

(Translation purposes only)

Quarterly Securities Report

(The Second Quarter of 39th Business Term)

Oracle Corporation Japan

(E05027)

(Translation purposes only)

39th business term (from September 1, 2023 to November 30, 2023)

Quarterly 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/a/ocom/docs/jp-investor-relations/fy24q2-qreport.pdf>
2. In addition to a review report that has been attached to the Quarterly Securities Report, this document also includes a confirmation document at the end of the report.

(Translation purposes only)

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【Title Page】

【Submitted document】	Quarterly Securities Report
【Text used as grounds for document】	Article 24-4-7 (1) of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	January 10, 2024
【Fiscal year】	The Second Quarter of 39th Business Term (from September 1, 2023 to November 30, 2023)
【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)

(Translation purposes only)

Part 1 【Information About the Company】

I 【Company Overview】

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

Status of submitting company

Term		38th 2nd Quarter	39th 2nd Quarter	38th
Closing month/year		From June 1, 2022 to November 30, 2022	From June 1, 2023 to November 30, 2023	From June 1, 2022 to May 31, 2023
Revenue	(million yen)	107,796	117,419	226,914
Ordinary income	(million yen)	34,834	38,469	74,681
Net income	(million yen)	24,158	26,665	52,009
Return on investment with application of equity method	(million yen)	—	—	—
Capital stock	(million yen)	25,094	25,140	25,111
Total numbers of shares outstanding	(thousand shares)	128,267	128,284	128,274
Net assets	(million yen)	130,168	162,780	155,854
Total assets	(million yen)	234,800	290,947	281,015
Net income per share	(yen)	188.49	208.28	405.98
Net income per share (diluted)	(yen)	188.45	208.25	405.91
Dividends per share	(yen)	—	—	162
Ratio of shareholders' equity	(%)	55.4	55.9	55.4
Cash flows from operating activities	(million yen)	24,463	36,682	67,732
Cash flows from investing activities	(million yen)	(379)	(188)	(743)
Cash flows from financing activities	(million yen)	(20,477)	(20,728)	(22,666)
Cash and cash equivalents at the end of period	(million yen)	63,788	120,344	104,531

Term		38th 2nd Quarter	39th 2nd Quarter
Closing month/year		From September 1, 2022 to November 30, 2022	From September 1, 2023 to November 30, 2023
Net income per share	(yen)	100.09	107.67

(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. Posted as treasury stock included in shareholders' equity, the treasury shares which remain in the BIP trust and the ESOP trust are included in the treasury stock to be deducted in the calculation of the number of average shares outstanding during the term in order to calculate the net income per share and net income per share (diluted) .

(Translation purposes only)

2. **【Details of Business】**

In the cumulative second quarter ended November 30, 2023, there were no significant changes in the contents of the businesses operated by the Company and the Group belongs to.

(Translation purposes only)

II 【Status of Business】

1. 【Business Risks】

For the six-month period ended November 30, 2023, there is no significant change in business risks which were described on our Annual Securities Report for the year ended May 31, 2023

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

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

(1) Analysis of Financial Status

(i) Overview

During the second quarter under review (from June 1, 2023 to November 30, 2023, hereinafter “this quarter”), the Company posted 117,419 million yen (up 8.9% year on year) in revenue, 38,321 million yen (rising 10.4%) in operating income, 38,469 million yen (gaining 10.4%) in ordinary income and 26,665 million yen (increasing 10.4%) in net income.

For revenue and each profit category indicated attained hit record high as this second quarter.

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.

(ii) Results by Reported Segment

Go to Market Strategy

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 same system architecture and technologies as these software licenses, and the Company enjoys a strength in enabling coordination and bidirectional migration between on-premises systems built with the software licenses products and the Oracle Cloud.

Key Initiatives

Through the data-driven approaches that we have been focusing on, 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.

Also, our license team and cloud team will step up collaboration with each other to facilitate customers’ initiatives for cloud transformation.

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.

We were able to lay a foundation through five measures we focused on in the fiscal year ended May 31, 2023 with a view to accelerating cloud transformation. In this fiscal year, to contribute to Japanese society, we will focus on the following two initiatives specifically.

(Translation purposes only)

(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 will provide a generative AI service and various AI development services that can be built as customer-specific models, securely utilizing customer data.
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.

(Glossary)

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

[Cloud & License]

Revenue in the Cloud & license segment was 98,388 million yen, up 10.1% from the corresponding period of the previous fiscal year and Operating income was 37,867 million yen, raising 9.7%. Revenue in the Cloud license & on-premise license was 20,275 million yen (increasing 4.2% year on year), revenue in the Cloud services & license support was 78,113 million yen (increasing 11.8 % year on year).

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

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

Regarding our License business, the market is showing a recovery trend in IT investment which is not only for cost reduction but developing and growing their business.

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 Cloud ERP (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.

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/>

(Translation purposes only)

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

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

[Hardware systems]

Revenue in the Hardware systems segment was 8,046 million yen, up 7.9% from the corresponding period of the previous fiscal year, Operating income was 277 million yen, decreasing 7.5%.

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]

Revenue in the Services segment was 10,984 million yen, down 0.2% from the corresponding period of the previous fiscal year, Operating income was 2,447 million yen, up 4.0%.

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

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

<Revenue breakdown by business segments>

Item	FY2023 2nd Quarter		FY2024 2nd Quarter			May 2023	
	Amount	Comp.	Amount	Comp.	YoY	Amount	Comp.
	Million Yen	%	Million Yen	%	%	Million Yen	%
Cloud Services	17,310	16.1	23,852	20.3	37.8	36,314	16.0
License Support	52,554	48.8	54,260	46.2	3.2	105,660	46.6
Cloud Services & License Support	69,864	64.8	78,113	66.5	11.8	141,975	62.6
Cloud license & On-Premise License	19,464	18.1	20,275	17.3	4.2	47,876	21.1
Cloud & License	89,328	82.9	98,388	83.8	10.1	189,851	83.7
Hardware systems	7,458	6.9	8,046	6.9	7.9	16,240	7.2
Services	11,009	10.2	10,984	9.4	-0.2	20,822	9.2
Total	107,796	100.0	117,419	100.0	8.9	226,914	100.0

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

2. Effective from the first quarter of 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 revenues for the cumulative second quarter of the previous fiscal year is disclosed based on the classification after the change.

(Translation purposes only)

(iii) Operating income

Operating income came to 38,321 million yen (up 10.4% from the same period a year earlier), due to the increase in sales in the Cloud & License segment (up 10.1% from the same period a year earlier).

Cost of sales came to 62,694 million yen (up 11.1% from the same period a year earlier). Royalties and outsourcing expenses rose in the Cloud & License segment, and also, purchases in the Hardware systems segment rose.

Regarding selling, general and administrative expenses, as a result of an increase in outsourcing expenses and a decrease in human resources expenses, it came to 16,403 million yen (down 1.6% from the same period a year earlier).

(iv) Non-operating income and expenses, ordinary income

As a result of posting net non-operating income of 147 million yen, our ordinary income stood at 38,469 million yen (up 10.4% from the same period a year earlier).

(v) Net income

As a result of posting extraordinary income of “Gain on reversal of subscription rights to shares” (8 million yen) and income taxes (11,811 million yen), our current net income stood at 26,665 million yen (up 10.4% from the same period a year earlier).

(2) Analysis of financial position

(Assets)

Current assets at the end of the second quarter of the current fiscal year were 141,534 million yen (increasing 10,703 million yen from the end of the previous fiscal year). This was mainly due to an increase in cash and deposits (15,813 million yen) and a decrease in accounts receivable-trade (6,436 million yen).

Noncurrent assets of the Company at the end of the term stood at 149,412 million yen (decreasing 771 million yen from the previous fiscal year end).

(Liabilities)

Total liabilities at the end of the term increased 3,005 million yen from the end of the previous fiscal year, to 128,167 million yen. This was mainly due to an increase in contract liabilities (3,103 million yen).

(Net assets)

Total net assets at the end of the term increased 6,926 million yen, to 162,780 million yen. This was primarily attributable to increases in both capital stock and capital surplus (29 million yen) due to the exercise of stock options, and as a result of the posting of net income (26,665 million yen) and the payment of dividends (20,778 million yen).

Consequently, the ratio of shareholders' equity stood at 55.9% (an increase of 0.5 percentage points from the end of the previous fiscal year).

(3) Analysis of cash flows

The cash inflow from operating activities is 36,682 million yen, the cash outflow from investment activities is 188 million yen and the cash outflow from financial activities is 20,728 million yen in the six months ended November 30, 2023. In total, cash and cash equivalents at the end of the second quarter of the current fiscal year increased 15,813 million yen from the end of the previous term, to 120,344 million yen.

(Cash flows from operating activities)

Cash generated from operating activities was 36,682 million yen (increasing 12,218 million yen year on year). The inflow is attributable to the posting of income before income taxes of 38,477 million yen and a decrease in accounts receivable of 6,436 million yen and an increase in contract liabilities of 3,103 million yen. The outflow is attributable to the payment of 10,049 million yen in income taxes.

(Cash flows from investment activities)

Cash used for investment activities was 188 million yen (decreasing 191 million yen year on year). This was mainly due to the payments of purchase of property, plant and equipment and the proceeds from refund of guarantee deposits.

(Cash flows from financial activities)

Cash used for financial activities was 20,728 million yen (increasing 250 million yen year on year). The outflow was primarily appropriated to the payment of dividends.

(4) Business and Financial Tasks to be addressed

There was no significant change in the task to be addressed by the Company during the cumulative second quarter under review.

(5) Research and development activities

(Translation purposes only)

There was no significant change in the task to be addressed by the Company during the cumulative second quarter under review.

(6) Analysis about capital resources and liquidity of funds

There were no material changes in the “information about capital resources and liquidity of funds” stated in the Annual Securities Report for the 38th business term filed on August 24, 2023.

3. **【Important Agreements for Business, etc.】**

For this second quarter (six months), there is no change in Important Agreements for Business, etc.

(Translation purposes only)

III 【Status of Submitting Company】

1. 【Status of stocks, etc.】

(1) 【Number of shares, etc.】

(i) 【Number of shares】

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

(ii) 【Number of outstanding shares】

Type	Number of outstanding shares as of the end of the second quarter (Shares) (November 30, 2023)	Number of outstanding shares on reporting date (shares) (Note) 1 (January 10, 2024)	Name of financial instruments exchange or name of registered authorized financial instruments firms association	Details
Common Stock	128,284,771	128,286,471	Tokyo Stock Exchange Standard	(Note) 2
Total	128,284,771	128,286,471	-	-

(Note) 1. “Number of outstanding shares on reporting date” does not include the number of shares issued by the exercise of share warrants from January 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.

(2) 【Status of share warrants, etc.】

(i) 【Details of Stock Option System】

Not applicable

(ii) 【Status of other share warrants】

Not applicable.

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

Not applicable.

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

Date	Number of outstanding shares increase/decrease (shares)	Number of outstanding shares balance (shares)	Capital stock increase/decrease (million yen)	Capital stock balance (million yen)	Legal capital surplus Increase/decrease (million yen)	Legal capital surplus balance (million yen)
From September 1, 2023 to November 30, 2023 (Note)	900	128,284,771	2	25,140	2	8,491

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

2. The Company’s capital stock and legal capital surplus increased by 5 million yen respectively and 1,700 shares increased due to the exercise of share warrants (from December 1, 2023 to December 31, 2023).

(Translation purposes only)

(5) 【Status of major shareholders】

As of November 30, 2023

3Name	Address	Number of shares held (1000 shares)	Percentage of shares held versus total number of outstanding shares (excluding treasury stocks)
ORACLE JAPAN HOLDING, INC. (Standing proxy SMBC NIKKO SECURITIES INC.)	500 Oracle Parkway, Redwood Shores, California 94065 U.S.A (1-5-1 Marunouchi, Chiyoda-ku, Tokyo)	94,967	74.0
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	5,263	4.1
STATE STREET BANK AND TRUST COMPANY 505223	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,652	1.3
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,499	1.2
STATE STREET BANK AND TRUST COMPANY 505001	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	1,359	1.1
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	975	0.8
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)	717	0.6
STATE STREET BANK AND TRUST COMPANY 505103	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	697	0.5
GOVERNMENT OF NORWAY	BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NO (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	538	0.4
STATE STREET BANK AND TRUST COMPANY 505025	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	480	0.4
Total	-	108,152	84.3

(Note) Of the total, shares under trust services are as follows;

The Master Trust Bank of Japan, Ltd.	5,125 (1,000 shares)
Custody Bank of Japan, Ltd.	1,491 (1,000 shares)

(Translation purposes only)

(6) 【Status of voting rights】

(i) 【Number of outstanding shares】

As of November 30, 2023

Item	No. of shares(shares)	No. of voting rights (Units)	Details
Nonvoting stock	-	-	-
Stock with restricted voting right (Treasury stock, etc.)	-	-	-
Stock with restricted voting right (Others)	-	-	-
Stocks with full voting rights (Treasury stock, etc.)	(Own shares) Common stock 13,500	-	-
Stocks with full voting rights (Others)	Common stock 128,061,400	1,280,614	-
Share less than one unit	Common stock 209,871	-	-
Number of outstanding shares	128,284,771	-	-
Voting rights of shareholders	-	1,280,614	-

(Note) "Stocks with full voting rights (Others)" include 1,800 stocks in the name of Japan Securities Depository Center (18 stocks with voting rights), 11,800 company stocks held by the BIP Trust and 146,100 stocks held by the ESOP Trust.

(ii) 【Treasury stock, etc.】

As of November 30, 2023

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 stocks and 146,100 stocks held respectively by The Master Trust Bank of Japan (2-11-3, Hamamatsu-cho, Minato-ku, Tokyo) are not included in the above treasury stock, etc.

2. 【Status of Directors】

There is no changes of Directors for this term from the filing of the securities report for the previous fiscal year.

(Translation purposes only)

IV 【Financial Status】

1 Method of preparing Quarterly Financial Statements

The quarterly financial statements of the Company are prepared in accordance with the “Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Financial Statements” (Cabinet Office Ordinance No. 63 of 2007).

2 Audit Certification

The quarterly financial statements for the second quarter of the fiscal year ending November 30, 2023 (from September 1, 2023 to November 30, 2023) and for the six months ended November 30, 2023 (from June 1, 2023 to November 30, 2023) were reviewed by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

3 Consolidated financial statements

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

(Translation purposes only)

1 【Quarterly Financial Statements】

(1) Quarterly Balance Sheet

(Unit : Million yen)

Description	Previous term end (as of May 31, 2023)	Current term end (as of November 30, 2023)
Assets		
Current assets		
Cash and deposits	104,531	120,344
Accounts receivable-trade	21,350	14,914
Other	4,968	6,295
Allowance for doubtful accounts	-20	-20
Total current assets	130,831	141,534
Noncurrent assets		
Property, plant and equipment		
Buildings, net	7,824	7,398
Land	26,057	26,057
Other, net	1,092	1,140
Total property, plant and equipment	34,973	34,596
Intangible assets	1	1
Investments and other assets		
Long-term loans receivable from subsidiaries and associates	110,000	110,000
Other	5,209	4,815
Total investments and other assets	115,209	114,815
Total noncurrent assets	150,184	149,412
Total assets	281,015	290,947
Liabilities		
Current liabilities		
Accounts payable-trade	10,193	9,228
Accounts payable-other	4,818	5,431
Income taxes payable	10,659	12,441
Contract liabilities	93,088	96,192
Provision for bonuses	1,896	1,185
Other Provision	729	253
Other	3,775	3,435
Total current liabilities	125,161	128,167
Noncurrent liabilities		
Other	0	-
Total noncurrent liabilities	0	-
Total liabilities	125,161	128,167
Net assets		
Shareholders' equity		
Capital stock	25,111	25,140
Capital surplus	8,462	8,491
Retained earnings	124,646	130,534
Treasury stock	-2,452	-1,455
Total shareholders' equity	155,768	162,710
Subscription rights to shares	85	69
Total net assets	155,854	162,780
Total liabilities and net assets	281,015	290,947

(Translation purposes only)

(2) Quarterly Statement of Income
Cumulative second quarter

(Unit : Million yen)

Description	Previous term (From June 1, 2022 to November 30, 2022)	Current term (From June 1, 2023 to November 30, 2023)
Net sales	107,796	117,419
Cost of sales	56,417	62,694
Gross Profit	51,378	54,724
Selling, general and administrative expenses	※ 16,671	※ 16,403
Operating income	34,707	38,321
Non-operating income		
Interest income	48	48
Foreign exchange gains	57	98
Others	24	18
Total Non-Operating Income	130	164
Non-Operating expenses		
Others	3	17
Total Non-Operating expenses	3	17
Ordinary Income	34,834	38,469
Extraordinary Income		
Gain on reversal of subscription rights to shares	14	8
Total Extraordinary Income	14	8
Income before income taxes	34,848	38,477
Income taxes	10,689	11,811
Net Income	24,158	26,665

(Translation purposes only)

(2) Quarterly Statement of Cash flows

(Unit : Million yen)

	Previous term (From June 1, 2022 to November 30, 2022)	Current term (From June 1, 2023 to November 30, 2023)
Net cash provided by (used in) operating activities		
Income before income taxes	34,848	38,477
Depreciation and amortization	660	679
Share-based compensation expenses	2	-
Increase (decrease) in provision for bonuses	-558	-710
Increase (decrease) in other provision	-507	-475
Foreign exchange losses (gains)	-39	-47
Interest and dividends income	-55	-57
Loss (gain) on sales and retirement of noncurrent assets	0	17
Decrease (increase) in notes and accounts receivable-trade	5,009	6,436
Decrease (increase) in other current assets	136	-1,277
Increase (decrease) in notes and accounts payable-trade	1,384	-964
Increase (decrease) in accounts payable-other	-602	595
Increase (decrease) in contract liabilities	-5,829	3,103
Increase (decrease) in other current liabilities	335	-320
Other, net	1,229	1,267
Subtotal	36,014	46,723
Interest and dividends income received	6	8
Income taxes paid	-11,557	-10,049
Net cash provided by (used in) operating activities	24,463	36,682
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-384	-300
Proceeds from sales of property, plant and equipment	4	4
Purchase of intangible assets	-0	-
Payments of guarantee deposits	-0	-3
Proceeds from refund of guarantee deposits	0	251
Payments for asset retirement obligations	-	-140
Net cash provided by (used in) investing activities	-379	-188
Net cash provided by (used in) financing activities		
Proceeds from issuance of shares	45	50
Purchase of treasury stocks	-4	-0
Proceeds from sales of treasury stocks	0	-
Cash dividends paid	-20,519	-20,778
Net cash provided by (used in) financing activities	-20,477	-20,728
Effect of exchange rate change on cash and cash equivalents	39	47
Net Increase/(Decrease) in cash and cash equivalents	3,645	15,813
Cash and cash equivalents at beginning of period	60,142	104,531
Cash and cash equivalents at end of period	※ 63,788	※ 120,344

(Translation purposes only)

Notes to Quarterly Financial Statements

(Notes to Going Concern)

Not Applicable

(Special accounting for preparing quarterly financial statements)

(Tax expense calculation)

Tax expenses on profit before income taxes for the six months under review are calculated by multiplying profit before income taxes for the six months under review by the reasonably estimated effective tax rate for the fiscal year including the second quarter under review after applying tax effect accounting.

Income taxes-deferred are included in income taxes.

(Balance Sheet related)

Not Applicable

(Quarterly statement of Income related)

※Selling, general and administrative expenses account includes the following major items and amounts.

	Previous term end (From June 1, 2022 to November 30, 2022) (million yen)	Current term end (From June 1, 2023 to November 30, 2023) (million yen)
Salaries and bonuses	7,900	7,809
Provision for bonuses	728	605

(Quarterly statement of cash flows)

※Reconciliation of balance of “cash and cash equivalents at the end of period” and the amounts of items stated in the balance sheet is as follows.

	Previous term end (From June 1, 2022 to November 30, 2022) (million yen)	Current term end (From June 1, 2023 to November 30, 2023) (million yen)
Cash and deposits	63,788	120,344
Cash and cash equivalents	63,788	120,344

(Translation purposes only)

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

Previous term (from June 1, 2022 to November 30, 2022)

1 Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
Board of director held on July 22, 2022	Common stock	20,518	160	May 31, 2022	August 8, 2022	Retained earning

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

2 Dividends which the cutoff date was in the six months ended November 30, 2022 and the effective date of which is after the end of the second quarter of the fiscal year ended May 31, 2023.

Not Applicable

3 Significant changes in the amount of shareholders' equity

Not Applicable

Current term (from June 1, 2023 to November 30, 2023)

1 Amount of paid dividends

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Reference date	Effective date	Source of dividends
Board of director held on July 21, 2023	Common stock	20,778	162	May 31, 2023	August 7, 2023	Retained earning

(Note) Total amount of dividend resolved by 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 the trusts (Board Incentive Plan Trust (3 million yen) and Employee Stock Ownership Plan Trust (41 million yen)).

2 Dividends which the cutoff date was in the six months ended November 30, 2023 and the effective date of which is after the end of the second quarter of the fiscal year ended May 31, 2024.

Not Applicable

3 Significant changes in the amount of shareholders' equity

Not Applicable

(Equity in earnings (loss) of affiliated companies)

Not Applicable

(Translation purposes only)

(Segment Information)

I. Previous second quarter under review (from June 1, 2022 to November 30, 2022)

Segment sales and operating income (loss) by reportable segment

(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	89,328	7,458	11,009	107,796	-	107,796
Intersegment net sales or transfer	-	-	-	-	-	-
Total	89,328	7,458	11,009	107,796	-	107,796
Operating income (loss)	34,515	299	2,352	37,167	-2,460	34,707

(Notes): 1. Segment profit adjustment of minus 2,460 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

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

II. Current second quarter under review (from June 1, 2023 to November 30, 2023)

Segment sales and operating income (loss) by reportable segment

(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	98,388	8,046	10,984	117,419	-	117,419
Intersegment net sales or transfer	-	-	-	-	-	-
Total	98,388	8,046	10,984	117,419	-	117,419
Operating income (loss)	37,867	277	2,447	40,592	-2,270	38,321

(Notes): 1. Segment profit adjustment of minus 2,270 million yen is a Company-wide expense, which primarily relates to administration departments that do not belong to any reported segment.

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

(Translation purposes only)

(Revenue Recognition, etc.)

(Disaggregation of revenues)

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.

(Unit : Million Yen)

	Previous term end (From June 1, 2022 to November 30, 2022)	Current term end (From June 1, 2023 to November 30, 2023)
Cloud services	17,310	23,852
License support	52,554	54,260
Cloud Services & License support	69,864	78,113
Cloud license & on-premise license	19,464	20,275
Cloud & License	89,328	98,388
Hardware systems	7,458	8,046
Services	11,009	10,984
Revenue from contracts with customers	107,796	117,419
Other revenue	-	-
Sales to external customers	107,796	117,419

(Note) Effective from the first quarter of 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 among the goods and services in the Cloud & License segment. Information on the breakdown of revenues for the cumulative second quarter of the previous fiscal year is disclosed based on the classification after the change.

(Translation purposes only)

(Per Share Data)

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

	Previous term end (From June 1, 2022 to November 30, 2022)	Current term end (From June 1, 2023 to November 30, 2023)
(1) Net income per share (yen)	188.49	208.28
(Basis for calculation)		
Net income (millions of yen)	24,158	26,665
Amounts not attributable to owners of common stock (millions of yen)	—	—
Net income attributable to common stock (millions of yen)	24,158	26,665
Average number of shares during the term (thousand shares)	128,169	128,027
(2) Diluted net income per share (yen)	188.45	208.25
(Basis for calculation)		
Adjustment to net income (millions of yen)	—	—
Increase in common stock (thousand shares)	24	19
(Subscription right (thousand shares))	(24)	(19)
Details of shares not included in calculation of diluted net income per share due to non-dilative effect	—	—

(Note) The Company has introduced the "Directors' Remuneration BIP Trust" and the "Stock Grant ESOP Trust". The Company's shares remaining in the BIP Trust and the ESOP Trust, which are posted as treasury stock in shareholders' equity, are included in the treasury stock deducted in the calculation of the average number of shares outstanding during the period for the purpose of calculating net income per share and diluted net income per share (2,441 treasury shares owned by the BIP trust and 77,066 treasury shares owned by the ESOP trust for last year, 17,136 treasury shares owned by the BIP trust and 222,727 treasury shares owned by the ESOP trust for this year).

(Translation purposes only)

(Significant subsequent events)

(Execution of loans of 72,000 million yen to affiliated company)

At a meeting of the Board of Directors held on December 19, 2023 (effective date), the Company resolved to make effective use of the Company's surplus funds by extending a loan to its parent company, Oracle Japan Holding Inc. with a maximum loan amount of 115,000 million yen and a fixed interest rate with a maturity date three years after the effective date. Interest rates on loans are determined rationally, taking market interest rates into consideration.

Based on this resolution, a loan of 72,000 million yen was executed on December 27, 2023. The impact of this transaction on the current fiscal year (ending May 2024) is expected to be immaterial. The balance of long-term loans receivable from subsidiaries and associates as of the date of submission of this quarterly report is 182,000 million yen.

(Translation purposes only)

2. **【Others】**

Not applicable

(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 Review Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

Independent Auditor's Review report

January 10, 2024

Oracle Corporation Japan
The board of Directors

Ernst & Young ShinNihon LLC
Tokyo Office

Designated and Engagement Partner
Hisafumi Nomoto, Certified Public Accountant

Designated and Engagement Partner
Mitsuki Nomura, Certified Public Accountant

<Auditor's conclusion>

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have conducted a quarterly review of the quarterly financial statements of Oracle Corporation Japan listed in the "Status of Accounting" for the second quarter of 39th term commencing on June 1, 2023, and ending on May 31, 2024 (from September 1, 2023 to November 30, 2023) and the cumulative second quarter (from June 1, 2023 to November 30, 2023), which comprise the balance sheet, income statement, cash flows and notes.

In our quarterly review, no matter has come to our attention that causes us to believe that the above quarterly financial statements do not fairly present, in any material respect, the financial condition of Oracle Corporation Japan as of November 30, 2023 and the results of its operations and the status of cash flows in the cumulative second quarter ended November 30, 2023 in accordance with the standards for preparation of quarterly financial statements generally accepted in Japan.

<Basis for the auditor's conclusion>

We conducted a quarterly review in accordance with the quarterly review standards generally accepted in Japan. Our responsibility under the quarterly review standards is described in "Responsibilities of Auditor in Quarterly Review of Quarterly Financial Statements". We are independent of the company and fulfill our other ethical responsibilities as an auditor in accordance with the provisions of professional ethics in Japan. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

<Responsibilities of management and audit committee for the quarterly financial statements>

Management is responsible for the preparation and fair presentation of the quarterly financial statements in accordance with the accounting standards generally accepted in Japan. This responsibility includes development and operation of such internal control as management determines necessary to enable the preparation and fair presentation of the quarterly financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the quarterly financial statements, the management evaluates whether it is appropriate to prepare the quarterly financial statements based on the premise of a going concern, and uses the criteria for preparing the quarterly financial statements generally accepted in Japan. If it is necessary to disclose matters concerning a going concern based on this, it is responsible for disclosing such matters.

The responsibility of the audit committee is to monitor the execution of duties by the executive officers and the directors in the development and operation of the financial reporting process.

(Translation purposes only)

<Responsibilities of Auditor in Quarterly Review of Quarterly Financial Statements>

The auditor's responsibility is to express conclusions on the quarterly financial statements from an independent standpoint in the quarterly review report, based on the quarterly review conducted by the auditor.

The auditor will make professional judgments throughout the quarterly review process in accordance with the quarterly review standards generally accepted in Japan, and will carry out the following with professional skepticism.

- Conduct questions, analytical procedures and other quarterly review procedures mainly for management, persons responsible for financial and accounting matters, etc. The quarterly review procedure is a more limited procedure than the audit of financial statements for the fiscal year conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that there is material uncertainty regarding an event or situation that raises material doubts regarding the going concern assumption, we conclude whether there are no items to believe that it is not properly presented based on the evidence obtained in the quarterly financial statements in accordance with the standards for preparing quarterly financial statements that are generally accepted in Japan. In addition, if significant uncertainties regarding the going concern assumption are found, the quarterly financial statement notes may be noted in the quarterly review report. Or, if the notes in the quarterly financial statements regarding material uncertainties are not appropriate, it is required to express limited or negative conclusions in the quarterly financial statements. The auditor's conclusions are based on evidence obtained by the quarterly review report date, but future events and circumstances may prevent the company from surviving as a going concern.
- Evaluate whether there are no items to believe that the presentation and notes of the quarterly financial statements do not comply with the standards for preparing quarterly financial statements that are generally accepted in Japan. Also, evaluate whether there are no items to believe that the presentation, composition, content of the quarterly financial statements, including relevant notes, and the quarterly financial statements do not properly represent the underlying transactions or accounting events.

The auditor reports to the audit committee on the scope and timing of the planned quarterly review and important findings in the quarterly review.

The auditor reports to the audit committee on compliance with Japan's professional ethics regulations regarding independence, matters that are reasonably considered to affect the independence of the auditor, as well as cases where countermeasures have been established to eliminate obstructions to our independence or cases where safeguards have been applied to reduce these obstructions to allowable levels.

<Interests>

There exists no special interests between the Company and this audit corporation or its engagement partners which is required to be stated pursuant to the provisions of the Certified Public Accountants Act.

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- * 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 review 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】	Confirmation document
【Text used as grounds for document】	Article 24-4-8 paragraph1 of the Financial Instruments and Exchange Act
【For submission to】	Kanto Finance Bureau
【Date of submission】	January 10, 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 of Chief Financial Officer】	S. Krishna Kumar, 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 (Name on the family register : Hiroko Naka), Representative Corporate Executive Officer & Managing Counsel and S. Krishna Kumar, Executive Officer, CFO of the company, confirmed the adequacy of the 39th 2nd Quarter Securities Report based on Financial Instruments and Exchange Act (for the period from September 1, 2023 to November 30, 2023)

2 **【Special mention】**

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