

(Translation purposes only)

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Securities Report

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

Business year from June 1, 2023
(39th business term) to May 31, 2024

Oracle Corporation Japan

(E05027)

39th business term (from June 1, 2023 to May 31, 2024)

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/fy24-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 23, 2024
【Business year】	39th (beginning June 1, 2023 and ending May 31, 2024)
【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		35th	36th	37th	38th	39th
Closing month/year		May 2020	May 2021	May 2022	May 2023	May 2024
Net Sales	(million yen)	211,357	208,523	214,691	226,914	244,542
Ordinary profit	(million yen)	68,857	70,904	73,543	74,681	80,277
Profit for the year	(million yen)	47,686	49,175	51,182	52,009	55,603
Return on investment with application of equity method	(million yen)	-	-	-	-	-
Share capital	(million yen)	24,884	25,033	25,067	25,111	25,175
Total numbers of shares outstanding	(shares)	128,184,271	128,240,971	128,256,471	128,274,071	128,293,371
Net assets	(million yen)	191,362	219,999	125,355	155,854	191,795
Total assets	(million yen)	294,139	333,999	236,868	281,015	340,159
Net assets per share	(yen)	1,493.01	1,717.30	977.41	1,217.05	1,496.49
Dividends per share	(yen)	149	1,146	160	162	674
(amount of interim dividends per share)	(yen)	(-)	(-)	(-)	(-)	(-)
Basic earnings per share	(yen)	372.52	383.92	399.55	405.98	434.16
Diluted earnings per share	(yen)	372.19	383.66	399.42	405.91	434.09
Ratio of shareholders' equity	(%)	65.0	65.8	52.9	55.4	56.4
Return on equity	(%)	27.1	23.9	29.7	37.0	32.0
Price earnings ratio	(times)	33.77	25.97	19.57	26.31	25.64
Dividend payout ratio	(%)	40.0	298.5	40.0	39.9	155.2
Cash flows from operating activities	(million yen)	42,309	65,148	53,091	67,732	80,343
Cash flows from investing activities	(million yen)	-30,584	-50,118	99,835	-743	-72,389
Cash flows from financing activities	(million yen)	-17,097	-21,115	-146,832	-22,666	-20,689
Cash and cash equivalents at the end of period	(million yen)	60,091	53,964	60,142	104,531	91,904
Number of employees	(number of persons)	2,504	2,407	2,430	2,398	2,257
Total Shareholder Return	(%)	167.7	148.4	122.2	162.0	176.8
(Comparison: TOPIX incl. dividends)	(%)	(106.2)	(133.3)	(135.8)	(155.4)	(207.0)
Highest stock price	(yen)	13,510	14,170	11,230	10,850	12,645
Lowest stock price	(yen)	6,760	9,850	7,810	7,220	9,670

(Translation purposes only)

(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, 2021) includes a special dividend of 992 yen.
- 4 Dividends per share for the 39th fiscal year (ended May 31, 2024) includes a special dividend of 500 yen.
- 5 The number of treasury shares which become the basis for calculating 'net assets per share', 'basic earnings per share' and 'diluted earnings per share' include company shares owned by our BIP trust and ESOP trust, the number of shares for which are as follows:

		35th	36th	37th	38th	39th
Board Incentive Plan trust (BIP)	Number of shares at end of fiscal year	10,983	3,356	3,356	19,456	11,828
	Average number of shares during interim period	14,147	6,078	3,356	9,474	14,461
Employee stock ownership plan trust (ESOP)	Number of shares at end of fiscal year	93,445	185,950	102,163	253,133	144,165
	Average number of shares during interim period	115,827	111,929	133,267	137,077	184,179
Number of treasury shares at end of fiscal year		116,303	201,781	118,544	286,064	169,568

- 6 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.

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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 (Akasaka office) – Closed in May 2023
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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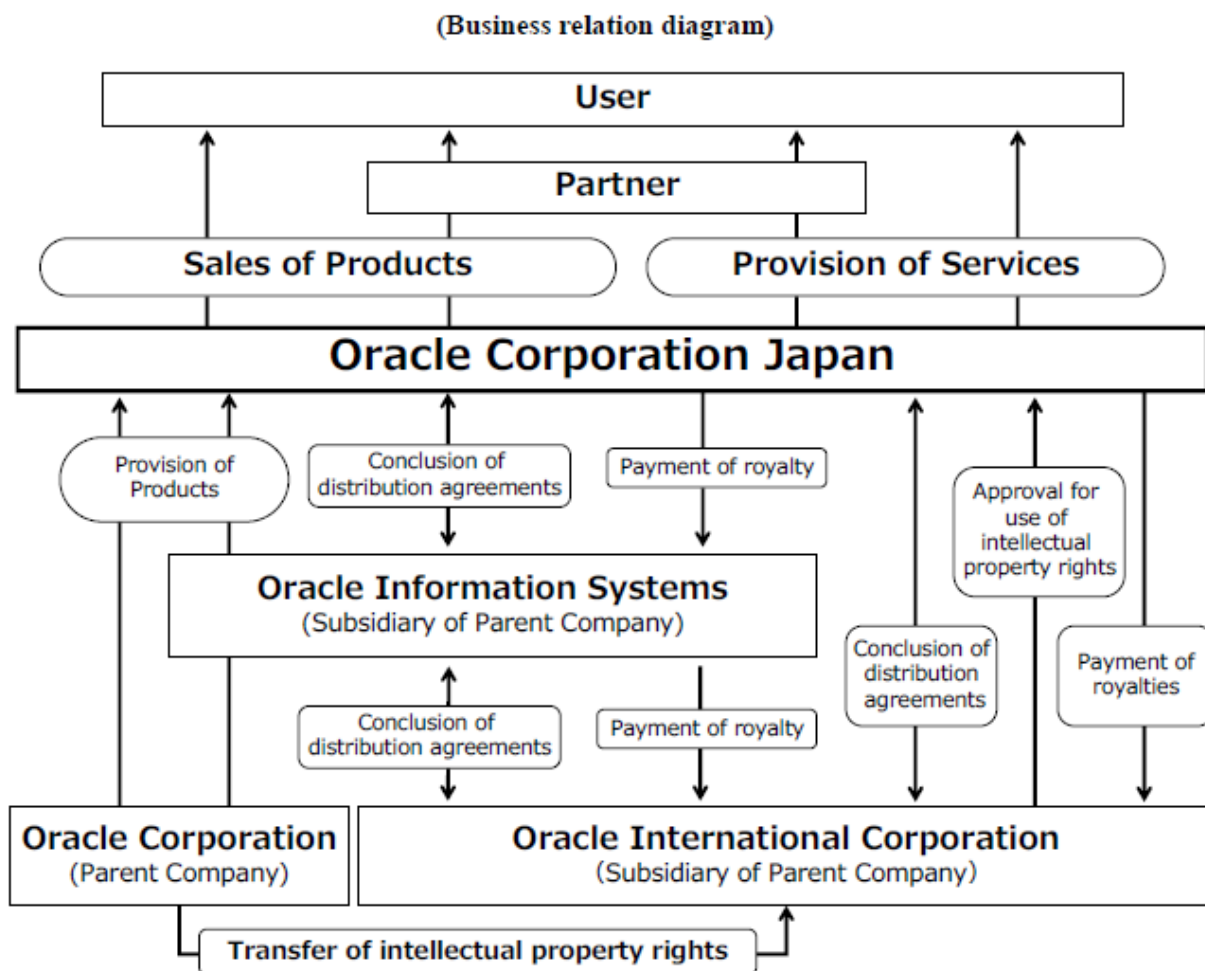
3. 【Details of Business】

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 (%) (note1,2)		
		37th period (started June 1, 2021; ended May 31, 2022)	38thperiod (started June 1, 2022; ended May 31, 2023)	39th period (started June 1, 2023; ended May 31, 2024)
Cloud Services	Providing resources for business application software and hardware via Internets.	13.4	16.0	19.7
License Support	Providing updated versions of software products, patches (modified programs), and technical support.	48.4	46.6	44.8
Cloud Services & License Support sub total		61.8	62.6	64.5
Cloud Licenses & OnPremise Licenses	Providing software licenses for database management software, a range of middleware, and ERP and other business applications, etc., which are used for IT system infrastructure at companies and other organizations.	20.9	21.1	19.3
Cloud & Licenses total		82.7	83.7	83.9
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.	7.2	7.2	6.9
Services	Providing Consulting Services, which help users implement our products and Customer Success Services, high-value added services such as preventive maintenance services	10.1	9.2	9.2
Total		100.0	100.0	100.0

(Note): 1. Sales distribution ratios have been rounded off.

2. Effective from the current fiscal year, "Cloud Services & License Support" was reclassified into two segments, "Cloud Services" and "License Support," due to the increased importance of cloud services sales, which is our focus in the Cloud & Licensing segment. Information for the previous fiscal years are disclosed based on the classification after the change.

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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	32,764 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, 2024

Number of employees	Average age	Average number of years of employment	Average annual remuneration (yen)
2,257	44.2	9.9	11,609,152

Name of segment	Number of employees
Cloud & Licenses	1,174
Hardware systems	95
Services	809
All companies (common)	179
Total	2,257

(Note) 1 The number of employees indicated above include dispatched workers from other companies (188 workers) and employees on contract (12 employees). Dispatched workers and contracted employees are not included in the average age, average years of employment, or average yearly remuneration.

2 Average annual remuneration includes bonuses and 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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(3) Percentage of female employees in management positions, percentage of employees taking childcare leave by gender, and wage gap between male and female employees

Percentage of female employees in management positions (Notes 1)	Percentage of employees taking childcare leave by gender (Notes 2)	Wage gap between male and female employees (Notes 1, 3 and 4)		
		All employees	Regular full-time employees	Fixed-term and part-time employees
14.7%	Female: 100.0%	70.6%	70.8%	91.1%
	Male: 75.0%			

(Notes)

1. Calculated based on the provisions of the Act on the Promotion of Female Participation and Career Advancement in the Workplace (Act No. 64 of 2015) (Percentage of female managers is calculated based on a base date of May 31, 2024.) The definition of “management position” corresponds to an employee whose Global Career Level is “M”.

2. Percentage of eligible employees taking childcare leave under Article 71-4 (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor, No. 25 of 1991) based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). (Percentage of employees taking childcare leave by gender is calculated for the fiscal year ended May 31, 2023.)

3. Pay is calculated based on annual wage, including bonuses, and excluding stock-based compensation and retirement allowances. (Wage gap between male and female employees are calculated for the fiscal year ended May 31, 2023.)

Dispatched workers and contracted employees are not included in the calculation.

4. There is no gender-based categorization in the Company’s employee compensation system and the Company operates a role/job-based compensation system. A gender pay gap arises mainly because women are underrepresented in managerial roles and in sales roles and other job types offering comparatively high performance incentives

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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 net sales, operating profit 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 deepen customer-trust, which is based on "Be a TRUSTED TECHNOLOGY ADVISOR". We have practiced DX (Digital Transformation) to the Cloud by own technology which brought business success to ourselves. By accelerating to deploy and implement our technology to the customers, we support their Data-driven DX.

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

Key Initiatives

Through the data-driven approaches, we will further accelerate the provision of not only cloud-based services to maximize the value of information but various types of services to support the use of such cloud services. In consequence, we will contribute to Japanese society.

Based on our thinking that it is essential to gaze at the modernization of legacy systems and future technological evolution in the Japanese market, we will develop into an entity that will innovate customers' businesses by making effective use of technologies.

During FY24, we made intensive efforts in two initiatives to contribute to Japanese society. One is to provide the Japan-focused cloud, and the other is to promote AI for customers.

For the next FY25, we will further advance the strategies in these two initiatives.

In addition to extensive and integrated cloud services, we will offer AI for enterprises with top level security, performance and efficiency.

To answer needs for data sovereignty, which are set to grow in the future, we will accelerate business expansion and strategic collaboration with partners in Japan with an eye on sovereign cloud and sovereign AI requirements.

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1) Provision of the Japan-focused cloud

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

2) Promotion of AI for customers

1. In the area of SaaS, we will provide Oracle Fusion Cloud Applications and NetSuite with built-in generated AI and pre-trained models. In addition to the availability of holistically optimized AI with a single data model, customers will be able to enjoy the value of the latest AI technology through quarterly version upgrades.
2. In PaaS, we started to provide Oracle Database 23ai in cloud versions at first. It is a next-generation database with a focus on generative AI services that can be constructed as customer-specific models with the secure use of customer data, while additionally focusing on AI and developer productivity.
3. In IaaS, OCI provides an environment that enables the creation of large-scale AI models at high speed and low cost. OCI can provide an environment that can demonstrate the performance of the highest-performing GPUs. The entire cloud data center can be designed like a supercomputer, minimizing the time and cost required to train large-scale language models.

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

(Glossary)

- On-premises: A form of IT system developed and operated as the company's possession.
- 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.
- GPU: Graphics Processing Unit. An image processing unit that performs the computational processing necessary to depict images. With its high parallel computing capacity, it can instantly process huge amounts of data, making it suitable for big data processing, AI development, and other applications.

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2. 【Sustainability Philosophy and Initiatives】

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

Forward-looking statements mentioned below are based on judgments of the Company's management as of the end of the fiscal year under review.

(1) Sustainability-Related Governance

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

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

(2) Sustainability-Related Strategy

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

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

Providing a workplace that is diverse, inclusive and safe

Integrating sustainable business thinking

Regarding the above aspects of materiality, the Company sets specific metrics and targets and undertakes corresponding activities as described in (4). More information about materiality in the Oracle Group can be found at

<https://www.oracle.com/social-impact/data-hub/>

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

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

1. Percentage of female employees and percentage of female managers

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

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

Moreover, as part of activities promoting the success of female employees, the Company pursues Oracle Women's Leadership (OWL) activities under the global Employee Resource Group (ERG), and awareness raising activities such as inviting outside speakers to give talks on International Women's Day have become established as annual events. In particular, in the previous fiscal year there was a focus on initiatives to cultivate female managers in the form of the OWL Japan Leadership Program. The program has focused on fostering the development of female

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leaders and also made efforts to raise awareness of the need for female employees in leadership positions, such as making managerial recommendations to the Company through the training of applicable employees. In the fiscal year under review, there were no significant changes to the ratio of male and female employees due to a decrease in the number of employees hired, with both the percentage of female employees and percentage of female managers experiencing only slight year-on-year increases. However, going forward, the Company intends to continue to pursue the initiatives described above to meet its targets.

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

(Percentage of female employees and percentage of female managers) (Note1)

	Previous fiscal year (FY23)	Current fiscal year (FY24)
Percentage of female employees	25.0%	25.0%
Percentage of female managers	14.5%	14.7%

2. Percentage of mid-career employees

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

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

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

Open positions for which the Company is seeking applicants across all operating divisions are continually viewable on the Company's website, and a process enabling human resources to apply for these positions has been introduced. Additionally, as one of the measures to recruit a more diverse range of human resources, from June 2019 the mandatory retirement age was raised to 65, and the Company has proactively recruited talented human resources that can be immediately put to work from the labor market, focusing on securing a workforce capable of driving business in more powerful terms in the rapidly changing IT industry.

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

(Percentage of mid-career employees) (Note1)

	Previous fiscal year (FY23)	Current fiscal year (FY24)
Percentage of mid-career employees	84.3%	84.1%

3. Percentage of employees with non-Japanese citizenship

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

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

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

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

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

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developing and utilizing globally minded human resources.

(Percentage of employees with non-Japanese citizenship) (Note1)

	Previous fiscal year (FY23)	Current fiscal year (FY24)
Percentage of employees with non-Japanese citizenship	5.6%	6.3%

4. Percentage of male employees taking childcare leave

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

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

To address this, in the fiscal year under review the Company revised its internal regulations and made improvements expanding maternity leave to include paternity leave, enabling male employees to take paid leave within eight weeks of their spouse giving birth. As a result, in conjunction with use of the postpartum paternity leave system launched in 2022 due to changes in legislation, the percentage of eligible male employees taking childcare leave in the fiscal year under review improved dramatically to 75.0%.

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

(Percentage of male employees taking childcare leave) (Note1)

	Previous fiscal year (FY23)	Current fiscal year (FY24)
Percentage of male employees taking childcare leave	19.0%	75.0%

(Note1) From the fiscal year under review, the methods for calculating sustainability-related metrics and targets, specifically the percentage of female managers, percentage of mid-career employees and percentage of employees with non-Japanese citizenship have been changed. As a result, figures for the previous fiscal year have been calculated according to the new method.

(b) Integrating sustainable business thinking

With respect to this materiality, we are working to reduce CO2 emissions at our head office building. Specific initiatives aimed at meeting this reduction target include the installation of LED lighting for common areas and exclusive Company areas of the building, optimization of the server room installed in the Company-exclusive area, the replacement of various equipment and systems in common areas, and the introduction of energy-efficient equipment through upgrades. In addition, in the results for FY2023 the Company made reductions of 25.7% of the baseline total emissions (22,248 tons) for the third planning period, a higher level than the 23.0% mandatory target imposed by the Tokyo metropolitan government. (Note2)

(Note2) The figures are estimates as of the end of the fiscal year under review. Figures submitted to the Tokyo metropolitan government following third-party verification will be progressively published to the website of the Tokyo Metropolitan Government Bureau of Environment from April 2025.

(3) **Sustainability-Related Risk Management**

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

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and reassessing measures as needed.

(4) Metrics and targets

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

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

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

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

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

(b) Integrating sustainable business thinking

In terms of integrating sustainable business thinking, for the reduction of CO2 emissions from the Company’s head office building, in FY2024 the company set a 25.3% reduction compared with baseline total emissions for the third planning period (FY2024), which is 27,810 tons, as a KPI. This exceeds the mandatory reduction rate of 23.0% set by the Tokyo metropolitan government. (Note3)

(Note3) In implementing future activities on climate change, target values may fluctuate due to baseline emission settings being revised or calculations being refined.

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3. 【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) 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, inability of products or services to meet customer needs, or a major flaw or defect exists, or the policy, etc. for supplying products, services, etc. has been changed, there is a possibility that the business performance, financial status, or other aspect of our company will be impacted.

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

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

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

(iii) 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

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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.

(2) 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.

(3) 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.

(4) 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.

(5) 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 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.

(6) 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.

(7) 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.

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(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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.

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4. 【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, building the IT environment to realize sustainable management 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 a result of these measures, the Company posted 244,542 million yen (up 7.8 % year on year) in net sales, 79,820 million yen (rising 7.3 %) in operating profit, 80,277 million yen (gaining 7.5 %) in ordinary profit and 55,603 million yen (increasing 6.9 %) in profit for the year.

For net sales and each profit category indicated attained hit record high as this year (the fiscal year ended).

Go to Market Strategy (FY2024)

Mission Statement

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

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

Our Strength

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

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

The results of each business segment are as follows:

[Cloud & Licenses]

Net Sales in the Cloud & license segment was 205,074 million yen, up 8.0 % and operating profit was 79,586 million yen, increasing 7.7 % from the corresponding period of the previous fiscal year. Net Sales in the Cloud license & on-premise license was 47,285 million yen (decreasing 1.2 % year on year), net sales in the Cloud services & license support was 157,789 million yen (rising 11.1 % 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.

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.

In the cloud service, we continued to focus on facilitating existing customers' upgrades to the Oracle Fusion Applications (a lift and shift from on-premises to the cloud) to further accelerate a shift to the cloud, while also working proactively on acquiring new customers.

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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.

Furthermore, our OCI is selected as Cloud service for government cloud development at the Digital Agency, and prospective benefits amid a push for the Central and Local governments’ digitalization include an acceleration and increase in investment, larger projects, and further stimulation of demand over the mid-long term.

The Company has opened a website that provides information on OCI for governments and local governments (in Japanese only).
<https://www.oracle.com/jp/cloud/government/>

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]

Net Sales in the Hardware systems segment was 16,896 million yen, up 4.0 % and operating profit was 691 million yen, increasing 10.5 % 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.

The Company released “Exadata Database Machine X10M” (upgraded version of X9M) in June, 2023.

“Exadata Database Machine X10M” and “Exadata Cloud@Customer X10M” are the first Exadata systems powered by all AMD EPYC™ processors.

The inquiry for this machine is strong and the impact on shipments has gradually eased because of shortage of the semiconductor chip worldwide, however we are continuously examining our business status.

Exadata 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]

Net Sales in the Services segment was 22,571 million yen, up 8.4 % and operating profit was 4,764 million yen, up 0.2 % 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.

<Net Sales breakdown by business segments>

Item	May 2023		May 2024		
	Amount	Comp.	Amount	Comp.	Variance
	Million Yen	%	Million Yen	%	%
Cloud Services	36,314	16.0	48,257	19.7	32.9
License Support	105,660	46.6	109,531	44.8	3.7
Cloud Services & License Support	141,975	62.6	157,789	64.5	11.1
Cloud license & On-Premise License	47,876	21.1	47,285	19.3	-1.2
Cloud & License	189,851	83.7	205,074	83.9	8.0
Hardware systems	16,240	7.2	16,896	6.9	4.0
Services	20,822	9.2	22,571	9.2	8.4
Total	226,914	100.0	244,542	100.0	7.8

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(Notes): 1. Amount is rounded down. Composition ratio and year-to-year comparison (% of change YoY) are rounded off.

2. Effective from the current fiscal year, "Cloud Services & License Support" was reclassified into two segments, "Cloud Services" and "License Support," due to the increased importance of cloud services sales, which is our focus in the Cloud & Licensing segment. Information of net sales for the previous fiscal year is disclosed based on the classification after the change.

(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 80,343 million yen (increasing 12,611 million yen year on year). The inflow is mainly attributable to the posting of profit before income taxes of 80,285 million yen, an increase in trade payables of 2,425 million yen, and an increase in contract liabilities of 15,500 million yen. The outflows is mainly attributable to the payment of 20,744 million yen in income taxes.

(Cash flows from investment activities)

Cash used for investing activities was 72,389 million yen (increasing 71,645 million yen year on year). This was mainly the result of a long-term loans of 72,000 million yen to the parent company, Oracle Japan Holding Inc. with a maximum loan amount of 115,000 million yen and fixed interest rate terms with a maturity date of three years from December 2023, the effective date of the loan.

(Cash flows from financial activities)

Cash used for financing activities was 20,689 million yen (decreasing 1,976 million yen year on year). This was mainly due to a decrease in purchase of treasury shares.

In total, cash and equivalents decreased 12,627 million yen from the end of the previous term, to 91,904 million yen.

(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	101,731	11.2
Hardware systems	14,856	5.0
Services	14,408	11.3
Total	130,996	10.4

(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.

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(3) Status of Sales

Segment		Sales (million yen)	Comparison to previous period (%)
Cloud & License			
	Cloud services	48,257	32.9
	License support	109,531	3.7
	Cloud services & license support	157,789	11.1
	Cloud license & on-premise license	47,285	-1.2
	Cloud & License total	205,074	8.0
Hardware Systems			
	Hardware Systems total	16,896	4.0
Services			
	Services total	22,571	8.4
	Total	244,542	7.8

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

Parties with whom we conduct business	Previous business year		Current business year	
	Sales (million yen)	Ratio (%)	Sales (million yen)	Ratio (%)
NEC Corporation	24,092	10.6	31,881	13.0

2. Effective from the current fiscal year, "Cloud Services & License Support" was reclassified into two segments, "Cloud Services" and "License Support," due to the increased importance of cloud services sales, which is our focus in the Cloud & Licensing segment.

(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 244,542 million yen (up 7.8% year on year). For the analysis of revenue by segment, please refer to "II Status of Business, 4. Analysis of Financial Status, Results of Operation, Cash Flow Status, Overview of Performance, etc. (1) Performance."

(ii) Operating profit and ordinary profit

Operating profit came to 79,820 million yen (up 7.3% year on year), because of the continued strong performance of the Cloud & License segment.

Cost of sales came to 130,996 million yen (up 10.4% year on year). This was an increase in royalties and outsourcing expenses in the Cloud & License segment. In the Services segment, outsourcing expenses increased, and in the Hardware systems segment, purchasing expenses increased.

Selling, general and administrative expenses came to 33,725 million yen (down 0.5% year on year) as a result of a decrease

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in human resources despite an increase in outsourcing expenses.

Ordinary profit stood at 80,277 million yen (up 7.5% year on year) as a result of posting non-operating income of 475 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 (8 million yen) and income taxes (24,682 million yen), our current profit for the year stood at 55,603 million yen (up 6.9% year on year).

(iv) Net income per share (EPS)

As a result of the above, net income per share (EPS) increased by 28.18 yen to 434.16 yen (up 6.9 % year on year).

2. Analysis of financial status

The total assets of the Company at the end of the term stood at 340,159 million yen (increasing 59,143 million yen from the end of the previous term).

(Assets)

Current assets at the end of the fiscal year under review were 118,829 million yen (decreasing 12,001 million yen).

Noncurrent assets at the end of the fiscal year under review were 221,329 million yen (increasing 71,145 million yen). This was mainly due to an increase in long-term loans receivable from subsidiaries and associates (72,000 million yen) resulting from a loan to Oracle Japan Holding Inc. (our parent company) with a maximum loan amount of 115,000 million yen and fixed interest rate terms with a maturity date of three years from December 2023, the effective date of the loan.

(Liabilities)

Total Liabilities at the end of the fiscal year under review increased 23,202 million yen from the end of the previous fiscal year, to 148,363 million yen. This was mainly attributable to an increase in contract liabilities of 15,500 million yen from the end of previous fiscal year to 108,589 million yen.

(Net assets)

Total net assets at the end of the fiscal year under review increased 35,941 million yen, to 191,795 million yen. This was mainly attributable to an increase in both capital stock and capital surplus (64 million yen) due to the exercise of stock options, and the posting of profit for the year (55,603 million yen), and a increase in retained earnings (34,825 million yen) by the payment of dividends (20,778 million yen).

As a result, the equity ratio was 56.4% (up 1.0 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 4. 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.

(Translation purposes only)

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 3 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.

(Translation purposes only)

5 . 【Important Agreements for Business, etc.】

(1) Agreement with subsidiary of parent company

(i) Agency Agreement with Oracle International Corporation

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

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

(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	December 1, 2022	Until November 30, 2025
	Hardware		
	Cloud services		

6. 【R&D Activities】

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

(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 596 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	6,993	26,057 (6,449)	300	0	33,351	2,117

(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 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
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, 2024)	Number of outstanding shares on reporting date (shares) (Note) 1 (August 23, 2024)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,293,371	128,294,171	Tokyo Stock Exchange Standard	(Note) 2
Total	128,293,371	128,294,171	-	-

(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, 2024 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 21, 2014 General Meeting of Shareholders (resolution of September 16, 2014 Meeting of Board of Directors)

	As of end of fiscal year (May 31, 2024)	As of end of prior month of reporting date (July 31, 2024)
Number of share warrants (Note)1	32 share warrants	26 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 3,200	Same as left 2,600
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.

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

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)

(b) 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, 2024)	As of end of prior month of reporting date (July 31, 2024)
Number of share warrants (Note)1	2 share warrants	2 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 200	Same as left 200
Payment amount when exercising share warrants (Note) 2	5,335 yen	Same as left
Exercise period of share warrants	From July 31, 2017 to September 16, 2024	Same as left
Issue price and capitalization amount of stocks when issuing shares by exercising share warrants (Note) 5	Issue price 6,224 yen Capitalization amount 3,112 yen	Same as left
Conditions for exercising share warrants	(Note) 3	Same as left
Items related to assignment of share warrants	(Note) 4	Same as left
Items related to substitute payment	-	-
Items related to distribution of share warrants following reorganization acts	-	-

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

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

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

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)

(c) 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, 2024)	As of end of prior month of reporting date (July 31, 2024)
Number of share warrants (Note)1	106 share warrants	104 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 10,600	Same as left 10,400
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)

(d) 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, 2024)	As of end of prior month of reporting date (July 31, 2024)
Number of share warrants (Note)1	57 share warrants	57 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 5,700	Same as left 5,700
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)

(e) 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, 2024)	As of end of prior month of reporting date (July 31, 2024)
Number of share warrants (Note)1	157 share warrants	157 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 15,700	Same as left 15,700
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)

(f) 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, 2024)	As of end of prior month of reporting date (July 31, 2024)
Number of share warrants (Note)1	144 share warrants	144 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 14,400	Same as left 14,400
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	Number of outstanding shares balance	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, 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
From June 1, 2022 to May 31, 2023 (Note) 1	17,600	128,274,071	43	25,111	43	8,462
From June 1, 2023 to May 31, 2024 (Note) 1	19,300	128,293,371	64	25,175	64	8,526

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

2 The number of issued shares increased by 800 shares, capital and capital reserve increased by 2 million yen each due to the exercise of stock acquisition rights between June 1, 2024 and July 31, 2024. The number of shares issued by the exercise of stock acquisition rights from August 1, 2024 to the date of submission of this securities report, is not included.

(5) 【Status by owner】

As of May 31, 2024

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)	-	30	24	198	581	30	14,137	15,000	-
No. of shares held (Units)	-	76,931	27,785	1,786	1,126,051	156	48,191	1,280,900	203,371
Percentage of shares held (%)	-	6.0	2.2	0.1	87.9	0.0	3.8	100.0	-

(Note) 1 The 13,575 shares of the treasury shares includes 135 units in “Individuals, etc.” and 75 shares in “Status of share less than one unit”.

2 Stocks in the name of Japan Securities Depository Center includes 18 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 118 units and 1,441 units respectively in “Financial institutions”. The Company is processing these stocks as treasury shares.

(Translation purposes only)

(6) 【Status of major shareholders】

As of May 31, 2024

Name	Address	No. of shares held (1000 shares)	Percentage of shares held versus total number of outstanding shares (excluding treasury shares)
ORACLE JAPAN HOLDING,INC. (Standing proxy SMBC NIKKO SECURITIES INC.)	500 ORACLE PARKWAY, REDWOODSHORES CALIFORNIA 94065 U.S.A. (1-5-1 Marunouchi, Chiyoda-ku, Tokyo)	94,967	74.0
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	4,993	3.9
SMBC NIKKO SECURITIES INC.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo	2,132	1.7
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,515	1.2
STATE STREET BANK AND TRUST COMPANY 505223	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,426	1.1
STATE STREET BANK AND TRUST COMPANY 505001	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,322	1.0
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171,U.S.A.. (2-15-1 Konan, Minato-ku, Tokyo)	1,031	0.8
STATE STREET BANK AND TRUST COMPANY 505103	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	679	0.5
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	2-2-2 OTEMACHI, CHIYODA-KU, TOKYO, JAPAN (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	626	0.5
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 Nihonbashi, Chuo-ku, Tokyo)	618	0.5
Total		109,313	85.2

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

The Master Trust Bank of Japan, Ltd.	4,912 thousand shares
Custody Bank of Japan, Ltd.	1,513 thousand shares

(Translation purposes only)

(7) 【Status of voting rights】

(i) 【Number of outstanding shares】

As of May 31, 2024

Item	No. of shares(shares)	No. of voting rights (no.)	Details
Nonvoting stock	-	-	-
Stock with restricted voting right (Treasury shares, etc.)	-	-	-
Stock with restricted voting right (Others)	-	-	-
Stocks with full voting rights (Treasury shares, etc.)	(Own shares) Common stock 13,500	-	-
Stocks with full voting rights (Others)	Common stock 128,076,500	1,280,765	-
Share less than one unit	Common stock 203,371	-	-
Number of outstanding shares	128,293,371	-	-
Voting rights of shareholders	-	1,280,765	-

(Note) "Stocks with full voting rights (Others)" include 1,800 shares in the name of Japan Securities Depository Center (18 shares with voting rights), 11,800 company shares held by the BIP Trust and 144,100 shares held by the ESOP Trust.

(ii) 【Treasury shares, etc.】

As of May 31, 2024

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	13,500	-	13,500	0.0
Total	-	13,500	-	13,500	0.0

(Note) The trust properties of the Board Incentive Plan (BIP) Trust and the Employee Stock Ownership Plan (ESOP) Trust, which are the 11,800 shares and 144,100 shares held respectively by The Master Trust Bank of Japan (1-8-1, Akasaka, Minato-ku, Tokyo) are not included in the above treasury shares, 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 19,600 shares, 163 million yen in the 38th business term. 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. In addition, it acquired 241,000 shares, 2,047 million yen in the 38th 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 shares purchased in current fiscal year	100	1,161,000
Treasury shares purchased in current term	98	1,161,790

(Note) 1 The treasury shares purchased in the current term do not include those purchased by the share purchase demands of shares less than one unit between August 1, 2024 and the date of submission of this Securities Report.

2 The number of treasury shares 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 shares】

Category	Current fiscal year		Current term	
	Number of shares	Total disposal price (yen)	Number of shares	Total disposal price (yen)
Purchased treasury shares for which subscribers will solicited	-	-	-	-
Purchased treasury shares that were disposed	-	-	-	-
Purchased treasury shares transferred in relation with merger, share exchange, or company split	-	-	-	-
Others (Sale of odd-lot shares upon request for purchase of additional shares)	-	-	-	-
Number of owned treasury shares	13,575	-	13,673	-

(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, 2024 and the date of submission of this Securities Report, and their price.

2 The number of owned treasury shares in the current month does not include those purchased by the purchase of shares less than one unit between August 1, 2024 and the date of submission of this Securities Report.

3 The number of owned treasury shares does not include that owned by the BIP Trust (11,828 shares at the end of the current fiscal year) and that owned by the ESOP Trust (144,165 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 674 yen (a normal dividend of 174 yen and a special dividend of 500 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 23, 2024 Meeting of Board of Directors	86,460	674

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

(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)

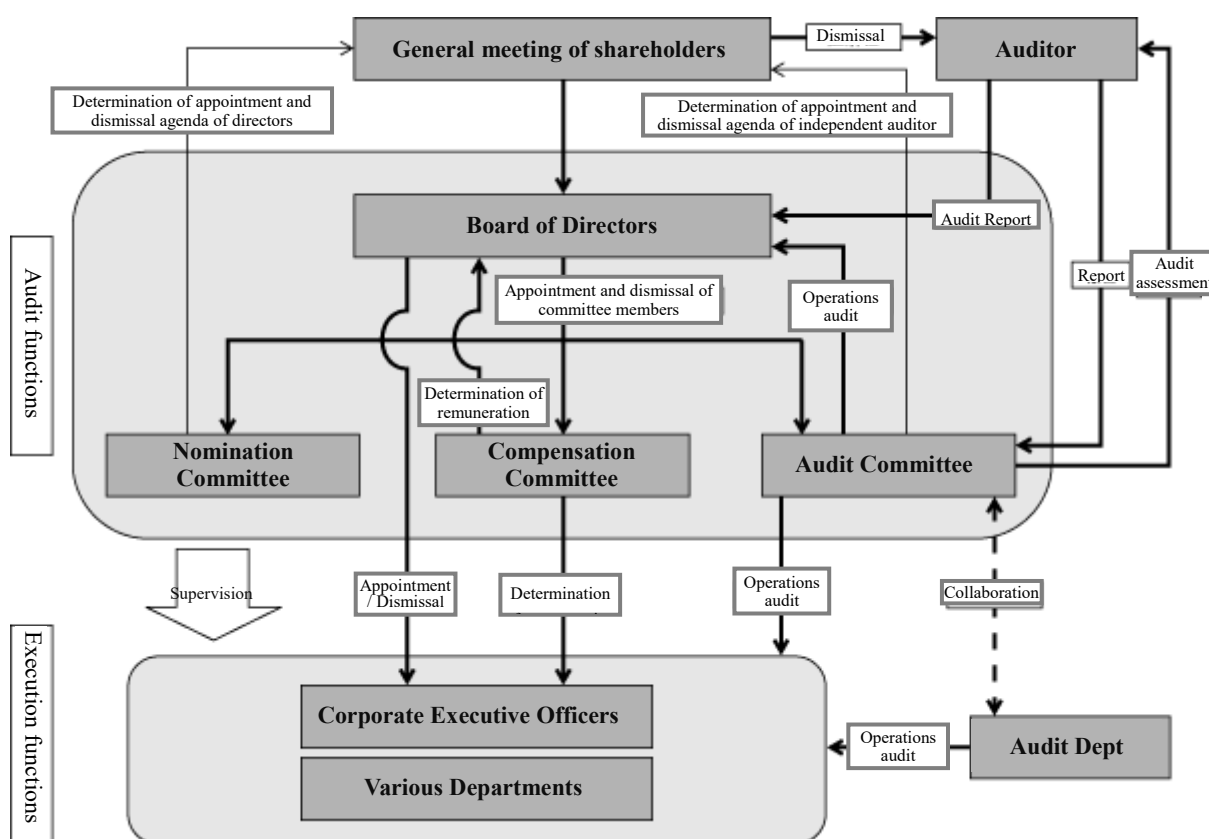
(k) Procedures to prepay or reimburse the expenses with respect to the execution of the Audit Committee Members' duties and other matters concerning the policy pertaining to the disposition of the expenses or debt with respect to the execution of said duties

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.



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

1) Status of activities of the Board of Directors

The Board of Directors makes decisions on matters stipulated by law and other important management matters, receives reports on other important matters and the status of business execution, and reviews the content of such reports, and, during the current fiscal year, discussions were held about sustainability, evaluation of the board's effectiveness and other important issues, in addition to matters stipulated by law. The Chairperson of the Board meeting is Yoshiaki Fujimori.

The status of attendance of each Director was as follows.

(Translation purposes only)

Name	Position	Attendance
Toshimitsu Misawa	Director, Corporate Executive Officer President	8/8 (100%)
S. Krishna Kumar	Director, Corporate Executive Officer Chief Financial Officer	8/8 (100%)
Garrett Ilg	Director	7/8 (88%)
Vincent S. Grelli	Director	8/8 (100%)
Kimberly Woolley	Director	8/8 (100%)
Yoshiaki Fujimori	Outside Director Chairperson	8/8 (100%)
John L. Hall	Outside Director	8/8 (100%)
Takeshi Natsumo	Outside Director	8/8 (100%)
Yukiko Kuroda	Outside Director	8/8 (100%)

2) Status of activities of the Nomination Committee

The Company held two meetings of the Nomination Committee during the current fiscal year. All members attended the meetings, and deliberated on the decision of candidates for Directors, composition of the Board of Directors, and other matters.

3) Status of activities of the Compensation Committee

The Company held one meeting of the Compensation Committee during the current fiscal year, which was attended by all members. The committee held deliberations on compensation for Directors and Executive Officers, among other matters.

4) Status of activities of the Audit Committee

The status of activities during the current fiscal year are described in IV [Status of Submitting Company] 4. [Status and Other Items Pertaining to Corporate Governance] (3) [Status of Audit].

The members of each organization are as follows. (◎: Chairperson, ○: Members)

Name	Nomination Committee	Compensation Committee	Audit Committee
Vincent S. Grelli			○
Kimberly Woolley	○	○	
Yoshiaki Fujimori			○
John L. Hall	◎	◎	◎
Takeshi Natsumo	○		
Yukiko Kuroda		○	

(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) Outline Directors and Officers liability insurance contract

The Company has executed a directors and officers liability insurance contract stipulated in the Article 430(3), Paragraph 1 in the Companies Act of Japan with an insurance company. The outline of the contents of the contract are as below;

1) Scope of the Insured: Directors and Executive Officers, etc. of the Company

2) Outline of the contents of the Insurance Contract:

The Policy covers compensation for damages and litigation expenses, etc. borne by the insured due to claims for damage compensation arising from actions (including inactions) carried out by the insured in relation to the execution of their duties. Provided that, in order to ensure that the insured's proper performance of the duties is not compromised, the policy does not cover compensation arising from the claim for damages regarding benefits or commissions illegally

(Translation purposes only)

gained by insured and fraudulent actions of the insured.

The full amount of the insurance premiums for the insured is borne by the Company and the insured does not pay premiums.

(iv) Limit capacity of directors

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

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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 23, 2024 (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	11
Director	-	S. Krishna Kumar	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 JAPAC</p> <p>Aug. 2020 Director of Oracle Corporation Japan (Current Position)</p> <p>Apr. 2024 Oracle Corporation, Executive Vice President and General Manager, JAPAC (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	November 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</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>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>Aug. 2011 LIXIL Corporation Director Representative Director, President & CEO</p> <p>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>Jun. 2016 LIXIL GROUP CORPORATION Advisor</p> <p>Takeda Pharmaceutical Company Limited Outside Director (Current Position)</p> <p>Jul. 2016 Boston Scientific Corporation Outside Director (Current Position)</p> <p>Feb. 2017 CVC Capital Partners, 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> <p>Oct. 2022 Deloitte Tohmatsu Financial Advisory LLC, Senior Advisor (Current position)</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. Outside Director of transcocosmos 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 USEN-NEXT HOLDINGS Co., Ltd. (Currently U-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 Ubicom Holdings, Inc. Director of GENETEC CORPORATION Outside Director of Cool Japan Fund Inc.</p> <p>Nov. 2018 Director, KADOKAWA CORPORATION</p> <p>Feb. 2019 Representative Director, President, DOWANGO CORPORATION (Current position)</p> <p>Apr. 2020 Specially invited professor of Kindai University, Director of the institute of Informatics (Current position)</p> <p>Jun. 2021 Representative Director and President, KADOKAWA CORPORATION</p> <p>Jun. 2023 Representative Director, Chief Executive Officer, 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</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) Outside Director, Terumo Corporation</p> <p>Jun. 2022 Outside Director, Ohbayashi Corporation (Current position)</p> <p>Aug. 2022 Outside Director, Oracle Corporation Japan (Current position)</p> <p>Jun. 2023 Board Member, Public Resource Foundation (Current position)</p> <p>Mar. 2024 Advisor & Founder, People Focus Consulting (Current position)</p>	(Note)2	-
Total						11

(Translation purposes only)

(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.

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

Title name	Name
Deputy President Operating Officer	Masahiro Ogushi
Senior Managing Operating Officer	Masaki Shiraishi
Senior Managing Operating Officer	Shinji Taketsume
Senior Managing Operating Officer	Kazuhiro Muto
Senior Operating Officer	Hisanori Kimura
Senior Operating Officer	Masatoshi Komori
Senior Operating Officer	Morikazu Sano
Senior Operating Officer	Kazuhiro Shinoda
Senior Operating Officer	Koji Shimizu
Senior Operating Officer	Hiroaki Nagashii
Senior Operating Officer	Makoto Honda
Senior Operating Officer	Hiroyuki Yoshinami
Operating Officer	Hiroyuki Akiba
Operating Officer	Masayuki Akiyama
Operating Officer	Saeko Ishihara
Operating Officer	Yasuhiro Inoue
Operating Officer	Kazuhiro Okimura
Operating Officer	Yasuyuki Kaneko
Operating Officer	Chiharu Saito
Operating Officer	Yuki Shibuya
Operating Officer	Soichiro Shuto
Operating Officer	Hidekichi Tsukakoshi
Operating Officer	Teppei Nishiyama
Operating Officer	Eisuke Mitani
Operating Officer	Takashi Miyanojara
Operating Officer	Kentaro Yoshikawa

(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)	11
Corporate Executive Officer	CFO	S. Krishna Kumar	(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	Oct. 2003 Admitted to the bar (Daini Tokyo Bar Association) Oct. 2003 Joined Ushijima & Partners Sep. 2004 Joined CMIC Co., Ltd. (Currently, CMIC Holdings Co.,Ltd.) Sep. 2014 Joined Oracle Corporation Japan Legal Council Mar. 2019 Oracle Corporation Japan Legal Office Managing Council Jun. 2019 Oracle Corporation Japan Legal Office Managing Council, Fellow May 2020 Oracle Information Systems (Japan) G.K. Chief Executive Officer (Current position) May 2020 Oracle Global Services (Japan) G.K. Chief Executive Officer (Current position) Oct. 2020 Oracle Corporation Japan Representative Corporate Executive Officer & Managing Counsel (Current position) Jul. 2022 Oracle Financing Japan Director (Current position)	(Note)	0
Representative Corporate Executive Officer	Head of Legal Office	Rika Nakajima	Oct. 7, 1969	Sep. 1997 Joined Ernst & Young Senior Consultant May. 2002 Joined Ernst & Young ShinNihon LLC Manager Mar. 2003 Joined Baker & McKenzie Associate Jul. 2008 Joined Macquarie Capital Securities (Japan) Limited Manager Mar. 2012 Joined Shearman & Sterling Associate Oct. 2014 Joined PwC Japan LLC Senior Manager Dec. 2020 Joined Oracle Corporation Japan, Head of Legal Office Jul. 2021 Oracle Corporation Japan Corporate Executive Officer & Head of Legal Office Aug. 2021 Oracle Corporation Japan Representative Corporate Executive Officer & Head of Legal Office (Current position)	(Note)	-
Total						11

(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 fiscal year ended May 31, 2023. The attendance status of each Audit Committee member is as follows.

The committee monitors items including but not limited to the progress of key initiatives, risk awareness from managing the business, and the status of initiatives to strengthen internal control systems for the fiscal year ended May 31, 2024.

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

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 ensure effectiveness of the internal audit by requiring the audited department of corrective action plans to respond to issues found by the audit. The internal audit department reports the audit results to both the Audit Committee and Representative Corporate Executive Officers. Based on these audit results, it provides advice and suggestions on improvements and rationalization, and checks the actions taken as required. Audit Committee members not only receive prior briefing of annual plans related to the internal audit to be implemented by the department and are able to seek revisions, but also receive updates on the implementation state of internal audit, and if deemed necessary, it is also able to seek additional audits and drawing up of business improvement measures.

3) Status of Accounting Audit

a. Name of audit corporation

Ernst & Young ShinNihon LLC

b. The number of continuous years of carrying out audits

23 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 Mitsuki Nomura

d. Composition of those assisting with auditing work

7 certified public accountants

27 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)
58	55	58	55

The details of non-audit services for the previous fiscal year and the current 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)
4	—	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.

- August 2023: Resolution for allocation of compensation of one director and two executive officers
- August 2023: Resolution for allocation of compensation of four outside directors
- August 2023: Resolution for allocation of BIP trust to one director and two executive officers

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.

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 57 million yen (of which 30 million yen was paid and 26 million yen is estimated to be paid) has been recorded.

(Translation purposes only)

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)	185	52	132	1
Executive Officers	58	37	20	2
Outside Directors	85	85	-	4

- (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 75 million yen for one Director, and 20 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 26 million yen. A bonus of 30 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	185	Director	Submitting Company	52	132

(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 (Cross-Shareholdings).

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, 2023 and May 31, 2024 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, 2023)	Current term end (as of May 31, 2024)
Assets		
Current assets		
Cash and deposits	104,531	91,904
Accounts receivable-trade	* 21,350	* 21,202
Advance payments to suppliers	1,534	2,910
Prepaid expenses	44	49
Other	3,389	2,781
Allowance for doubtful accounts	-20	-20
Total current assets	130,831	118,829
Noncurrent assets		
Property, plant and equipment		
Buildings	19,394	19,072
Accumulated depreciation	-11,569	-12,076
Buildings, net	7,824	6,995
Tools, furniture and fixtures	5,908	5,689
Accumulated depreciation	-4,816	-4,505
Tools, furniture and fixtures, net	1,092	1,184
Land	26,057	26,057
Total property, plant and equipment	34,973	34,236
Intangible assets		
Software	1	0
Total intangible assets	1	0
Investments and other assets		
Investment securities	36	36
Deferred tax assets	2,703	2,803
Guarantee deposits	122	16
Long-term loans receivable from subsidiaries and associates	110,000	182,000
Other	2,347	2,236
Total investments and other assets	115,209	187,092
Total noncurrent assets	150,184	221,329
Total assets	281,015	340,159

(Translation purposes only)

	(Unit: Million yen)	
	Previous term end (as of May 31, 2023)	Current term end (as of May 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	10,193	12,618
Accounts payable-other	4,818	5,031
Income taxes payable	10,659	14,847
Contract liabilities	93,088	108,589
Deposits received	141	118
Provision for bonuses	1,896	1,755
Provision for bonuses for directors (and other officers)	28	26
Provision for product warranties	39	36
Provision for share awards	661	732
Other	3,634	4,606
Total current liabilities	125,161	148,363
Noncurrent liabilities		
Other	0	-
Total noncurrent liabilities	0	-
Total liabilities	125,161	148,363
Net assets		
Shareholder's equity		
Share capital	25,111	25,175
Capital surplus		
Legal capital surplus	8,462	8,526
Total capital surplus	8,462	8,526
Retained earnings		
Other retained earnings		
Retained earnings brought forward	124,646	159,472
Total retained earnings	124,646	159,472
Treasury shares	-2,452	-1,438
Total shareholder's equity	155,768	191,735
Share acquisition rights	85	59
Total net assets	155,854	191,795
Total liabilities and net assets	281,015	340,159

(Translation purposes only)

(ii) 【Statement of Income】

	(Unit: Million yen)	
	Previous term end (From June 1, 2022 to May 31, 2023)	Current term end (From June 1, 2023 to May 31, 2024)
Net sales		
Cloud & License net sales	189,851	205,074
Hardware systems net sales	16,240	16,896
Service net sales	20,822	22,571
Total net sales	*1 226,914	*1 244,542
Cost of sales		
Cloud & License cost of sales	91,520	101,731
Hardware systems cost of sales	14,150	14,856
Services cost of sales	12,951	14,408
Total cost of sales	118,622	130,996
Gross profit	108,292	113,545
Selling, general and administrative expenses		
Advertising expense	432	716
Business consignment expenses	5,264	5,912
Provision for directors' bonuses	27	26
Directors' compensations	173	175
Directors' bonuses	28	30
Salaries for employees	13,690	12,881
Provision for bonuses	1,039	941
Bonuses for employees	3,715	3,841
Stock-based compensation expense	1	-
Stock benefit expenses	848	850
Retirement benefit expenses	388	372
Welfare expenses	2,471	2,313
Depreciation expenses	905	822
Other	4,908	4,838
Total selling, general and administrative expenses	33,895	33,725
Operating profit	74,396	79,820
Non-operating income		
Interest income	*2 97	*2 269
Foreign exchange gains	142	179
Other	54	27
Total non-operating income	294	477
Non-operating expenses		
Other	9	19
Total non-operating expenses	9	19
Ordinary profit	74,681	80,277
Extraordinary income		
Gain on reversal of subscription rights to shares	14	8
Total extraordinary income	14	8
Profit for the year before income taxes	74,696	80,285
Income taxes-current	21,375	24,782
Income taxes-deferred	1,311	-100
Total income taxes	22,686	24,682
Profit for the year	52,009	55,603

(Translation purposes only)

【Cost of Sales Statements】

A. Cloud & License cost of sales

		Previous term end (From June 1, 2022 to May 31, 2023)		Current term end (From June 1, 2023 to May 31, 2024)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition (%)
I Labor costs		1,899	2.1	1,809	1.8
II Outsourcing expenses		7,133	7.8	9,061	8.9
III Expenses		475	0.5	561	0.5
IV Royalty fees		82,011	89.6	90,297	88.8
Cloud & License cost of sales		91,520	100.0	101,731	100.0

B. Hardware systems cost of sales

		Previous term end (From June 1, 2022 to May 31, 2023)		Current term end (From June 1, 2023 to May 31, 2024)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition
I Current term purchase		13,784	97.4	14,485	97.5
II Labor costs		351	2.5	343	2.3
III Expenses		14	0.1	27	0.2
Hardware systems cost of sales		14,150	100.0	14,856	100.0

(Translation purposes only)

C. Services cost of sales

		Previous term end (From June 1, 2022 to May 31, 2023)		Current term end (From June 1, 2023 to May 31, 2024)	
Category	Note No.	Amount (million yen)	Composition (%)	Amount (million yen)	Composition
I Labor costs		8,453	64.9	8,668	59.5
II Outsourcing expenses		4,162	31.9	5,511	37.8
III Expenses		419	3.2	388	2.7
Current term total generated costs		13,036	100.0	14,568	100.0
Transfer to other accounts		84		159	
Services cost of sales		12,951		14,408	

(Translation purposes only)

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

Previous term end (From June 1, 2022 to May 31, 2023)

(Unit : Million yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward	
Balance at the beginning of period	25,067	8,418	8,418	93,156	93,156
Changes during period					
Issuance of new shares - exercise of share acquisition rights	43	43	43		
Dividends of surplus				-20,518	-20,518
Profit for the year				52,009	52,009
Purchase of treasury shares					
Disposal of treasury shares		0	0		
Net changes in items other than shareholders' equity					
Total changes during period	43	43	43	31,490	31,490
Balances at end of period	25,111	8,462	8,462	124,646	124,646

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at the beginning of period	-1,399	125,243	111	125,355
Changes during period				
Issuance of new shares - exercise of share acquisition rights		87		87
Dividends of surplus		-20,518		-20,518
Profit for the year		52,009		52,009
Purchase of treasury shares	-2,215	-2,215		-2,215
Disposal of treasury shares	1,161	1,161		1,161
Net changes in items other than shareholders' equity			-25	-25
Total changes during period	-1,053	30,524	-25	30,498
Balances at end of period	-2,452	155,768	85	155,854

(Translation purposes only)

Current term end (From June 1, 2023 to May 31, 2024)

(Unit : Million yen)

	Shareholders' equity				
	Share capital	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 period	25,111	8,462	8,462	124,646	124,646
Changes during period					
Issuance of new shares - exercise of share acquisition rights	64	64	64		
Dividends of surplus				-20,778	-20,778
Profit for the year				55,603	55,603
Purchase of treasury shares					
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	64	64	64	34,825	34,825
Balances at end of period	25,175	8,526	8,526	159,472	159,472

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at the beginning of period	-2,452	155,768	85	155,854
Changes during period				
Issuance of new shares - exercise of share acquisition rights		128		128
Dividends of surplus		-20,778		-20,778
Profit for the year		55,603		55,603
Purchase of treasury shares	-1	-1		-1
Disposal of treasury shares	1,014	1,014		1,014
Net changes in items other than shareholders' equity			-26	-26
Total changes during period	1,013	35,967	-26	35,941
Balances at end of period	-1,438	191,735	59	191,795

(Translation purposes only)

(iv) 【Statement of Cash Flows】

	(Unit: Million yen)	
	Previous term end (From June 1, 2022 to May 31, 2023)	Current term end (From June 1, 2023 to May 31, 2024)
Cash flows from operating activities		
Profit for the year before income tax	74,696	80,285
Depreciation	1,333	1,311
Share-based compensation expenses	2	-
Increase(decrease) in provision for bonuses	-57	-140
Increase (decrease) in provision for bonuses for directors (and other officers)	7	-1
Increase(decrease) in provision for product warranties	7	-2
Increase (decrease) in provision for share awards	-99	70
Foreign exchange losses (gains)	-66	-108
Interest and dividend income	-103	-278
Loss (gain) on sales and retirement of noncurrent assets	3	17
Decrease (increase) in trade receivables	-566	148
Decrease (increase) in advance payments to suppliers	-1,472	-1,376
Decrease (increase) in accounts receivable-other	394	-329
Decrease (increase) in other current assets	105	1,202
Increase (decrease) in trade payables	1,274	2,425
Increase (decrease) in accounts payable-other	379	144
Increase (decrease) in accrued consumption taxes	892	944
Increase (decrease) in contract liabilities	13,040	15,500
Increase (decrease) in other current liabilities	-36	155
Other, net	855	1,110
Subtotal	90,591	101,079
Interest and dividends income received	6	8
Income taxes paid	-22,866	-20,744
Net cash provided by (used in) operating activities	67,732	80,343
Cash flows from investing activities		
Purchase of property, plant and equipment	-765	-501
Proceeds from sales of property, plant and equipment	17	6
Purchase of intangible assets	-0	-
Loan advances to subsidiaries and associates	-	-72,000
Payments for guarantee deposits	-0	-5
Proceeds from refund of guarantee deposits	4	252
Payments for asset retirement obligations	-	-140
Net cash provided by (used in) investing activities	-743	-72,389
Cash flows from financing activities		
Proceeds from issuance of shares	74	110
Purchase of treasury shares	-2,215	-1
Proceeds from sale of treasury shares	0	-
Dividends paid	-20,526	-20,799
Net cash provided by (used in) financing activities	-22,666	-20,689
Effect of exchange rate change on cash and cash equivalents	66	108
Net Increase/(Decrease) in cash and cash equivalents	44,388	-12,627
Cash and cash equivalents at beginning of period	60,142	104,531
Cash and cash equivalents at end of period	* 104,531	* 91,904

(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 and
 - Computer storages : 5 years
 - c. 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 bonuses for directors (and other officers)
 - 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 share awards
 - Provision for share awards is recorded based on the estimated amount of stock delivery obligations at the end of the fiscal year under review in order to prepare to provide the directors, executive officers and employees with the Company's shares based on the stock delivery regulations.

(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).

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 service, license support and hardware 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.

For contracts for the sale of products to customers, control of the products is transferred to the customer when the products are delivered to the customer, and the performance obligation is satisfied. The Company recognizes revenue at the time the product is delivered to the customer.

For provision of services, the Company recognizes revenue primarily over a fixed period of time in accordance with the fulfillment of performance obligations under contracts with customers.

The consideration for transactions is generally received within 30 days after the services are rendered or the products are delivered, and does not include a significant financial component

- Cloud & license

1. Cloud licenses & on-premise licenses

Revenues from distinct cloud license & on-premise license performance obligations are generally recognized upfront at the point in time when the software is made available to the customer to download and use. Revenues from usage-based royalty arrangements for distinct cloud licenses & on-premise licenses are recognized at the point in time when the software end user usage occurs. For usage-based royalty arrangements with a fixed minimum guarantee amount, the minimum amount is generally recognized upfront when the software is made available to the royalty customer.

2. Cloud services

Revenues from cloud services provided on a subscription basis are generally recognized ratably over the contractual period that the cloud services are delivered, beginning on the date our service is made available to a customer. We recognize revenue ratably because the customer receives and consumes the benefits of the cloud services throughout the contract period.

Revenues from cloud services that are provided on a consumption basis, such as metered services, are generally recognized based on the utilization of the services by the customer.

3. License support

Oracle's primary performance obligations with respect to license support contracts are to provide customers with technical support as needed and unspecified software product upgrades, maintenance releases and patches during the term of the support period, if and when they are available. Oracle is obligated to make the license support services available continuously throughout the contract period. Therefore, revenues for license support contracts are generally recognized ratably over the contractual periods that the support services are provided.

- Hardware systems

1. Hardware systems product

The hardware product and related software, such as an operating system or firmware, are highly interdependent and interrelated and are accounted for as a combined performance obligation. The revenues for this combined performance obligation are generally recognized at the point in time that the hardware product is delivered and ownership is transferred to the customer.

2. Hardware support

Oracle's primary performance obligations with respect to hardware support contracts are to provide customers with technical support as needed and unspecified software product upgrades, maintenance releases and patches during the term of the support

(Translation purposes only)

period, if and when they are available, and hardware product repairs, as applicable. Oracle is obligated to make the hardware support services available continuously throughout the contract period. Therefore, revenues for hardware support contracts are generally recognized ratably over the contractual periods that the support services are provided.

· Services

Services revenues are generally recognized over time as the services are performed. Revenues for fixed price services are generally recognized over time applying input methods to estimate progress to completion. Revenues for consumption-based services are generally recognized as the services are performed.

6. Scope of funds in statements of cash flow

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments with maturities of three months or less at the time of acquisition that are readily convertible to cash and bear only an insignificant risk of price fluctuation.

(Significant accounting estimates)

Not applicable.

(Unapplied Accounting Policies, etc.)

Not applicable

(Change in presentation for Statement of Income)

“Rent” under Selling, general and administrative expenses, which was independently presented in the previous fiscal year, is included in “Others” in this fiscal year because it has become insignificant in terms of amount. To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified. As a result, “Rent” of 269 million yen and “Other” of 4,639 million yen, which were included in “Selling, general and administrative expenses” in the statement of income for the previous fiscal year, have been reclassified as “Other” of 4,908 million yen.

(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 shares in the net assets portion of the balance sheet. The book value and number of shares of the concerned treasury shares is 162 million yen, 19,456 shares at the end of the previous term, and 98 million yen, 11,828 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 shares in the net assets portion of the balance sheet. The book value and number of shares of the concerned treasury shares is 2,209 million yen, 253,133 shares at the end of the previous term, and 1,258 million yen, 144,165 shares at the end of the current term.

(Translation purposes only)

(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, 2022 to May 31, 2023) (million yen)	Current term end (From June 1, 2023 to May 31, 2024 (million yen)
Interest income	96	269

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

Previous term (from June 1, 2022 to May 31, 2023)

1 Type and number of issued shares and treasury shares

	Number of shares as of May 31, 2022 (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, 2023 (Thousand shares)
out shares Common stock (Note)	128,256	17	-	128,274
Treasury shares Common stock	118	261	93	286

(Note) 1. Increase of 17 thousand outstanding shares was due to exercise of share warrants.
2. Increase of 261 thousand shares was due to purchasing the company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (19 thousand) and the Employee Stock Ownership Plan (ESOP) Trust (241 thousand), and the purchase of odd lots (0 thousand).
3. The decrease in the number of shares of treasury shares (93 thousand) was due to delivering the company's own stock to board of directors and employees through the Board Incentive Plan (BIP) Trust (3 thousand) and the Employee Stock Ownership Plan (ESOP) Trust (90 thousand), and the sale of odd lots (0 thousand).
4. The balance of treasury shares includes 272 thousand treasury shares owned by the BIP trust (19 thousand) and ESOP trust (253 thousand).

2 Shares acquisition rights

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	Shares acquisition rights as stock option	-	-	-	-	-	85
Total		-	-	-	-	-	85

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, 2022	Common stock	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).

(Translation purposes only)

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

Resolution	Type of share	Resource of dividend	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date
Board of director held on July 21, 2023	Common Stock	Earned surplus	20,778	162	May 31, 2023	August 7, 2023

(Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 21, 2023 includes the 44 million yen dividend for the Company's stock held by Board Incentive Plan Trust (3 million yen) and Employee Stock Ownership Plan Trust (41 million yen).

Current term (from June 1, 2023 to May 31, 2024)

1 Type and number of issued shares and treasury shares

	Number of shares as of May 31, 2023 (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, 2024 (Thousand shares)
Issued shares Common stock (Note)	128,274	19	-	128,293
Treasury shares Common stock	286	0	116	169

(Note) 1. Increase of 19 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 shares (116 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 (108 thousand).
4. The balance of treasury shares includes 155 thousand treasury shares owned by the BIP trust (11 thousand) and ESOP trust (144 thousand).

2 Shares acquisition rights

Item	Breakdown of stock acquisition right	Type of shares converted by shares acquisition rights	Number of shares converted by shares acquisition rights (shares)				Term-end balance (million yen)
			Balance of previous term	Increase	Decrease	Balance of current term	
Submission company	Shares acquisition rights as stock option	-	-	-	-	-	59
Total		-	-	-	-	-	59

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, 2023	Common stock	20,778	162	May 31, 2023	August 7, 2023

(Note) Total amount of dividend which was resolved at the board of directors meeting which was held on July 21, 2023 includes the 44 million yen dividend for the Company's stock held by Board Incentive Plan Trust (3 million yen) and Employee Stock Ownership Plan Trust (41 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 23, 2024	Common Stock	Earned surplus	86,460	674	May 31, 2024	August 6, 2024

(Note) 1. The above dividend per share includes a special dividend of 500 yen.
2. Total amount of dividend which will be resolved at the board of directors meeting which was held on July 23, 2024 includes the 105 million yen dividend for the Company's stock held by Board Incentive Plan Trust (7 million yen) and Employee Stock Ownership Plan Trust (97 million yen).

(Translation purposes only)

(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, 2022 to May 31, 2023) (million yen)	Current term end (From June 1, 2023 to May 31, 2024) (million yen)
Cash and deposits	104,531	91,904
Cash and cash equivalents	104,531	91,904

(Lease transactions related)

Not applicable

(Financial instruments)

1. Qualitative information on financial instruments

(1) Policies for using financial instruments

With respect to fund management, the Company ensures a very high level of safety and appropriate liquidity, being limited to investing in highly rated 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.

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, 2023)

(Unit: Million yen)

	Balance sheet amount	Market value	Difference
Long-term loans receivable from subsidiaries and associates	110,000	110,427	427

Current term end (as of May 31, 2024)

(Unit: Million yen)

	Balance sheet amount	Market value	Difference
Long-term loans receivable from subsidiaries and associates	182,000	181,362	-637

(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

(Translation purposes only)

(Unit : Million yen)

Category	May 31, 2023	May 31, 2024
Unlisted equity securities	36	36

(Note) 2 Scheduled redemption amount of monetary claims after the closing date

Previous term end (as of May 31, 2023)

	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)
Long-term loans receivable from subsidiaries and associates	-	-	110,000	-

Current term end (as of May 31, 2024)

	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)
Long-term loans receivable from subsidiaries and associates	-	110,000	72,000	-

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.

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

Previous term end (as of May 31, 2023)

Classification	Market values (Million yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable from subsidiaries and associates	-	110,427	-	110,427
Total assets	-	110,427	-	110,427

Current term end (as of May 31, 2024)

Classification	Market values (Million yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable from subsidiaries and associates	-	181,362	-	181,362
Total assets	-	181,362	-	181,362

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.

(Securities)

1 Other securities

Previous term end (As of May 31, 2023)

Not applicable.

(Translation purposes only)

Current term end (As of May 31, 2024)

Not applicable.

2 Other securities sold during the fiscal year

Previous term end (From June 1, 2022 to May 31, 2023)

Not applicable.

Current term end (From June 1, 2023 to May 31, 2024)

Not applicable.

(Retirement benefits related)

Previous term end (From June 1, 2022 to May 31, 2023)

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 620 million yen.

Current term end (From June 1, 2023 to May 31, 2024)

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 609 million yen.

(Stock options related)

1 Expenses recorded and account name

	Previous term end (million yen)	Current term end (million yen)
Cost of sales	0	-
Selling, general and administrative expenses (Stock compensation expenses)	1	-

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	14	8

(Translation purposes only)

3 Stock option details, scale, and fluctuation status

(1) Stock option details

	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 1st stock option
Category and number of granted persons	Company employees 1 person	Company directors 1 person Company employees 47 persons
Number of stock options(Note)	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 15, 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 employees 24 persons	Company employee 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	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 5, 2016) to date of rights allotment (October 5, 2018). (2) Must be working continuously from the date of grant (October 5, 2016) to date of rights allotment (October 5, 2020).	As follows for every 1/2 of allotted rights. (1) Must be working continuously from the date of grant (October 12, 2017) to date of rights allotment (October 12, 2019). (2) Must be working continuously from the date of grant (October 12, 2017) to date of rights allotment (October 12, 2021).
Applicable working period	As follows for every 1/2 of allotted rights. (1) From October 5, 2016 to October 5, 2018 (2) From October 5, 2016 to October 5, 2020	As follows for every 1/2 of allotted rights. (1) From October 12, 2017 to October 12, 2019 (2) From October 12, 2017 to October 12, 2021
Rights exercise period	From October 5, 2018 to September 21, 2026 1/2 of the rights granted can be exercised 2 years after the date of grant. 4 years after the date of grant, all the rights granted can be exercised. Must be a director, executive officer, or employee of the Company to exercise share warrants. However, if certain requirements prescribed in the agreement entered between the Company and person granted are met, the rights can continue to be exercised even by former directors, executive officers, and employees of the Company who have lost their positions.	From October 12, 2019 to September 21, 2027 Same as left

(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

	2013 1 st stock option	2014 1 st stock option	2014 2 nd stock option	2015 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	18,100	3,700	200	15,300
Allotment of rights	-	-	-	-
Exercise of rights	7,400	500	-	4,700
Expired	10,700	-	-	-
Non-exercised remainder	-	3,200	200	10,600
	2016 1 st stock option	2017 1 st stock option	2018 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	7,600	18,200	16,700	
Allotment of rights	-	-	-	
Exercise of rights	1,900	2,500	2,300	
Expired	-	-	-	
Non-exercised remainder	5,700	15,700	14,400	

(Translation purposes only)

(ii) Unit cost

		2013 1 st stock option	2014 1 st stock option
Exercise price	(yen)	3,942	4,280
Ave. stock price in exercise	(yen)	10,196	11,195
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)	-	10,888
Fair valuation unit price (Date of grant)	(yen)	889	847

		2016 1 st stock option	2017 1 st stock option
Exercise price	(yen)	5,962	8,940
Ave. stock price in exercise	(yen)	11,526	11,567
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)	11,604
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)

(Unit: Million yen)

	Previous term end (as of May 31, 2023)	Current term end (as of May 31, 2024)
Accounts payable-other	326	340
Enterprise tax payable	562	754
Contract liabilities	659	642
Provision for bonuses	495	453
Depreciation expenses excess	312	284
Investment securities valuation loss	18	18
Other	327	310
Total	2,703	2,803

(Translation purposes only)

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.

(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.

Previous term end (From June 1, 2022 to May 31, 2023)

(Unit : Million Yen)

	Cloud service	36,314
	License support	105,660
	Cloud Services & License support	141,975
	Cloud license & on-premise license	47,876
Cloud & License		189,851
Hardware systems		16,240
Services		20,822
Revenue from contracts with customers		226,914
Other revenue		-
Sales to external customers		226,914

Current term end (From June 1, 2023 to May 31, 2024)

(Unit : Million Yen)

	Cloud service	48,257
	License support	109,531
	Cloud Services & License support	157,789
	Cloud license & on-premise license	47,285
Cloud & License		205,074
Hardware systems		16,896
Services		22,571
Revenue from contracts with customers		244,542
Other revenue		-
Sales to external customers		244,542

(Notes) Effective from the current fiscal year, "Cloud Services & License Support" was reclassified into two segments, "Cloud Services" and "License Support," due to the increased importance of cloud services sales, which is our focus in the Cloud & Licensing segment. Information of net sales for the previous fiscal year is disclosed based on the classification after the change.

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".

(Translation purposes only)

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

Previous term end (From June 1, 2022 to May 31, 2023)

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

(Unit : Million Yen)

	Previous fiscal year (May 31, 2023)
Receivables from contracts with customers (beginning balance)	20,011
Receivables from contracts with customers (ending balance)	20,904
Contract assets (beginning balance)	772
Contract assets (ending balance)	445
Contract liabilities (beginning balance)	80,047
Contract liabilities (ending balance)	93,088

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 64,169 million yen.

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 238,123 million yen, of which approximately 53% is expected to be recognized as revenue within one year after the balance sheet date, approximately 19% within two years, and approximately 27% in excess of two years.

Current term end (From June 1, 2023 to May 31, 2024)

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

(Unit : Million Yen)

	Current fiscal year (May 31, 2024)
Receivables from contracts with customers (beginning balance)	20,904
Receivables from contracts with customers (ending balance)	20,428
Contract assets (beginning balance)	445
Contract assets (ending balance)	774
Contract liabilities (beginning balance)	93,088
Contract liabilities (ending balance)	108,589

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 68,877 million yen.

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 254,504 million yen, of which approximately 53% is expected to be recognized as revenue within one year after the balance sheet date, approximately 20% within two years, and approximately 27% 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 profit (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 profit (loss) for reportable segments is based on operating income (loss).

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

Previous term (from June 1, 2022 to May 31, 2023)

(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	189,851	16,240	20,822	226,914	-	226,914
Intersegment net sales or transfer	-	-	-	-	-	-
Total	189,851	16,240	20,822	226,914	-	226,914
Operating profit (loss)	73,881	625	4,757	79,264	-4,868	74,396
Other item						
Depreciation (Note) 3	919	90	155	1,165	168	1,333

(Notes): 1 A segment profit adjustment of minus 4,868 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.

Current term (from June 1, 2023 to May 31, 2024)

(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	205,074	16,896	22,571	244,542	-	244,542
Intersegment net sales or transfer	-	-	-	-	-	-
Total	205,074	16,896	22,571	244,542	-	244,542
Operating profit (loss)	79,586	691	4,764	85,042	-5,222	79,820
Other item						
Depreciation (Note) 3	906	90	158	1,154	157	1,311

(Notes): 1 A segment profit adjustment of minus 5,222 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)

【Related information】

Previous term end (From June 1, 2022 to May 31, 2023)

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	24,092	Cloud & license, Hardware systems and Services

Current term end (From June 1, 2023 to May 31, 2024)

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	31,881	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, 2022 to May 31, 2023)

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)	-	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. The amount of interest income from this transaction was 257 million yen (96 million yen has been booked in the current fiscal year).

Current term end (From June 1, 2023 to May 31, 2024)

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 long-term loans receivable from subsidiaries and associates (Note)	72,000	Long-term loans receivable from subsidiaries and associates	182,000

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

The interest rate of the loan is determined reasonably in consideration of the market interest rate. The amount of interest income from this transaction was 527 million yen (269 million yen has been booked in the current fiscal year).

(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, 2022 to May 31, 2023)

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 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	52,877	Accounts payable-trade	9,582
								13,685	Accounts payable-other	2,898
								5,422	Accounts receivable-trade	702
	Oracle International Corporation	U.S. California	0 000 US dollars	Possess/ manage intellectual assets	-	Conclusion of sales agency agreements	Payment of royalties (Note) 2	48,571	Advance payments to suppliers	1,534

(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-trade, accounts payable-other, and accounts receivable-trade are settlements, the majority of which are the payments of royalties (31,236 million yen in FY23) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products and services (13,766 million yen in FY23) 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)

Current term end (From June 1, 2023 to May 31, 2024)

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 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	63,299	Accounts payable-trade	10,487
								17,871	Accounts payable-other	2,677
								4,618	Accounts receivable-trade	869
								4,819	Accounts receivable-other	938
	Oracle International Corporation	U.S. California	0 000 US dollars	Possess/ manage intellectual assets	—	Conclusion of sales agency agreements	Payment of royalties (Note) 2	50,017	Advance payments to suppliers	2,910

(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-trade, accounts payable-other, and accounts receivable-other are settlements, the majority of which are the payments of royalties (37,850 million yen has been booked in the current fiscal year) to Oracle Information Systems Japan G.K. (a subsidiary of the parent company) and the purchases of products and services (14,472 million yen has been booked in the current fiscal year) relating to the Hardware Systems segment. In addition, royalties and prices for products and services purchased are agreed between Oracle Corporation and Group companies, including our Company, using reasonable standards.

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.

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

Previous term end (From June 1, 2022 to May 31, 2023)

Not applicable.

Current term end (From June 1, 2023 to May 31, 2024)

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, 2022 to May 31, 2023)	Current term (From June 1, 2023 to May 31, 2024)
Net assets per share	1,217.05	1,496.49
Basic earnings per share	405.98	434.16
Diluted earnings per share	405.91	434.09

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

	Previous term end (From June 1, 2022 to May 31, 2023)	Current term end (From June 1, 2023 to May 31, 2024)
Basic earnings per share		
Profit for the year (millions of yen)	52,009	55,603
Amounts not attributable to owners of common stock (millions of yen)	—	—
Profit attributable to common stock (millions of yen)	52,009	55,603
Average number of shares during the term (shares)	128,106,857	128,073,091
Diluted earnings per share		
Adjustment to profit (millions of yen)	—	—
Increase in common stock (shares)	23,691	19,090
of which share acquisition rights (shares)	(23,691)	(19,090)
Details of shares not included in calculation of diluted earnings per share due to non-dilative effect	Subscription right (Type: 2 Numbers: 349)	—

(Note) The Company has introduced the BIP trust and the ESOP trust.

Posted as treasury shares included in shareholders' equity, the treasury shares which remain in the BIP trust and the ESOP trust are included in the treasury shares to be deducted in the calculation of the number of average shares outstanding during the term in order to calculate the basic earnings per share and diluted earnings per share (9,474 treasury shares owned by the BIP trust and 137,077 treasury shares owned by the ESOP trust for last year, 14,461 treasury shares owned by the BIP trust and 184,179 treasury shares owned by the ESOP trust for this year).

The Company's stock held by the Trust Account are included in treasury shares, which is deducted from the total number of shares issued and outstanding at the end of the fiscal year for the purpose of calculating net assets per share (19,456 treasury shares owned by the BIP trust and 253,133 treasury shares owned by the ESOP trust for last year, 11,828 treasury shares owned by the BIP trust and 144,165 treasury shares owned by the ESOP trust for this year)..

(Notes to subsequent events)

Not applicable.

(Translation purposes only)

(v) 【Supplemental schedules】

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

Types of asset	Balance at beginning of current term (million yen)	Increase (million yen)	Decrease (million yen)	Balance at end of current term (million yen)	Accumulated depreciation or accumulated depreciation at end of current term (million yen)	Depreciation at end of current term (million yen)	Difference (million yen)
Property, plant and equipment							
Buildings	19,394	0	322	19,072	12,076	829	6,995
Tools, furniture and fixtures	5,908	591	810	5,689	4,505	481	1,184
Land	26,057	-	-	26,057	-	-	26,057
Property, plant and equipment total	51,360	591	1,133	50,818	16,582	1,311	34,236
Intangible assets							
Software	-	-	-	82	81	0	0
Intangible assets total	-	-	-	82	81	0	0

(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	1,896	1,755	1,896	-	1,755
Provision for bonuses for directors (and other officers)	28	26	28	-	26
Provision for product warranties	39	36	39	-	36
Provision for share awards	661	732	661	-	732

(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	85,311
Ordinary savings	6,344
Separate deposits	248
Total	91,904

2) Accounts receivable-trade

(a) Breakdown of other party

Other party	Amount (million yen)
NEC Corporation	5,896
NS Solutions East Japan Corporation	1,776
SBI Shinsei Bank, Limited	1,371
FUJITSU LIMITED	1,121
Other	11,036
Total	21,202

(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)	$\frac{(C)}{(A) + (B)} \times 100$	$\frac{(A) + (D)}{2} \div \frac{(B)}{366}$
21,350	269,096	269,244	21,202	92.7	28.9

(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.	182,000
Total	182,000

(Translation purposes only)

(ii) Liabilities

1) Accounts payable-trade

Other Party	Amount (million yen)
Oracle America, Inc.	10,487
Oracle Financial Services Software Limited	1,276
Oracle Financial Services Software Pte. Ltd.	638
Oracle EMEA Holdings Ltd.	111
Other	103
Total	12,618

2) Corporate tax, etc. payable

Category	Amount (million yen)
Corporate tax payable	11,327
Inhabitant tax payable	1,063
Enterprise tax payable	2,456
Total	14,847

3) Contract liabilities

Other party	Amount (million yen)
NEC Corporation	12,890
ITOCHU Techno-Solutions Corporation	8,063
K.K. Ashisuto	6,535
NS Solutions Corporation	6,156
NSSLC Service Corporation	6,097
Other	68,846
Total	108,589

(3) 【Others】

Quarterly information, etc. in current fiscal year

(Cumulative period)	1st quarter	2nd quarter	3rd quarter	Current term end
Revenue (million yen)	57,372	117,419	176,883	244,542
Profit for the period (year) before income tax (million yen)	18,581	38,477	57,980	80,285
Profit for the period (year) (million yen)	12,877	26,665	40,181	55,603
Basic earnings per share (yen)	100.61	208.28	313.78	434.16

(Accounting period)	1st quarter	2nd quarter	3rd quarter	4th quarter
Diluted earnings per share (yen)	100.61	107.67	105.50	120.37

(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 (Nihon 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】

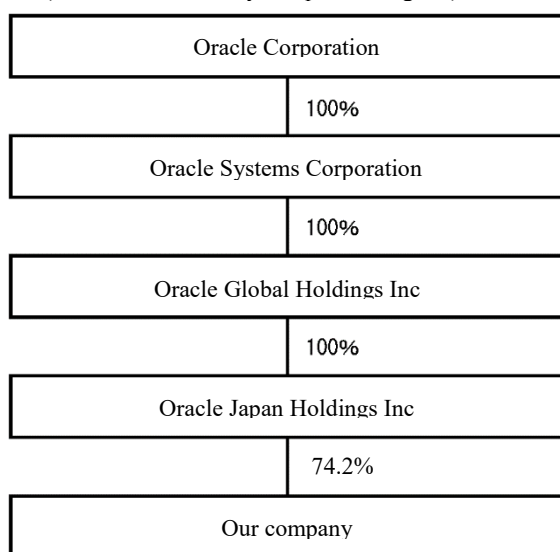
1. 【Information on Parent Companies, etc. at Submitting Company】

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 and its attachments, and confirmation letter of securities report

August 24, 2023 submitted to Kanto Local Finance Bureau
Fiscal year (38th) (From June 1, 2022 to May 31, 2023)

(2) Internal control report

August 24, 2023 submitted to Kanto Local Finance Bureau
Fiscal year (38th) (From June 1, 2022 to May 31, 2023)

(3) Quarterly reports and confirmation letters of quarterly reports

39th fiscal year 1st quarterly report (From June 1, 2023 to August 31, 2023) submitted to Kanto Local Finance Bureau on October 10, 2023

39th fiscal year 2nd quarterly report (From September 1, 2023 to November 30, 2023) submitted to Kanto Local Finance Bureau on January 10, 2024

39th fiscal year 3rd quarterly report (From December 1, 2023 to February 29, 2024) submitted to Kanto Local Finance Bureau on April 10, 2024

(4) Extraordinary report

On August 24, 2023 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, 2024

The board of Directors
Oracle Corporation Japan

Ernst & Young ShinNihon LLC
Tokyo Office

Hisafumi Nomoto
Designated and Engagement Partner
Certified Public Accountant

Mitsuki Nomura
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, 2024, 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, 2024, 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 service and Cloud license & On-premises 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>As described in the key accounting policy "5 Accounting standards for revenue and expense recognition", revenue from the sale of Cloud license & On-premises license is recognized when the Software is downloaded and made available to customers. Revenue from Cloud services is recognized based on the contract period during which the Cloud service is provided from the date the service is made available to the customer on a subscription basis; when it is consumption-based contract, the revenue is recognized based on the customer's data usage.</p> <p>Most of the Company's contracts are standard agreements. However, the terms and conditions of the provision of Cloud services and Cloud licenses & On-premises licenses may be changed because of negotiations with individual customers. 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. In addition, Cloud service and Cloud license & On-premises license revenue are 39% (95,542 million yen) of the total revenue of 244,542 million yen during the current fiscal year and the amount is significant relatively.</p> <p>As mentioned above, we consider that it is particularly significant whether the terms of the contract(s) with a customer are properly identified for the Cloud service and Cloud license & Onpremisses license sales; therefore, we determined identification of the terms and condition of a contract with a customer for those sales as key audit matter.</p>	<p>We performed the following audit procedures to assess the terms of the contracts with customers for the Cloud service and Cloud license & Onpremisses license sales.</p> <p>(1) Evaluations of Internal Controls 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 service and Cloud license & On-premises 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: <ol 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 unauthorized 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 Securities 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 therwise 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

(Translation purposes only)

principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation 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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

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, 2024 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, 2024 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 judgment 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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Fee-related Information

The fees for the audits of the financial statements of Oracle Corporation Japan and other services provided by us and other EY member firms for the year ended May 31, 2024 are stated in (3) [Status of Audits] of Corporate Governance, etc., included in "Status of Submitting Company".

Conflicts of Interest

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

(Translation purposes only)

* 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 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 23, 2024
【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】	S. Krishna Kumar, 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 S. Krishna Kumar, 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, 2024 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, 2024 is effective.

4 **【Appendix】**

Not applicable

5 **【Appendix】**

Not applicable

(Translation purposes only)

【Title page】

【Submitted document】	Confirmation Letter
【Text used as grounds for document】	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	August 23, 2024
【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】	S. Krishna Kumar, 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 S. Krishna Kumar, Corporate Executive Officer, CFO of the company, confirmed the adequacy of the 39th Securities Report based on Financial Instruments and Exchange Act (for the period from June 1, 2023 to May 31, 2024)

2 【Special mention】

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