and the realization of a Sustainable economy by power of IT.

5) Co-Innovation Partner Eco-system Enhancement

To promote our key initiatives by leveraging a mutual strength of us and our stakeholders.

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2. 【Business Risks】

Out of the matters related to Status of Business and Financial Status, etc. described in the Securities Report, the major risks that may have a significant impact on our financial condition, operating results and cash flow situation are as follows. These are regarded as matters that may have a significant impact on investors' decisions, but the items listed are decisions made by the Company as of the end of the current fiscal year, and it does not mean that all risks are covered. In addition, the extent and timing of the risk materialized and the impact of the risk materialized on the Company's financial position and operating results are not stated because it is difficult to reasonably predict.

The Company has a system in place to identify and evaluate such risks and implement countermeasures. For details, please refer to “IV 【Status of Submitting Company】 , 4. Status and Other Items Pertaining to Corporate Governance, (1) Status of corporate governance”.

(1) About influence of novel coronavirus (COVID-19) infection

The novel coronavirus (COVID-19) pandemic and efforts to control its spread have affected how we and our customers, partners and suppliers are operating our businesses. Our operations have been and may in the future be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. For example, the COVID-19 pandemic has led government to implement preventative measures to contain or control further spread of the virus, such as travel restrictions, prohibitions of non-essential activities, quarantines, and work from-home. These preventative measures led to sharp reductions in demand in certain industries in which our customers operate. It is not clear what long-term effects the COVID-19 pandemic will have on our business, including the effects on our customers, partners and prospects. If we are not able to respond to and manage the impact of the COVID-19 pandemic effectively, our business will be harmed.

The negative impacts of the global COVID-19 pandemic on the broader global economy and related impacts on our customers' business operations and their demand for our products will depend on future developments, which are highly uncertain and cannot be predicted. Additional impacts and risks that we are not currently aware of may arise. We are similarly unable to predict the extent of the impact of the pandemic on our customers, and partners, but a material effect on these parties could also materially and adversely affect us. In addition, we have curtailed travel expenses since the beginning of the COVID-19 pandemic, and it may become necessary for us to increase such travel expenses prospectively in furtherance of our business initiatives. The COVID-19 pandemic may also heighten other risks described in this “Business Risks” section.

(2) 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.

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(iii) Risks for the Oracle Cloud strategy

The Company provides cloud services consisting of SaaS, PaaS, IaaS, etc. that answers the needs of customer. These business models are provided under the initiative of our parent company, Oracle Corporation. If we cannot provide them to our customers effectively, there is a risk that our competitiveness will be reduced and our financial condition and business results will be affected.

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

The Oracle Group, centered on Oracle Corporation, has converted its general ledger and other enterprise resource planning (Oracle ERP) systems to the cloud (Oracle Public Cloud). We share these cloud-based systems and e-mail servers with Oracle Group companies. In the event of a failure of the shared systems due to natural disasters, such as earthquakes, not only in Japan but also outside of Japan, our business activities may be disrupted, and our business performance and future business development may be affected. In anticipation of such a situation, we have established our own disaster response and recovery plan and data backup system, and regularly review its contents as well as establishing Management Program (Business Continuity Management Program) common to the entire global Oracle Group, including the Company.

(v) Relationship with Shared Service Center

The Company uses the Shared Service Center, which integrates and standardizes the administrative operations of the worldwide Oracle Group, to improve management efficiency. Although the Company transfers to the center the processing of accounts payable-other payments, payroll calculations, and other accounting operations, as well as the receipt of orders, there is a possibility that the Company's business performance and financial position could be affected if the processing capacity of the center is exceeded or if the center is unable to provide appropriate services due to unforeseen events or other reasons.

(3) Execution of Cloud and Other Businesses

With regard to cloud 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, 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, so we take every possible measure such as security measures and data backup and recovery. However, 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, errors made by staff associated with management, or deliberate incidents induced by computer viruses, cyber attacks, hacking, unauthorized access by malicious third parties and operations and delays are incurred or opportunities are lost for the customer's business activities.

(4) Management of Information

Our products and services, including Oracle Cloud Services, store, retrieve, manipulate and manage third-party data, such as our customers' information and data, as well as our own data. We believe that Oracle in particular is a target for computer hackers and other bad actors because Oracle stores and processes large amounts of data, including in customer sectors involving particularly sensitive data such as health sciences, financial services, retail, hospitality and the government. So, 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.

(5) 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.

(6) Risks for Providing Technical Support Services

Customers use our support services to resolve technical issues related to our products. There is a risk of incurring additional

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costs, affecting our financial condition and business performance, etc. if we cannot predict the increase in customer demand and cannot provide support services promptly, or if we cannot provide effective support for customer technical problems.

(7) 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.

(8) 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.

(9) 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.

(10) Reliance on Specific Sales Segments

Our company has a high ratio comprising Cloud & Licenses sales (Cloud Licenses & OnPremise Licenses, Cloud Services & License Support) 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.

(11) 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 rely 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.

(12) 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 notes and accounts receivable, other trade receivables, and loans, 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)

(13) 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.

3. 【Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows】

(Results of Business)

(1) Performance

During the fiscal year under review, the Japanese information services industry in which the Company operates were gradually recovering in migrating to the Cloud and IT investment aimed at corporate growth and boosting competitiveness, including investing in new technologies exemplified by Autonomous, AI, Machine learning or Deep learning technology, improving efficiency through the use of variable digital data, soaring data volume because of remote working, and strengthening contact points with end users.

In this business environment, the Company is expanding our Cloud business for realizing Customers' innovation, for their business transformation, and for supporting their firm growth.

As the COVID-19 virus (Coronavirus) was showing up in early 2020, the Company recognizes that one of its most important business missions is to protect safety and health of its employees' and customers' and to continue its business stably. The Company has shifted promptly to remote working style and pressed ahead with efforts to ensure efficient risk management and to strengthen our sales capabilities continuously. The Company re-opened its offices in phases which could realize a higher level of autonomy and hybrid working style.

As a result of these measures, the Company posted 214,691 million yen (up 3.0 % year on year) in revenue, 73,213 million yen (rising 3.3 %) in operating income, 73,543 million yen (gaining 3.7 %) in ordinary income and 51,182 million yen (increasing 4.1 %) in net income.

The Company is delivering our value to strive further business growth by achieving customer's innovation and supporting their business transformation by utilizing cloud service and data. For revenue and each profit category indicated attained hit record high as this this year (the fiscal year ended).

Go to Market Strategy

Our mission is to help people see data in new ways, discover insights, unlock endless possibilities.

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

The Company has the comprehensive product portfolio which consists of platform, applications, hardware which can be deployed on cloud environment and on-premise environment. Especially our software license products have been widely adopted in the field of mission critical systems, which have demanded high security, availability and high performance for many years. The Oracle Cloud, which the Company has focused on as a pillar of its new business, has been developed based on the same system architecture and technologies as these software licenses, and the Company enjoys a strength in enabling coordination and bidirectional migration between on-premises systems built with the software licenses products and the Oracle Cloud.

The Company is further accelerate to provide its Cloud services, which maximize the value of information by data-driven approaching and supporting services for customers to utilize our Cloud Services that we have been focusing on, hereby the Company drives its customers' DX.

The four measures which make "To Accelerate Cloud Transformation"

1) Realization of data-driven DX by SaaS

We promote aggressively DX by deploying and implementing Oracle Cloud ERP / HCM, / CX to our customers, which focuses on large-scale and strategic transactions.

2) Modernization of IT infrastructure with Hybrid Cloud

We move large-scale workloads of mission-critical systems to OCI (Oracle Cloud Infrastructure) and focus on increasing

(Translation purposes only)

the number of cloud engineers.

3) Promotion of Social infrastructure DX

We strengthen the sales team of the public sector that has led to promote DX of social infrastructure, and support the Smart city projects of local governments.

4) Expansion of partner ecosystem

We support the buildup OCI / SaaS delivery system by deploying "Dedicated Region Cloud @Customer", which builds Oracle's public cloud in the customer's data center to strategic partners.

In the role of promoting strategy, the Company is expanding the capacity of two datacenters in Tokyo and Osaka region so that it has built Disaster Recovery service system and has delivered its cloud services corresponding to enterprise workload and security.

In terms of the structure of sales team, it deployed into Cloud and License, and newly built the sales team for specialized the public sector. We expand our cloud business by "Team Collaboration", add value sales with our support and consulting services.

(Glossary)

- (1) Cloud service: Providing software and hardware resources which are used for IT system infrastructure at companies and other organizations as services under agreements for certain periods through the networks such as Internets.
- (2) On-premises: A form of IT system developed and operated as the company's possession.

The results of each business segment are as follows:

[Cloud & Licenses]

Revenue in the Cloud & license segment was 177,612 million yen, up 4.3 % and operating margin was 72,343 million yen, increasing 3.2 % from the corresponding period of the previous fiscal year. Revenue in the Cloud license & on-premise license was 44,975 million yen (decreasing 4.7 % year on year), revenue in the Cloud services & license support was 132,636 million yen (rising 7.8 % year on year).

This segment consists of the "Cloud license & on-premise license" that the Company sells software licenses for database management software, a range of middleware, and ERP and other business applications, etc., the "License support" that the Company provides software updates and technical support for customers using the Company's software licenses, and the "Cloud services" are services the Company provides the resources of software and hardware via the Internet.

In the Cloud license and on-premise license, the Company has developed its strength of products and services to its Customers under our strategy stated above.

Regarding our License business, the market is showing a recovery trend in IT investment which is not only for cost reduction but developing and growing their business. Due to hardware supply chain issues (shipment delays) caused by global semiconductor shortages, there were some cases that license projects were moving back with hardware delivery delays.

We are continuously examining our business status henceforth owing to the range of investment momentum depends on the industry.

In terms of Partner business side, we are expanding our cooperative ties of alliance and keep on expansion our Cloud partnership, while creating new demands on SME market segment.

Concerning the Cloud services, we delivered some achieve results for Cloud Migration (from On-premise to Cloud services) which are mainly "Oracle Fusion Cloud ERP" to our install-based customers, and also it has been deployed to the new customers in variable industries for accelerating Cloud shifting. Regarding "Oracle Cloud Infrastructure (OCI)", there is a lot of demands from customers putting a weight on performance, security and cost effectiveness that has led to the usage of our Tokyo and Osaka region data center are successfully increasing continuously with expansion its Cloud datacenter.

We have been authorized ISMAP (Information system Security Management and Assessment Program) for Government Cloud supplier with OCI, PaaS and Oracle Exadata Cloud@Customer, and prospective benefits amid a push for government digitalization include an acceleration and increase in investment, larger projects, and further stimulation of demand over the mid-long term.

Also we have been keeping the high renewal rate of license support contracts and the attach rate for the Cloud license and on-premise license.

NetSuite for SME market remained brisk performance in adding new customers who adopted Cloud ERP.

Also we have been keeping the high renewal rate of license support contracts and the attach rate for the on-premise license.

[Hardware Systems]

Revenue in the Hardware systems segment was 15,429 million yen, fell 9.7 % and operating margin was 687 million yen, fell 1.7 % from the corresponding period of the previous fiscal 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.

(Translation purposes only)

The Company released “Oracle Exadata Database Machine X9M” (upgraded version of X8M) combines Intel® Optane™ DC persistent memory in September 2021. The inquiry for this machine is strong, while we have supply chain issues because of shortage of the semiconductor chip worldwide. Exadata X9M removes storage bottlenecks and dramatically increase performance for the most demanding workloads such as Online Transaction Processing (OLTP), analytics, IoT, fraud detection, and high frequency trading.

[Services]

Revenue in the Services segment was 21,649 million yen, up 2.1 % and operating margin was 5,123 million yen, up 11.5 % from the corresponding period of the previous fiscal year.

This segment consists of Consulting Services, which support the introduction of products of the Company and Advanced Customer Support Services, which provide a preventive maintenance service and a comprehensive operation management service for customers’ IT environments.

The number of composite projects from Consulting Services taking advantage of the Company’s comprehensive product and service portfolio has increased steadily. They include projects for platform transition from the on-premise environment to the IaaS and PaaS environment and those for linkage with SaaS solutions such as the ERP cloud.

<Revenue breakdown by business segments>

Item	May 2021		May 2022		
	Amount	Comp.	Amount	Comp.	Variance
	Million Yen	%	Million Yen	%	%
Cloud license & on-premise license	47,173	22.6	44,975	20.9	-4.7
Cloud services & license support	123,052	59.0	132,636	61.8	7.8
Cloud & License	170,225	81.6	177,612	82.7	4.3
Hardware systems	17,083	8.2	15,429	7.2	-9.7
Services	21,214	10.2	21,649	10.1	2.1
Total	208,523	100.0	214,691	100.0	3.0

*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 53,091 million yen (decreasing 12,056 million yen year on year). The inflow is mainly attributable to the posting of income before income taxes of 73,548 million yen, a decrease in advance payments to suppliers of 3,337 million yen. The outflows are attributable to the payment of 24,396 million yen in income taxes.

(Cash flows from investment activities)

Cash generated from investment activities was 99,835 million yen (used of 50,118 million yen in the previous fiscal year). This was mainly due to the early collection of a portion of long term loans receivable from subsidiaries and associates to Oracle Japan Holding Inc.(the parent company of the Company), and collected long term loans receivable from subsidiaries and associates (100,000 million yen) on July 29, 2021.

(Cash flows from financial activities)

Cash used for financial activities was 146,832 million yen (increasing 125,717 million yen year on year). This was primarily appropriated to the payment of dividends of 1,146 yen per share (including a special dividend of 992 yen per share) as a year-end dividend.

In total, cash and equivalents increased 6,178 million yen from the end of the previous term, to 60,142 million yen.

(Translation purposes only)

(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 (%)
Cloud & License	81,986	4.9
Hardware systems	13,244	-9.7
Services	13,908	-0.5
Total	109,139	2.2

(Note) Amounts are based on sales costs.

(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.

(3) Status of Sales

Segment	Sales (million yen)	Comparison to previous period (%)
Cloud & License		
Cloud license & on-premise license	44,975	-4.7
Cloud services & license support	132,636	7.8
Cloud & License total	177,612	4.3
Hardware Systems		
Hardware Systems total	15,429	-9.7
Services		
Services total	21,649	2.1
Total	214,691	3.0

(Note) 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	24,873	11.9	24,302	11.3

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(Analysis and Consideration for the Status of Business Performance etc. from the Viewpoint of Management)

Recognition, analysis and consideration for the status of business performance etc. of the company from the viewpoint of management are as follows.

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) Awareness, analysis and consideration of financial status and business performance

1. Analysis of business performance

(i) Revenue

Total revenue was 214,691 million yen (up 3.0% year on year). For the analysis of revenue by segment, please refer to “II Status of Business, 3. Analysis of Financial Status, Results of Operation, Cash Flow Status, Overview of Performance, etc. (1) Performance.”

(ii) Operating income and ordinary income

Operating income came to 73,213 million yen (up 3.3% year on year), because of the continued strong performance of the Cloud & License segment and the Services segment although the Hardware systems segment went below the previous fiscal year.

Cost of sales came to 109,139 million yen (up 2.2% year on year). This was an increase in royalties in the Cloud & License segment while a decrease in purchasing expenses in the the Hardware systems segment.

Selling, general and administrative expenses came to 32,337 million yen (up 4.8% year on year) as a result of an increase in outsourcing and human resources expenses.

Ordinary income stood at 73,543 million yen (up 3.7% year on year) as a result of posting non-operating income of 329 million yen (net) in non-operating income and expenses.

(iii) Current net earnings

As a result of posting 'extraordinary profits-gain on reversal of subscription rights to shares' (5 million yen) and income taxes (22,366 million yen), our current net income stood at 51,182 million yen (up 4.1% year on year).

(iv) Net income per share (EPS)

As a result of the above, net income per share (EPS) increased by 15.63 yen to 399.55 yen (up 4.1% year on year).

2. Analysis of financial status

The total assets of the Company at the end of the term stood at 236,868 million yen (decreasing 97,130 million yen from the end of the previous term).

(Assets)

Current assets were 84,800 million yen (increasing 3,761 million yen). Noncurrent assets were 152,068 million yen (decreasing 100,892 million yen). This was mainly due to a decrease in long term loans receivable from subsidiaries and associates (100,000 million yen) by the early collection of a portion of long term loans receivable from subsidiaries and associates to Oracle Japan Holding Inc.(the parent company of the Company).

(Liabilities)

Total Liabilities at the end of the fiscal year under review decreased 2,486 million yen from the end of the previous fiscal year, to 111,513 million yen. This was mainly attributable to a decrease in accrued income taxes (1,668 million yen), etc.

(Net assets)

Total net assets at the end of the fiscal year under review decreased 94,644 million yen, to 125,355 million yen. This was mainly attributable to an increases in both capital stock and capital surplus (33 million yen) due to the exercise of stock options, and the posting of net income (51,182 million yen), and a decrease in retained earnings (95,767 million yen) by the

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the payment of dividends of 1,146 yen per share (including a special dividend of 992 yen per share) as a year-end dividend, etc.

As a result, the equity ratio was 52.9% (down 12.9 points from the end of the previous fiscal year).

Financial status by segment is not presented because the Company does not allocate assets and liabilities to each segment due to a management decision.

(2) Analysis and consideration of cash flow status, and information about capital resources and liquidity of funds

1. Cash flow analysis

For the state of cash flow during this period, please see II Status of Business 3. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows (2) Cash Flow.

2. Information about capital resources and liquidity of funds

Cash used by the Company consists primarily of operating costs such as the cost of sales, and selling, general and administrative expenses, as well as the payment of different types of taxes. The cost of sales mainly comprises royalties related to sales of the Cloud & License, labor costs and outsourcing expenses in the cost sector, and the cost of goods purchased in the Hardware Systems segment. Cash used for other purposes mainly consists of capital spending related to the Cloud business as well as the payment of different types of taxes and dividends. Cash needed for these payments is self-financed using cash provided by operating activities.

The Company controls and manages cash according to its rules for cash control and management (the global policy set forth by Oracle Corporation), thereby ensuring high-level safety and appropriate liquidity.

The Company's dividend policy is presented in IV Status of Submitting Company 3 Policy on Dividends.

(3) Analysis about factors that have a significant influence on business performance

In our company, various factors described in II Status of Business 2 Business Risks may affect our business performance.

(4) Significant accounting estimates and assumptions used in those estimates

The financial statements of the Company are prepared based on accounting standards generally accepted in Japan. In preparing these financial statements, etc., it is necessary to make assumptions and estimates that will affect assets and liabilities at the end of the fiscal year and income and expenses at the accounting period. Even an estimate that was considered valid under past experience and circumstances may differ from the actual result due to changes in assumptions or conditions. The important estimates used in the Company's financial statements are presented in V Financial Status, 2. Financial Documents, Notes to Financial Statements, Significant Accounting Policies.

In preparing the financial statements for the current fiscal year, the Company has made accounting estimates (evaluation of the recoverability of deferred tax assets, consideration of impairment accounting for fixed assets, etc.) based on the assumption that there would be a certain degree of impact for the time being, since the timing of the cessation of COVID-19 infection was still uncertain as of the end of the current fiscal year. The impact of this change on the Company's operating results and financial position is not expected to be material at this time.

(Translation purposes only)

4 . 【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.

(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.

(Translation purposes only)

(ii) - (c) Agency Agreement with Oracle Information Systems Japan G.K. (cloud services)

Name of agreement	Agreement for sales agent services
Date of agreement	February 27, 2019
Period under agreement	Took effect as of March 1, 2019 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) Oracle Information Systems Japan G.K. appoints our company as its agent in Japan for the sale of cloud services. (ii) To pay a certain ratio of cloud services sales from contracted parties as fees.

(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
NEC Corporation	Software	June 8, 2020	From June 8, 2020 to June 7, 2025
	Hardware		
	Cloud services		
Fujitsu Limited	Software	September 15, 2020	Until September 14, 2023
	Hardware		
	Cloud services		

5. 【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.

(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 652 million yen. They primarily comprise purchases of computer equipments, etc. 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	8,624	26,057 (6,449)	354	1	35,037	1,420
Akasaka office (Minato-ku, Tokyo)	Sales facility	1	—	53	—	55	864

(Note) 1 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.

2 An office building is being rented for the Akasaka office; the rental fee for the subjected business year is 389 million yen.

3 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.】

(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, 2022)	Number of outstanding shares on reporting date (shares) (Note) 1 (August 24, 2022)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,256,471	128,259,371	Tokyo Stock Exchange Standard	(Note) 2
Total	128,256,471	128,259,371	-	-

(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, 2022 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.】

(i) Details of Stock Option System

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 24, 2012 General Meeting of Shareholders (resolution of September 12, 2012 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	197 share warrants	173 share warrants
Classification and number of grantees	201 of Employees, 2 of Outside Directors, 2 of Executive Officers	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 19,700	Same as left 17,300
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.

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

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)

(b) 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, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	240 share warrants	240 share warrants
Classification and number of grantees	202 of Employees, 2 of Outside Directors, 3 of Executive Officers	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 24,000	Same as left 24,000
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 average (3,942 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 2013) prior to the month to which the date of issue (September 30 2013) belongs, with the closing price (3,660 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)

(c) 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, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	42 share warrants	42 share warrants
Classification and number of grantees	268 of Employees, 2 of Outside Directors, 2 of Executive Officers	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 4,200	Same as left 4,200
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 closing price (4,280 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (August 2014) of the average price prior to the month to which the date of issue (September 30, 2014) belongs, with the average price (4,275 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)

(d) 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, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	3 share warrants	3 share warrants
Classification and number of grantees	1 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 300	Same as left 300
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.

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

5,335 yen was set as a result of comparing the average (5,335 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 2015) prior to the month to which the date of issue (July 31, 2015) belongs, with the closing price (5,220 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)

(e) 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, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	185 share warrants	180 share warrants
Classification and number of grantees	47 of Employees, 1 of Outside Directors	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 18,500	Same as left 18,000
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.

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

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)

(f) 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, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	76 share warrants	76 share warrants
Classification and number of grantees	24 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 7,600	Same as left 7,600
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.

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

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)

(g) Issue of share warrants to employees based on the resolution of the August 23, 2017 General Meeting of Shareholders
(resolution of September 21, 2017 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	195 share warrants	182 share warrants
Classification and number of grantees	27 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 19,500	Same as left 18,200
Payment amount when exercising share warrants (Note) 2	8,940 yen	Same as left
Exercise period of share warrants	From October 12, 2019 to September 21, 2027	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 10,585 yen Capitalization amount 5,293 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, 2017 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.

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

8,940 yen was set as a result of comparing the closing price (8,940 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2017) of the average price prior to the month to which the date of issue (October 12, 2017) belongs, with the average price (8,227 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 12, 2019.

(ii) Recipients may exercise all of the allocated rights after October 12, 2021.

(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 (8,940 yen) and fair evaluation unit price (1,645 yen) in the issue of share warrants.

(Translation purposes only)

(h) Issue of share warrants to employees based on the resolution of the August 22, 2018 General Meeting of Shareholders
(resolution of September 21, 2018 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2022)	As of end of prior month of reporting date (July 31, 2022)
Number of share warrants (Note)1	173 share warrants	167 share warrants
Classification and number of grantees	17 of Employees	
Type of shares subject to share warrants and Number of shares subject to share warrants	Common stock Share unit is 100 shares 17,300	Same as left 16,700
Payment amount when exercising share warrants (Note) 2	9,185 yen	Same as left
Exercise period of share warrants	From October 12, 2020 to September 21, 2028	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 10,497 yen Capitalization amount 5,249 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, 2018 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.

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

9,185 yen was set as a result of comparing the closing price (8,260 yen) of the Company's ordinary shares in regular transactions on the Tokyo Stock Exchange on each day in the month (September 2018) of the average price prior to the month to which the date of issue (October 12, 2018) belongs, with the average price (9,185 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 12, 2020.

(ii) Recipients may exercise all of the allocated rights after October 12, 2022.

(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 (9,185 yen) and fair evaluation unit price (1,312 yen) in the issue of share warrants.

(Translation purposes only)

(ii) 【Details of rights plan】

Not applicable.

(iii) 【Other status of Stock Option.】

Not applicable.

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

Not applicable.

(4) 【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, 2017 to May 31, 2018 (Note) 1	290,700	128,019,371	725	24,480	725	7,831
From June 1, 2018 to May 31, 2019 (Note) 1	79,400	128,098,771	198	24,679	198	8,030
From June 1, 2019 to May 31, 2020 (Note) 1	85,500	128,184,271	204	24,884	205	8,235
From June 1, 2020 to May 31, 2021 (Note) 1	56,700	128,240,971	149	25,033	149	8,384
From June 1, 2021 to May 31, 2022 (Note) 1	15,500	128,256,471	33	25,067	33	8,418

(Note) 1 Increase due to the exercise of share warrants.

2 The number of issued shares increased by 2,900 shares, capital and capital reserve increased by 7 million yen each due to the exercise of stock acquisition rights between June 1, 2022 and July 31, 2022. The number of shares issued by the exercise of stock acquisition rights from August 1, 2022 to the date of submission of this securities report, is not included.

(5) 【Status by owner】

As of May 31, 2022

Item	Status of stock (Share unit is 100 shares)								Status of share less than one unit (shares)
	Government and local public bodies	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals, etc.	Total	
					Other than individuals	Individual			
No. of shareholders (people)	0	41	35	260	558	33	18,281	19,208	-
No. of shares held (Units)	0	87,477	23,594	2,054	1,106,919	148	60,059	1,280,251	231,371
Percentage of shares held (%)	0.0	6.8	1.8	0.2	86.5	0.0	4.7	100.0	-

(Note) 1 The 13,025 shares of the treasury stock includes 130 units in “Individuals, etc.” and 25 shares in “Status of share less than one unit”.

2 Stocks in the name of Japan Securities Depository Center includes 19 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 33 units and 1,021 units respectively in “Financial institutions”. The Company is processing these stocks as treasury stocks.

(Translation purposes only)

(6) 【Status of major shareholders】

As of May 31, 2022

Name	Address	No. of shares held (1000 shares)	Percentage of shares held versus total number of outstanding shares (excluding treasury stocks)
ORACLE JAPAN HOLDING,INC. Standing proxy SMBC NIKKO SECURITIES INC.	500 Oracle Parkway, Redwood Shores, California, 94065 U.S.A (1-5-1 Marunouchi, Chiyoda-ku, Tokyo)	94,967	74.1
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	5,362	4.2
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,720	1.3
SMBC NIKKO SECURITIES INC.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo	1,667	1.3
STATE STREET BANK AND TRUST COMPANY 505223	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	967	0.8
STATE STREET BANK AND TRUST COMPANY 505025	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	932	0.7
JAPAN SECURITIES FINANCE CO., LTD.	1-2-10 Nihonbashi-Kayabacho, Chuo- Ku, Tokyo	910	0.7
STATE STREET BANK AND TRUST COMPANY FOR STATE STREET BANK INTERNATIONAL GMBH, LUXEMBOURG BRANCH ON BEHALF OF ITS CLIENTS: CLIENT OMNI OM25	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (3-11-1 Nihombashi, Chuo-ku, Tokyo)	847	0.7
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171,U.S.A.. (2-15-1 Konan, Minato-ku, Tokyo)	785	0.6
STATE STREET BANK WEST CLIENT - TREATY 505001	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	731	0.6
Total		108,892	84.9

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

The Master Trust Bank of Japan, Ltd.	5,258 thousand shares
Custody Bank of Japan, Ltd.	1,681 thousand shares

(Translation purposes only)

(7) 【Status of voting rights】

(i) 【Number of outstanding shares】

As of May 31, 2022

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 13,000	-	-
Stocks with full voting rights (Others)	Common stock 128,012,100	1,280,121	-
Share less than one unit	Common stock 231,371	-	-
Number of outstanding shares	128,256,471	-	-
Voting rights of shareholders	-	1,280,121	-

(Note) "Stocks with full voting rights (Others)" include 1,900 stocks in the name of Japan Securities Depository Center (19 stocks with voting rights), 3,300 company stocks held by the BIP Trust and 102,100 stocks held by the ESOP Trust.

(ii) 【Treasury stock, etc.】

As of May 31, 2022

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	13,000	-	13,000	0.0
Total	-	13,000	-	13,000	0.0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 3,300 stocks and 102,100 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)

(8) 【Details of Directors and Executive Officers, and Employee Stock Ownership Plan】

(BIP Trust)

(i) Outline of this plan

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

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

The BIP Trust (The Master Trust Bank of Japan) acquired 13,200 shares, 63 million yen in the 30th business term, and 38,400 shares, 228 million yen in the 32nd business term, and 5,000 shares, 33 million yen in the 34th business term. In addition, it acquired 200 shares, 1 million yen on June 30, 2022. Plans for future acquisitions are undecided.

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

Limited to the Company's directors and executive officers who have met certain requirements.

(ESOP Trust)

(i) Outline of this plan

The Company has established 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 Share 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, 100,700 shares, 598 million yen in the 32nd business term, 132,200 shares, 908 million yen in the 34th business term, and 168,100 shares, 2,267 million yen in the 36th 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	5,684,000
Treasury stock purchased in current term	50	397,000

(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, 2022 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	-	-	-	-
Purchased treasury stocks transferred in relation with merger, share exchange, or company split	-	-	-	-
Others (Sale of odd-lot shares upon request for purchase of additional shares)	50	370,250	50	373,100
Number of owned treasury stocks	13,025	-	13,025	-

(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, 2022 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, 2022 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 (3,356 shares at the end of the current fiscal year) and that owned by the ESOP Trust (102,163 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 160 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 22, 2022 Meeting of Board of Directors	20,518	160

(Translation purposes only)

4. 【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 four are outside directors), who carry out decision-making of basic business policies, establishment of internal control systems, segregation of duties of corporate executive officers, other important business decisions, and monitoring of the execution of work by corporate executive officers, etc.

Each member of the Board of Directors is as indicated in “(2) Status of Directors, (a) Status of Directors”.

(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.

Each member of the the Committee is as indicated in “(2) Status of Directors, (a) Status of 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.

Each member of the the Committee is as indicated in “(2) Status of Directors, (a) Status of 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.

Each member of the the Committee is as indicated in “(2) Status of Directors, (a) Status of Directors”.

(e) Special Committee

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

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

(f) Business execution organizations, etc.

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

(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)

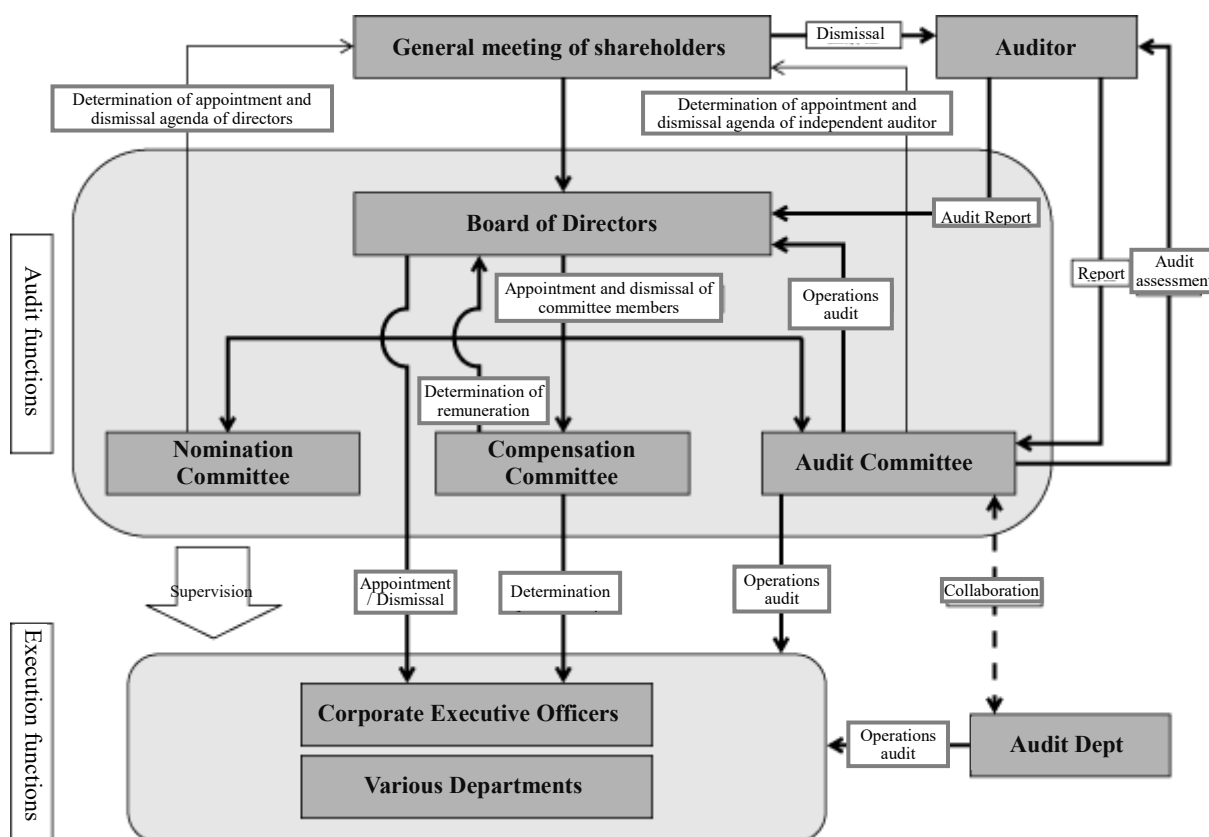
(k) Procedures to prepay or reimburse the expenses with respect to the execution of the Audit Committee Members' duties and other matters concerning the policy pertaining to the disposition of the expenses or debt with respect to the execution of said duties

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.

The following illustrates the corporate governance system of the Company.



(ii) 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 amounts no less than 20 million yen and the minimum amount stipulated by the Law.

(iii) Limit capacity of directors

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

(Translation purposes only)

(iv) 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.

(v) 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.

(vi) Release of liability of Directors and Corporate 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 Corporate Executive Officers (including those who were formerly Directors or Corporate 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 Corporate Executive Officers to demonstrate their capacities fully in the execution of their roles.

(vii) Basic policy regarding the nature of persons who control decisions on financial and business policies

The Company is focusing on improving corporate value based on the basic idea that improving corporate value will result in the defense against takeovers, and has not introduced any special defense measures at this time.

In the event of a takeover bid for the Company, the Board of Directors will take appropriate action based on the recognition that it is the shareholders who determine where the control of the Company lies.

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

Not applicable.

(Translation purposes only)

5. 【Status of Directors】

(1) Status of Directors (Board of Directors and Executive Officers) as of August 24, 2022 (the filing date of this report)

Male directors 7 and Female director 4 (Female directors make up 36.4%)

(a) Status of Directors

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Director	-	Toshimitsu Misawa	April 27, 1964	<p>Apr. 1987 May 1995 Aug. 2000 Jun. 2006 Jun. 2011 Dec. 2014 Dec. 2015 Mar. 2016 Jul. 2016 Apr. 2020 Oct. 2020 Dec. 2020 Aug. 2021</p> <p>Joined Fujitsu Limited. Joined Oracle Corporation Japan, Business Partner Division Operating Officer, Partner Business, E-Business Senior Operating Officer, Vice President of Software License, Technology product, Marketing Executive Operating Officer, Vice President of Database Business Deputy President Operating Officer, Vice President of Database Business Deputy President, Corporate Executive Officer, Vice President, Cloud Technology Business Resigned Oracle Corporation Japan Joined IBM Japan, Ltd. Director, Senior Executive Officer, Vice President Of IBM Cloud Japan IBM Japan, Ltd. Director, Senior Executive Officer, Vice President of Business Development & Technical Expert Joined Oracle Corporation Japan Senior Vice President (Current position) Corporate Executive Officer, President Director, Corporate Executive Officer, President (Current position)</p>	(Note)2	1
Director	-	Krishna Kumar Sivaraman	March 21, 1968	<p>May. 1996 Feb. 2014 Aug. 2014 Aug. 2017 Aug. 2018 Jun. 2019 Jul. 2021</p> <p>Oracle India Private Limited Vice President Finance, Oracle Corporation Japan and GFIC Corporate Executive Officer of Oracle Corporation Japan Director of Oracle Corporation Japan Director, Corporate Executive Officer, Chief Financial Officer of Oracle Corporation Japan (Current position) Oracle Corporation Vice President Finance JAPAC & Japan CFO Oracle Corporation, Senior Vice President Finance, JAPAC & Japan CFO (Current position)</p>	(Note)2	-

(Translation purposes only)

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Director	-	Garrett Ilg	July 9, 1961	<p>May. 1984 Joined Mitsubishi Electric Corporation</p> <p>Mar. 1988 V Band Corporation, Japan Country Manager</p> <p>Apr. 1994 Reuters, Sales Manager Foreign Accounts</p> <p>Sep. 1997 Reuters, Senior Vice President Global Accounts</p> <p>Aug. 2002 BEA Systems, Senior Vice President Head of Asia Pacific</p> <p>Jan. 2006 Adobe Systems, Japan President</p> <p>Sep. 2008 SAP Japan, President & CEO</p> <p>Sep. 2016 Adobe, President Europe, Middle East & Africa</p> <p>Dec. 2018 Adobe, Seniro Vice President Worldwide Field Operations</p> <p>Apr. 2020 Joined Oracle Corporation, Executive Vice President Head of Asia Pacific & Japan (Current Position)</p> <p>Aug. 2020 Director of Oracle Corporation Japan (Current Position)</p>	(Note)2	-

(Translation purposes only)

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Director	Audit Committee Member	Vincent S. Grelli	October 5, 1952	<p>Jan. 1976 Arthur Andersen</p> <p>Oct. 1978 Amdahl Corporation, Vice President and Head of Global Taxes</p> <p>Jan. 1992 Sun Microsystems, Inc., Vice President and Head of Global Taxes</p> <p>Sep. 2006 Hyperion Solutions Corporation, Vice President and Head of Global Taxes</p> <p>Dec. 2008 Oracle Corporation, Vice President Tax, Global Tax Audits</p> <p>Jan. 2018 Oracle Corporation, Vice President Tax (Current position)</p> <p>Aug. 2021 Director of Oracle Corporation Japan (Current position)</p>	(Note)2	-
Director	Nomination Committee Member Compensation Committee Member	Kimberly Woolley	April 4, 1972	<p>Oct. 1998 Associate at law firm 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>Jul. 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</p> <p>Mar. 2017 Director of Oracle Financial Services Software (Current position)</p> <p>Aug. 2017 Director of Oracle Corporation Japan (Current position)</p> <p>Oct. 2017 Chair of Infrastructure Committee of Ripon College</p> <p>Nov. 2019 Vice President Assistant General Counsel and Secretary of Oracle Corporation (Current position)</p>	(Note)2	-

(Translation purposes only)

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Outside Director	Audit Committee Member	Yoshiaki Fujimori	July 3, 1951	<p>Apr. 1975 Nissho Iwai Corporation (Currently, Sojitz Corporation)</p> <p>Oct. 1986 GE Japan Inc.</p> <p>May. 2001 General Electric Company, Senior Vice President</p> <p>Oct. 2008 GE Japan Inc. Representative Director, Chairperson, President & CEO</p> <p>Mar. 2011 GE Japan Inc. (Currently SMFL Capital Co., Ltd.) Representative Director, Chairperson</p> <p>Jun. 2011 LIXIL Corporation Director LIXIL GROUP CORPORATION Director</p> <p>Aug. 2011 LIXIL Corporation Director Representative Director, President & CEO LIXIL GROUP CORPORATION Director, Representative Executive Officer, President and CEO</p> <p>Jun. 2012 Tokyo Electric Power Co., Inc. (Currently Tokyo Electric Power Company Holdings, Inc.) Outside Director</p> <p>Jan. 2016 LIXIL Corporation Director Representative Director, Chairperson & CEO</p> <p>Jun. 2016 LIXIL GROUP CORPORATION Advisor Takeda Pharmaceutical Company Limited Outside Director (Current Position)</p> <p>Jul. 2016 Boston Scientific Corporation Outside Director (Current Position)</p> <p>Feb. 2017 CVC Asia Pacific Ltd. Supreme Advisor (Current Position)</p> <p>Aug. 2018 Outside Director, Chairperson of the Board of Directors of Oracle Corporation Japan (Current Position)</p> <p>Jun. 2019 TOSHIBA CORPORATION, Outside Director, Chairperson</p> <p>Mar. 2020 SHISEIDO, Outside Director, Chairperson</p>	(Note)2	-
Outside Director	Chairperson of the Audit Committee Chairperson of the Nominating Committee Chairperson of the Compensation Committee	John L. Hall	October 30, 1954	<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 Outside Director of Oracle Corporation Japan (Current position)</p> <p>Jun. 2015 Retired from Oracle Corporation</p>	(Note)2	-

(Translation purposes only)

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Outside Director	Nomination Committee Member	Takeshi Natsuno	March 17, 1965	<p>Apr. 1988 Joined TOKYO GAS Co., Ltd</p> <p>Jun. 1996 Director, Executive Officer Deputy President of Hyper Net</p> <p>Sep. 1997 Joined NTT DOCOMO, INC.</p> <p>Jun. 2005 Operating Officer, Multi Media Service Director of NTT DOCOMO</p> <p>May 2008 Guest Professor, Keio University Graduate School of Media and Governance,</p> <p>Jun. 2008 Outside Director of SEGA SAMMY HOLDINGS INC.</p> <p>Outside Director of transcosmos inc. (Current position)</p> <p>Director of NTT Resonant Incorporated</p> <p>Dec. 2008 Director of DWANGO Co., Ltd.</p> <p>Jun. 2009 Outside Director of DLE Inc.</p> <p>Sep. 2009 Outside Director of GREE, Inc. (Current position)</p> <p>Dec. 2010 Outside Director of USN-NEXT HOLDINGS Co., Ltd. (Current position)</p> <p>Aug. 2016 Outside Director of Oracle Corporation Japan (Current position)</p> <p>Jun. 2017 Outside Director of Uicom Holdings, Inc. Director of GENETEC CORPORATION</p> <p>Outside Director of Cool Japan Fund Inc.</p> <p>Jun. 2018 Representative Director & Chairperson, MOVIE WALKER Co., Ltd.</p> <p>Oct. 2018 Director, BOOK WALKER Co.,Ltd.</p> <p>Nov. 2018 Director, KADOKAWA CORPORATION</p> <p>Feb. 2019 Representative Director, President, DOWANGO CORPORATION (Current position)</p> <p>Apr. 2020 Guest Professor and Director, Kindai University Cyber Informatics Research Institute (Current position)</p> <p>Jun. 2021 Representative Director and President, KADOKAWA CORPORATION (Current position)</p>	(Note)2	-
Outside Director	Compensation Committee Member	Yukiko Kuroda (Name on the family register : Yukiko Matsumoto)	September 24, 1963	<p>Apr. 1986 Joined Sony Corporation</p> <p>Jun. 1991 President and Representative Director, People Focus Consulting</p> <p>Jul. 1991 Senior Consultant, Gemini Consulting Japan</p> <p>Jun. 2010 Outside Auditor, Astellas Pharma Inc.</p> <p>Mar. 2011 Outside Director, CAC Corporation (Currently, CAC Holdings Corporation)</p> <p>Apr. 2012 Director & Founder, People Focus Consulting (Current position)</p> <p>Mar. 2013 Outside Director, Marubeni Corporation</p> <p>Jun. 2015 Outside Director, Mitsui Chemicals, Inc.</p> <p>Jun. 2018 Outside Director, Seven Bank, Ltd. (Current position)</p> <p>Outside Director, Terumo Corporation (Current position)</p> <p>Jun. 2022 Outside Director, Ohbayashi Corporation (Current position)</p> <p>Aug. 2022 Outside Director, Oracle Corporation Japan (Current position)</p>	(Note)2	-

(Note) 1 Directors Yoshiaki Fujimori, John Hall, Takeshi Natsuno and Yukiko Kuroda 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)

3. The Company is managed under an Operating officer system. None of the twenty-one Operating Officers serve as directors.

Title name	Name
Senior Managing Operating Officer	Masahiro Ogushi
Senior Managing Operating Officer	Masaki Shiraishi
Senior Operating Officer	Morikazu Sano
Senior Operating Officer	Kazuhiro Shinoda
Senior Operating Officer	Shinji Taketsume
Senior Operating Officer	Hiroaki Nagashii
Senior Operating Officer	Atsushi Maekawa
Senior Operating Officer	Hiroyuki Yoshinami
Operating Officer	Saeko Ishihara
Operating Officer	Takahiro Ichifuji
Operating Officer	Yasuhiro Inoue
Operating Officer	Kazuhiro Okimura
Operating Officer	Hisanori Kimura
Operating Officer	Yuichiro Kuwano
Operating Officer	Masatoshi Komori
Operating Officer	Chiharu Saito
Operating Officer	Koji Shimizu
Operating Officer	Soichiro Shuto
Operating Officer	Makoto Honda
Operating Officer	Eisuke Mitani
Operating Officer	Takashi Miyanojara

(Translation purposes only)

(b) Status of Corporate executive officers

Title name	Position name	Name	Date of birth	Career history	Term of office	No. of shares held (1000 shares)
Corporate Executive Officer	President	Toshimitsu Misawa	(1) See Status of Directors	Same as left	(Note)	1
Corporate Executive Officer	CFO	Krishna Kumar Sivaraman	(1) See Status of Directors	Same as left	(Note)	-
Representative Corporate Executive Officer	Managing Counsel	Hiroko Utsumi (Name on the family register : Hiroko Naka)	Nov. 7, 1976	<p>Oct. 2003 Admitted to the bar (Daini Tokyo Bar Association)</p> <p>Oct. 2003 Joined Ushijima & Partners</p> <p>Sep. 2004 Joined CMIC Co., Ltd. (Currently, CMIC Holdings Co.,Ltd.)</p> <p>Sep. 2014 Joined Oracle Corporation Japan Legal Council</p> <p>Mar. 2019 Oracle Corporation Japan Legal Office Managing Council</p> <p>Jun. 2019 Oracle Corporation Japan Legal Office Managing Council, Fellow</p> <p>May 2020 Oracle Information Systems (Japan) G.K. Chief Executive Officer (Current position)</p> <p>May 2020 Oracle Global Services (Japan) G.K. Chief Executive Officer (Current position)</p> <p>Oct. 2020 Oracle Corporation Japan Representative Corporate Executive Officer & Managing Counsel (Current position)</p> <p>Jul. 2022 Oracle Financing Japan Director (Current position)</p>	(Note)	-
Representative Corporate Executive Officer	Head of Legal Office	Rika Nakajima	Oct. 7, 1969	<p>Sep. 1997 Joined Ernst & Young Senior Consultant</p> <p>May. 2002 Joined Ernst & Young ShinNihon LLC Manager</p> <p>Mar. 2003 Joined Baker & McKenzie Associate</p> <p>Jul. 2008 Joined Macquarie Capital Securities (Japan) Limited Manager</p> <p>Mar. 2012 Joined Shearman & Sterling Associate</p> <p>Oct. 2014 Joined PwC Japan LLC Senior Manager</p> <p>Dec. 2020 Joined Oracle Corporation Japan, Head of Legal Office</p> <p>Jul. 2021 Oracle Corporation Japan Corporate Executive Officer & Head of Legal Office</p> <p>Aug. 2021 Oracle Corporation Japan Representative Corporate Executive Officer & Head of Legal Office (Current position)</p>	(Note)	-
Total						-

(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)

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

(1) 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 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.

(2) 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 four 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 four-person system is recognized as sufficiently handling the functions and roles expected of the outside directors.

Yoshiaki Fujimori has advanced insights based on his rich experiences in a globally operating company as well as having had various important roles in one of the world leading global corporations. Also, we expect he has been showing strong presence in the Company's Board of Directors by proactively expressing his opinions, contributing to secure sound management of the Company.

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.

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.

Yukiko Kuroda has advanced insights based on her rich experiences in a globally operating company and developing global human resources, as well as having had various important roles in one of the world leading global corporations.

(Translation purposes only)

Also, we expect she has been showing strong presence in the Company's Board of Directors by proactively expressing her opinions, contributing to secure sound management of the Company.

(3) Relation between outside director and the Company

There exists no interests in the capital, human, technology, and business relations, etc. between the Company which Yoshiaki Fujimori, Takeshi Natsuno and Yukiko Kuroda represent or belong 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.

(4) Supervision or auditing by outside directors, and mutual cooperation with internal audits, audit committees and accounting audits, and relation with internal control department

The four outside directors receive reports on the status of activities of the accounting auditor and internal control departments through the Board of Directors and Audit Committee, and are committed to establishing a more transparent management oversight system.

(Translation purposes only)

(3) 【Status of Audit】

1) Status of audit by Audit Committee

Regarding the audit by the Audit Committee, in accordance with the annual audit policy and audit plan established by the Audit Committee, the legality and validity will be audited by attending the Board of Directors and other important meetings and listening to the status of execution of duties from directors, etc. Representative Executive Officers and Accounting Auditors hold meetings with Audit Committee members as appropriate to exchange opinions on issues to be addressed by the Company, the status of the audit environment by the Audit Committee, important issues for auditing, etc., and have established a system to deepen mutual understanding among the officers, accounting auditors, and audit committee members.

The Company holds five audit committee meetings during the current fiscal year. The attendance status of each Audit Committee member is as follows.

Name	Number of times held	Number of attendance
John L. Hall (Chairman)	5	5 (100%)
Yoshiaki Fujimori	5	5 (100%)
Vincent S. Grelli	4	4 (100%)
Kimberly Woolley	1	1 (100%)

(Note) Director Vincent S. Grelli was assigned to new Audit Committee member of August 20, 2021 and his activities is after assignment. Director Kimberly Woolley was retired up the Audit Committee as of August 20, 2021, and she attended all of meetings within her term.

2) Status of internal audit

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.

3) Status of Accounting Audit

a. Name of audit corporation

Ernst & Young ShinNihon LLC

b. The number of continuous years of carrying out audits

21 years

c. Names of certified public accountants who executed the operation

Certified Public Accountant Designated and Engagement Partner Hisafumi Nomoto

Certified Public Accountant Designated and Engagement Partner Atsuko Tanabe

d. Composition of those assisting with auditing work

8 certified public accountants

12 others

e. Reasons for selecting the audit corporation

The reasons for selecting Ernst & Young ShinNihon LLC are that the audit corporation provides the independence and professionalism, appropriateness of audit work, and quality management structure required of accounting auditors. These aspects were comprehensively considered. As a result, Ernst & Young ShinNihon LLC was found to be qualified as having the structure to audit the Company's business activities in an integrated manner.

The Audit Committee of the Company determines the details of a proposal concerning the dismissal or non-

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reappointment of the accounting auditor to be submitted to the general meeting of shareholders if the Company considers that it is difficult for the accounting auditor to appropriately carry out the duties. In addition, the Audit Committee of the Company shall dismiss or shall not reappoint the accounting auditor if the Company considers that the certified public accountants fall under any of the items in Articles 340-1 of the Companies Act.

f. Evaluation of the accounting auditor by the Audit Committee

In evaluating Ernst & Young ShinNihon LLC, the Company's Audit Committee receives reports on the operations and outcomes of auditing by the relevant internal departments and makes an evaluation based on "practical guidelines for audit & supervisory board members relating to creating evaluation and selection standards for accounting auditors" announced by the Japan Audit & Supervisory Board Members Association. As a result, continuous auditing services provided by the audit corporation are considered to be appropriate going forward.

4) Audit fees

a. Details of fees paid to certified public accountants

Previous term end		Current term end	
Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)	Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)
61	51	60	73

The details of non-audit services for the fiscal year under review is in compensation for information security audit services by Ernst & Young ShinNihon LLC.

b. Details of fees paid to the same network of certified public accountants

Previous term end		Current term end	
Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)	Payment based on audit attestation duties (million yen)	Fee based on non-audit service (million yen)
3	—	4	—

There is no applicable information on details of non-audit service at the Company.

c. Details of fees based on other important audit attestation service

Not applicable

d. Policies for determining audit fees

The Company determines the amounts of the audit fees paid to certified public accountants by reviewing suitability based on the audit services provided and the number of days, etc., and upon obtaining the consent of the Audit Committee in advance.

e. Reasons why the Audit Committee consents to the audit fees

The Audit Committee receives the necessary materials and reports from the accounting auditors and internal relevant departments and confirms the details of the auditing plan of the accounting auditors, the status of the execution of duties including previous years and the calculation basis for an estimate of the audit fees. The Audit Committee deems the audit fees to be at an appropriate level and consents to them.

(Translation purposes only)

(4) [Remuneration, etc. of Directors and Executive Officers]

1) Information about the policy on determining the amount and calculation method of remuneration, etc. of directors and executive officers

The Compensation Committee consists of non-executive directors only, and the compensation of directors and executive officers is determined after comprehensive discussions at a Compensation Committee meeting. Transparency and objectivity are thus ensured. The compensation of directors who concurrently serve as executive officers and executive officers is comprised of three elements: i. fixed remuneration, ii. performance-based bonus, and iii. share incentive plan. These are determined based on the following policies. The compensation of outside directors is the basic compensation portion that is determined through the same process because the main duty of the outside directors is to oversee the business management.

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

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

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

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

a. Activities of the Compensation Committee of a submitting company in a process for determining the compensation of officers of a submitting company for the most recent business terms

Compensation Committee meetings were held for the current term, and discussions and resolutions were made as follows.

- June 2021: Resolution of change in compensation of two executive officers
- July 2021: Resolution of change in compensation of two executive officers
- September 2021: Resolution of change in compensation of two directors
- September 2021: Resolution for allocation of BIP trust to one director and two executive officers
- May 2022: Resolution of change in compensation of one director

b. Outline of procedures of Compensation Committee involved in policy determination

In determining and changing the officer compensation policy, etc., the Compensation Committee (comprised of non-executive directors only) discusses the payment details, payment method, and payment timing in reference to the compensation policies of the Oracle Corporation Group as to i. Compensation of directors who concurrently serve as sales executive officers and sales executive officers, ii. Compensation of directors who concurrently serve as non-sales executive officers and non-sales executive officers, and iii. Non-executive directors and outside directors.

c. Description of the Compensation Committee's Authority and Scope of Discretion

The Compensation Committee determines the amount of compensation to be paid to the Company's Executive Officers and Directors in accordance with applicable laws, regulations, the Company's Articles of Incorporation and related rules. The number of members of the Compensation Committee shall be at least three, a majority of whom must be outside directors.

d. Reasons for the Compensation Committee's determination that the individual remuneration, etc. of Directors and Executive Officers for the fiscal year under review is in line with the decision policy

In determining the amount of remuneration, etc. for each individual Director and Executive Officer, the Compensation Committee comprehensively examines the details, including consistency with the decision policy, and has determined that the amount is in line with the decision policy.

(Translation purposes only)

e. Target and results of indicators related to performance-linked compensation for the current term

As for compensation for director in charge of sales, that items that the Company should focus on in the current term are set as the main indicators. An amount calculated based on the predetermined target was determined as a performance-linked bonus, and based on this, a total of 43 million yen (of which 22 million yen was paid and 21 million yen is estimated to be paid) has been recorded.

2) Aggregate amount of remuneration, etc., paid to each classification of Directors and Officers of the Company, aggregate amount of remuneration, etc., by type thereof, as well as the number of Directors and Officers of the Company

Classification	Total Amount Paid (Million yen)	Amount of payments (Million yen)		Number of Persons Paid (Persons)
		Fixed remuneration	Performance Based Remuneration	
Directors (excluding Outside Directors)	123	50	73	1
Executive Officers	41	35	6	2
Outside Directors	73	73	-	3

- (Notes)
1. The payment amount above includes the expenses of the BIP Trust for executive officers, which is a stock compensation plan that posts expenses for multiple years, posted according to their service period in the fiscal year under review. The amount of expenses posted in the fiscal year under review are 29 million yen for one Director, and 6 million yen for two Executive officers.
 2. The company has no retirement allowance plan for directors.
 3. The Performance-based bonus amount above includes a provision for one Director's bonuses for the fiscal year under review totaling 21 million yen. A bonus of 22 million yen paid to one Director in the fiscal year under review is also included.
 4. The Executive Officers who concurrently serve as Directors of the Company haven't received payments as Executive Officers.

3) Total amount of remuneration, etc. of persons whose total amount of remuneration, etc. is 100 million yen or more

Name	Total Amount Paid (Million yen)	Classification	Company Classification	Amount of payments (Million yen)	
				Fixed remuneration	Performance Based Remuneration
Toshimitsu Misawa	123	Director	Submitting Company	50	73

(Translation purposes only)

(5) 【Status of shares held】

1) Standard and concept of classification of Investment shares

In the Company, shares which aim to gain profits solely from fluctuations in the value of the shares or dividends on shares are classified into share held for pure investment, and shares which increase the corporate value of the Company due to business expansion and synergies are classified shares held for purpose other than pure investment.

2) Investment shares held for purpose other than pure investment

a. Method of examining holding policy and rationality and details of examination in the Board of Directors concerning the propriety of holding individual shares

Omitted as only unlisted shares have been held.

b. Number of share names and total amount on the balance sheet

	Number of shares	Total amount on the balance sheet (Million yen)
Unlisted Shares	2	36
Stocks other than unlisted shares	-	-

(Shares increased for the current fiscal year)

Not applicable

(Shares decreased for the current fiscal year)

Not applicable

c. Information about number of shares, amount on the balance sheet for each share name of Specified investment shares and deemed share holdings

Not applicable

3) Investment shares held for purposes of pure investment

Not applicable

(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, 2021 and May 31, 2022 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, 2021)	Current term end (as of May 31, 2022)
Assets		
Current assets		
Cash and deposits	53,964	60,142
Accounts receivable-trade	18,799	* 20,784
Advance payments to suppliers	3,399	62
Prepaid expenses	109	108
Other	4,784	3,721
Allowance for doubtful accounts	-20	-20
Total current assets	81,038	84,800
Noncurrent assets		
Property, plant and equipment		
Buildings	19,447	19,362
Accumulated depreciation	-9,959	-10,734
Buildings, net	9,487	8,628
Tools, furniture and fixtures	7,627	7,684
Accumulated depreciation	-6,278	-6,573
Tools, furniture and fixtures, net	1,349	1,111
Land	26,057	26,057
Total property, plant and equipment	36,894	35,796
Intangible assets		
Software	0	1
Total intangible assets	0	1
Investments and other assets		
Investment securities	36	36
Deferred tax assets	3,817	4,051
Guarantee deposits	352	154
Long-term loans receivable from subsidiaries and associates	210,000	110,000
Other	1,859	2,028
Total investments and other assets	216,065	116,270
Total noncurrent assets	252,960	152,068
Total assets	333,999	236,868

(Translation purposes only)

	(Unit: Million yen)	
	Previous term end (as of May 31, 2021)	Current term end (as of May 31, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	9,379	8,918
Accounts payable-other	3,743	4,672
Income taxes payable	13,982	12,313
Advanced received	80,206	-
Contract liabilities	-	80,047
Deposits received	288	175
Provision for bonuses	2,120	1,953
Provision for director's bonuses	12	21
Provision for product warranties	42	31
Provision for stock benefits	688	761
Other	3,534	2,616
Total current liabilities	113,999	111,512
Noncurrent liabilities		
Other	-	-
Total noncurrent liabilities	-	-
Total liabilities	113,999	111,513
Net assets		
Shareholder's equity		
Capital stock	25,033	25,067
Capital surplus		
Legal capital surplus	8,384	8,418
Total capital surplus	8,384	8,418
Retained earnings		
Other retained earnings		
Retained earnings brought forward	188,924	93,156
Total retained earnings	188,924	93,156
Treasury stock	-2,461	-1,399
Total shareholder's equity	219,881	125,243
Subscription rights to shares	118	111
Total net assets	219,999	125,355
Total liabilities and net assets	333,999	236,868

(Translation purposes only)

(ii) 【Statement of Income】

	(Unit: Million yen)	
	Previous term end (From June 1, 2020 to May 31, 2021)	Current term end (From June 1, 2021 to May 31, 2022)
Net sales		
Cloud & License net sales	170,225	177,612
Hardware systems net sales	17,083	15,429
Service net sales	21,214	21,649
Total net sales	208,523	* ₁ 214,691
Cost of sales		
Cloud & License cost of sales	78,126	81,986
Hardware systems cost of sales	14,663	13,244
Services cost of sales	13,975	13,908
Total cost of sales	106,764	109,139
Gross profit	101,758	105,551
Selling, general and administrative expenses		
Advertising expense	477	536
Business consignment expenses	4,052	4,706
Provision of allowance for doubtful accounts	7	-
Provision for directors' bonuses	12	21
Directors' compensations	117	159
Directors' bonuses	6	22
Salaries for employees	12,981	12,901
Provision for bonuses	1,143	997
Bonuses for employees	3,130	3,428
Stock-based compensation expense	12	6
Stock benefit expenses	726	928
Retirement benefit expenses	350	370
Welfare expenses	2,520	2,612
Rent	452	426
Depreciation expenses	1,014	936
Other	3,848	4,286
Total selling, general and administrative expenses	30,854	32,337
Operating income	70,904	73,213
Non-operating income		
Interest income	* ₂ 32	* ₂ 157
Foreign exchange gains	-	178
Other	14	16
Total non-operating income	47	352
Non-operating expenses		
Foreign exchange losses	33	-
Other	12	23
Total non-operating expenses	46	23
Ordinary income	70,904	73,543
Extraordinary income		
Gain on reversal of subscription rights to shares	13	5
Total extraordinary income	13	5
Income before income taxes	70,918	73,548
Income taxes-current	22,375	22,562
Income taxes-deferred	-633	-196
Total income taxes	21,742	22,366
Net income	49,175	51,182

(Translation purposes only)

【Cost of Sales Statements】

A. Cloud & License cost of sales

		Previous term end (From June 1, 2020 to May 31, 2021)		Current term end (From June 1, 2021 to May 31, 2022)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition (%)
I Labor costs		1,590	2.0	1,891	2.3
II Outsourcing expenses		4,233	5.4	4,520	5.5
III Expenses		1,100	1.4	901	1.1
IV Royalty fees		71,201	91.2	74,673	91.1
Cloud & License cost of sales		78,126	100.0	81,986	100.0

B. Hardware systems cost of sales

		Previous term end (From June 1, 2020 to May 31, 2021)		Current term end (From June 1, 2021 to May 31, 2022)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition
I Current term purchase		14,251	97.2	12,854	97.1
II Labor costs		367	2.5	348	2.6
III Expenses		44	0.3	40	0.3
Hardware systems cost of sales		14,663	100.0	13,244	100.0

(Translation purposes only)

C. Services cost of sales

		Previous term end (From June 1, 2020 to May 31, 2021)		Current term end (From June 1, 2021 to May 31, 2022)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition
I Labor costs		8,464	60.1	8,066	57.6
II Outsourcing expenses		5,020	35.7	5,483	39.1
III Expenses		597	4.2	456	3.3
Current term total generated costs		14,081	100.0	14,007	100.0
Transfer to other accounts		106		98	
Services cost of sales		13,975		13,908	

(Translation purposes only)

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

Previous term end (From June 1, 2020 to May 31, 2021)

(Unit : Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of current period	24,884	8,235	8,235	158,846	158,846
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	149	149	149		
Dividends from surplus				-19,097	-19,097
Net income				49,175	49,175
Purchase of treasury stock					
Sale of treasury stock					
Net changes of items other than shareholders' equity					
Total changes of items during the period	149	149	149	30,077	30,077
Balances at end of current period	25,033	8,384	8,384	188,924	188,924

	Shareholders' equity		Subscription rights to shares	Net assets
	Treasury stock	Total shareholders' equity		
Balance at the beginning of current period	-759	191,206	156	191,362
Changes of items during the period				
Issuance of new shares-exercise of subscription rights to shares		298		298
Dividends from surplus		-19,097		-19,097
Net income		49,175		49,175
Purchase of treasury stock	-2,275	-2,275		-2,275
Sale of treasury stock	573	573		573
Net changes of items other than shareholders' equity			-38	-38
Total changes of items during the period	-1,701	28,675	-38	28,636
Balances at end of current period	-2,461	219,881	118	219,999

(Translation purposes only)

Current term end (From June 1, 2021 to May 31, 2022)

(Unit : Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Legal capital surplus	Total Capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of current period	25,033	8,384	8,384	188,924	188,924
Changes of items during the period					
Issuance of new shares-exercise of subscription rights to shares	33	33	33		
Dividends from surplus				-146,949	-146,949
Net income				51,182	51,182
Purchase of treasury stock					
Sale of treasury stock		0	0		
Net changes of items other than shareholders' equity					
Total changes of items during the period	33	33	33	-95,767	-95,767
Balances at end of current period	25,067	8,418	8,418	93,156	93,156

	Shareholders' equity		Subscription rights to shares	Net assets
	Treasury stock	Total shareholders' equity		
Balance at the beginning of current period	-2,461	219,881	118	219,999
Changes of items during the period				
Issuance of new shares-exercise of subscription rights to shares		67		67
Dividends from surplus		-146,949		-146,949
Net income		51,182		51,182
Purchase of treasury stock	-5	-5		-5
Sale of treasury stock	1,067	1,068		1,068
Net changes of items other than shareholders' equity			-6	-6
Total changes of items during the period	1,062	-94,638	-6	-94,644
Balances at end of current period	-1,399	125,243	111	125,355

(Translation purposes only)

(iv) 【Statement of Cash Flows】

	(Unit: Million yen)	
	Previous term end (From June 1, 2020 to May 31, 2021)	Current term end (From June 1, 2021 to May 31, 2022)
Net cash provided by (used in) operating activities		
Income before income taxes	70,918	73,548
Depreciation expenses and amortization	2,049	1,653
Share-based compensation expenses	16	9
Increase (decrease) in allowance for doubtful accounts	6	-
Increase(decrease) in provision for bonuses	-220	-167
Increase(decrease) in provision for director's bonuses	6	8
Increase(decrease) in provision for product warranties	-12	-10
Increase(decrease) in provision for stock benefits	323	73
Foreign exchange losses (gains)	41	-83
Interest and dividend income	-38	-164
Loss (gain) on sales and retirement of noncurrent assets	7	16
Decrease (increase) in notes and accounts receivable-trade	7,739	-1,984
Decrease (increase) in advance payments to suppliers	-3,399	3,337
Decrease (increase) in accounts receivable-other	-1,743	1,415
Decrease (increase) in other current assets	37	-196
Increase (decrease) in notes and accounts payable-trade	-1,121	-461
Increase (decrease) in accounts payable-other	-506	617
Increase (decrease) in accrued consumption taxes	-1,760	-863
Increase (decrease) in advances received	12,475	-
Increase (decrease) in contract liabilities	-	-158
Increase (decrease) in other current liabilities	-143	-39
Other, net	597	927
Subtotal	85,273	77,478
Interest and dividends income received	69	9
Income taxes paid	-20,193	-24,396
Net cash provided by (used in) operating activities	65,148	53,091
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-98	-395
Proceeds from sales of property, plant and equipment	46	67
Purchase of intangible assets	-	-0
Payments of loans receivable from subsidiaries and associates	-210,000	-
Proceeds from loans receivable	160,000	100,000
Payments into time deposits	-30,000	-
Proceeds from withdrawal of time deposits	30,000	-
Payments for guarantee deposits	-0	-10
Proceeds from collection of guarantee deposits	19	209
Payments for asset retirement obligations	-86	-35
Net cash provided by (used in) investing activities	-50,118	99,835
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	256	56
Purchase of treasury stock	-2,275	-5
Proceeds from sales of treasury shares	-	0
Cash dividends paid	-19,096	-146,884
Net cash provided by (used in) financing activities	-21,115	-146,832
Effect of exchange rate change on cash and cash equivalents	-41	83
Net Increase/(Decrease) in cash and cash equivalents	-6,127	6,178
Cash and cash equivalents at beginning of period	60,091	53,964
Cash and cash equivalents at end of period	* 53,964	* 60,142

(Translation purposes only)

[Notes to Financial Statements]

(Significant Accounting Policies)

1. Valuation standard and method applied to negotiable securities
 - Other securities
 - (i) Other than stocks, etc. without 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) Stocks, etc. without market value
 - Stocks: Cost method based on moving-average method
 - Debt securities: 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. Computer storages: 4 years
 - d. Others: 5 to 15 years
 - (2) Intangible fixed assets: At 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 provide the directors, executive officers and employees with the Company's shares based on the stock delivery regulations.

(Translation purposes only)

5. Accounting standard for revenue and expense recognition

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021) from the beginning of the current fiscal year. And, the "Accounting Standard for Revenue Recognition" and others issued on March 30, 2018 were applied from the beginning of the fiscal year ending May 31, 2019.

The Company recognizes revenue for contracts with customers based on the following five-step approach.

Step1: Identification of the contract, or contracts, with a customer;

Step2: identification of the performance obligations in the contract;

Step3: Determination of the transaction price;

Step4: Allocation of the transaction price to the performance obligations in the contract; and

Step5: Recognition of revenues when, or as, the contractual performance obligations are satisfied.

In addition, in the incremental costs associated with the acquisition of contracts, bonuses of sales departments arising from acquisition of contracts are subject to the capitalization bonus for acquisition of cloud and support contracts, and its amortization period is mainly based on the contract period, but for certain types of contracts will be amortized by the straight-line method over the estimated contract period including the renewal of future contracts, the expected useful lives of our technologies, and other factors.

The incremental costs associated with the acquisition of contracts mean the costs incurred to acquire a contract with a customer that would have not been incurred if the contract was not acquired.

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.

(Significant accounting estimates)

Not applicable.

(Change in Accounting Policies)

(Application of Accounting Standard for Calculation of Fair Value, etc.)

The Company has applied "Accounting Standard for Measurement of Fair Value" (ASBJ Statement No.30, July 4, 2019. Hereinafter referred to as "Fair Value Calculation Accounting Standard"), etc. from the beginning of the current fiscal year, and will apply the new accounting policies set forth by the Accounting Standard for Measurement of Fair Value etc. prospectively in accordance with the transitional treatments set forth in Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no impact of this change on the financial statements.

In addition, notes on the breakdown of the fair value of financial instruments by appropriate classification are described in the "Notes on Financial Instruments". However, in accordance with the transitional treatment stipulated in Paragraph 7-4 of the Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, July 4, 2019), the notes do not include those for the previous fiscal year.

(Unapplied Accounting Policies, etc.)

Not applicable

(Change the display method)

(Application of Accounting Standard, etc. for Revenue Recognition)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the current fiscal year. The "Accounting Standard for Revenue Recognition", etc. issued on March 30, 2018 have been applied from the beginning of the fiscal year ending May 31, 2019. Due to the application of the accounting standard for revenue recognition, "Advances received", which was presented including "Current liabilities" in the balance sheet of the previous fiscal year, is presented including "Contract liabilities" from the current fiscal year. In addition, "Increase (decrease) in advances received," which had been presented in "Net cash provided by (used in) operating activities" in the statement of cash flows until the previous fiscal year, is now included in "Increase (decrease) in contract liabilities" from the current fiscal year.

In accordance with the transitional treatment prescribed in Paragraph 89-4 of the Accounting Standard for Revenue Recognition, no reclassification has been made for the previous fiscal year with the new presentation method. Also, in accordance with the transitional treatment prescribed in Paragraph 89-4 of the Accounting Standard for Revenue Recognition, the "Revenue recognition related" notes for the previous fiscal year are not described.

(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

Based on the "Share Delivery Rules" established when the Plan was introduced, the Company's directors and executive officers who meet certain requirements are paid a share of the Company after a resolution by the Compensation Committee. In order to acquire the shares to be paid in the future in advance, the Company will trust the trust bank with money as the trust property of the "Executive Compensation BIP Trust", and the trust bank will acquire the Company's shares with the money held in trust.

(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 20 million yen, 3,356 shares at the end of the previous term, and 20 million yen, 3,356 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

Based on the "Share Delivery Regulations" established when this Plan was introduced, the Company's shares are paid to employees of the Company who meet certain requirements.

In order to acquire the shares to be paid in the future in advance, the Company will entrust the money to the trust bank as the trust property of the "Stock-granting ESOP Trust", and the trust bank will acquire the Company's shares with the money entrusted.

(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 2,369 million yen, 185,950 shares at the end of the previous term, and 1,301 million yen, 102,163 shares at the end of the current term.

(Accounting estimates associated with the pandemic of the COVID-19 infection)

The Company had made accounting estimates (evaluation of the recoverability of deferred tax assets and consideration of impairment accounting for fixed assets, etc.) based on the assumption that the impact of the COVID-19 infection on its business would continue to a certain degree throughout the current fiscal year. However, as of the end of the current fiscal year, the timing of convergence was still unclear, and we have changed our assumption that the impact on our business will continue to a certain extent through the first half of the next fiscal year.

Based on this assumption, the Company has made accounting estimates (evaluation of the recoverability of deferred tax assets and considering impairment accounting for fixed assets). The impact of this change on the Company's business results and financial position is immaterial at this time.

(Balance Sheet related)

* The amounts of receivables and contract assets arising from contracts with customers are described in Financial Statements "Notes to Financial Statements (Revenue recognition related) 3. (1) Balance of contract assets and contract liabilities, etc."

(Statement of Income related)

*1 Revenue from contracts with customers

Revenues are not broken down into revenues arising from contracts with customers and other revenues. The amount of revenue arising from contracts with customers is presented in Financial Statements "Notes to Financial Statements (Revenue recognition related) 1. Information on revenue breakdown from contracts with customers".

*2 Non-operating income for affiliated companies included in each subject is as follows.

	Previous term end (From June 1, 2020 to May 31, 2021) (million yen)	Current term end (From June 1, 2021 to May 31, 2022 (million yen)
Interest income	29	155

(Translation purposes only)

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

Previous term (from June 1, 2020 to May 31, 2021)

1 Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2020 (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, 2021 (Thousand shares)
Issued shares Common stock (Note)	128,184	56	-	128,240
Treasury stocks Common stock	116	168	83	201

- (Note)
1. Increase of 56 thousand outstanding shares was due to exercise of share warrants.
 2. The increase in treasury stock by 168 thousand shares was due to purchasing the company's own stock to employees through the Employee Stock Ownership Plan (ESOP) Trust, and the purchase of odd lots shares (0 thousand).
 3. The decrease in the number of shares of treasury stock (83 thousand) was due to delivering the company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (7 thousand) and the Employee Stock Ownership Plan (ESOP) Trust (75 thousand).
 4. The balance of treasury stocks includes 189 thousand treasury stocks owned by the BIP trust (3 thousand) and ESOP trust (185 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	-	-	-	-	-	118
Total		-	-	-	-	-	118

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, 2020	Common stock	19,097	149	May 31, 2020	August 5, 2020

- (Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 22, 2020 includes the 15 million yen dividend for the Company's stock held by Board Incentive Plan Trust (1 million yen) and Employee Stock Ownership Plan Trust (13 million yen).

(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 21, 2021	Common Stock	Earned surplus	146,949	1,146	May 31, 2021	August 4, 2021

- (Note)
1. The above dividend per share includes a special dividend of 992 yen.
 2. Total amount of dividend which was resolved at the board of directors meeting which was held on July 21, 2021 includes the 216 million yen dividend for the Company's stock held by Board Incentive Plan Trust (3 million yen) and Employee Stock Ownership Plan Trust (213 million yen).

(Translation purposes only)

Current term (from June 1, 2021 to May 31, 2022)

1 Type and number of issued shares and treasury stock

	Number of shares as of May 31, 2021 (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, 2022 (Thousand shares)
Issued shares Common stock (Note)	128,240	15	-	128,256
Treasury stocks Common stock	201	0	83	118

- (Note) 1. Increase of 15 thousand outstanding shares was due to exercise of share warrants.
 2. Increase of 0 thousand shares was due to the purchase of odd lots.
 3. The decrease in the number of shares of treasury stock (83 thousand) was due to delivering the company's own stock to employees through the Employee Stock Ownership Plan (ESOP) Trust (83 thousand), and the sale of odd lots (0 thousand).
 4. The balance of treasury stocks includes 105 thousand treasury stocks owned by the BIP trust (3 thousand) and ESOP trust (102 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	-	-	-	-	-	111
Total		-	-	-	-	-	111

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 21, 2021	Common stock	146,949	1,146	May 31, 2021	August 4, 2021

- (Note) 1. The above dividend per share includes a special dividend of 992 yen.
 2. Total amount of dividend which was resolved at the board of directors meeting which was held on July 21, 2021 includes the 216 million yen dividend for the Company's stock held by Board Incentive Plan Trust (3 million yen) and Employee Stock Ownership Plan Trust (213 million yen).

(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, 2022	Common Stock	Earned surplus	20,518	160	May 31, 2022	August 8, 2022

- (Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 22, 2022 includes the 16 million yen dividend for the Company's stock held by Board Incentive Plan Trust (0 million yen) and Employee Stock Ownership Plan Trust (16 million yen).

(Related to the statement of cash flows)

*Relationship between the term end balance of cash and cash equivalents and the amount of items indicated in the balance sheet

	Previous term end (From June 1, 2020 to May 31, 2021) (million yen)	Current term end (From June 1, 2021 to May 31, 2022) (million yen)
Cash and deposits	53,964	60,142
Cash and cash equivalents	53,964	60,142

(Lease transactions related)

Not applicable.

(Translation purposes only)

(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 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, accounts receivable-other, and loans 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 variable factors are incorporated in the market value calculation of financial instruments, such values may change due to the adoption of different assumptions and other factors.

(Translation purposes only)

2. Market value of financial instruments

Balance sheet amounts, fair values and their differences are as follows. Cash and deposits, accounts receivable-trade, accounts payable-trade, accounts payable-other and income taxes payable are omitted because they are settled in a short period of time and their fair value approximates their book value. Stocks and other securities without market values are not included in the following table (see (Note 1)).

Previous term end (as of May 31, 2021)

(Unit: Million yen)

	Balance sheet amount	Market value	Difference
Loans receivable from subsidiaries and associates	210,000	210,000	—

Current term end (as of May 31, 2022)

(Unit: Million yen)

	Balance sheet amount	Market value	Difference
Loans receivable from subsidiaries and associates	110,000	110,000	—

(Note) 1 Stocks and other securities without market values are not included in the table above. The balance sheet amounts of such financial instruments are as follows

(Unit : Million yen)

Category	May 31, 2021	May 31, 2022
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) 2 Scheduled redemption amount of monetary claims after the closing date

Previous term end (as of May 31, 2021)

	Within 1 year (million yen)	Over 1 year but within 5 years (million yen)	Over 2 years but within 3 years (million yen)	Over 3 years but within 4 years (million yen)	Over 4 years but within 5 years (million yen)	Over 5 years (million yen)
Long-term loans receivable from subsidiaries and associates	-	-	-	-	210,000	-

Current term end (as of May 31, 2022)

	Within 1 year (million yen)	Over 1 year but within 5 years (million yen)	Over 2 years but within 3 years (million yen)	Over 3 years but within 4 years (million yen)	Over 4 years but within 5 years (million yen)	Over 5 years (million yen)
Long-term loans receivable from subsidiaries and associates	-	-	-	110,000	-	-

3. Breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated based on quoted market values of assets or liabilities for which the fair value is calculated in active markets, which are among the inputs used to calculate observable fair value.

Level 2 fair value: Fair value calculated using inputs other than Level 1 inputs to the calculation of observable fair value.

Level 3 fair value: Fair value calculated using inputs related to the calculation of fair value that are not observable.

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

(Translation purposes only)

Financial instruments other than those carried on the balance sheet at fair value

Current term end (as of May 31, 2022)

Classification	Market values (Million yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable from subsidiaries and associates	-	110,000	-	110,000
Total assets	-	110,000	-	110,000

Note: Description of valuation techniques and inputs used in the calculation of fair value

Long-term loans receivable from subsidiaries and associates

The fair value of loans receivable from subsidiaries and associates is calculated using the discounted present value method based on their future cash flows and market interest rates, and classified as Level 2 fair value. Since the result of the calculation based on the above valuation method is almost equal to the book value, the book value is used as the fair value.

(Securities)

1 Other securities

Previous term end (As of May 31, 2021)

Not applicable.

Current term end (As of May 31, 2022)

Not applicable.

2 Other securities sold during the fiscal year

Previous term end (From June 1, 2020 to May 31, 2021)

Not applicable.

Current term end (From June 1, 2021 to May 31, 2022)

Not applicable.

(Derivative transactions)

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

(Retirement benefits related)

Previous term end (From June 1, 2020 to May 31, 2021)

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 570 million yen.

Current term end (From June 1, 2021 to May 31, 2022)

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 586 million yen.

(Translation purposes only)

(Stock options related)

1 Expenses recorded and account name

	Previous term end (million yen)	Current term end (million yen)
Cost of sales	4	3
Selling, general and administrative expenses (Stock compensation expenses)	12	6

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	13	5

(Translation purposes only)

3 Stock option details, scale, and fluctuation status

(1) Stock option details

	2011 1 st stock option	2012 1 st stock option
Category and number of granted persons	Company director (Note) 1 4 persons Company employees 255 persons	Company director (Note) 1 4 persons Company employees 201 persons
Number of stock options (Note) 2	Common stock 313,700 shares	Common stock 322,700 shares
Date granted	September 28, 2011	September 28, 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 (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).
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 September 28, 2012 to September 28, 2014 (2) From September 28, 2012 to September 28, 2016
Rights exercise period	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 September 28, 2014 to September 12, 2022 Same as left

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

2 Indicated converted to number of shares.

(Translation purposes only)

	2013 1 st stock option	2014 1 st stock option
Category and number of granted persons	Company director (Note) 1 4 persons Company executive officer 1 person Company employees 202 persons	Company director (Note) 1 4 persons Company employees 268 persons
Number of stock options(Note) 2	Common stock 289,700 shares	Common stock 315,800 shares
Date granted	September 30, 2013	September 30, 2014
Rights allotment condition	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).	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).
Applicable working period	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	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
Rights exercise period	From September 30, 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 September 30, 2016 to September 16, 2024 Same as left

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

2 Indicated converted to number of shares.

(Translation purposes only)

	2014 2 nd stock option	2015 1 st stock option
Category and number of granted persons	Company employee 1 person	Company directors 1 person Company employees 47 persons
Number of stock options(Note) 2	Common stock 2,800 shares	Common stock 52,900 shares
Date granted	July 31, 2015	September 30, 2015
Rights allotment condition	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).	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).
Applicable working period	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	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
Rights exercise period	From July 31, 2017 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 September 30, 2017 to September 16, 2025 Same as left

(Note) Indicated converted to number of shares.

(Translation purposes only)

	2016 1 st stock option	2017 1 st stock option
Category and number of granted persons	Company employee 24 persons	Company employees 27 persons
Number of stock options (Note)	Common stock 30,900 shares	Common stock 27,800 shares
Date granted	October 5, 2016	October 12, 2017
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 (October 5, 2016) to date of rights allotment (October 5, 2018).</p> <p>(2) Must be working continuously from the date of grant (October 5, 2016) to date of rights allotment (October 5, 2020).</p>	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) Must be working continuously from the date of grant (October 12, 2017) to date of rights allotment (October 12, 2019).</p> <p>(2) Must be working continuously from the date of grant (October 12, 2017) to date of rights allotment (October 12, 2021).</p>
Applicable working period	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) From October 5, 2016 to October 5, 2018</p> <p>(2) From October 5, 2016 to October 5, 2020</p>	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) From October 12, 2017 to October 12, 2019</p> <p>(2) From October 12, 2017 to October 12, 2021</p>
Rights exercise period	<p>From October 5, 2018 to September 21, 2026</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, executive officer, 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, executive officers, and employees of the Company who have lost their positions.</p>	<p>From October 12, 2019 to September 21, 2027</p> <p>Same as left</p>

(Note) Indicated converted to number of shares.

(Translation purposes only)

	2018 1 st stock option
Category and number of granted persons	Company employees 17 persons
Number of stock options(Note)	Common stock 21,600 shares
Date granted	October 12, 2018
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 (October 12, 2018) to date of rights allotment (October 12, 2020).</p> <p>(2) Must be working continuously from the date of grant (October 12, 2018) to date of rights allotment (October 12, 2022).</p>
Applicable working period	<p>As follows for every 1/2 of allotted rights.</p> <p>(1) From October 12, 2018 to October 12, 2020</p> <p>(2) From October 12, 2018 to October 12, 2022</p>
Rights exercise period	<p>From October 12, 2020 to September 21, 2028</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, executive officer, 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, executive officers, and employees of the Company who have lost their positions.</p>

(Note) Indicated converted to number of shares.

(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

	2011 1 st stock option	2012 1 st stock option	2013 1 st stock option	2014 1 st 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	14,400	25,700	28,300	4,400
Allotment of rights	-	-	-	-
Exercise of rights	5,300	6,000	3,300	200
Expired	9,100	-	1,000	-
Non-exercised remainder	-	19,700	24,000	4,200
	2014 2 nd stock option	2015 1 st stock option	2016 1 st stock option	2017 1 st stock option
Before rights allotment (shares)				
End of previous term	-	-	-	9,700
Granted	-	-	-	-
Expired	-	-	-	-
Allotment of rights	-	-	-	9,700
Undetermined remainder	-	-	-	-
After rights allotment (shares)				
End of previous term	400	18,600	8,100	9,800
Allotment of rights	-	-	-	9,700
Exercise of rights	100	100	500	-
Expired	-	-	-	-
Non-exercised remainder	300	18,500	7,600	19,500

(Translation purposes only)

	2018 1 st stock option
Before rights allotment (shares)	
End of previous term	10,100
Granted	-
Expired	500
Allotment of rights	-
Undetermined remainder	9,600
After rights allotment (shares)	
End of previous term	7,700
Allotment of rights	-
Exercise of rights	-
Expired	-
Non-exercised remainder	7,700

(ii) Unit cost

		2011 1 st stock option	2012 1 st stock option
Exercise price	(yen)	2,698	4,025
Ave. stock price in exercise	(yen)	8,824	8,949
Fair valuation unit price (Date of grant)	(yen)	524	828

		2013 1 st stock option	2014 1 st stock option
Exercise price	(yen)	3,942	4,280
Ave. stock price in exercise	(yen)	8,812	8,500
Fair valuation unit price (Date of grant)	(yen)	648	876

		2014 2 nd stock option	2015 1 st stock option
Exercise price	(yen)	5,335	5,200
Ave. stock price in exercise	(yen)	10,230	9,700
Fair valuation unit price (Date of grant)	(yen)	889	847

(Translation purposes only)

		2016 1 st stock option	2017 1 st stock option
Exercise price	(yen)	5,962	8,940
Ave. stock price in exercise	(yen)	8,170	-
Fair valuation unit price (Date of grant)	(yen)	972	1,645

		2018 1 st stock option
Exercise price	(yen)	9,185
Ave. stock price in exercise	(yen)	-
Fair valuation unit price (Date of grant)	(yen)	1,312

4 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.

(Tax effect accounting related)

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

	Previous term end (as of May 31, 2021)	Current term end (as of May 31, 2022)
Accounts payable-other	288	256
Enterprise tax payable	812	700
Advanced received	1,506	2,012
Provision for bonuses	522	458
Depreciation expenses excess	299	261
Investment securities valuation loss	18	18
Other	369	343
Total	3,817	4,051

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)

(Revenue recognition related)

1. Information on revenue breakdown from contracts with customers

The Company disaggregates revenue based on the classification of reportable segments in the segment information, and further breaks down revenue for the Cloud & License segment based on the classification of goods and services.

Current term end (From June 1, 2021 to May 31, 2022)

(Unit : Million Yen)

Cloud and license	
Cloud license and on-premise license	44,975
Cloud services and license support	132,636
Total	177,612
Hardware Systems	15,429
Services	21,649
Revenue from contracts with customers	214,691
Other revenue	-
Sales to external customers	214,691

2. Information that provides a basis for understanding the revenue arising from contracts with customers

Basis for understanding the revenue is described in "(Significant Accounting Policies) 5. Accounting standard for revenue and expense recognition".

3. Information to understand the amount of revenue for the current and subsequent fiscal years

(1) Balance of contract assets and contract liabilities, etc.

(Unit : Million Yen)

	Current fiscal year (May 31, 2022)
Receivables from contracts with customers (beginning balance)	18,285
Receivables from contracts with customers (ending balance)	20,011
Contract assets (beginning balance)	514
Contract assets (ending balance)	772
Contract liabilities (beginning balance)	80,206
Contract liabilities (ending balance)	80,047

A contract asset is a right to consideration received in exchange for goods or services transferred to a customer that is with a condition other than the passage of time. Contract assets are transferred to receivables from contracts with customers when the right to payment becomes unconditional.

Contract liabilities relate to advances received from customers for contracts to provide ongoing services rendered, such as maintenance services. Contract liabilities are reversed upon revenue recognition.

The amount of revenue recognized in the current fiscal year that was included in the contract liability balance at the beginning of the period was 64,659 million yen. There were no significant changes in contract assets and liabilities during the current fiscal year.

The amount of revenue recognized in the current fiscal year from performance obligations fulfilled in past periods is immaterial.

(2) Transaction amount allocated to remaining performance obligations

The total transaction amount allocated to the remaining performance obligations at the end of the current fiscal year was 182,660 million yen, of which approximately 62% is expected to be recognized as revenue within one year after the balance sheet date, approximately 15% within two years, and approximately 23% in excess of two years.

(Translation purposes only)

(Segment Information, etc.)

【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 three reportable segments: Cloud and license, Hardware systems, and Services.

Cloud and license sells various database management software, middleware, and application software used in corporate activities and provides these software and hardware resources as services via the Internet. It also provides software license renewal 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, and Advanced customer support 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, 2020 to May 31, 2021)

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware Systems	Services	Total		
Sales						
External customers	170,225	17,083	21,214	208,523	-	208,523
Intersegment net sales or transfer	-	-	-	-	-	-
Total	170,225	17,083	21,214	208,523	-	208,523
Operating income (loss)	70,110	699	4,594	75,404	-4,500	70,904
Other item						
Depreciation (Note) 3	1,473	98	178	1,750	299	2,049

(Notes): 1 A segment profit adjustment of minus 4,500 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 June 1, 2021 to May 31, 2022)

(Unit: Million Yen)

	Reportable operating segments				Adjustment (Note) 1	Amount on Statement of Income (Note) 2
	Cloud and license	Hardware Systems	Services	Total		
Sales						
External customers	177,612	15,429	21,649	214,691	-	214,691
Intersegment net sales or transfer	-	-	-	-	-	-
Total	177,612	15,429	21,649	214,691	-	214,691
Operating income (loss)	72,343	687	5,123	78,154	-4,940	73,213
Other item						
Depreciation (Note) 3	1,155	86	144	1,386	267	1,653

(Notes): 1 A segment profit adjustment of minus 4,940 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, 2020 to May 31, 2021)

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	24,873	Cloud & license, Hardware systems and Services

Current term end (From June 1, 2021 to May 31, 2022)

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.

(Translation purposes only)

3 Information by main customer

(Unit: Million yen)

Customer name	Net sales	Related segment name
NEC Corporation	24,302	Cloud & license, 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) Parent company and major shareholders, etc. of company submitting financial statement (limited to companies, etc.)

Previous term end (From June 1, 2020 to May 31, 2021)

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)
Parent company	Oracle JAPAN HOLDING, Inc.	U.S. California	-	Holding company	(Being possessed) Direct 74.2	Direct parent company Making a loan	Payments of loans receivable from subsidiaries and associates (Note)	210,000	Long-term loans receivable from subsidiaries and associates	210,000
							Collection of loans receivable from subsidiaries and associates (Note)	160,000		

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

The interest rate on loans is determined rationally after the market interest rate is taken into account. Interest income 29 million yen has been booked in FY21 (accumulated interest income is 65 million yen).

Current term end (From June 1, 2021 to May 31, 2022)

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)
Parent company	Oracle JAPAN HOLDING, Inc.	U.S. California	-	Holding company	(Being possessed) Direct 74.2	Direct parent company Making a loan	Collection of loans receivable from subsidiaries and associates (Note)	100,000	Long-term loans receivable from subsidiaries and associates	110,000

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

The interest rate on loans is determined rationally after the market interest rate is taken into account. Interest income 155 million yen has been booked in this fiscal year (accumulated interest income is 160 million yen).

(Translation purposes only)

(2) 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, 2020 to May 31, 2021)

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)
Subsidiary of parent company	Oracle America, Inc.	U.S. California	0 000 US dollars	Development/sales of software and hardware, and provision of related services	—	Settlement of funds for transactions among Oracle Group companies and making a loan	Settlement of funds for transactions among Oracle Group companies (Note) 1	43,429	Accounts payable	7,761
								9,457	Accounts payable-other	2,100
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) 2	48,067	Accounts payable	3,399

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

1 The settlement of funds for transactions among Group companies of Oracle Corporation (not including transactions with Oracle International Corporation and transactions with some Group companies) 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 (22,223 million yen in FY21) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products and services (14,243 million yen in FY21) 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.

2 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.

Current term end (From June 1, 2021 to May 31, 2022)

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)
Subsidiary of parent company	Oracle America, Inc.	U.S. California	0 000 US dollars	Development/sales of software and hardware, and provision of related services	—	Settlement of funds for transactions among Oracle Group companies and making a loan	Settlement of funds for transactions among Oracle Group companies (Note) 1	47,590	Accounts payable	7,283
								10,183	Accounts payable-other	2,562
								3,800	Accounts receivable	1,929
								2,883	Accounts receivable-other	935
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) 2	48,456	Advance payments to suppliers	62

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

1 The settlement of funds for transactions among Group companies of Oracle Corporation (not including transactions with Oracle International Corporation and transactions with some Group companies) is processed through the account of Oracle America, Inc. The above transaction amounts in accounts payable, accounts payable-other, accounts receivables, and accounts receivable-other are settlements, the majority of which are the payments of royalties (25,204 million yen in FY22) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products and services (12,847 million yen in FY22) 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.

2 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)

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

Previous term end (From June 1, 2020 to May 31, 2021)

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	Ishizumi Hisayuki	-	-	The company's Executive Officer	(being possessed) direct 0.00	-	Execution of right of stock option (Note) 3	28	-	
Officer	Tadahiro Kaneko	-	-	The company's Executive Officer	(being possessed) direct 0.00	-	Execution of right of stock option (Note) 3	13	-	

- (Notes) 1. Mr. Hisayuki Ishizumi retired from the position of Executive Officer of the Company as of August 21, 2020, and the above information relates to his term of office during the current fiscal year.
 2. Mr. Tadahiro Kaneko retired from the position of Executive Officer of the Company as of September 30, 2020, and the above information relates to his term of office during the current fiscal year.
 3. The exercise of stock options granted under the resolution of the Company's shareholders meeting during the fiscal year under review is described.

Current term end (From June 1, 2021 to May 31, 2022)

Not applicable.

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, 2020 to May 31, 2021)	Current term (From June 1, 2021 to May 31, 2022)
Net assets per share	1,717.30	977.41
Net income per share	383.92	399.55
Net income per share (diluted)	383.66	399.42

(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, 2020 to May 31, 2021)	Current term end (From June 1, 2021 to May 31, 2022)
Net income per share		
Net income (millions of yen)	49,175	51,182
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	49,175	51,182
Average number of shares during the term (shares)	128,087,828	128,100,762
Net income per share (diluted)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (shares)	86,440	41,566
(Subscription right (shares))	(86,440)	(41,566)
Details of shares not included in calculation of diluted net income per share due to non-dilative effect	—	Subscription right (Type: 1 Numbers:173)

(Note) The Company has introduced the "Directors' Remuneration BIP Trust" and the "Stock Grant ESOP Trust".

The Company's shares remaining in the BIP Trust and the ESOP Trust, which are posted as treasury stock in shareholders' equity, are included in the treasury stock deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating net income per share and diluted net income per share (6,078 treasury shares owned by the BIP trust and 111,929 treasury shares owned by the ESOP trust for last year, 3,356 treasury shares owned by the BIP trust and 133,267 treasury shares owned by the ESOP trust for this year).

The Company's shares held by the Trust Account are included in the treasury stock deducted from the total number of shares issued at the end of the fiscal year for the purpose of calculating net assets per share (3,356 treasury shares owned by the BIP trust and 185,950 treasury shares owned by the ESOP trust for last year, 3,356 treasury shares owned by the BIP trust and 102,163 treasury shares owned by the ESOP trust for this year.).

(Translation purposes only)

(Notes to subsequent events)

Additional acquisition of shares in executive compensation BIP trust

1. Reason for additional acquisition of our shares by the Trust

In accordance with the introduction of this plan, the Company established the Trust in December 2014. However, due to an increase in the number of employees eligible for share delivery and other factors, the number of the Company's shares remaining in the Trust is expected to be insufficient, and the Company has therefore acquired additional shares of the Company's stock by the Trust.

2. Outline of the Trust

(i) Type of trust	Monetary trust other than an individually operated designated money trust (third-party benefit trust)
(ii) Purpose of trust	Provide Directors and Executive Officers covered by the Plan with incentives
(iii) Trustor	The Company
(iv) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
(v) Beneficiary	Directors and Executive Officers who meet beneficiary requirements
(vi) Trust Period:	From March 1, 2021 to the end of February, 2023
(vii) Number of shares to be acquired	200 shares
(viii) Total acquisition price of shares	1,607,000 yen
(ix) Stock acquisition date	June 30, 2022
(x) Stock acquisition method	Acquire on stock market

(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	19,447	1	85	19,362	10,734	858	8,628
Tools, furniture and fixtures	7,627	639	582	7,684	6,573	794	1,111
Land	26,057	-	-	26,057	-	-	26,057
Construction in progress	-	-	-	-	-	-	-
Property, plant and equipment total	53,132	640	667	53,104	17,308	1,653	35,796
Intangible assets							
Software	-	-	-	82	81	0	1
Intangible assets total	-	-	-	82	81	0	1

(Note) 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	20	20	-	20	20
Provision for bonuses	2,120	1,953	2,120	-	1,953
Provision for director’s bonuses	12	21	12	-	21
Provision for product warranties	42	31	42	-	31
Provision for stock benefits	688	761	688	-	761

(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	57,538
Ordinary savings	2,277
Separate deposits	327
Total	60,142

2) Accounts receivable-trade

(a) Breakdown of other party

Other party	Amount (million yen)
ITOCHU Techno-Solutions Corporation	2,723
NEC Corporation	2,661
Oracle America, Inc.	1,929
FUJITSU LIMITED	1,650
Other	11,819
Total	20,784

(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)	$\frac{(C)}{(A) + (B)} \times 100$	$\frac{(A) + (D)}{2} \div \frac{(B)}{365}$
18,799	235,707	233,722	20,784	91.8	30.6

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

3) Long-term loans receivable from subsidiaries and associates

Associated company	Amount (million yen)
Oracle JAPAN HOLDING,INC.	110,000
Total	110,000

(Translation purposes only)

(ii) Liabilities

1) Accounts payable-trade

Other Party	Amount (million yen)
Oracle America, Inc.	7,283
Oracle Financial Services Software Pte. Ltd.	1,256
Oracle Financial Services Software Limited	227
Oracle EMEA Holdings Ltd.	145
Other	5
Total	8,918

2) Corporate tax, etc. payable

Category	Amount (million yen)
Corporate tax payable	9,135
Inhabitant tax payable	889
Enterprise tax payable	2,288
Total	12,313

3) Contract liabilities

Other party	Amount (million yen)
NEC Corporation	6,563
ITOCHU Techno-Solutions Corporation	5,948
NS Solutions Corporation	5,467
NSSLC Service Corporation	4,459
K.K. Ashisuto	4,374
Other	53,234
Total	80,047

(3) 【Others】

Quarterly information, etc. in current fiscal year

(Cumulative period)	1st quarter	2nd quarter	3rd quarter	Current term end
Revenue (million yen)	50,388	102,084	153,506	214,691
Income before income taxes (million yen)	16,982	34,182	51,654	73,548
Net Income (million yen)	11,767	23,685	35,793	51,182
Net income per share (yen)	91.91	184.94	279.44	399.55

(Accounting period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Net income per share (diluted) (yen)	91.91	93.03	94.50	120.10

(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	
Location	(Special account) 1-4-5 Marunouchi, Chiyoda-Ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Shareholder register manager	(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】

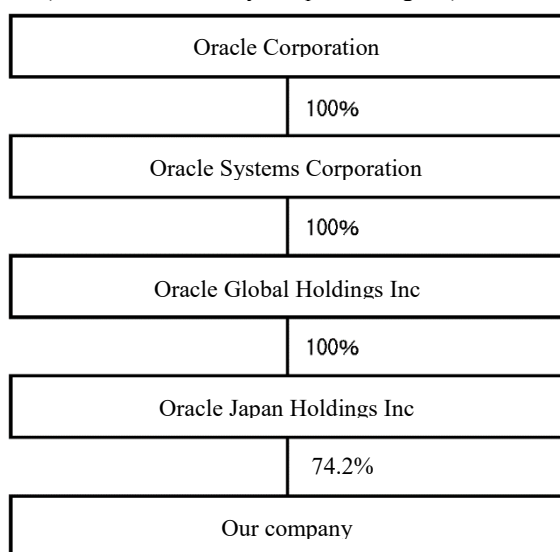
1. 【Information on Parent Companies, etc. at Submitting Company】

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 20, 2021 submitted to Kanto Local Finance Bureau
Fiscal year (36th) (From June 1, 2020 to May 31, 2021)

- (2) Internal control report
August 20, 2021 submitted to Kanto Local Finance Bureau
Fiscal year (36th) (From June 1, 2020 to May 31, 2021)
August 23, 2022 submitted to Kanto Local Finance Bureau
Fiscal year (37th) (From June 1, 2021 to May 31, 2022)

- (3) Quarterly reports, certifications of quarterly reports
37th fiscal year 1st quarterly report (From June 1, 2021 to August 31, 2021) submitted to Kanto Local Finance Bureau on October 11, 2021
37th fiscal year 2nd quarterly report (From September 1, 2021 to November 30, 2021) submitted to Kanto Local Finance Bureau on January 11, 2022
37th fiscal year 3rd quarterly report (From December 1, 2021 to February 28, 2022) submitted to Kanto Local Finance Bureau on April 11, 2022

- (4) Extraordinary report
On August 23, 2022 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)

(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

August 23, 2022

The board of Directors
Oracle Corporation Japan

Ernst & Young ShinNihon LLC
Tokyo Office

Hisafumi Nomoto
Designated and Engagement Partner
Certified Public Accountant

Atsuko Tanabe
Designated and Engagement Partner
Certified Public Accountant

<Financial Statements Audit>

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying financial statements of Oracle Corporation Japan (the "Company") which comprise the balance sheet as at May 31, 2022, and the statements of income, changes in net assets, and cash flows for the year then ended, significant accounting policy, notes to the financial statements and the supplemental schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

(Translation purposes only)

Identification of the terms and condition of a contract with a customer for Cloud and License sales	
Description of Key Audit Matter	Auditor's Response
<p>The Company is a distributor that provides the products and services of Oracle Corporation, which is the ultimate parent company, to the Japanese market.</p> <p>Cloud and license segment revenue, comprised of software license sales and support operations for licensed users, are 82.7% (177,612 million yen) of the total revenue of 214,691 million yen during the current fiscal year.</p> <p>Revenue is recognized based on a 5-step approach to the customer contract, as described in the key accounting policy "5 Accounting standard for revenue and expense recognition".</p> <p>Most of the Company's contracts are standard agreements.</p> <p>However, in a situation where modifications are made to the master agreement or memoranda are issued either in writing or orally without proper authorization and consideration for accounting treatment, revenue may not be recognized for the appropriate amount.</p> <p>If the Company becomes involved in litigations with a customer due to the situation such as the Company's breach of contract, it could significantly impact on its financial statements.</p> <p>Cloud and License sales account for a large portion of the total revenue and the amount is significant relatively.</p> <p>Therefore, we consider that whether the terms of the contract(s) with a customer are properly identified for the Cloud and License sales is significant and therefore determined as key audit matter.</p>	<p>We performed the following audit procedures to assess the terms of the contracts with customers for the Cloud and License sales.</p> <p>(1) Evaluations of Internal Controls</p> <p>We evaluated the design and implementation of the following internal controls.</p> <ul style="list-style-type: none"> • Controls in place to ensure compliance with Oracle Corporation's group policies for revenue recognition and to check if there are any modifications to the contract and that the necessary approvals are obtained. <p>(2) Assessment of a contract which derive revenue</p> <ul style="list-style-type: none"> • For our testing samples of the Cloud and License contracts, that were mainly selected based on a monetary amount, we inspected the ordering documents and agreements to assess whether the revenue was recorded in appropriate accounting period and amount. • We directly obtained confirmation from customers regarding the sales terms, and assessed the contract for the selected transactions from the following perspectives: <ul style="list-style-type: none"> i) the terms and conditions are completely reflected in the contract and are not modified; ii) the contracts do not make any commitment to provide specific products or services in the future, and; iii) the contracts are not conditional on the Company purchasing products or services. • We participated in the Audit Committee meetings and inspected the related materials to verify if any nauthorized contractual terms, conditions or memoranda were entered into with an inappropriate customer that the Company recognized, and assessed the Company's response to such situations if applicable.

Other Information

The other information comprises the information included in the annual report (Yukashoken Hokokusho) that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee 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 such internal control as management determines is necessary to enable the preparation

(Translation purposes only)

of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Translation purposes only)

<Internal Control Audit>

Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the financial statements as at May 31, 2022 of Oracle Corporation Japan ("Management's Report").

In our opinion, Management's Report referred to above, which represents that the internal control over financial reporting as at May 31, 2022 of Oracle Corporation Japan (the "Company") is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee 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 Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting. Internal control over financial reporting may not prevent or detect misstatements completely.

Auditor's Responsibilities for the Audit of Internal Control

Our objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor's report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in Management's Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.
- Consider the overall presentation of Management's Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.
- Obtain sufficient appropriate audit evidence regarding the result of management's assessment of internal control over financial reporting in Management's Report. We are responsible for the direction, supervision, and performance of the audit of Management's Report.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of internal control in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Conflicts of Interest

We have no interest in the Company which should be disclosed in accordance 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】	Internal Control 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 23, 2022
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel
【Name and title of chief financial officer】	Krishna Sivaraman, Corporate Executive Officer, Chief Financial Officer
【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】**

Hiroko Utsumi, Representative Corporate Executive Officer & Managing Counsel, and Krishna Kumar Sivaraman, Corporate Executive Officer, 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, 2022 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, 2022 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, 2022
【Company name】	ORACLE CORPORATION JAPAN
【Company name in English】	ORACLE CORPORATION JAPAN
【Name and title of representative】	Hiroko Utsumi (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel
【Name and title of chief financial officer】	Krishna Sivaraman, Corporate Executive Officer, Chief Financial Officer
【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 adequacy of the Securities Report】**

Hiroko Utsumi, Representative Corporate Executive Officer & Managing Counsel, and Krishna Kumar Sivaraman, Corporate Executive Officer, CFO of the company, confirmed the adequacy of the 37th Securities Report based on Financial Instruments and Exchange Act (for the period from June 1, 2021 to May 31, 2022)

2 **【Special mention】**

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